CIB Marine Bancshares, Inc. (OTCQB: CIBH). This report provides additional detailed financial information for the quarter and six months ended June 30, 2019. Please see our Shareholder Letter dated August 8, 2019, located at www.cibmarine.com for a summary description of our financial results.

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

2019

2018

Name			2019			2018	
Descriptor Properties Pro		Average Balance	Interest Earned/Paid	Average Yield/Cost	Average Balance	Interest Earned/Paid	Average Yield/Cost
Securities (1)	Quarter Ended June 30,						
Loans held for sale (1)				`	,		
Loans (1)(2) 5,81 4,67 480,419 5,372 4.48 Federal funds sold, reverse repos and interest- earning due from banks 37,975 302 31,90 29,795 178 2.41 Federal funds sold, reverse repos and interest- earning due from banks 33,955 302 31,90 29,795 63,87 4.42 Folial sessets 38,595 37,078 4.25 634,615 63,87 4.40 Folial sessets 38,595 37,078 4.25 634,615 63,87 4.40 Folial sessets 38,595 37,078 4.25 634,615 56,638 4.22 Folial sessets 5,626,88 307 2.18 86,719 3.68 1.70 Folial sessets 5,628 307 2.18 86,719 3.68 1.70 Folial sessets 5,628 307 2.18 86,719 3.68 1.70 Folial sessets 5,426,00 2.256 1.67 504,263 1.406 1.12 Folial sessets 5,426,00 2.256 3.42 2.289 3.130 Folial sessets 5,426,00 3.42 3.42 3.42 3.42 3.42							
Federal funds sold, reverse repose and interest-carning daserts							
Total interest-earning assets	Federal funds sold reverse renos and interest-	499,041	3,811	4.07	460,419	3,372	4.46
Total interest-earning assets 668,363 7,078 4,25 634,615 6,387 4,04 Noninterest-earning assets 3706,958 5676,901 Interest-bearing liabilities	earning due from banks	37,975	302	3.19	29,795	178	2.41
Nominterest-earning assets S706,958 S676,901 S706 S706 S676,901 S706			7,078	4.25		6,387	4.04
Interest-bearing liabilities Interest-bearing deposits \$486.312 \$1,949 \$1.61% \$417,544 \$1,038 \$1.00% \$1.70 \$1.00		38,595			42,286		
Interest-bearing deposits S486,312 S1,949 S1,018 S417,544 S1,038 L1,00% Total interest-bearing liabilities S42,600 2,256 1,67 504,263 1,406 1,12 1,	Total assets	\$706,958			\$676,901		
Some state Som	Interest-bearing liabilities						
Total interest-bearing liabilities: Noninterest-bearing liabilities: Noninterest-bearing liabilities: Noninterest-bearing demand deposits							
Noninterest-bearing demand deposits							
Noninterest-bearing demand deposits Accrued interest and other liabilities C.963 C.975		542,600	2,256	1.67	504,263	1,406	1.12
Preferred equity		64.414			72,233		
S3.97							
S3.97	Preferred equity	30 384			50,000		
Size							
Net interest-earning assets, interest income and net interest spread (1)(3) \$125,763 \$3,822 \$2,58% \$130,352 \$3,981 \$2,92% \$1,055 \$2,058 \$3,15%							
Second color Seco	Total liabilities and stockholders' equity	\$706,958			\$676,901		
Net interest margin (1)(4) Ratio of average interest-earning assets to average interest-bearing liabilities 1.23							
Ratio of average interest-bearing liabilities	net interest spread (1)(3)	\$125,763	\$4,822	2.58%	\$130,352	\$4,981	2.92%
Reverage interest-bearing liabilities 1.23 2.19 2.108	Net interest margin (1)(4)		-	2.89%			3.15%
Net series Parage					1.26		
Average Balance Interest Average Balance Interest Average Balance Interest	average interest-bearing liabilities	1.23		_	1.26		
Six Months Ended June 30, Interest-earning assets Single 1 Single 2 Single 3 Single 4			2019			2018	
Chollars in thousands							
Six Months Ended June 30, Interest-earning assets Securities (1) \$122,478 \$1,672 2.73% \$116,075 \$1,495 2.58% \$1,003							
Securities (1)				Yield/Cost	Balance		
Securities (1)	Six Months Ended June 30.			Yield/Cost	Balance		
Loans (1)(2)	Six Months Ended June 30, Interest-earning assets			Yield/Cost	Balance		
