



FOR IMMEDIATE RELEASE  
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### **CIB MARINE BANCSHARES, INC. ANNOUNCES FIRST QUARTER 2019 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 first quarter of 2019. *Net income for the quarter ended March 31, 2019, was \$0.6 million or \$0.03 basic and \$0.02 diluted earnings per share, compared to \$0.7 million or \$0.04 basic and \$0.02 diluted earnings per share for the same period of 2018. Pre-tax income for the quarter ended March 31, 2019, was \$0.9 million compared to \$1.0 million for the same period of 2018.*

Select highlights for the quarter include:

- Tangible book value per share and stated book value per share at March 31, 2019, were \$2.90 and \$2.53 per share of common stock, respectively, compared to \$2.82 and \$2.45, respectively, at December 31, 2018. The increase reflects income for the quarter and a reduction in accumulated other comprehensive loss due to improved available for sale security values as a result of lower mid- and long-term interest rates.
- Income before taxes for subsidiary CIBM Bank was \$0.8 million for the quarter ended March 31, 2019, compared to \$1.1 million in the same period of 2018. Comparing the two periods, there was a \$0.6 million decrease in non-interest income due primarily to lower mortgage production resulting in a \$0.4 million decline in net mortgage banking revenues, and reduced SBA originations resulting in a \$0.1 million decline in gain on sale of assets. There was likewise a reduction in non-interest expenses of \$0.3 million due to a decline in compensation related mainly to the reduction in residential and SBA loan production.
- Non-performing assets, restructured loans, and loans 90 days or more past due and still accruing to total assets was 1.51% at March 31, 2019, versus 1.45% at December 31, 2018, and 0.85% at March 31, 2018. The increase from one year prior is primarily the result of one loan placed on non-accrual during the fourth quarter of 2018. CIB Marine’s allowance for loan losses to total loans was 1.61% and had net recoveries of loans previously charged of \$76,000 for the quarter ending March 31, 2019, compared to 1.55% and net charge-offs of \$244,000 during the same period ending in 2018.

Mr. J. Brian Chaffin, President and CEO of CIBM, commented, “Net interest income was up for the first

quarter compared to the first quarter of last year and, although it was behind compared to the fourth quarter of 2018, our net interest margin improved slightly over that same period. Our net interest margin has been challenged with rising cost of funds and some of our unique lower spread higher quality assets, like the SBA repo, even though the latter contributes favorably to the bottom line.”

He added, “Our corporate banking team opened the year with stronger than budgeted originations despite a \$5 million reduction of high-quality, short-term commercial paper in the loan portfolio. Our non-interest income business lines had a softer first quarter as our SBA group felt the effects of the government shut-down and our mortgage group was impacted by seasonal factors. Although we did not record any gains on the sale of SBA loans in the first quarter of 2019, the pipeline has grown and, coupled with lower mortgage rates, a seasonal turn in housing, and our welcoming of several new originators to the mortgage team, we are planning on a stronger second quarter for non-interest income.

“CIBM Bank and the industry as a whole have seen a significant upturn in their cost of funds and, in particular, at the margin for new and repricing deposits used to help fund the strong loan growth seen in our markets the last several years. CIBM continues to focus on its deposit products and services and plans to enhance them in 2019 through the addition of person-to-person and person-to-business electronic money transfer capabilities, and reciprocal deposit services (i.e., a transparent and convenient way of providing broader FDIC insurance coverage for larger balance clients). To support developing new deposit customers, we have upgraded our website, unified all markets and divisions under the name CIBM Bank, focused on ways to make banking with us easier and more convenient, and established a full-time marketing director position to ensure more consistent and proactive marketing activities in the future.

“Lastly, our shareholder meeting is just around the corner. We plan on providing an update on our banking activities and our preferred stock activities at the meeting, which will be held on April 25<sup>th</sup> in Champaign, Illinois. We hope to see many of you there.”

