



FOR IMMEDIATE RELEASE
April 12, 2021

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

CIB MARINE BANCSHARES, INC. ANNOUNCES FIRST QUARTER 2021 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 2021. *Net income for the quarter ended March 31, 2021, was \$2.1 million or \$1.67 basic and \$0.97 diluted earnings per share, compared to \$0.8 million or \$0.63 basic and \$0.36 diluted earnings per share for the same period of 2020.*

Financial highlights for the quarter include:

- Tangible book value attributable to the common stock increased to \$53.25 per share outstanding at March 31, 2021 compared to \$52.28 at December 31, 2020, and \$46.05 at March 31, 2020, reflecting a 15.7% year-on-year increase.
- Net mortgage banking revenues were up \$2.8 million for the quarter versus the same period of 2020, reflecting a \$63 million increase in residential mortgage loans for the period, due primarily to refinance activity driven by lower interest rates. Compensation expenses increased \$1.5 million compared to the same period in 2020, largely related to mortgage lending compensation.
- When compared to the first quarter of 2020, first quarter 2021 net interest income was up \$0.8 million; net interest margin was up 19 basis points to 3.23%, reflecting an 89 basis point improvement in the cost of interest bearing liabilities compared to a 55 basis point decline in interest earning asset yields; and average interest earning assets were up \$65 million, primarily in commercial segment loans and residential loans held for sale.
- 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 0.52% and 0.23%, respectively, at March 31, 2021, compared to 0.54% and 0.23%, respectively, at December 31, 2020, and down from 1.24% and 0.97%, respectively, at March 31, 2020. Recent measures continue to be near this credit cycle’s best.
- During the first quarter, CIBM Bank originated \$18 million in new Paycheck Protection Plan (PPP) loans and received SBA forgiveness funding to close \$19 million in PPP loans originated in 2020.

- Deposits for checking, savings, and money market accounts grew by \$44 million during the quarter, reflecting federal fiscal and monetary policies (e.g., low interest rates) and marketing activity results.

Mr. J. Brian Chaffin, CIB Marine’s President and CEO, commented, “We are pleased with another quarter of strong income and a return on average assets of 1.14% due to continued strength in mortgage lending activity and solid progress in the net interest margin. We typically see a seasonal uptick in purchase money mortgage activity in the warmer months, and we expect that to be countered by reduced refinance activity as a result of the recent increase in long term interest rates.

“Our balance sheet has grown since year-end as a result of (a) surging checking and money market account balances due, in part, to federal economic stimulus policies and programs and (b) steady commercial loan production, which has replaced residential loan balances as refinanced mortgages are sold. While the banking industry as a whole performed better than many experts predicted over the past year, and CIBM performed even better than the peer, particularly with regard to credit metrics, we remain cautious about future credit quality in higher risk segments of the loan portfolio due to the lingering impact of the pandemic,” he concluded.