Federal funds sold, reverse repos and interesteraring due from banks 46,311 735 3.20 18,573 214 2.32 Total interest-earning assets 40,289 41,478 Total assets 5708,555 \$663,731	Interest-earning assets Securities (1)	\$122,478	Earned/Paid \$1,672	Yield/Cost (Dollars in	Balance 1 thousands) \$116,075	Earned/Paid \$1,495	Yield/Cost 2.58%
Carning due from banks	Interest-earning assets Securities (1) Loans held for sale (1)	\$122,478 5,094	\$1,672 182	Yield/Cost (Dollars in 2.73% 7.20	Balance n thousands) \$116,075 7,544	\$1,495 190	2.58% 5.07
Total interest-earning assets 668,267 14,093 4.26 622,253 12,396 4.02	Interest-earning assets Securities (1) Loans held for sale (1) Loans (1)(2)	\$122,478 5,094	\$1,672 182	Yield/Cost (Dollars in 2.73% 7.20	Balance n thousands) \$116,075 7,544	\$1,495 190	2.58% 5.07
Interest-bearing liabilities S483,202 \$3,754 1.57% \$414,025 \$1,986 0.97%	Interest-earning assets Securities (1) Loans held for sale (1) Loans (1)(2) Federal funds sold, reverse repos and interest-	\$122,478 5,094 494,385	\$1,672 182 11,504	Yield/Cost (Dollars in 2.73% 7.20 4.69	Balance 1 thousands) \$116,075 7,544 480,061	\$1,495 190 10,497	2.58% 5.07 4.41
Interest-bearing liabilities S483,202 \$3,754 1.57% \$414,025 \$1,986 0.97% S00 S	Interest-earning assets Securities (1) Loans held for sale (1) Loans (1)(2) Federal funds sold, reverse repos and interest- earning due from banks Total interest-earning assets	\$122,478 5,094 494,385 46,311 668,267	\$1,672 182 11,504	Yield/Cost (Dollars in 2.73% 7.20 4.69 3.20	\$116,075 7,544 480,061 18,573 622,253	\$1,495 190 10,497 214	2.58% 5.07 4.41 2.32
Interest-bearing deposits	Interest-earning assets Securities (1) Loans held for sale (1) Loans (1)(2) Federal funds sold, reverse repos and interest- earning due from banks Total interest-earning assets Noninterest-earning assets	\$122,478 5,094 494,385 46,311 668,267 40,289	\$1,672 182 11,504	Yield/Cost (Dollars in 2.73% 7.20 4.69 3.20	\$116,075 7,544 480,061 18,573 622,253 41,478	\$1,495 190 10,497 214	2.58% 5.07 4.41 2.32
Interest-bearing deposits	Interest-earning assets Securities (1) Loans held for sale (1) Loans (1)(2) Federal funds sold, reverse repos and interest- earning due from banks Total interest-earning assets Noninterest-earning assets	\$122,478 5,094 494,385 46,311 668,267 40,289	\$1,672 182 11,504	Yield/Cost (Dollars in 2.73% 7.20 4.69 3.20	\$116,075 7,544 480,061 18,573 622,253 41,478	\$1,495 190 10,497 214	2.58% 5.07 4.41 2.32
Total interest-bearing liabilities	Interest-earning assets Securities (1) Loans held for sale (1) Loans (1)(2) Federal funds sold, reverse repos and interest-earning due from banks Total interest-earning assets Noninterest-earning assets Total assets	\$122,478 5,094 494,385 46,311 668,267 40,289	\$1,672 182 11,504	Yield/Cost (Dollars in 2.73% 7.20 4.69 3.20	\$116,075 7,544 480,061 18,573 622,253 41,478	\$1,495 190 10,497 214	2.58% 5.07 4.41 2.32
Noninterest-earning liabilities: Noninterest-bearing demand deposits 63,584 70,304 2,149 Preferred equity 39,384 50,995 46,991 Total stockholders' equity 92,323 97,986 Total liabilities and stockholders' equity \$708,555 \$663,731 Net interest-earning assets, interest income and net interest spread (1)(3) \$123,383 \$9,659 2.62% \$128,961 \$9,805 2.96% Net interest margin (1)(4) 2.92% 3.18% Ratio of average interest-earning assets to	Interest-earning assets Securities (1) Loans held for sale (1) Loans (1)(2) Federal funds sold, reverse repos and interest-earning due from banks Total interest-earning assets Noninterest-earning assets Total assets Interest-bearing liabilities	\$122,478 5,094 494,385 46,311 668,267 40,289 \$708,555	\$1,672 182 11,504 735 14,093	Yield/Cost (Dollars in 2.73% 7.20 4.69 3.20 4.26	\$116,075 7,544 480,061 18,573 622,253 41,478 \$663,731	\$1,495 190 10,497 214 12,396	2.58% 5.07 4.41 2.32 4.02