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

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#### **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.*

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**CIB MARINE BANCSHARES, INC.**  
**Selected Unaudited Consolidated Financial Data**

	At or for the						
	Quarters Ended					3 Months Ended	
	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018	March 31, 2019	March 31, 2018
(Dollars in thousands, except share and per share data)							
<b>Selected Statement of Operations Data</b>							
Interest and dividend income	\$ 7,015	\$ 7,009	\$ 6,798	\$ 6,387	\$ 6,009	\$ 7,015	\$ 6,009
Interest expense	2,178	2,064	1,767	1,406	1,185	2,178	1,185
Net interest income	4,837	4,945	5,031	4,981	4,824	4,837	4,824
Provision for (reversal of) loan losses	(158)	(1,195)	(13)	149	(126)	(158)	(126)
Net interest income after provision for (reversal of) loan losses	4,995	6,140	5,044	4,832	4,950	4,995	4,950
Noninterest income (1)	1,362	1,546	3,063	2,968	1,832	1,362	1,832
Noninterest expense	5,505	6,415	6,871	6,737	5,824	5,505	5,824
Income before income taxes	852	1,271	1,236	1,063	958	852	958
Income tax expense	229	313	345	241	289	229	289
Net income	\$ 623	\$ 958	\$ 891	\$ 822	\$ 669	\$ 623	\$ 669
<b>Common Share Data</b>							
Basic net income per share (2)	\$ 0.03	\$ 0.05	\$ 0.14	\$ 0.05	\$ 0.04	\$ 0.03	\$ 0.04
Diluted net income per share (2)	0.02	0.03	0.07	0.02	0.02	0.02	0.02
Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tangible book value per share (3)	2.90	2.82	2.71	2.58	2.54	2.90	2.54
Book value per share (3)	2.53	2.45	2.34	2.10	2.06	2.53	2.06
Weighted average shares outstanding - basic	18,232,169	18,232,169	18,232,169	18,209,032	18,161,989	18,232,169	18,161,989
Weighted average shares outstanding - diluted	32,815,744	32,757,855	34,589,375	36,783,724	36,544,029	32,815,744	36,544,029
<b>Financial Condition Data</b>							
Total assets	\$ 702,152	\$ 721,259	\$ 723,733	\$ 694,812	\$ 663,580	\$ 702,152	\$ 663,580
Loans	489,273	491,337	507,677	488,762	472,746	489,273	472,746
Allowance for loan losses	(7,865)	(7,947)	(8,217)	(8,055)	(7,331)	(7,865)	(7,331)
Investment securities	123,500	121,281	118,345	119,571	115,596	123,500	115,596
Deposits	542,938	536,931	523,729	517,452	484,258	542,938	484,258
Borrowings	57,220	86,710	104,357	76,427	79,227	57,220	79,227
Stockholders' equity	92,507	91,035	88,993	97,313	97,407	92,507	97,407
<b>Financial Ratios and Other Data</b>							
<b>Performance Ratios:</b>							
Net interest margin (4)	2.94%	2.89%	2.97%	3.15%	3.20%	2.94%	3.20%
Net interest spread (5)	2.64%	2.62%	2.72%	2.92%	3.00%	2.64%	3.00%
Noninterest income to average assets (6)	0.78%	0.84%	1.72%	1.77%	1.15%	0.78%	1.15%
Noninterest expense to average assets	3.14%	3.54%	3.82%	3.99%	3.63%	3.14%	3.63%
Efficiency ratio (7)	88.80%	99.18%	84.63%	84.56%	87.28%	88.80%	87.28%
Earnings on average assets (8)	0.36%	0.53%	0.50%	0.49%	0.42%	0.36%	0.42%
Earnings on average equity (9)	2.76%	4.23%	3.77%	3.36%	2.78%	2.76%	2.78%
<b>Asset Quality Ratios:</b>							
Nonaccrual loans to loans (10)	1.29%	1.34%	0.73%	0.53%	0.19%	1.29%	0.19%
Nonaccrual loans, restructured loans and loans 90 days or more past due and still accruing to total loans (10)	1.66%	1.62%	1.09%	0.82%	0.53%	1.66%	0.53%
Nonperforming assets, restructured loans and loans 90 days or more past due and still accruing to total assets (10)	1.51%	1.45%	1.11%	0.94%	0.85%	1.51%	0.85%
Allowance for loan losses to total loans (10)	1.61%	1.62%	1.62%	1.65%	1.55%	1.61%	1.55%
Allowance for loan losses to nonaccrual loans, restructured loans and loans 90 days or more past due and still accruing (10)	96.96%	99.72%	148.99%	200.97%	294.77%	96.96%	294.77%
Net charge-offs (recoveries) annualized to average loans (10)	(0.06%)	(0.74%)	(0.14%)	(0.48%)	0.21%	(0.06%)	0.21%
<b>Capital Ratios:</b>							
Total equity to total assets	13.17%	12.62%	12.30%	14.01%	14.68%	13.17%	14.68%
Total risk-based capital ratio	15.56%	15.34%	14.43%	16.40%	16.90%	15.56%	16.90%
Tier 1 risk-based capital ratio	14.30%	14.09%	13.18%	15.14%	15.64%	14.30%	15.64%
Leverage capital ratio	10.39%	10.10%	9.90%	11.70%	12.15%	10.39%	12.15%
<b>Other Data:</b>							
Number of employees (full-time equivalent)	177	183	188	184	184	177	184
Number of banking facilities	11	11	11	11	11	11	11

