CIB Marine Bancshares, Inc. (OTCQX: CIBH). This report provides additional detailed financial information for the quarter ended March 31, 2026. Please see our Shareholder Letter dated May 14, 2026, at www.cibmarine.com for a summary description of our financial results.

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

	2026			2025		
	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)	$122,504	$1,152	3.76%	$121,782	$1,150	3.78%
Loans held for sale (1)	6,663	87	5.28	10,477	137	5.30
Loans (1)(2)	663,466	9,323	5.70	684,787	9,623	5.70
Federal funds sold, reverse repos and interest-earning due from banks	2,218	24	4.47	1,984	31	6.29
Total interest-earning assets	794,851	10,586	5.39	819,030	10,941	5.41
Noninterest-earning assets	26,143			28,283		
Total assets	$820,994			$847,313		
Interest-bearing liabilities						
Interest-bearing deposits	$583,635	$4,185	2.91%	$606,092	$5,029	3.37%
Borrowed funds	61,963	575	3.76	61,958	623	4.08
Total interest-bearing liabilities	645,598	4,760	2.99	668,050	5,652	3.43
Noninterest-bearing liabilities:						
Noninterest-bearing demand deposits	87,180			93,005		
Accrued interest and other liabilities	6,292			7,492		
Preferred equity	—			—		
Common equity	81,924			78,766		
Total stockholders' equity	81,924			78,766		
Total liabilities and stockholders' equity	$820,994			$847,313		
Net interest-earning assets, interest income and net interest spread (1)(3)	$149,253	$5,826	2.40%	$150,980	$5,289	1.99%
Net interest margin (1)(4)			2.96%			2.62%
Ratio of average interest-earning assets to average interest-bearing liabilities	1.23			1.23		

(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 was $0.5 million higher for the quarter compared to the same quarter of the prior year, primarily due to a 34 basis point increase in the net interest margin—driven by a 44 basis point improvement in the cost of interest-bearing liabilities that more than offset a 2 basis point decline in the yield on earning assets—partially offset by a $24 million decline in average interest earning assets.

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

	Loan Portfolio Segments (unaudited)					
	March 31, 2026		December 31, 2025		March 31, 2025	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
	(Dollars in thousands)					
Commercial	$96,243	14.4%	$98,486	14.8%	$92,261	14.0%
Commercial real estate	354,111	53.0	349,928	52.6	344,566	50.4
Construction and development	26,032	3.9	25,587	3.9	32,398	4.7
Residential real estate	172,079	25.7	171,161	25.7	192,919	28.2
Home equity	20,062	3.0	19,862	3.0	18,073	2.6
Purchased home equity pools	180	0.0	186	0.0	241	0.1
Other consumer	18	0.0	23	0.0	39	0.0
Gross loans	668,725	100.0%	665,233	100.0%	683,497	100.0%
Deferred loan costs (fees)	818		966		1,290	
Loans	669,543		666,199		684,787	
Allowance for credit losses on loans	(8,696)		(8,465)		(8,818)	
Loans, net	$660,847		$657,734		$675,969	

	Select Real Estate Loan Property Types (1) (unaudited)					
	March 31, 2026		December 31, 2025		March 31, 2025	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
	(Dollars in thousands)					
Office	$40,036	6.0%	$40,053	6.0%	$42,369	5.8%
Retail	70,744	10.6	70,019	10.5	73,319	10.0
Warehouse	33,912	5.1	36,448	5.5	35,225	4.8
Manufacturing	31,343	4.7	27,216	4.1	40,126	5.5
Hospitality	30,160	4.5	30,449	4.6	23,904	3.3
Nursing Home and Assisted Living	11,467	1.7	11,533	1.7	15,175	2.1
Multifamily Apartments	66,365	9.9	63,700	9.6	51,897	7.1
Restaurants and Food Service	24,056	3.6	23,321	3.5	22,329	3.0
Educational	14,181	2.1	14,173	2.1	14,706	2.0

(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 primarily distributed across our core lending markets in Illinois, Indiana, and Wisconsin.