Noninterest-bearing demand deposits Accrued interest and other liabilities	Interest-earning assets Securities (1) Loans held for sale (1) Loans (1)(2) Federal funds sold, reverse repos and interestearning due from banks Total interest-earning assets Noninterest-earning assets Total assets Interest-bearing liabilities Interest-bearing deposits Borrowed funds	\$122,478 5,094 494,385 46,311 668,267 40,289 \$708,555 \$483,202 61,682	\$1,672 182 11,504 735 14,093	Yield/Cost (Dollars in 2.73% 7.20 4.69 3.20 4.26	\$116,075 7,544 480,061 18,573 622,253 41,478 \$663,731	\$1,495 190 10,497 214 12,396 \$1,986 605	2.58% 5.07 4.41 2.32 4.02 0.97% 1.54
Accrued interest and other liabilities 7,764 2,149 Preferred equity 39,384 50,995 Common equity 52,939 46,991 Total stockholders' equity 92,323 97,986 Total liabilities and stockholders' equity \$708,555 \$663,731 Net interest-earning assets, interest income and net interest spread (1)(3) \$123,383 \$9,659 \$2.62% \$128,961 \$9,805 \$2.96% Net interest margin (1)(4) 2.92% 3.18% Ratio of average interest-earning assets to	Interest-earning assets Securities (1) Loans held for sale (1) Loans (1)(2) Federal funds sold, reverse repos and interestearning due from banks Total interest-earning assets Noninterest-earning assets Total assets Interest-bearing liabilities Interest-bearing deposits Borrowed funds Total interest-bearing liabilities	\$122,478 5,094 494,385 46,311 668,267 40,289 \$708,555 \$483,202 61,682	\$1,672 182 11,504 735 14,093	Yield/Cost (Dollars in 2.73% 7.20 4.69 3.20 4.26	\$116,075 7,544 480,061 18,573 622,253 41,478 \$663,731	\$1,495 190 10,497 214 12,396 \$1,986 605	2.58% 5.07 4.41 2.32 4.02 0.97% 1.54
Preferred equity 39,384 50,995	Interest-earning assets Securities (1) Loans held for sale (1) Loans (1)(2) Federal funds sold, reverse repos and interest-earning due from banks Total interest-earning assets Noninterest-earning assets Total assets Interest-bearing liabilities Interest-bearing deposits Borrowed funds Total interest-bearing liabilities Noninterest-earning liabilities Noninterest-earning liabilities:	\$122,478 5,094 494,385 46,311 668,267 40,289 \$708,555 \$483,202 61,682 544,884	\$1,672 182 11,504 735 14,093	Yield/Cost (Dollars in 2.73% 7.20 4.69 3.20 4.26	\$116,075 7,544 480,061 18,573 622,253 41,478 \$663,731 \$414,025 79,267 493,292	\$1,495 190 10,497 214 12,396 \$1,986 605	2.58% 5.07 4.41 2.32 4.02 0.97% 1.54
Common equity 52,939 46,991	Interest-earning assets Securities (1) Loans held for sale (1) Loans (1)(2) Federal funds sold, reverse repos and interest-earning due from banks Total interest-earning assets Noninterest-earning assets Total assets Interest-bearing liabilities Interest-bearing deposits Borrowed funds Total interest-bearing liabilities Noninterest-earning liabilities: Noninterest-bearing demand deposits	\$122,478 5,094 494,385 46,311 668,267 40,289 \$708,555 \$483,202 61,682 544,884 63,584	\$1,672 182 11,504 735 14,093	Yield/Cost (Dollars in 2.73% 7.20 4.69 3.20 4.26	\$116,075 7,544 480,061 18,573 622,253 41,478 \$663,731 \$414,025 79,267 493,292 70,304	\$1,495 190 10,497 214 12,396 \$1,986 605	2.58% 5.07 4.41 2.32 4.02 0.97% 1.54
Total stockholders' equity Total liabilities and stockholders' equity Net interest-earning assets, interest income and net interest spread (1)(3) Net interest margin (1)(4) Ratio of average interest-earning assets to	Interest-earning assets Securities (1) Loans held for sale (1) Loans (1)(2) Federal funds sold, reverse repos and interestearning due from banks Total interest-earning assets Noninterest-earning assets Total assets Interest-bearing liabilities Interest-bearing deposits Borrowed funds Total interest-bearing liabilities: Noninterest-earning liabilities: Noninterest-bearing demand deposits Accrued interest and other liabilities	\$122,478 5,094 494,385 46,311 668,267 40,289 \$708,555 \$483,202 61,682 544,884 63,584 7,764	\$1,672 182 11,504 735 14,093	Yield/Cost (Dollars in 2.73% 7.20 4.69 3.20 4.26	\$116,075 7,544 480,061 18,573 622,253 41,478 \$663,731 \$414,025 79,267 493,292 70,304 2,149	\$1,495 190 10,497 214 12,396 \$1,986 605	2.58% 5.07 4.41 2.32 4.02 0.97% 1.54
