cib marine
BANCSHARES INC
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August 6, 2026

Dear Shareholder,

CIB Marine Bancshares, Inc. ("CIB Marine" or the "Company") is pleased to report its financial results for the quarter and six months ended June 30, 2026. Net income for the quarter and six months ended June 30, 2026, continued to show improvement with the primary driver being net interest income and related net interest margins.

Results of Operations – Summary

Net income rose $0.2 million for the quarter and $0.5 million for the six months ended June 30, 2026, compared to the same periods of last year. Net income per share showed corresponding improvements. Key contributors to the improved results included:

- Net interest margin increased to 3.03% for the quarter and 3.00% for six months ended June 30, 2026, up 34 and 35 basis points, respectively, from the same periods of 2025. Net interest income also improved by $0.5 million and $1.1 million for the quarter and six-month periods, respectively. The improvements resulted from declining cost of funds due to deposit relationship development and repricing activity.
- Cost controls continue to be an area of focus as well. For the six-month period, expenses were down $0.5 million compared to the same period the prior year.

Financial Condition – Summary

Loan portfolio balances declined $10 million during the quarter, and $6 million during the six-month period, as payoffs in residential and commercial mortgages outstripped new funding activity. Efforts have been underway to build our commercial pipeline and our goal is to grow the portfolio in the second half of the year. Noninterest-bearing checking and savings accounts, primarily money market accounts, increased by $3 million and $15 million, respectively, during the first six months of 2026 compared to the same period in 2025.

Additional highlights of our financial condition as of June 30, 2026, include:

- Non-performing assets to total assets improved to 0.87%, and non-accrual loans to total loans improved to 1.09%, from 1.04% and 1.30%, respectively, the prior quarter and from 1.04% and 1.31%, respectively, at December 31, 2025. The allowance for credit losses declined to 1.20% from 1.30% the prior quarter and 1.27% at December 31, 2025. The decline was due to charge-offs associated with an individually assessed relationship and lower loan balances.
- Tangible book value ("TBV") per share of common stock was $61.56, compared to $60.95 at year-end 2025, driven primarily by earnings, partially offset by changes in accumulated other comprehensive income related to unrealized gains (losses) on available for sale securities and stock buybacks. For further insight into other factors affecting TBV: TBV per share excluding deferred tax assets ("DTA") was $52.84 compared to $52.38 on December 31, 2025.

We encourage you to visit our website, www.cibmarine.com, where you will find our audited financial statements, shareholder communications, earnings releases and other financial information. If you prefer a mailed or e-mailed copy of our quarterly results, please contact Shareholder Relations Manager, Elizabeth Neighbors, at (262) 695-6010 or Elizabeth.Neighbors@cibmarine.com to be added to our distribution list.

Common Stock Repurchase Plan

Maximizing shareholder value is our central focus. Improvements have come primarily from growth in net income and additionally from stock repurchases. We have purchased 68,115 shares of CIBH stock – nearly

5% of outstanding shares – at a price of $2.5 million or $36.17 per share, or $25.39 per share below the current tangible book value. Our current plan provides for a maximum repurchase of $3.5 million or, on net, an additional $1.0 million by the end of 2026.

Concluding Comments

To support growth in net interest income, our goals for 2026 include higher commercial loan originations and expanding our core deposit accounts through ongoing relationship management and targeted marketing activities. Other banking priorities include strengthening Mortgage Division results, controlling costs and growing core loan and deposit relationships

We are encouraged by the execution of our 2026 strategic plan thus far and remain focused on delivering sustainable growth and long-term shareholder value. We believe our strong capital position, disciplined risk management, and commitment to relationship banking provide a solid foundation for continued success. We appreciate the trust and support of our shareholders, customers, employees, and communities as we pursue the best outcomes for all stakeholders in the second half of 2026 and beyond.