CIB Marine Bancshares, Inc. is the holding company for CIBM Bank, which operates ten 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					3 Months Ended		
	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020	March 31, 2021	March 31, 2020	
(Dollars in thousands, except share and per share data)								
Selected Statement of Operations Data:								
Interest and dividend income	\$ 6,265	\$ 6,489	\$ 7,202	\$ 6,669	\$ 6,636	\$ 6,265	\$ 6,636	
Interest expense	536	765	1,017	1,343	1,689	536	1,689	
Net interest income	5,729	5,724	6,185	5,326	4,947	5,729	4,947	
Provision for loan losses	20	101	501	249	202	20	202	
Net interest income after provision for loan losses	5,709	5,623	5,684	5,077	4,745	5,709	4,745	
Noninterest income (1)	5,146	6,566	8,104	4,489	2,642	5,146	2,642	
Noninterest expense	7,940	9,317	9,056	7,308	6,322	7,940	6,322	
Income before income taxes	2,915	2,872	4,732	2,258	1,065	2,915	1,065	
Income tax expense	798	565	1,322	575	281	798	281	
Net income	\$ 2,117	\$ 2,307	\$ 3,410	\$ 1,683	\$ 784	\$ 2,117	\$ 784	
Common Share Data (2):								
Basic net income per share (3)	\$ 1.67	\$ 1.82	\$ 2.69	\$ 1.36	\$ 0.63	\$ 1.67	\$ 0.63	
Diluted net income per share (3)	0.97	1.06	1.56	0.79	0.36	0.98	0.36	
Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Tangible book value per share (4)	53.25	52.28	50.35	47.25	46.05	53.25	46.05	
Book value per share (4)	48.21	47.19	45.27	42.00	40.95	48.21	40.95	
Weighted average shares outstanding - basic	1,268,947	1,267,584	1,267,582	1,266,174	1,248,275	1,268,947	1,248,275	
Weighted average shares outstanding - diluted	2,185,433	2,181,142	2,181,868	2,160,201	2,155,315	2,185,433	2,155,315	
Financial Condition Data:								
Total assets	\$ 752,715	\$ 750,982	\$ 793,604	\$ 793,151	\$ 705,473	\$ 752,715	\$ 705,473	
Loans	540,206	539,227	546,351	535,692	513,992	540,206	513,992	
Allowance for loan losses	(9,253)	(9,122)	(9,037)	(8,483)	(8,107)	(9,253)	(8,107)	
Investment securities	112,400	108,492	107,351	113,303	120,105	112,400	120,105	
Deposits	608,433	586,373	593,370	566,811	531,999	608,433	531,999	
Borrowings	30,736	51,310	87,994	120,233	68,950	30,736	68,950	
Stockholders' equity	105,593	103,704	101,271	97,347	95,841	105,593	95,841	
Financial Ratios and Other Data:								
Performance Ratios:								
Net interest margin (5)	3.23%	3.14%	3.30%	2.96%	3.04%	3.23%	3.04%	
Net interest spread (6)	3.13%	3.01%	3.16%	2.76%	2.78%	3.13%	2.78%	
Noninterest income to average assets (7)	2.79%	3.43%	4.12%	2.36%	1.51%	2.79%	1.51%	
Noninterest expense to average assets	4.27%	4.86%	4.60%	3.86%	3.67%	4.27%	3.67%	
Efficiency ratio (8)	72.72%	75.77%	63.38%	74.61%	83.74%	72.72%	83.74%	
Earnings on average assets (9)	1.14%	1.20%	1.73%	0.89%	0.45%	1.14%	0.45%	
Earnings on average equity (10)	8.10%	8.83%	13.51%	6.97%	3.32%	8.10%	3.32%	
Asset Quality Ratios:								
Nonaccrual loans to loans (11)	0.23%	0.23%	0.32%	0.92%	0.97%	0.23%	0.97%	
Nonaccrual loans, restructured loans and loans 90 days or more past due and still accruing to total loans (11)	0.37%	0.40%	0.49%	1.07%	1.25%	0.37%	1.25%	
Nonperforming assets, restructured loans and loans 90 days or more past due and still accruing to total assets (11)	0.52%	0.54%	0.60%	1.02%	1.24%	0.52%	1.24%	
Allowance for loan losses to total loans (11)	1.71%	1.69%	1.65%	1.58%	1.58%	1.71%	1.58%	
Allowance for loan losses to nonaccrual loans, restructured loans and loans 90 days or more past due and still accruing (11)	459.21%	421.14%	338.59%	147.79%	126.26%	459.21%	126.26%	
Net charge-offs (recoveries) annualized to average loans (11)	-0.08%	0.01%	-0.04%	-0.09%	0.08%	-0.01%	0.15%	
Capital Ratios:								
Total equity to total assets	14.03%	13.81%	12.76%	12.27%	13.59%	14.03%	13.59%	
Total risk-based capital ratio	18.15%	17.44%	16.13%	15.49%	15.36%	18.15%	15.36%	
Tier 1 risk-based capital ratio	16.89%	16.19%	14.87%	14.23%	14.11%	16.89%	14.11%	
Leverage capital ratio	11.88%	11.46%	11.20%	10.82%	11.08%	11.88%	11.08%	
Other Data:								
Number of employees (full-time equivalent)	179	176	176	177	177	179	177	
Number of banking facilities	10	11	11	11	11	10	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 \$0.03 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)