Total liabilities and stockholders' equity Net interest-earning assets, interest income and net interest spread (1)(3) Net interest margin (1)(4) Ratio of average interest-earning assets to \$708,555 \$663,731 \$123,383 \$9,659 \$2.62% \$128,961 \$9,805 \$2.96% \$2.92% \$3.18%	Interest-earning assets Securities (1) Loans held for sale (1) Loans (1)(2) Federal funds sold, reverse repos and interest-earning due from banks Total interest-earning assets Noninterest-earning assets Total assets Interest-bearing liabilities Interest-bearing deposits Borrowed funds Total interest-bearing liabilities: Noninterest-earning liabilities: Noninterest-bearing demand deposits Accrued interest and other liabilities Preferred equity	\$122,478 5,094 494,385 46,311 668,267 40,289 \$708,555 \$483,202 61,682 544,884 63,584 7,764 39,384	\$1,672 182 11,504 735 14,093	Yield/Cost (Dollars in 2.73% 7.20 4.69 3.20 4.26	\$116,075 7,544 480,061 18,573 622,253 41,478 \$663,731 \$414,025 79,267 493,292 70,304 2,149 50,995	\$1,495 190 10,497 214 12,396 \$1,986 605	2.58% 5.07 4.41 2.32 4.02 0.97% 1.54
Net interest-earning assets, interest income and net interest spread (1)(3) \$123,383 \$9,659 \$2.62% \$128,961 \$9,805 \$2.96% Net interest margin (1)(4) Ratio of average interest-earning assets to	Interest-earning assets Securities (1) Loans held for sale (1) Loans (1)(2) Federal funds sold, reverse repos and interest-earning due from banks Total interest-earning assets Noninterest-earning assets Total assets Interest-bearing liabilities Interest-bearing deposits Borrowed funds Total interest-bearing liabilities: Noninterest-earning liabilities: Noninterest-bearing demand deposits Accrued interest and other liabilities Preferred equity Common equity	\$122,478 5,094 494,385 46,311 668,267 40,289 \$708,555 \$483,202 61,682 544,884 63,584 7,764 39,384 52,939	\$1,672 182 11,504 735 14,093	Yield/Cost (Dollars in 2.73% 7.20 4.69 3.20 4.26	\$116,075 7,544 480,061 18,573 622,253 41,478 \$663,731 \$414,025 79,267 493,292 70,304 2,149 50,995 46,991	\$1,495 190 10,497 214 12,396 \$1,986 605	2.58% 5.07 4.41 2.32 4.02 0.97% 1.54
Net interest margin (1)(4) 2.92% 3.18% Ratio of average interest-earning assets to	Interest-earning assets Securities (1) Loans held for sale (1) Loans (1)(2) Federal funds sold, reverse repos and interest-earning due from banks Total interest-earning assets Noninterest-earning assets Total assets Interest-bearing liabilities Interest-bearing deposits Borrowed funds Total interest-bearing liabilities Noninterest-earning liabilities: Noninterest-bearing demand deposits Accrued interest and other liabilities Preferred equity Common equity Total stockholders' equity	\$122,478 5,094 494,385 46,311 668,267 40,289 \$708,555 \$483,202 61,682 544,884 63,584 7,764 39,384 52,939 92,323	\$1,672 182 11,504 735 14,093	Yield/Cost (Dollars in 2.73% 7.20 4.69 3.20 4.26	\$116,075 7,544 480,061 18,573 622,253 41,478 \$663,731 \$414,025 79,267 493,292 70,304 2,149 50,995 46,991 97,986	\$1,495 190 10,497 214 12,396 \$1,986 605	2.58% 5.07 4.41 2.32 4.02 0.97% 1.54
Ratio of average interest-earning assets to	Interest-earning assets Securities (1) Loans held for sale (1) Loans (1)(2) Federal funds sold, reverse repos and interest-earning due from banks Total interest-earning assets Noninterest-earning assets Total assets Interest-bearing liabilities Interest-bearing deposits Borrowed funds Total interest-bearing liabilities Noninterest-earning liabilities: Noninterest-bearing demand deposits Accrued interest and other liabilities Preferred equity Common equity Total stockholders' equity Total liabilities and stockholders' equity	\$122,478 5,094 494,385 46,311 668,267 40,289 \$708,555 \$483,202 61,682 544,884 63,584 7,764 39,384 52,939 92,323 \$708,555	\$1,672 182 11,504 735 14,093 \$3,754 680 4,434	Yield/Cost (Dollars in 2.73% 7.20 4.69 3.20 4.26 1.57% 2.22 1.64	\$116,075 7,544 480,061 18,573 622,253 41,478 \$663,731 \$414,025 79,267 493,292 70,304 2,149 50,995 46,991 97,986 \$663,731	\$1,495 190 10,497 214 12,396 \$1,986 605	2.58% 5.07 4.41 2.32 4.02 0.97% 1.54
