

CIB Marine Bancshares, Inc. (OTCQX: CIBH). This report provides additional detailed financial information for the quarter ended March 31, 2025. Please see our Shareholder Letter dated May 8, 2025, at www.cibmarine.com for a summary description of our financial results.

CIB MARINE BANCSHARES, INC.
Net Interest Income (unaudited)

	2025			2024		
	Average Balance	Interest Earned/Paid	Average Yield/Cost	Average Balance	Interest Earned/Paid	Average Yield/Cost
(Dollars in thousands)						
Quarter Ended March 31,						
Interest-earning assets						
Securities (1)	\$121,782	\$1,150	3.78%	\$126,408	\$1,231	3.89%
Loans held for sale (1)	10,477	137	5.30	8,963	142	6.36
Loans (1)(2)	684,787	9,623	5.70	733,406	10,394	5.70
Federal funds sold, reverse repos and interest-earning due from banks	1,984	31	6.29	1,589	34	8.69
Total interest-earning assets	819,030	10,941	5.41	870,366	11,801	5.46
Noninterest-earning assets	28,283			30,240		
Total assets	\$847,313			\$900,606		
Interest-bearing liabilities						
Interest-bearing deposits	\$606,092	\$5,029	3.37%	\$667,218	\$6,227	3.75%
Borrowed funds	61,958	623	4.08	51,393	613	4.80
Total interest-bearing liabilities	668,050	5,652	3.43	718,611	6,840	3.83
Noninterest-bearing liabilities:						
Noninterest-bearing demand deposits	93,005			90,947		
Accrued interest and other liabilities	7,492			6,080		
Preferred equity	—			13,806		
Common equity	78,766			71,162		
Total stockholders' equity	78,766			84,968		
Total liabilities and stockholders' equity	\$847,313			\$900,606		
Net interest-earning assets, interest income and net interest spread (1)(3)	\$150,980	\$5,289	1.98%	\$151,755	\$4,961	1.63%
Net interest margin (1)(4)			<u>2.62%</u>			<u>2.29%</u>
Ratio of average interest-earning assets to average interest-bearing liabilities	<u>1.23</u>			<u>1.21</u>		

(1) Balance totals include respective nonaccrual assets.

(2) Interest earned on loans includes a nominal amount of amortized loan costs for all periods presented.

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

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

Net interest income increased by \$0.3 million for the quarter. The quarterly improvement was due to a 32-basis point increase in the net interest margin due to the 40-basis point improvement in the cost of interest-bearing liabilities. Interest-earning asset balances declined by \$51 million.

CIB MARINE BANCSHARES, INC.
Loans and Allowance for Credit Losses on Loans

	Loan Portfolio Segments (unaudited)					
	March 31, 2025		December 31, 2024		March 31, 2024	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
(Dollars in thousands)						
Commercial	\$92,261	14.0%	\$95,961	13.8%	\$94,920	12.9%
Commercial real estate	344,566	50.4	350,485	50.4	362,753	49.4
Construction and development	32,398	4.7	32,712	4.7	62,840	8.6
Residential real estate	192,919	28.2	198,181	28.5	197,297	26.9
Home equity	18,073	2.6	18,165	2.6	16,530	2.2
Purchased home equity pools	241	0.1	249	0.0	291	0.0
Other consumer	39	0.0	42	0.0	59	0.0
Gross loans	683,497	100.0%	695,795	100.0%	734,690	100.0%
Deferred loan costs (fees)	1,290		1,298		1,329	
Loans	687,787		697,093		736,019	
Allowance for credit losses on loans	(8,818)		(8,790)		(9,087)	
Loans, net	\$675,969		\$688,303		\$726,932	

Select Real Estate Loan Property Types (1) (unaudited)

	March 31, 2025		December 31, 2024		March 31, 2024	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
	(Dollars in thousands)					
Office	\$42,369	5.8%	\$41,875	6.0%	\$50,777	6.94%
Retail	73,319	10.0	73,269	10.5	84,540	11.5
Warehouse	35,225	4.8	38,701	5.6	32,874	4.5
Manufacturing	40,126	5.5	42,176	6.1	43,432	5.9
Hospitality	23,904	3.3	24,787	3.6	25,730	3.5
Nursing Home and Assisted Living	15,175	2.1	14,692	2.1	14,530	2.0
Multifamily Apartments	51,897	7.1	51,471	7.4	63,925	8.7
Restaurants and Food Service	22,329	3.0	21,935	3.2	24,167	3.3
Educational	14,706	2.0	14,755	2.1	17,415	2.4

(1) Select Real Estate Loan Property Types includes loans from the real estate and construction and development segments with listed commercial property types that are consistently 2.0% or more of total loans in the most recent period.

