



FOR IMMEDIATE RELEASE
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CIB MARINE BANCSHARES, INC. ANNOUNCES SECOND 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 six months and quarter ended June 30, 2021. *Net income for the six months was \$3.5 million compared to \$2.5 million for the same period in 2020, and \$1.4 million for the quarter compared to \$1.7 million for the same quarter in 2020.*

Financial highlights include:

- Return on average assets improved to 0.94% for the six months, compared to 0.68% for the same period in 2020; and 0.74% for the quarter compared to 0.89% for the same period of 2020.
- Tangible book value attributable to the common stock increased to \$54.19 per share outstanding at June 30, 2021, compared to \$52.28 at December 31, 2020, and \$47.25 at June 30, 2020, reflecting a 12-month increase of 14.7%.
- Net interest income was up for the six months and the quarter by \$1.2 million and \$0.5 million, respectively, compared to the same periods in 2020. The primary reason for the change is a 74 basis point and 60 basis point decline in the cost of interest bearing liabilities over the respective time periods, compared to a 36 and 19 basis point change in yields on interest earning assets, respectively. The change in the cost of interest bearing liabilities is due to repricing in a lower rate environment and a shift in balances from higher rate time deposits to lower rate money market and non-interest bearing checking accounts. In addition, yields on loans have declined slowly due to the predominantly fixed rate nature of the portfolio and a change in portfolio mix away from lower earning residential loans in favor of higher earning commercial real estate loans. As a result, the net interest margin as of June 30, 2021, is 3.24%, which is 24 basis points higher than at June 30, 2020.
- Net mortgage banking revenues were up \$1.6 million for the six months and down \$1.2 million for the quarter, compared to the same periods of 2020. The decline in the quarter-end results was primarily due to the exceptional levels of mortgage refinance activity and pricing margins in 2020, and the increase in the six-month results is due to the relative strength of first quarter production in 2021 compared to the same period in 2020. Although mortgage rates are up 25 to

50 basis points from last year, the total origination of mortgage loans for the six months ended June 30, 2021, was \$239 million compared to \$218 million in the same period of 2020, with the current year production comprised of more purchase money and cash out refinance mortgage loans.

- Compensation expenses increased \$1.2 million for the six-month period compared to the same period last year, primarily due to increased performance-related compensation in the mortgage division.
- 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 0.29% and 0.19%, respectively, at June 30, 2021, down from 0.54% and 0.23%, respectively, at December 31, 2020, and 1.02% and 0.92%, respectively, at June 30, 2020. The results continue to be near this credit cycle's best, due in part to fiscal support measures for businesses in certain sectors, the credit resolution of a few large loans, and the sale of OREO property.
- During the six months ended June 30, 2021, CIBM Bank originated \$19 million in round two Paycheck Protection Program (PPP) loans. As of June 30, 2021, CIBM Bank had received \$37 million in SBA forgiveness funding for the approximately \$43 million in PPP loans originated in 2020; and \$1 million of forgiveness for PPP loans originated in 2021. The forgiveness funding rate per loan as a percent of the original loan balance has been 100% to date.
- Checking account deposits grew by \$31.1 million, and savings and money market account deposits grew by \$22.2 million, from December 31, 2020 to June 30, 2021, reflecting federal fiscal and monetary policies (e.g., low interest rates and liquidity support programs) as well as ongoing marketing activity results.

Mr. J. Brian Chaffin, CIB Marine's President and CEO, commented, "Improvements to our cost of funds and higher commercial loan balances have supported strong growth of \$1.2 million in our net interest income year-to-date. Solid mortgage origination production is above where it was last year at this time, but the pipeline of loans not yet closed is lower compared to this time in 2020 due in part to the higher interest rates and lower levels of rate refinance activity. SBA lending activity in the first six months of 2021 has again been dominated by PPP loan activity, including originations and forgiveness funding. We have begun to originate SBA 7(a) loans again; up to \$3 million may be ready for sale in the second half of 2021 and more production is expected in the future."

Noting an increase in deposit balances across the financial industry as a whole, Mr. Chaffin commented, "Total balances in combined checking, savings, and money market products at CIBM Bank increased \$99 million over the last 12 months and \$53 million the last six months due, in part, to federal economic stimulus policies and programs. We expect these balances to recede in the future as stimulus

monies are spent and further when short-term interest rates begin to rise.”