Ratio of average interest-earning assets to	Interest-earning assets Securities (1) Loans held for sale (1) Loans (1)(2) Federal funds sold, reverse repos and interest-earning due from banks Total interest-earning assets Noninterest-earning assets Total assets Interest-bearing liabilities Interest-bearing deposits Borrowed funds Total interest-bearing liabilities Noninterest-earning liabilities: Noninterest-bearing demand deposits Accrued interest and other liabilities Preferred equity Common equity Total stockholders' equity Total liabilities and stockholders' equity Net interest-earning assets, interest income and	\$122,478 5,094 494,385 46,311 668,267 40,289 \$708,555 \$483,202 61,682 544,884 63,584 7,764 39,384 52,939 92,323 \$708,555	\$1,672 182 11,504 735 14,093 \$3,754 680 4,434	Yield/Cost (Dollars in 2.73% 7.20 4.69 3.20 4.26 1.57% 2.22 1.64	\$116,075 7,544 480,061 18,573 622,253 41,478 \$663,731 \$414,025 79,267 493,292 70,304 2,149 50,995 46,991 97,986 \$663,731	\$1,495 190 10,497 214 12,396 \$1,986 605 2,591	2.58% 5.07 4.41 2.32 4.02 0.97% 1.54 1.06
average interest-bearing liabilities 1.23 1.26	Interest-earning assets Securities (1) Loans held for sale (1) Loans (1)(2) Federal funds sold, reverse repos and interest-earning due from banks Total interest-earning assets Noninterest-earning assets Total assets Interest-bearing liabilities Interest-bearing deposits Borrowed funds Total interest-bearing liabilities: Noninterest-earning liabilities: Noninterest-bearing demand deposits Accrued interest and other liabilities Preferred equity Common equity Total stockholders' equity Total liabilities and stockholders' equity Net interest-earning assets, interest income and net interest spread (1)(3)	\$122,478 5,094 494,385 46,311 668,267 40,289 \$708,555 \$483,202 61,682 544,884 63,584 7,764 39,384 52,939 92,323 \$708,555	\$1,672 182 11,504 735 14,093 \$3,754 680 4,434	Yield/Cost (Dollars in 2.73% 7.20 4.69 3.20 4.26 1.57% 2.22 1.64	\$116,075 7,544 480,061 18,573 622,253 41,478 \$663,731 \$414,025 79,267 493,292 70,304 2,149 50,995 46,991 97,986 \$663,731	\$1,495 190 10,497 214 12,396 \$1,986 605 2,591	2.58% 5.07 4.41 2.32 4.02 0.97% 1.54 1.06
	Interest-earning assets Securities (1) Loans held for sale (1) Loans (1)(2) Federal funds sold, reverse repos and interest-earning due from banks Total interest-earning assets Noninterest-earning assets Total assets Interest-bearing liabilities Interest-bearing deposits Borrowed funds Total interest-bearing liabilities Noninterest-earning liabilities: Noninterest-earning liabilities: Noninterest-bearing demand deposits Accrued interest and other liabilities Preferred equity Common equity Total stockholders' equity Total liabilities and stockholders' equity Net interest-earning assets, interest income and net interest spread (1)(3) Net interest margin (1)(4) Ratio of average interest-earning assets to	\$122,478 5,094 494,385 46,311 668,267 40,289 \$708,555 \$483,202 61,682 544,884 63,584 7,764 39,384 52,939 92,323 \$708,555 \$123,383	\$1,672 182 11,504 735 14,093 \$3,754 680 4,434	Yield/Cost (Dollars in 2.73% 7.20 4.69 3.20 4.26 1.57% 2.22 1.64	\$116,075 7,544 480,061 18,573 622,253 41,478 \$663,731 \$414,025 79,267 493,292 70,304 2,149 50,995 46,991 97,986 \$663,731	\$1,495 190 10,497 214 12,396 \$1,986 605 2,591	2.58% 5.07 4.41 2.32 4.02 0.97% 1.54 1.06