Management continues to be committed to maintaining reasonable and prudent loan portfolio diversification, in part represented by our commercial property type loans in the portfolio. These property types are spread primarily through our primary lending markets in Illinois, Indiana and Wisconsin.

Nonperforming Assets and Selected Asset Quality Ratios (unaudited)

	March 31, 2025		December 31, 2024		March 31, 2024	
	(Dollars in thousands)					
Nonperforming assets						
Nonaccrual loans:						
Commercial	\$5,194		\$5,100		\$2,590	
Commercial real estate	—		—		336	
Construction and development	—		—		—	
Residential real estate	—		—		51	
Home equity	550		551		535	
Other consumer	—		—		—	
	5,744		5,651		3,512	
Loans held for sale	—		—		—	
Total nonaccrual loans	5,744		5,651		3,512	
Other real estate owned	—		200		375	
Total nonperforming assets	\$5,744		\$5,851		\$3,887	
Restructured loans accruing						
Commercial	\$302		\$3,915		\$3,689	
Commercial real estate	1,823		—		—	
Residential real estate	378		2,207		382	
Home equity	—		—		—	
Purchased home equity pools	52		53		54	
Other consumer	—		—		—	
Total restructured loans accruing	\$2,555		\$6,175		\$4,125	
90 days or more past due still accruing	\$—		\$76		\$14	

Ratios

Nonaccrual loans to total loans (1)	0.84%	0.81%	0.48%
Other real estate owned to total assets	0.00	0.02	0.04
Nonperforming assets to total assets (1)	0.67	0.68	0.43
Nonaccrual loans, restructured loans and loans 90 days or more past due and still accruing to total loans (1)	1.21	1.19	1.04
Nonperforming assets, restructured loans and 90 days or more past due and still accruing loans to total assets (1)	0.97	0.98	0.89

(1) Excludes loans held for sale from nonaccrual loans, nonperforming assets, restructured loans accruing and 90 days or more past due and still accruing loans.

Non-accrual loans are primarily two relationships related to the transportation industry.

Under the NAICS category of Transportation and Warehousing, CIB Marine had a total of \$15.2 million in outstanding loan balances as of March 31, 2025. This includes a mix of air, local and long-distance trucking, and other categories under that heading.

CIB Marine continues to engage qualified professional firms to perform annual loan reviews in addition to having various audit functions for the lending activities. For more than 10 years, these reviews have found minimal variations related to the accuracy and timeliness of CIB Marine’s loan gradings and classifications. The loan reviews account for 40% or more of the commercial loan balances and focus primarily on larger credit relationships, loans that are a part of large NAICS concentrations, problem loans, and new loans. In addition, at least 10% of residential loans originated for sale or portfolio are evaluated by a qualified professional firm for accuracy and completeness of documentation, regulatory compliance, underwriting standards, and other matters as required by Fannie Mae and Federal Housing Authority quality assurance guidelines.

The allowance for credit losses on loans covers the entirety of the portfolio, including all non-performing, restructured, and 90 days or more past due and still accruing loans. The allowance is based on current expected credit loss accounting standards and includes the estimated effects of independent economic forecasts and a variety of qualitative factors, including past due loans and loan classifications on future loan loss estimates. In addition, certain loans, like collateral dependent loans, are evaluated individually for losses based on their collateral valuations with the results included in the allowance for credit losses on loans as outlined in the table below. There are circumstances where certain independently evaluated loans are more than adequately covered by the discounted collateral and, therefore, have little or no allowance for credit losses. More information is provided on these matters in CIB Marine’s annual audited financial statements, CIBM Bank’s quarterly Call Report filings, and other available public information.