He also remarked on non-performing loan credit metrics at or near cyclical bests, noting, “We are very pleased with the results, due in part to the diversification of the portfolio by segment and commercial real estate property type. However, we remain cautious about future credit quality in higher risk segments of the portfolio due to the lingering impact of the pandemic. As a result, although down from the prior quarter- and year-end, we continue to have a higher than normal loan loss reserve reflecting, in part, higher environmental factor adjustments.

“Finally, we know our shareholders are anxiously awaiting news on the status of negotiations regarding our plan to repurchase preferred stock. Progress has been slower than expected, but continues. We ask for your patience as we work through the process. If we are able to reach an agreement on a proposal that will benefit all shareholders, we will present it for approval in a new proxy statement. If such an agreement is not possible, we will notify shareholders and the Annual Meeting will proceed as currently scheduled on July 29th,” 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					6 Months Ended		
	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	June 30, 2021	June 30, 2020	
(Dollars in thousands, except share and per share data)								
Selected Statement of Operations Data:								
Interest and dividend income	\$ 6,239	\$ 6,265	\$ 6,489	\$ 7,202	\$ 6,669	\$ 12,504	\$ 13,305	
Interest expense	456	536	765	1,017	1,343	992	3,032	
Net interest income	5,783	5,729	5,724	6,185	5,326	11,512	10,273	
Provision for (reversal of) loan losses	(300)	20	101	501	249	(280)	451	
Net interest income after provision for (reversal of) loan losses	6,083	5,709	5,623	5,684	5,077	11,792	9,822	
Noninterest income (1)	3,135	5,146	6,566	8,104	4,489	8,281	7,131	
Noninterest expense	7,279	7,940	9,317	9,056	7,308	15,219	13,630	
Income before income taxes	1,939	2,915	2,872	4,732	2,258	4,854	3,323	
Income tax expense	558	798	565	1,322	575	1,356	856	
Net income	\$ 1,381	\$ 2,117	\$ 2,307	\$ 3,410	\$ 1,683	\$ 3,498	\$ 2,467	
Common Share Data (2):								
Basic net income per share (3)	\$ 1.08	\$ 1.67	\$ 1.82	\$ 2.69	\$ 1.36	\$ 2.74	\$ 1.99	
Diluted net income per share (3)	0.63	0.97	1.06	1.56	0.79	1.59	1.16	
Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Tangible book value per share (4)	54.19	53.25	52.28	50.35	47.25	54.19	47.25	
Book value per share (4)	49.16	48.21	47.19	45.27	42.00	49.16	42.00	
Weighted average shares outstanding - basic	1,282,917	1,268,947	1,267,584	1,267,582	1,266,174	1,275,971	1,257,224	
Weighted average shares outstanding - diluted	2,208,600	2,185,433	2,181,142	2,181,868	2,160,201	2,197,071	2,155,394	
Financial Condition Data:								
Total assets	\$ 753,660	\$ 752,715	\$ 750,982	\$ 793,604	\$ 793,151	\$ 753,660	\$ 793,151	
Loans	553,642	540,206	539,227	546,351	535,692	553,642	535,692	
Allowance for loan losses	(9,165)	(9,253)	(9,122)	(9,037)	(8,483)	(9,165)	(8,483)	
Investment securities	108,825	112,400	108,492	107,351	113,303	108,825	113,303	
Deposits	609,964	608,433	586,373	593,370	566,811	609,964	566,811	
Borrowings	29,592	30,736	51,310	87,994	120,233	29,592	120,233	
Stockholders' equity	107,051	105,593	103,704	101,271	97,347	107,051	97,347	
Financial Ratios and Other Data:								
Performance Ratios:								
Net interest margin (5)	3.26%	3.23%	3.14%	3.30%	2.96%	3.24%	3.00%	
Net interest spread (6)	3.16%	3.13%	3.01%	3.16%	2.76%	3.15%	2.77%	
Noninterest income to average assets (7)	1.68%	2.79%	3.43%	4.12%	2.36%	2.24%	1.95%	
Noninterest expense to average assets	3.91%	4.27%	4.86%	4.60%	3.86%	4.09%	3.77%	
Efficiency ratio (8)	81.69%	72.72%	75.77%	63.38%	74.61%	76.75%	78.58%	
Earnings on average assets (9)	0.74%	1.14%	1.20%	1.73%	0.89%	0.94%	0.68%	
Earnings on average equity (10)	5.18%	8.10%	8.83%	13.51%	6.97%	6.62%	5.17%	
Asset Quality Ratios:								
Nonaccrual loans to loans (11)	0.19%	0.23%	0.23%	0.32%	0.92%	0.19%	0.92%	
Nonaccrual loans, restructured loans and loans 90 days or more past due and still accruing to total loans (11)	0.32%	0.37%	0.40%	0.49%	1.07%	0.32%	1.07%	
Nonperforming assets, restructured loans and loans 90 days or more past due and still accruing to total assets (11)	0.29%	0.52%	0.54%	0.60%	1.02%	0.29%	1.02%	
Allowance for loan losses to total loans (11)	1.66%	1.71%	1.69%	1.65%	1.58%	1.66%	1.58%	
Allowance for loan losses to nonaccrual loans, restructured loans and loans 90 days or more past due and still accruing (11)	519.26%	459.21%	421.14%	338.59%	147.79%	519.26%	147.79%	
Net charge-offs (recoveries) annualized to average loans (11)	-0.16%	-0.08%	0.01%	-0.04%	-0.09%	-0.12%	-0.01%	
Capital Ratios:								
Total equity to total assets	14.20%	14.03%	13.81%	12.76%	12.27%	14.20%	12.27%	
Total risk-based capital ratio	18.02%	18.15%	17.44%	16.13%	15.49%	18.02%	15.49%	
Tier 1 risk-based capital ratio	16.76%	16.89%	16.19%	14.87%	14.23%	16.76%	14.23%	
Leverage capital ratio	12.19%	11.88%	11.46%	11.20%	10.82%	12.19%	10.82%	
Other Data:								
Number of employees (full-time equivalent)	176	179	176	176	177	176	177	
Number of banking facilities	10	10	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)