	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
(Dollars in Thousands, Except Shares)					
Assets					
Cash and due from banks	\$ 51,691	\$ 29,927	\$ 30,544	\$ 9,120	\$ 9,006
Reverse repurchase agreements	-	-	8,208	18,117	3,622
Securities available for sale	109,965	106,014	104,866	110,818	117,640
Equity securities at fair value	2,435	2,478	2,485	2,485	2,465
Loans held for sale	18,136	42,977	67,496	83,997	24,988
Loans	540,206	539,227	546,351	535,692	513,992
Allowance for loan losses	(9,253)	(9,122)	(9,037)	(8,483)	(8,107)
Net loans	530,953	530,105	537,314	527,209	505,885
Federal Home Loan Bank Stock	3,140	3,140	3,140	2,948	2,947
Premises and equipment, net	4,476	4,682	4,667	4,679	4,769
Accrued interest receivable	1,983	2,050	2,075	1,973	1,610
Deferred tax assets, net	16,417	16,292	18,547	19,325	19,509
Other real estate owned, net	1,875	1,875	2,103	2,334	2,335
Bank owned life insurance	4,831	4,802	4,774	4,745	4,718
Goodwill and other intangible assets	126	131	137	142	148
Other assets	6,687	6,509	7,248	5,259	5,831
Total Assets	<u>\$ 752,715</u>	<u>\$ 750,982</u>	<u>\$ 793,604</u>	<u>\$ 793,151</u>	<u>\$ 705,473</u>
Liabilities and Stockholders' Equity					
Deposits:					
Noninterest-bearing demand	\$ 109,466	\$ 92,544	\$ 91,134	\$ 90,450	\$ 67,459
Interest-bearing demand	63,033	59,679	61,262	54,288	47,760
Savings	268,026	243,888	225,724	205,470	196,797
Time	167,908	190,262	215,250	216,603	219,983
Total deposits	608,433	586,373	593,370	566,811	531,999
Short-term borrowings	30,736	51,310	54,052	77,273	68,950
Long-term borrowings	-	-	33,942	42,960	-
Accrued interest payable	140	246	398	447	543
Other liabilities	7,813	9,349	10,571	8,313	8,140
Total liabilities	647,122	647,278	692,333	695,804	609,632
Stockholders' Equity					
Preferred stock, \$1 par value; 5,000,000 authorized shares at both March 31, 2021 and December 31, 2020; 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	37,308	37,490
Common stock, \$1 par value; 75,000,000 authorized shares; 1,294,665 and 1,282,385 issued shares; 1,280,596 and 1,268,316 outstanding shares at March 31, 2021 and December 31, 2020, respectively. (1)(2)	1,295	1,282	1,282	19,240	19,162
Capital surplus (2)	179,291	179,188	179,090	161,032	160,990
Accumulated deficit	(113,452)	(115,569)	(117,875)	(121,285)	(122,969)
Accumulated other comprehensive income, net	1,685	2,029	2,000	1,586	1,702
Treasury stock, 14,791 shares on March 31, 2021 and December 31, 2020 and 221,902 shares prior at cost (2)	(534)	(534)	(534)	(534)	(534)
Total stockholders' equity	105,593	103,704	101,271	97,347	95,841
Total liabilities and stockholders' equity	<u>\$ 752,715</u>	<u>\$ 750,982</u>	<u>\$ 793,604</u>	<u>\$ 793,151</u>	<u>\$ 705,473</u>

(1) Both issued and outstanding shares as stated here exclude 75,146 shares of unvested restricted stock awards at March 31, 2021 and 59,842 at December 31, 2020.

(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							
	Quarters Ended					3 Months Ended		
	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020	March 31, 2021	March 31, 2020	
	(Dollars in thousands)							
Interest Income								
Loans	\$ 5,524	\$ 5,577	\$ 6,054	\$ 5,540	\$ 5,703	\$ 5,524	\$ 5,703	
Loans held for sale	175	331	537	451	119	175	119	
Securities	555	564	573	661	763	555	763	
Other investments	11	17	38	17	51	11	51	
Total interest income	6,265	6,489	7,202	6,669	6,636	6,265	6,636	
Interest Expense								
Deposits	512	735	942	1,263	1,512	512	1,512	
Short-term borrowings	24	30	38	54	177	24	177	
Long-term borrowings	0	0	37	26	0	0	0	
Total interest expense	536	765	1,017	1,343	1,689	536	1,689	
Net interest income	5,729	5,724	6,185	5,326	4,947	5,729	4,947	
Provision for loan losses	20	101	501	249	202	20	202	
Net interest income after provision for loan losses	5,709	5,623	5,684	5,077	4,745	5,709	4,745	
Noninterest Income								
Deposit service charges	84	91	89	88	96	84	96	
Other service fees	40	37	36	36	20	40	20	
Mortgage banking revenue, net	4,983	6,387	7,741	3,990	2,177	4,983	2,177	
Other income	192	165	226	266	265	192	265	
Net gains on sale of securities available for sale	0	0	0	0	0	0	0	
Unrealized gains (losses) recognized on equity securities	(43)	(6)	0	20	39	(43)	39	
Net gains (loss) on sale of SBA loans	0	55	(55)	87	437	0	437	
Net gains (losses) on sale of assets and (writedowns)	(110)	(163)	67	2	(392)	(110)	(392)	
Total noninterest income	5,146	6,566	8,104	4,489	2,642	5,146	2,642	
Noninterest Expense								
Compensation and employee benefits	5,956	7,015	7,329	5,451	4,421	5,956	4,421	
Equipment	379	402	352	379	363	379	363	
Occupancy and premises	434	452	390	407	460	434	460	
Data Processing	185	178	177	155	164	185	164	
Federal deposit insurance	48	49	48	47	0	48	0	
Professional services	253	322	162	242	298	253	298	
Telephone and data communication	60	82	71	67	68	60	68	
Insurance	68	62	58	55	54	68	54	
Other expense	557	755	469	505	494	557	494	
Total noninterest expense	7,940	9,317	9,056	7,308	6,322	7,940	6,322	
Income from operations before income taxes	2,915	2,872	4,732	2,258	1,065	2,915	1,065	
Income tax expense	798	565	1,322	575	281	798	281	
Net income	2,117	2,307	3,410	1,683	784	2,117	784	
Preferred stock dividend	0	0	0	0	0	0	0	
Discount from repurchase of preferred stock	0	0	33	0	0	0	0	
Net income allocated to common stockholders	\$ 2,117	\$ 2,307	\$ 3,443	\$ 1,683	\$ 784	\$ 2,117	\$ 784	