- (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 declined \$0.2 million during the second quarter of 2019 compared to the second quarter of 2018. The net interest margin declined by 26 basis points primarily due to the 55 basis point increase in the cost of interest-bearing liabilities compared to the 21 basis point increase in earning asset yields. Net interest income declined \$0.1 million during the six months ended June 30, 2019, compared to the same period of 2018. The net interest margin declined by 26 basis points primarily due to the 58 basis point increase in the cost of interest-bearing liabilities compared to the 24 basis point increase in earning asset yields. Higher costs of interest bearing liabilities over both time periods was the result of rising short term interest rates which affected our rates paid on borrowed funds and time deposits and money market deposit accounts, as well as higher rate competition in our markets for deposits.

CIB MARINE BANCSHARES, INC. Loans and Allowance for Loan and Losses

Loan Portfolio Segments (unaudited)

	June 30, 2019		December 31, 2018		June 30	, 2018
	Amount	% of Total	Amount	% of Total	Amount	% of Total
			(Dollars in	thousands)		
Commercial	\$61,125	11.9%	\$53,631	10.9%	\$56,794	11.6%
Commercial real estate	255,646	49.8	244,764	49.8	253,106	51.9
Construction and development	20,065	4.0	22,279	4.5	16,971	3.5
Residential real estate	151,465	29.5	143,008	29.2	132,468	27.2
Home equity	20,974	4.1	22,740	4.7	23,450	4.8
Purchased home equity pools	3,339	0.6	3,850	0.8	4,427	0.9
Other consumer	431	0.1	484	0.1	635	0.1
Gross loans	513,045	100.0%	490,756	100.0%	487,851	100.0%
Deferred loan costs	710	_	581		911	
Loans	513,755	·	491,337	<u> </u>	488,762	•
Allowance for loan losses	(7,251)		(7,947)		(8,055)	
Loans, net	\$506,504	·	\$483,390	- -	\$480,707	

<u>N</u>		and Selected Asset Quality	
N 6 .	June 30, 2019	December 31, 2018	June 30, 2018
Nonperforming assets Nonaccrual loans:		(Dollars in thousands)	
Commercial	\$698	\$1,490	\$1,626
Commercial real estate	3,931	4,085	\$1,020
Construction and development	3,931	4,063	_
Residential real estate	441	223	242
Home equity	690	802	743
Other consumer	090	802	743
Other consumer	5,760	6,600	2,611
Loans held for sale	5,760		2,011
Total nonaccrual loans	5,760	6,600	2,611
Other real estate owned	2,466	2,486	2,494
Total nonperforming assets	\$8,226	\$9,086	\$5,105
Restructured loans accruing	Ψ0,220	<i>\$</i> 2,000	ψυ,100
Commercial	\$—	\$—	\$—
Commercial real estate	218	227	235
Residential real estate	1,132	809	753
Home equity	_	_	_
Purchased home equity pools	296	333	362
Other consumer	_	_	_
Total restructured loans accruing	\$1,646	\$1,369	\$1,350
90 days or more past due still accruing	\$43	\$ —	\$47
Ratios			
Nonaccrual loans to total loans (1)	1.12%	1.34%	0.53%
Other real estate owned to total assets	0.35	0.34	0.36
Nonperforming assets to total assets (1)	1.16	1.26	0.73
Nonaccrual loans, restructured loans and loans 90 days or			
more past due and still accruing to total loans (1)	1.45	1.62	0.82
Nonperforming assets, restructured loans and 90 days or			
more past due and still accruing loans to total assets (1)	1.40	1.45	0.94

⁽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.