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

(2) 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, and that difference was \$1.7 million and \$0.1 million for the third and second quarters of 2018, respectively.

(3) 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. As presented here, shares of common outstanding excludes unvested Restricted Stock Awards totalling 1,331,384 shares of common stock at March 31, 2019.

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

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

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

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

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

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

(10) Excludes loans held for sale.

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

	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018
(Dollars in Thousands, Except Shares)					
<b>Assets</b>					
Cash and due from banks	\$ 8,168	\$ 13,037	\$ 10,055	\$ 9,752	\$ 10,829
Reverse repurchase agreements	42,729	58,662	45,076	28,403	23,032
Securities available for sale	121,115	118,926	116,013	117,221	113,227
Equity securities at fair value	2,385	2,355	2,332	2,350	2,369
Loans held for sale	4,467	4,632	8,145	15,407	6,689
Loans	489,273	491,337	507,677	488,762	472,746
Allowance for loan losses	(7,865)	(7,947)	(8,217)	(8,055)	(7,331)
Net loans	481,408	483,390	499,460	480,707	465,415
Federal Home Loan Bank Stock	2,003	3,172	3,870	2,610	2,857
Premises and equipment, net (1)	7,220	4,498	4,409	4,296	4,314
Accrued interest receivable	1,873	1,570	1,858	1,580	1,583
Deferred tax assets, net	21,156	21,422	22,410	22,604	22,836
Other real estate owned, net	2,466	2,486	2,494	2,494	3,164
Bank owned life insurance	4,613	4,590	4,565	4,541	4,516
Goodwill and other intangible assets	171	176	181	187	193
Other assets	2,378	2,343	2,865	2,660	2,556
Total Assets	\$ 702,152	\$ 721,259	\$ 723,733	\$ 694,812	\$ 663,580
<b>Liabilities and Stockholders' Equity</b>					
Deposits:					
Noninterest-bearing demand	\$ 62,553	\$ 63,507	\$ 69,165	\$ 72,839	\$ 74,397
Interest-bearing demand	32,467	33,660	33,701	32,615	34,657
Savings	188,110	181,432	164,603	175,343	182,795
Time	259,808	258,332	256,260	236,655	192,409
Total deposits	542,938	536,931	523,729	517,452	484,258
Short-term borrowings	57,220	86,710	104,357	76,427	79,227
Accrued interest payable	727	710	694	497	398
Other liabilities	8,760	5,873	5,960	3,123	2,290
Total liabilities	609,645	630,224	634,740	597,499	566,173
<b>Stockholders' Equity</b>					
Preferred stock, \$1 par value; 5,000,000 authorized shares; 7% fixed rate noncumulative perpetual issued; 42,955 shares of series A and 3,380 shares of series B; convertible; aggregate liquidation preference- \$46.3 million	39,384	39,384	39,384	50,107	51,000
Common stock, \$1 par value; 75,000,000 authorized shares; 18,455,610 issued shares; 18,244,563 outstanding shares	18,456	18,456	18,454	18,454	18,384
Capital surplus	160,930	160,815	160,716	158,903	158,749
Accumulated deficit	(125,173)	(125,796)	(126,754)	(127,140)	(127,962)
Accumulated other comprehensive loss, net	(556)	(1,290)	(2,273)	(2,477)	(2,230)
Treasury stock 221,902 shares at cost	(534)	(534)	(534)	(534)	(534)
Total stockholders' equity	92,507	91,035	88,993	97,313	97,407
Total liabilities and stockholders' equity	\$ 702,152	\$ 721,259	\$ 723,733	\$ 694,812	\$ 663,580