	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
(Dollars in Thousands, Except Shares)					
Assets					
Cash and due from banks	\$ 52,467	\$ 51,691	\$ 29,927	\$ 30,544	\$ 9,120
Reverse repurchase agreements	-	-	-	8,208	18,117
Securities available for sale	106,383	109,965	106,014	104,866	110,818
Equity securities at fair value	2,442	2,435	2,478	2,485	2,485
Loans held for sale	13,168	18,136	42,977	67,496	83,997
Loans	553,642	540,206	539,227	546,351	535,692
Allowance for loan losses	(9,165)	(9,253)	(9,122)	(9,037)	(8,483)
Net loans	544,477	530,953	530,105	537,314	527,209
Federal Home Loan Bank Stock	3,140	3,140	3,140	3,140	2,948
Premises and equipment, net	3,873	4,476	4,682	4,667	4,679
Accrued interest receivable	1,916	1,983	2,050	2,075	1,973
Deferred tax assets, net	15,632	16,417	16,292	18,547	19,325
Other real estate owned, net	403	1,875	1,875	2,103	2,334
Bank owned life insurance	4,861	4,831	4,802	4,774	4,745
Goodwill and other intangible assets	120	126	131	137	142
Other assets	4,778	6,687	6,509	7,248	5,259
Total Assets	\$ 753,660	\$ 752,715	\$ 750,982	\$ 793,604	\$ 793,151
Liabilities and Stockholders' Equity					
Deposits:					
Noninterest-bearing demand	\$ 121,862	\$ 109,466	\$ 92,544	\$ 91,134	\$ 90,450
Interest-bearing demand	61,439	63,033	59,679	61,262	54,288
Savings	266,085	268,026	243,888	225,724	205,470
Time	160,578	167,908	190,262	215,250	216,603
Total deposits	609,964	608,433	586,373	593,370	566,811
Short-term borrowings	29,592	30,736	51,310	54,052	77,273
Long-term borrowings	-	-	-	33,942	42,960
Accrued interest payable	127	140	246	398	447
Other liabilities	6,926	7,813	9,349	10,571	8,313
Total liabilities	646,609	647,122	647,278	692,333	695,804
Stockholders' Equity					
Preferred stock, \$1 par value; 5,000,000 authorized shares at both June 30, 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	37,308
Common stock, \$1 par value; 75,000,000 authorized shares; 1,299,553 and 1,285,385 issued shares; 1,285,484 and 1,268,316 outstanding shares at June 30, 2021 and December 31, 2020, respectively. (1)(2)	1,301	1,295	1,282	1,282	19,240
Capital surplus (2)	179,421	179,291	179,188	179,090	161,032
Accumulated deficit	(112,071)	(113,452)	(115,569)	(117,875)	(121,285)
Accumulated other comprehensive income, net	1,626	1,685	2,029	2,000	1,586
Treasury stock, 14,791 shares on June 30, 2021 and December 31, 2020 and 221,902 shares prior at cost (2)	(534)	(534)	(534)	(534)	(534)
Total stockholders' equity	107,051	105,593	103,704	101,271	97,347
Total liabilities and stockholders' equity	\$ 753,660	\$ 752,715	\$ 750,982	\$ 793,604	\$ 793,151