Allowance for Credit Losses on Loans (unaudited)								
Commercial	Commercial Real Estate	Construction and Development	Residential Real Estate	Home Equity	Purchased Home Equity Pools	Other Consumer	Total (1)	
(Dollars in thousands)								
Quarter ended March 31, 2025								
Balance at beginning of period	\$689	\$5,451	\$575	\$1,952	\$117	\$6	\$—	\$8,790
Provision for (reversal of) credit losses on loans (1)	31	(139)	142	(4)	(3)	(9)	—	18
Charge-offs	—	—	—	—	—	—	—	—
Recoveries	—	—	—	—	1	9	—	10
Balance at end of period	\$720	\$5,312	\$717	\$1,948	\$115	\$6	\$—	\$8,818
Quarter ended March 31, 2024								
Balance at beginning of period	\$692	\$5,099	\$1,207	\$2,003	\$126	\$9	\$—	\$9,136
Provision for (reversal of) credit losses on loans (1)	71	62	168	(251)	(47)	(9)	3	(3)
Charge-offs	(55)	—	—	—	—	—	(2)	(57)
Recoveries	—	—	—	—	2	9	—	11
Balance at end of period	\$708	\$5,161	\$1,375	\$1,752	\$81	\$9	\$1	\$9,087

(1) The provision for (reversal of) credit losses on loans here excludes provisions made for the allowance for unfunded commitments.

CIB Marine had an \$18,000 provision to the allowance for credit losses on loans (“ACLL”) during the three-month period ending March 31, 2025, compared to a \$3,000 reversal of loan losses for the same period in 2024. Although loan balances declined during the quarter, economic uncertainties and short-term economic forecasts deteriorated in the first quarter of 2025. CIB Marine also had a \$23,000 provision to the allowance for unfunded commitments (“AUC”) during the first quarter of 2025, compared to a \$25,000 reversal in the same period of 2024. In both instances, although the related loan balances are lower in the first quarter of 2025, economic uncertainties and short-term economic forecasts deteriorated.

CIB Marine may record recoveries in excess of charge-offs from time to time. Although it cannot be certain in advance due to a number of factors related to the determination of the provision for credit losses, a net recovery may result in a credit provision (i.e., a reversal of provisions for credit losses) in the period of the net recovery. A net recovery has the potential to increase CIB Marine’s net income by an amount up to the net recovery. However, there can be no certainty as to whether CIB Marine will experience improved credit quality or recoveries during future quarters permitting it to record further credit provisions or reversals of provisions for credit losses for any of the portfolio segments or in total.

Past Due Accruing Loans (unaudited)

	30-59 Days Past Due	60-89 Days Past Due	Greater Than 89 Days Past Due	Total Past Due	Loans Not Past Due	Total Accruing Loans
<u>At March 31, 2025</u>						
Commercial	\$3,647	\$—	\$—	\$3,647	\$86,420	\$90,067
Commercial real estate	3,500	—	—	3,500	341,066	344,566
Construction and development	—	—	—	—	32,398	32,398
Residential real estate	1,512	260	—	1,772	191,147	192,919
Home equity	194	—	—	194	17,329	17,523
Purchased home equity pools	—	—	—	—	241	241
Other consumer	—	—	—	—	39	39
Deferred loan costs	17	—	—	17	1,273	1,290
Total	\$8,870	\$260	\$—	\$9,130	\$669,913	\$679,043
<u>At December 31, 2024</u>						
Commercial	\$158	\$—	\$—	\$158	\$90,703	\$90,861
Commercial real estate	—	1,208	—	1,208	349,277	350,485
Construction and development	—	—	—	—	32,712	32,712
Residential real estate	971	308	—	1,279	196,902	198,181
Home equity	18	—	76	94	17,520	17,614
Purchased home equity pools	—	—	—	—	249	249
Other consumer	—	—	—	—	42	42
Deferred loan costs	2	3	—	5	1,293	1,298
Total	\$1,149	\$1,519	\$76	\$2,744	\$688,698	\$691,442
<u>At March 31, 2024</u>						
Commercial	\$14	\$36	\$—	\$50	\$92,280	\$92,330
Commercial real estate	1,309	—	—	1,309	361,108	362,417
Construction and development	—	—	—	—	62,840	62,840
Residential real estate	2,569	—	—	2,569	194,677	197,246
Home equity	147	93	14	254	15,741	15,995
Purchased home equity pools	—	—	—	—	291	291
Other consumer	—	—	—	—	59	59
Deferred loan costs	7	—	—	7	1,322	1,329
Total	\$4,046	\$129	\$14	\$4,189	\$728,318	\$732,507

CIB Marine past due loans increased \$6.4 million from December 31, 2024, to March 31, 2025. The increase was primarily in commercial segments and related to two relationships. The loans are on accrual and collection actions are underway to resolve the related issues.