(1) Increase in premise and equipment, net in 2018 is due to the adoption of new lease accounting standards effective January 1, 2019.

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

	At or for the					3 Months Ended	
	Quarters Ended						
	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018	March 31, 2019	March 31, 2018
	(Dollars in thousands)						
<b>Interest Income</b>							
Loans	\$ 5,693	\$ 5,686	\$ 5,638	\$ 5,372	\$ 5,125	\$ 5,693	\$ 5,125
Loans held for sale	85	86	112	117	73	85	73
Securities	804	828	720	720	775	804	775
Other investments	433	409	328	178	36	433	36
Total interest income	7,015	7,009	6,798	6,387	6,009	7,015	6,009
<b>Interest Expense</b>							
Deposits	1,805	1,547	1,343	1,038	948	1,805	948
Short-term borrowings	373	517	424	368	237	373	237
Total interest expense	2,178	2,064	1,767	1,406	1,185	2,178	1,185
Net interest income	4,837	4,945	5,031	4,981	4,824	4,837	4,824
Provision for (reversal of) loan losses	(158)	(1,195)	(13)	149	(126)	(158)	(126)
Net interest income after provision for (reversal of) loan losses	4,995	6,140	5,044	4,832	4,950	4,995	4,950
<b>Noninterest Income</b>							
Deposit service charges	83	79	105	110	111	83	111
Other service fees	20	31	30	40	34	20	34
Mortgage Banking revenue, net	978	1,057	1,760	2,155	1,374	978	1,374
Other income	165	143	173	153	132	165	132
Net gains (losses) on sale of securities available for sale	0	0	(7)	0	22	0	22
Unrealized gains (losses) recognized on equity securities	30	23	(18)	(18)	(39)	30	(39)
Net gains on sale of assets	86	213	1,020	528	198	86	198
Total noninterest income	1,362	1,546	3,063	2,968	1,832	1,362	1,832
<b>Noninterest Expense</b>							
Compensation and employee benefits	3,687	4,206	4,514	4,682	4,056	3,687	4,056
Equipment	335	364	351	337	311	335	311
Occupancy and premises	456	423	378	422	417	456	417
Data Processing	166	169	184	162	154	166	154
Federal deposit insurance	82	74	51	48	49	82	49
Professional services	140	270	623	290	166	140	166
Telephone and data communication	78	86	78	79	78	78	78
Insurance	53	47	60	63	61	53	61
Other expense	508	776	632	654	532	508	532
Total noninterest expense	5,505	6,415	6,871	6,737	5,824	5,505	5,824
Income from operations before income taxes	852	1,271	1,236	1,063	958	852	958
Income tax expense	229	313	345	241	289	229	289
<b>Net income</b>	623	958	891	822	669	623	669
Preferred stock dividend	0	0	0	0	0	0	0
Discount from repurchase of preferred shares	0	0	1,703	105	0	0	0
<b>Net income allocated to common stockholders</b>	\$ 623	\$ 958	\$ 2,594	\$ 927	\$ 669	\$ 623	\$ 669