2020 ANNUAL MEETING OUTLINE
MANAGEMENT'S PRESENTATION
(J. Brian Chaffin)

Good afternoon. It is my pleasure to share with you some of the operating results from 2019 and the first quarter 2020. For a complete review of 2019 financials, I encourage all shareholders to review the audited financial statements provided with this year's proxy. As we are living in unprecedented times, I'm sure most of you are more concerned with the issues surrounding the impact of the COVID-19 pandemic so I will be brief with my comments on the 2019 financial results and spend more time talking about 2020.
[Slide #13]

As noted in the Annual Report, results for 2019 demonstrated improvement in several critical areas, but fell short of our overall expectations as reflected in Slide #13.
[Slide #14]

On Slide #14, you can see that primary banking revenues were up again in 2019.
- Mortgage revenue increased by $1.8 million due to a $55 million increase in mortgage loans originated for sale.
- This was offset in part by a $1.1 million decline in gains on sale of SBA 7(a) loans and a $0.5 million decline in net interest income.

[Slide #15]

Slide #15 reflects activity within our Mortgage Banking Division.
- The lower interest rate environment in 2019 provided an increase in mortgage refinancing activity, while the home purchase market was also strong.

[Slide#16]

- Slides #16 and #17 reflect continued strong loan originations by our corporate bankers and the distribution of the loan portfolio geographically as well as loan portfolio segmentation.

[Slide #17]

- We also experienced a strong increase in new deposit production from our Corporate Banking Division.

[Slide #18]

- Slide #18 shows the decline in gain on sale from SBA 7(a) loans, which was in line with national trends and reflective of increased aggressiveness in conventional lenders pursuing loan opportunities normally satisfied by the SBA 7(a) program.
- Even with the lower production levels in 2019, our Government Guaranteed Lending Division continues to be profitable for our company.

[Slide #19]

- Slide #19 reflects deposits by banking markets and the continued growth in electronic banking services.
- Our Retail Banking Division continues to provide a significant portion of our funding requirements.

[Slide #20]

- Slide #20 discusses our net interest income, which started to decline in the latter half of 2018, when competition for deposit growth increased significantly amid a rising rate environment, and continued through the first half of 2019.
- Much of the deposits gathered during this time were in the form of one-year CDs and money market accounts with one-year interest rate commitments.

- As rates began to fall in the second half of 2019 and we started repricing these deposits, we have realized an improvement in our cost of funds, which we expect to continue through the first half of 2020.

[Slide #21]

Slides #21 and #22 cover our Credit Administration Division.

- The most significant difference in operating results from 2018 to 2019 is reflected in the provision for loan losses.
- Our 2019 provision returned to a more normalized expense of $817,000 versus the provision reversal of $1.2 million in 2018 – a $2 million difference.

[Slide #22]

- As reflected on Slide #22, our asset quality metrics continue to be solid and we have a 1.56% allowance for loan losses to total loans going into 2020.

[Slide #23]

- At the beginning of 2020, we launched an aggressive Company-wide initiative called Project Falcon to make improvements in several areas of the organization and drive better results into the future.
- Slide #23 highlights the primary objectives of Falcon's eight project teams, which include the involvement of nearly 40% of the Company's employees.
- The initial phase of Falcon, to identify specific strategies needed to accomplish each team's objectives, was completed in early March.
- While several strategies from Project Falcon have already been implemented, many have required a delayed implementation date until we are comfortably through COVID-19 related issues.

[Slide #24]