	Nonperforming Assets and Selected Asset Quality Ratios (unaudited)		
	March 31, 2026	December 31, 2025	March 31, 2025
Nonperforming assets	(Dollars in thousands)		
Nonaccrual loans:			
Commercial	$4,709	$4,736	$5,194
Commercial real estate	3,494	3,494	—
Construction and development	—	—	—
Residential real estate	—	—	—
Home equity	477	478	550
Other consumer	—	—	—
	8,680	8,708	5,744
Loans held for sale	—	—	—
Total nonaccrual loans	8,680	8,708	5,744
Other real estate owned	—	—	—
Total nonperforming assets	$8,680	$8,708	$5,744
Loan modifications to borrowers experiencing financial difficulty and still accruing			
Commercial	$3,620	$3,712	$302
Commercial real estate	1,822	1,824	1,823
Residential real estate	246	250	378
Home equity	—	—	—
Purchased home equity pools	52	51	52
Other consumer	—	—	—
Total loan modifications to borrowers experiencing financial difficulty and still accruing	$5,740	$5,837	$2,555
90 days or more past due still accruing	$300	$1,168	$—
Ratios			
Nonaccrual loans to total loans (1)	1.30%	1.31%	0.84%
Other real estate owned to total assets	0.00	0.00	0.00
Nonperforming assets to total assets (1)	1.04	1.04	0.67
Nonaccrual loans, loan modifications to borrowers experiencing financial difficulty and loans 90 days or more past due and still accruing to total loans (1)	2.20	2.36	1.21
Nonperforming assets, loan modifications to borrowers experiencing financial difficulty and 90 days or more past due and still accruing loans to total assets (1)	1.77	1.89	0.97

(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.

As of March 31, 2026, non-accrual loans consisted primarily of three relationships, two within the transportation industry and one commercial real estate loan in the manufacturing industry; loan modifications to borrowers experiencing financial difficulty were comprised primarily of a large commercial loan in the transportation industry and a commercial real estate relationship in the food service industry; and 90 days or more past due and still accruing loans included four loans, three commercial and one residential, totaling $0.3 million..

Under the NAICS category of Transportation and Warehousing, CIB Marine had a total of $13.4 million in outstanding loan balances as of March 31, 2026. This includes a mix of air, local and long-distance trucking, and other categories.

CIB Marine continues to retain qualified professional firms to conduct annual loan reviews, supplementing our existing audit functions for 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 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, loan modifications to borrowers experiencing financial difficulty, 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, 2026								
Balance at beginning of period	$1,223	$5,147	$690	$1,283	$117	$5	$—	$8,465
Provision for (reversal of) credit losses on loans (1)	280	(3)	(9)	(37)	—	(92)	—	139
Charge-offs	—	—	—	—	—	—	—	—
Recoveries	—	—	—	—	—	92	—	92
Balance at end of period	$1,503	$5,144	$681	$1,246	$117	$5	$—	$8,696
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

(1) losses on loans here excludes provisions made for the allowance for unfunded commitments.

CIB Marine had a $139,000 provision to the allowance for credit losses on loans ("ACLL") during the first quarter of 2026, compared to an $18,000 provision to the ACLL for the same period in 2025. The increase in provisions was primarily due to an increase in reserves for individually assessed loans. CIB Marine also had a $128,000 provision to the allowance for unfunded commitments ("AUC") during the first quarter of 2026, compared to a $23,000 provision to the AUC in the same period of 2025. The primary reason for the recent provision was due to an increase in total unfunded commitments.

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 reversal of provisions for credit losses on loans in the period of the net recovery. A net recovery has the potential to increase CIB Marine's 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 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
	(Dollars in thousands)					
At March 31, 2026						
Commercial	$73	$3,508	$256	$3,837	$87,697	$91,534
Commercial real estate	—	—	—	—	350,617	350,617
Construction and development	—	—	—	—	26,032	26,032
Residential real estate	2,177	—	44	2,221	169,858	172,079
Home equity	133	—	—	133	19,452	19,585
Purchased home equity pools	—	—	—	—	180	180
Other consumer	—	—	—	—	18	18
Deferred loan costs	3	4	—	7	811	818
Total	$2,386	$3,512	$300	$6,198	$654,665	$660,863
At December 31, 2025						
Commercial	$282	$3,526	$—	$3,808	$89,942	$93,750
Commercial real estate	—	—	1,166	1,166	345,268	346,434
Construction and development	—	—	—	—	25,587	25,587
Residential real estate	1,065	44	—	1,109	170,052	171,161
Home equity	240	—	—	240	19,144	19,384
Purchased home equity pools	—	—	—	—	186	186
Other consumer	—	—	—	—	23	23
Deferred loan costs	2	5	2	9	957	966
Total	$1,589	$3,575	$1,168	$6,332	$651,159	$657,491
At March 31 2025						
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

CIB Marine's past due loans decreased $0.1 million from December 31, 2025, to March 31, 2025. The decrease was primarily due to the payoff of a loan in the commercial segment that was greater than 89 days past due.