(1) Both issued and outstanding shares as stated here exclude 70,206 shares of unvested restricted stock awards at June 30, 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					6 Months Ended	
	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	June 30, 2021	June 30, 2020
	(Dollars in thousands)						
Interest Income							
Loans	\$ 5,583	\$ 5,524	\$ 5,577	\$ 6,054	\$ 5,540	\$ 11,107	\$ 11,243
Loans held for sale	95	175	331	537	451	270	570
Securities	551	555	564	573	661	1,106	1,424
Other investments	10	11	17	38	17	21	68
Total interest income	6,239	6,265	6,489	7,202	6,669	12,504	13,305
Interest Expense							
Deposits	447	512	735	942	1,263	959	2,775
Short-term borrowings	9	24	30	38	54	33	231
Long-term borrowings	0	0	0	37	26	0	26
Total interest expense	456	536	765	1,017	1,343	992	3,032
Net interest income	5,783	5,729	5,724	6,185	5,326	11,512	10,273
Provision for (reversal of) loan losses	(300)	20	101	501	249	(280)	451
Net interest income after provision for (reversal of) loan losses	6,083	5,709	5,623	5,684	5,077	11,792	9,822
Noninterest Income							
Deposit service charges	90	84	91	89	88	174	184
Other service fees	43	40	37	36	36	83	56
Mortgage banking revenue, net	2,763	4,983	6,387	7,741	3,990	7,746	6,167
Other income	280	192	165	226	266	472	531
Net gains on sale of securities available for sale	0	0	0	0	0	0	0
Unrealized gains (losses) recognized on equity securities	7	(43)	(6)	0	20	(36)	59
Net gains (loss) on sale of SBA loans	0	0	55	(55)	87	0	524
Net gains (losses) on sale of assets and (writedowns)	(48)	(110)	(163)	67	2	(158)	(390)
Total noninterest income	3,135	5,146	6,566	8,104	4,489	8,281	7,131
Noninterest Expense							
Compensation and employee benefits	5,099	5,956	7,015	7,329	5,451	11,055	9,872
Equipment	384	379	402	352	379	763	742
Occupancy and premises	443	434	452	390	407	877	867
Data Processing	181	185	178	177	155	366	319
Federal deposit insurance	47	48	49	48	47	95	47
Professional services	328	253	322	162	242	581	540
Telephone and data communication	56	60	82	71	67	116	135
Insurance	64	68	62	58	55	132	109
Other expense	677	557	755	469	505	1,234	999
Total noninterest expense	7,279	7,940	9,317	9,056	7,308	15,219	13,630
Income from operations before income taxes	1,939	2,915	2,872	4,732	2,258	4,854	3,323
Income tax expense	558	798	565	1,322	575	1,356	856
Net income	1,381	2,117	2,307	3,410	1,683	3,498	2,467
Preferred stock dividend	0	0	0	0	0	0	0
Discount from repurchase of preferred stock	0	0	0	33	0	0	0
Net income allocated to common stockholders	\$ 1,381	\$ 2,117	\$ 2,307	\$ 3,443	\$ 1,683	\$ 3,498	\$ 2,467