- We have published our early release of earnings for the first quarter of 2020, which are highlighted on Slide #24. Our first quarter shareholder letter, which will provide more detailed information, should be available around mid-May.
- We have continued to experience an improvement in our cost of funds as our deposits have repriced at lower rates.
- Our Mortgage Banking Division experienced historically high volumes in the first quarter.
- We also experienced a strong start to 2020 in our SBA 7(a) closings and Corporate Banking production.
- Although the first quarter was a significant improvement over the first quarter of 2019, our results were significantly impacted by the COVID-19 pandemic in the month of March.
- COVID-19 related charges totaled $1 million.
- The majority of the charges were related to significant disruptions in the mortgage market having a negative impact on the value of mortgages locked in February and early March.
- In spite of these charges, our Mortgage Banking Division recorded record earnings for the first quarter, which is traditionally a seasonally low period.
- The mortgage loan servicing and purchase markets continue to be severely disrupted and liquidity impaired at this time despite low interest rates, with loan prices depressed and varying widely over short periods of time.
- We also made additional allowance for loan loss provisions due to the significant change in national economic conditions related to the global COVID-19 pandemic.
- Accordingly, had the pandemic not occurred, we would have reported first quarter pre-tax earnings in excess of $2 million.

[Slide #25]

- As the reality of COVID-19 emerged, we took early action to review and update our pandemic emergency plans and activated our emergency response team to address critical issues.

- Slide #25 shows some of the specific steps we have taken to protect our employees, clients, and communities during these extraordinary times.
- I am extremely pleased and proud of how our colleagues across the Company have responded to this crisis.
- We have 68% of our employees working from home on a daily basis and have maintained 100% operational capabilities since day one.
- We continue to close new loans and open new deposit accounts.
- I believe our geographic footprint of offices has prepared us for operating under the current environment.
- For several years, our amazing IT group has created an environment whereby up to 75% of our employees are capable of working remotely in a secure manner.
- We have significantly reduced our reliance on paper, moving toward electronic solutions wherever possible.

[Slide #26]

Slide #26 provides details on the Bank's participation in the Paycheck Protection Program introduced by the Treasury Department and the SBA.

- A good example of our operational capabilities is how we have been able to quickly respond to the needs of our business clients.
- Late in the evening of April 2nd, the SBA published the Interim Final Rule for the program, and by the afternoon of April 3rd we were taking applications.
- By the end of the first week of the program, we had approval for 111 loans totaling $28.7 million and had closed 28 loans totaling $7.8 million.
- To date, we have closed 220 loans totaling $38.3 million.
- Our Retail and Corporate Bankers, Credit Administration team, and Loan Services groups worked tirelessly to deliver the essential funds made available through this program to our business clients in a timely and safe manner.
- We have seen several circumstances where our responsiveness to this program has generated new business clients for the Company.

[Slide #27]

- In spite of the great benefits of the Paycheck Protection Program, as well as the many other aspects of the stimulus package, we expect credit quality to deteriorate while credit losses and other costs increase in the foreseeable future due to the impact of the pandemic and economic downturn.
- Historically, we have prepared various stress test scenarios on earnings, capital and liquidity and will continue to do so, adjusting the severity of the stress as more information about the depth and scope of the adverse economic consequences of the pandemic emerge. You can be assured, to the best of our ability, we aim to serve as a source of strength to our customers and communities through this pandemic.
- Our loan portfolio composition is in a better position to withstand economic stress as compared to our portfolio in 2007, before the Great Recession.
- The hardest hit segments of our portfolio during the Great Recession were construction and development loans and home equity loans, which accounted for 42% of our total portfolio in 2007. Within those segments, construction and development loans to borrowers outside of the Midwest and purchased home equity loan pools were particularly hard hit.
- In comparison, those two segments account for 9% of our total loan portfolio as of March 31, 2020; and the vast majority of our borrowers are in the Midwest.
- Likewise, in 2007, our 1-4 family residential first mortgage portfolio, a historically stronger performing portfolio, accounted for 4% of total loans. Today, our 1-4 family first mortgage portfolio accounts for 31% of total loans.
- Regardless of our preparedness, the reality is, these are unprecedented times and while the first quarter of 2020 showed great promise, the remainder of the year is difficult to forecast.

- Due to this uncertainty and the wide range of possible outcomes, we will not be providing earnings guidance.
- We will continue to work diligently in preparing for what is to come in 2020, and we will keep you updated through our quarterly shareholder letters.

Once again, I want to thank our CIBM colleagues throughout the Company for their dedication and hard work, particularly in these challenging times, and to our shareholders for your continued support and confidence. We are dedicated to coming through this pandemic on solid footing and returning to the stronger earnings trend we experienced at the beginning of 2020.
[Slide #28]

Now, let us turn the conversation to the shareholder questions submitted.