CIB MARINE BANCSHARES, INC.
Uninsured Deposits (unaudited)

CIB Marine's subsidiary bank, CIBM Bank, estimated its uninsured deposit balances were $149 million, or 22% of total deposits as of March 31, 2026; compared to 23% on December 31, 2025, 20% on December 31, 2024, 20%, on December 31, 2023, and 28% on December 31, 2022. CIBM Bank offers several products to reduce uninsured deposits, including fully FDIC insured reciprocal deposit products, a 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 Amount	Actual Ratio	For Capital Adequacy Purposes Amount	For Capital Adequacy Purposes Ratio	To Be Well Capitalized Under Prompt Corrective Provisions Amount	To Be Well Capitalized Under Prompt Corrective Provisions Ratio
			(Dollars in thousands)			
March 31, 2026						
Total capital to risk-weighted assets						
CIB Marine Bancshares, Inc.	$89,874	13.53%				
CIBM Bank	88,767	13.36%	$53,136	8.00%	$66,419	10.00%
Tier 1 capital to risk-weighted assets						
CIB Marine Bancshares, Inc.	71,759	10.80%				
CIBM Bank	80,455	12.11%	$39,852	6.00%	$53,136	8.00%
Tier 1 leverage to average assets						
CIB Marine Bancshares, Inc.	$71,759	8.83%				
CIBM Bank	80,455	9.90%	$32,494	4.00%	$40,617	5.00%
Common Equity Tier 1 (1)						
CIBM Bank	$80,455	12.11%	$29,889	4.50%	$43,173	6.50%
December 31, 2025						
Total capital to risk-weighted assets						
CIB Marine Bancshares, Inc.	$90,341	13.67%				
CIBM Bank	$88,067	13.32%	$52,878	8.00%	$66,098	10.00%
Tier 1 capital to risk-weighted assets						
CIB Marine Bancshares, Inc.	$72,280	10.94%				
CIBM Bank	$79,800	12.07%	$39,659	6.00%	$52,878	8.00%
Tier 1 leverage to average assets						
CIB Marine Bancshares, Inc.	$72,280	8.80%				
CIBM Bank	$79,800	9.71%	$32,869	4.00%	$41,086	5.00%
Common Equity Tier 1						
CIBM Bank	$79,800	12.07%	$29,744	4.50%	$42,964	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.

CIB MARINE BANCSHARES, INC.
Deferred Tax Assets and the Preservation and Use of Deferred Tax Assets (unaudited)

The net value of the deferred tax assets (“DTAs”) was $11.6 million on March 31, 2026, compared to $11.4 million at December 31, 2025. This was comprised primarily of net operating loss carryforwards (“NOLs”). At December 31, 2025, the total DTA value less valuation allowance was $12.2 million. These were reduced by other deferred tax liabilities of $0.8 million for net DTAs of $11.4 million at December 31, 2025.

There are varying amounts of federal NOLs expiring through 2029 for those subject to Internal Revenue Code Section 382 limitations imposed in 2009, and those without such limitations expire in varying amounts through 2035. At this time, CIB Marine expects all federal NOLs, after applicable limitations, to be utilized in the future prior to their respective expiration dates.

State NOLs are generally available without limitations. However, due to the many states in which state NOLs are available, the varying expiration dates for the use of those state NOLs, and the current and forecasted income attributable to those respective states, there was a valuation allowance of $7.3 million on December 31, 2025. The valuation allowance is subject to a number of factors, including: actual earnings, future earnings projections, changes in state tax laws, attribution of taxable income among the various states and the fact that many states with historical NOLs no longer have sufficient assets or revenues to generate enough taxable income to utilize those NOLs before expiration. More detail on the topic of DTAs and NOLs is available in “Note 21 – Income Taxes” in our audited financial statements.