CIB MARINE BANCSHARES, INC.
Uninsured Deposits (unaudited)

CIB Marine's subsidiary bank, CIBM Bank, estimated its uninsured deposit balances were \$153 million, or 22% of total deposits at March 31, 2025, compared to \$137 million, or 20% of total deposits at December 31, 2024; \$150 million, or 20%, at December 31, 2023; and \$178 million, or 28%, at December 31, 2022. CIBM Bank offers several products to reduce uninsured deposits, including fully FDIC insured reciprocal deposit products, non-deposit uninsured collateralized government repo sweep product (the latter is included in Borrowings in the balance sheet) or, for municipal entities, Federal Home Loan Bank of Chicago letters of credit or collateralization arrangements with government securities.

CIB MARINE BANCSHARES, INC.
Capital (unaudited)

	Actual		For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
March 31, 2025						
Total capital to risk-weighted assets						
CIB Marine Bancshares, Inc.	\$88,749	13.34%				
CIBM Bank	87,835	13.20%	\$53,218	8.00%	\$66,523	10.00%
Tier 1 capital to risk-weighted assets						
CIB Marine Bancshares, Inc.	70,655	10.62%				
CIBM Bank	79,511	11.95%	\$39,914	6.00%	\$53,218	8.00%
Tier 1 leverage to average assets						
CIB Marine Bancshares, Inc.	\$70,655	8.40%				
CIBM Bank	79,511	9.45%	\$33,646	4.00%	\$42,057	5.00%
Common Equity Tier 1 (1)						
CIBM Bank	\$79,511	11.95%	\$29,935	4.50%	\$43,240	6.50%
December 31, 2024						
Total capital to risk-weighted assets						
CIB Marine Bancshares, Inc.	\$88,287	13.02%				
CIBM Bank	\$86,961	12.82%	\$54,273	8.00%	\$67,841	10.00%
Tier 1 capital to risk-weighted assets						
CIB Marine Bancshares, Inc.	\$70,041	10.33%				
CIBM Bank	\$78,475	11.57%	\$40,704	6.00%	\$54,273	8.00%
Tier 1 leverage to average assets						
CIB Marine Bancshares, Inc.	\$70,041	8.14%				
CIBM Bank	\$78,475	9.12%	\$34,412	4.00%	\$43,015	5.00%
Common Equity Tier 1						
CIBM Bank	\$78,475	11.57%	\$30,528	4.50%	\$44,096	6.50%

(1) CIB Marine is a Small Bank Holding Company under Appendix C of Part 225 of the Federal Reserve regulation and, as a result, the consolidated CIB Marine is exempt from capital adequacy requirements.

Preservation and Use of Deferred Tax Assets

We continue to remind our common and preferred shareholders that if they accumulate 5% or more of Company common and/or preferred stock versus their lowest ownership percent over a 3-year test period, they could, by themselves or in combination with others, cause a cumulative 50% ownership change. Such an event would trigger certain Internal Revenue Code Section 382 limitations that could severely limit our ability to use net operating loss carryforwards prior to their expiration dates, thereby reducing the value of the Company's approximately \$13 million deferred tax assets net of tax liabilities resulting in an impairment expense for a portion of the deferred tax assets and a reduction in stockholder's equity. On March 31, 2025, 5% of the total value of Company stock was approximately \$2.0 million, which is the equivalent of approximately 67,810 shares of common stock at the last reported traded price of \$29.25 as of March 31, 2025, as listed on OTCQX. CIB Marine currently has a CIBH stock repurchase program in place for the year 2025 with the goal of acquiring upwards a total of \$1 million in CIBH stock in the open market. The effect of this will be to reduce the number of shares that represent 5% of the total value of issued and outstanding stock.