<u>QUESTION & ANSWER PERIOD</u>
(Mark Elste & Brian Chaffin)

Question 1: Explain the rationale for the reverse stock split and the upgrade to the OTCQX? Wouldn't it be better for all parties to simply register with the SEC?

As presented in our Proxy, we sought shareholder approval to conduct a reverse stock split of 1-for-15 shares of common stock. The common shareholders approved that proposal overwhelmingly, with approximately 93% voting in favor of the reverse split authorization. I say "authorization" because what the shareholders have done is to authorize the Board to proceed with a reverse split at a time the Board deems appropriate and in the best interests of the Company and its stakeholders. The proposal does not set a specific date for a reverse split or even a date by which it must be accomplished.

The rationale for the reverse split includes two primary benefits: ease of ownership, and better trading. For several years now, we have received comments from shareholders indicating that holding our common stock in brokerage accounts was difficult, and in some cases impossible – even when dealing with some of the largest brokerage firms in the world. The primary reason given by the firms was that the share price of the stock was under $5 and, therefore, their internal system rules didn't permit holding or trading in CIBH stock. But, it isn't just ease of administration of investment holdings. The inability of many to hold our stock in brokerage accounts hurts liquidity and speed of stock transactions. In short, a security that is more difficult to trade is more difficult to own.

We think a reverse split will benefit our shareholders, and that the proper timing of the implementation of a reverse split is critical. That timing is not fixed at this time. We made this proposal prior to the pandemic's full impact on the US economy and markets. Under the circumstances, the Board will continue to monitor market conditions and solicit the advice of our advisors prior to implementation. We will execute the reverse split at such time as conditions are most likely to benefit our shareholders. Obviously, there are no guarantees of the impact of a reverse split on stock price, and the Board will continue to monitor developments that may affect the timing of a reverse split, but shareholders should understand that such action may be delayed and should not expect an immediate commencement of the reverse split process.

As far as plans to move to the OTCQX market, this has been a consideration the Company has been evaluating for some time. The OTCQX is the premier trading platform of the OTC market. To qualify for the OTCQX market, companies must meet high financial standards, follow best practice corporate governance, demonstrate compliance with U.S. securities laws, and be current in their disclosures. We believe this is one more step that will assist our shareholders in getting the information they want and improve trading opportunity.

The second part of this question asks: why not simply register as an SEC reporting company again?

As a non-SEC reporting company, we could provide less financial disclosure than we do. In fact, there might be a competitive advantage to providing less information. However, our shareholders have regularly indicated that they appreciate the robust disclosures we choose to make, and so we continue to provide more than is required of a private company. The burden of becoming a reporting company again would be a costly undertaking. In 2012, we deregistered from SEC reporting, along with 99 other banking corporations, and we estimated our annual savings from deregistering to be in excess of $400,000. In the eight years since, it is likely that annual savings have grown and, cumulatively, would amount to around $3 million.

The OTCQX requires additional disclosure, which benefits our shareholders, but does not cause us to incur the substantial expenses associated with SEC registration. On balance, we believe the best interests of the Company and our shareholders are served with our current level of reporting and trading on the OTCQX. It is likely that we will make the move to OTCQX shortly after the reverse stock split, subject to market and economic conditions.

Q2: How does your efficiency ratio compare to peers? What are you doing to improve it? How does your executive compensation compare to peer institutions?
[Slide #29]

We get this question, or one like it, most years, so some of this response will be familiar to long-term shareholders. The slide showing now, #29, tracks our efficiency ratio over the last few years. It supports what we have said in the past – our efficiency ratio is too high compared to peers. Our high efficiency ratio is a revenue and cost issue. Our primary goals from an efficiency standpoint are focused on growing our revenues through higher volumes and margins, and leveraging our fixed costs while containing and controlling our costs.