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 percentage 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 fully use remaining net operating loss carryforwards prior to their expiration dates, thereby reducing the value of the Company's net deferred tax assets resulting in an impairment expense for a portion of the deferred tax assets and a reduction in stockholder's equity.

On March 31, 2026, 5% of the total value of Company stock was approximately $2.5 million, which is the equivalent of approximately 65,995 shares of common stock at the last reported traded price of $38.51 as of March 31, 2026, as listed on OTCQX. CIB Marine currently has a CIBH stock repurchase program in place for the year 2025 and 2026 with the goal of acquiring a total of $3.5 million in CIBH stock. Under the repurchase program, $2.3 million has been acquired since the beginning of the program in February 2025, with $1.2 million remaining. The effect of this will be to reduce the number of shares that represent 5% of the total value of issued and outstanding stock.

CIB MARINE BANCSHARES, INC.
Parent Company Financial Statements (unaudited)

The condensed financial statements of the parent company only, are presented as follows:

Condensed Balance Sheets

	At March 31, 2026	At December 31, 2025
	(Dollars in thousands)	
Assets		
Cash and due from affiliated bank	$1,244	$2,613
Investments in subsidiaries	81,390	80,979
Deferred tax assets, net	7,737	7,737
Income tax receivable	191	132
Other assets	58	87
Total assets	$90,620	$91,548
Liabilities (1)		
Accrued interest payable	$52	$166
Long-term borrowings-subordinated debt	9,803	9,795
Other liabilities	118	173
Total liabilities	9,973	10,134
Stockholders' Equity		
Preferred stock	—	—
Common stock	1,398	1,386
Capital surplus	182,175	182,087
Accumulated deficit	(97,321)	(97,907)
Accumulated other comprehensive income, net	(2,765)	(2,371)
Treasury stock at cost	(2,840)	(1,781)
Total stockholders' equity	80,647	81,414
Total liabilities and stockholders' equity	$90,620	$91,548

(1) CIB Marine has a $2 million line of credit at a rate of prime less 50 basis points maturing on December 30, 2026. Management believes CIB Marine to be in compliance with all covenants, conditions and agreements for the loan. CIB Marine has not drawn any principal on the line of credit to date.

Condensed Statements of Operations and Comprehensive Income

	Three Months Ended March 31,	
	2026	2025
	(Dollars in thousands)	
Dividend Income		
Dividends from subsidiary (1)	$—	$—
Total dividend income	—	—
Interest Expense		
Long-term borrowings-subordinated debt	119	119
Total interest expense	119	119
Net interest expense	(119)	(119)
Noninterest income		
Change in equity in undistributed earnings of subsidiaries (1)	805	611
Gain (loss) on sale of assets, net	—	(2)
Other income	—	1
Total noninterest income (loss)	805	610
Noninterest expense		
Compensation and employee benefits	—	—
Professional services	69	157
Insurance	22	22
Other	68	68
Total noninterest expense	159	247
Income before income taxes	527	244
Income tax benefit	(59)	(77)
Net income	586	321
Preferred stock dividends	—	—
Discount from repurchase of preferred stock	—	—
Net income allocated to common stockholders	$586	$321

Condensed Statement of Cash Flows

	Three Months Ended March 31,	
	2026	2025
	(Dollars in thousands)	
Cash Flows from Operating Activities:		
Net income	$586	$321
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Change in equity in undistributed earnings of subsidiaries	(805)	(611)
Amortization expense-subordinated debt	8	8
Change in deferred tax assets, net	—	—
Decrease in interest receivable and other assets	71	36
Increase (decrease) in other interest payable and other liabilities	(170)	(116)
Net cash used in operating activities	(310)	(362)
Cash Flows from Investing Activities:		
Return of capital from subsidiary	—	—
Dividends from subsidiary	—	—
Net cash provided by investing activities	—	—
Cash Flows from Financing Activities:		
Issuance of common stock	—	—
Treasury stock purchase	(1,059)	(235)
Preferred shares repurchase	—	—
Net increase in long-term borrowings-subordinated debt	—	—
Net cash used in investing activities	(1,059)	(235)
Net increase (decrease) in cash and cash equivalents	(1,369)	(597)
Cash and cash equivalents, beginning of year	2,613	1,612
Cash and cash equivalents, end of year	$1,244	$1,015