Sincerely,

J. Brian Chaffin
President & Chief Executive Officer

CIB MARINE BANCSHARES, INC.
Selected Unaudited Consolidated Financial Data

	Quarters Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Selected Statements of Operations Data	(Dollars in thousands, except share and per share data)			
Interest and dividend income	$10,739	$11,017	$21,325	$21,958
Interest expense	4,739	5,541	9,499	11,193
Net interest income	6,000	5,476	11,826	10,765
Provision for (reversal of) credit losses on loans	(26)	9	242	51
Net interest income after provision for (reversal of) credit losses	6,026	5,467	11,584	10,714
Noninterest income (1)	1,337	1,765	2,515	3,317
Noninterest expense	6,191	6,311	12,160	12,684
Income before income taxes	1,172	921	1,939	1,347
Income tax expense	257	253	438	358
Net income	$915	$668	$1,501	$989
Common Share Data				
Basic net income	$0.69	$0.49	$1,14	$0.73
Diluted net income	0.68	0.48	1.12	0.71
Dividends	—	—	—	—
Tangible book value per share (2)	61.56	59.55	61.56	59.55
Book value per share (2)	61.61	59.59	61.61	59.59
Weighted average shares outstanding-basic	1,317,498	1,354,477	1,312,190	1,349,437
Weighted average shares outstanding-diluted	1,345,498	1,402,229	1,345,498	1,396,954
Financial Condition Data				
Total assets	$828,198	$838,441	$828,198	$838,441
Loans	659,768	665,393	659,768	665,393
Allowance for credit losses on loans	(7,903)	(8,793)	(7,903)	(8,793)
Investment securities	124,419	126,795	124,419	126,795
Deposits	666,633	684,480	666,633	684,480
Borrowings	67,804	59,292	67,804	59,292
Stockholders' equity	81,245	80,492	81,245	80,492
Financial Ratios and Other Data				
Performance Ratios:				
Net interest margin (3)	3.03%	2.69%	3.00%	2.65%
Net interest spread (4)	2.46	2.06	2.43	2.02
Noninterest income to average assets (5)	0.66	0.83	0.62	0.78
Noninterest expense to average assets	3.03	3.00	2.99	3.02
Efficiency ratio (6)	84.28	87.24	84.64	90.35
Earnings on average assets (7)	0.45	0.32	0.37	0.24
Earnings on average equity (8)	4.53	3.36	3.71	2.52
Asset Quality Ratios:				
Nonaccrual loans to total loans (9)	1.09%	0.85%	1.09%	0.85%
Nonperforming assets to total assets	0.87	0.68	0.87	0.68
Nonaccrual loans, modified loans to borrowers experiencing financial difficulty and loans 90 days or more past due and still accruing to total loans (9)(10)	1.94	2.33	1.94	2.33
Nonperforming assets, modified loans to borrowers experiencing financial difficulty and loans 90 days or more past due and still accruing to total assets (9)(10)	1.54	1.85	1.54	1.85
Allowance for loan losses to total loans	1.20	1.32	1.20	1.32
Allowance for loan losses to nonaccrual loans, modified loans to borrowers experiencing financial difficulty and loans 90 days or more past due and still accruing (9)	61.87	56.76	61.87	56.76
Net charge-offs (recoveries) to average loans	0.47	(0.02)	0.21	(0.01)
Capital Ratios:				
Total equity to total assets	9.81%	9.60%	9.81%	9.60%
Total risk-based capital ratio	13.84	13.55	13.84	13.55
Tier 1 risk-based capital ratio	11.10	10.82	11.10	10.82
Leverage capital ratio	8.95	8.54	8.95	8.54
Other Data:				
Number of employees (full-time equivalent)	142	144	142	144
Number of banking facilities	9	9	9	9

(1) Noninterest income includes gains and losses on securities.
(2) 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.
(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.
(10) A large loan 90 days or more past due and still accruing was brought current after June 30, 2025, but was also restructured so these ratios will remain the same.

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

	June 30, 2026	December 31, 2025
	(Dollars in thousands)	
Assets		
Cash and due from banks	$8,893	$8,102
Securities available for sale and equity securities	124,419	123,319
Loans held for sale	7,976	8,640
Net loans	651,865	657,734
Other assets	35,045	35,509
Total assets	$828,198	$833,304
Liabilities and Stockholders' Equity		
Deposits	666,633	660,614
Short-term borrowings	57,992	68,022
Long-term borrowings	9,812	9,795
Other liabilities	12,516	13,459
Total liabilities	746,953	751,890
Stockholders' Equity		
Total stockholders' equity	81,245	81,414
Total liabilities and stockholders' equity	$828,198	$833,304

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

	Quarters Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(Dollars in thousands)			
Interest income	10,739	11,017	21,325	21,958
Interest expense	4,739	5,541	9,499	11,193
Net interest income	6,000	5,476	11,826	10,765
Provision for (reversal of) credit losses	(26)	9	242	51
Net interest income after provision for (reversal of) credit losses	6,026	5,467	11,584	10,714
Noninterest income	1,337	1,765	2,515	3,317
Compensation and employee benefits	3,800	4,060	7,526	8,126
Equipment, occupancy, and premises	1,034	1,102	2,126	2,210
Other expense	1,357	1,149	2,508	2,348
Total noninterest expense	6,191	6,311	12,160	12,684
Income from operations before income taxes	1,172	921	1,939	1,347
Income tax expense	257	253	438	358
Net income	915	668	1,501	989
Discount from repurchase of preferred shares	—	—	—	—
Net income allocated to common stockholders	**$915**	**$668**	**$1,501**	**$989**