The specific issue this shareholder is concerned about is executive compensation and its impact on our efficiency ratio. Executive compensation is set by the Board of Directors, specifically the Compensation Committee of the Board, which consists of all independent directors of the Company. Chuck Baker is the Chairman of the Committee. The Committee evaluates data provided by several independent sources and is cross-referenced for geographic location, number of employees, and financial institution size. The executive compensation of the Company is not excessive, and never has been excessive in the many years this question has been asked. The executive compensation structure for the Company is squarely within the range of our peer institutions and the Compensation Committee makes a substantial analysis of the issue to protect the best interests of our shareholders, while trying to properly align the interests of Company executives with the interests of our stakeholders.

You may occasionally see a reference in our quarterly shareholder letters to “high compensation charges” for a given quarter. That type of comment is almost always associated with compensation paid to our commissioned sales force – specifically, our mortgage loan originators, our government guaranteed loan originators and, to a lesser extent, our commercial loan officers. As they do well originating new business, their commission compensation reflects that productivity. In addition to evaluating our executive compensation, the bank engages in research of our commission compensation. The results indicate that we are solidly within the norm of our peers in commission compensation.

Our compensation per employee is comparable to peers, and our ratio of all other costs combined relative to total assets is better than our peers. Our compensation costs are higher than peers overall due to the number of employees we have, which is partly related to our market span, number of offices, and growth-oriented posture. The largest difference maker in our efficiency ratio, though, is related to our revenues. Our deposit structure is too heavily dependent on interest bearing deposits, particularly time deposits; our loan portfolio has a high percentage of higher asset quality but lower margined assets; and margins in our non-interest revenue areas need to continue to improve – we have made some progress in this area over the past year.

Efficiency ratio improvements are the target of a number of the work streams I mentioned in my comments related to Project Falcon. We have been thwarted in some of our efforts to improve efficiency by the outbreak of the pandemic, but when operations return to normal, we will commence efficiency improvements and revenue generating initiatives as soon as possible. We will have more to report on our progress in our quarterly shareholder letters over the next year.

Question 3: Please review and explain the stock performance of CIBH since the last shareholder meeting.
[Slide #30]

Please see slide #30, which shows the performance of our common stock traded under the symbol CIBH on the OTCQB market. As we have said many times, the trades reported on the OTCQB represent only a portion of all trades in our stock, but it is the best source of information available to us for daily stock price activity.

Perhaps the best way to review our stock performance is to consider it pre-pandemic and post-pandemic outbreak.
[Slide #31]

Slide #31 shows CIBH stock performance for the three years ending December 31, 2019, and for 2019 standing alone; and compares these periods to our peer index, the KBW Regional Banking Total Return Index. As you can see, we were ahead of peer in the 3-year look back, due in part to CIB Marine's improved earnings performance from earlier periods; however, we have lagged our peer in the 1-year look back, due in part to our lower levels of earnings in 2019.

The primary contributors to our underperformance in earnings during 2019 were the change in loan loss provisions; our lower net interest margins, caused primarily by the increase in cost of funds; and lower gains on sale of SBA loans, which tracked our own and industry SBA loan production. To address this, we initiated Project Falcon as discussed earlier in the meeting.
[Slide #32]

Slide #32 shows CIBH performance in 2020. Since January 1, 2020 – effectively the "pandemic era" – our stock performance compares favorably to our peer industry index.

Building long-term sustainable shareholder value remains our number one priority. While there are many factors that contribute to this, ultimately, our earnings performance will drive stock price over the longer term. The steps we are taking as a company all have the same end goal: push performance to the next level. We were encouraged by the pre-pandemic results reported for the first quarter, but, like the rest of the industry, we are preparing for the economic impact of COVID-19. The safety and soundness of the bank while managing the risks related to the COVID-19 economic impact will be our top priority for the near term. But, as the dust begins to settle, we plan to allocate more time and resources to Project Falcon in order to support and build upon the groundwork we have begun to lay for improved long term performance.

This concludes our 2020 Annual Meeting of Shareholders. On behalf of the Board of Directors and President Brian Chaffin, we want to thank you for participating today under these rather unusual circumstances. We look forward to seeing you next year. Please take care of yourselves and be well. Good Afternoon.