	Allowance for Loan Losses (unaudited)							
_			Construction			Purchased		
	_	Commercial	and	Residential	Home	Home	Other	
-	Commercial	Real Estate	Development	Real Estate	Equity	Equity Pools	Consumer	Total
Quarter ended June 30, 2019			(1	Pollars in thou	isands)			
Balance at beginning of								
period	\$1,994	\$4,327	\$253	\$656	\$497	\$131	\$7	\$7,865
Provision for (reversal of)	Ψ1,>>	Ψ1,527	Ψ233	φοσο	ΨΙΣΤ	ΨΙΣΙ	Ψ,	Ψ7,005
loan losses	141	(279)	79	60	(36)	(37)	5	(67)
Charge-offs	(570)	_	_	_	_	(39)	(6)	(615)
Recoveries	6	1	_	6	6	49	_	68
Balance at end of period	\$1,571	\$4,049	\$332	\$722	\$467	\$104	\$6	\$7,251
O								
Quarter ended June 30, 2018 Balance at beginning of								
period	\$1,122	\$4,726	\$192	\$571	\$537	\$169	\$14	\$7,331
Provision for (reversal of)	\$1,122	\$4,720	\$192	\$3/1	\$331	\$109	\$14	\$7,331
loan losses	385	(288)	51	(28)	31	1	(3)	149
Charge-offs		(200)		(20)	(14)	(23)	(5)	(37)
Recoveries	6	551	_	20	11	23	1	612
Balance at end of period	\$1,513	\$4,989	\$243	\$563	\$565	\$170	\$12	\$8,055
· -								
Six month ended June 30, 201	9							
Balance at beginning of								
period	\$1,924	\$4,248	\$408	\$688	\$549	\$125	\$5	\$7,947
Provision for (reversal of)								
loan losses	240	(200)	(76)	25	(136)	(85)	7	(225)
Charge-offs	(605)	_	_	_	_	(39)	(6)	(650)
Recoveries	12	1	_	9	54	103	_	179
Balance at end of period	\$1,571	\$4,049	\$332	\$722	\$467	\$104	\$6	\$7,251
Six months ended June 30, 20	18							
Balance at beginning of								
period	\$1,144	\$4,522	\$230	\$769	\$870	\$151	\$15	\$7,701
Provision for (reversal of)								. ,
loan losses	357	(88)	13	(82)	(54)	(119)	(4)	23
Charge-offs	_	` <u></u>	_	(144)	(267)	(39)		(450)
Recoveries	12	555		20	16	177	1	781
Balance at end of period	\$1,513	\$4,989	\$243	\$563	\$565	\$170	\$12	\$8,055

Nonaccrual loan volumes have decreased \$0.8 million since the start of the year and as a result, nonaccrual loans to total loans decreased from 1.34% at December 31, 2018, to 1.12% at June 30, 2019.

Reversal of provisions for loan losses was \$225,000 for the six months ending June 30, 2019, improved from a provision of \$23,000 in the same period of 2018, due to in part to improved historical longer term loss rates. In addition, non-accrual and past due loans have generally improved since December 31, 2018. The higher charge-offs for the six months ended June 30, 2019, versus the same prior of 2018 reflects predominately one commercial relationship whose charge-off was of impairments previously provided for in the allowance for loan losses.

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 loan losses, a net recovery may result in a credit provision (i.e., a reversal of provisions for loan 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 so as to permit it to record further credit provisions or reversals of provisions for loan losses for any of the portfolio segments or in total.

Past Due Accruing Loans (unaudited)

-	Greater Than						
	30-59 Days	60-89 Days	89 Days	Total	Loans Not		
_	Past Due	Past Due	Past Due	Past Due	Past Due	Total	
			(Dollars in thou	ısands)			
At June 30, 2019							
Commercial	\$—	\$ —	\$ —	\$ —	\$60,427	\$60,427	
Commercial real estate	_	_	_	_	251,715	251,715	
Construction and development	233	36	_	269	19,796	20,065	
Residential real estate	236	190	_	426	150,598	151,024	
Home equity	47	_	43	90	20,194	20,284	
Purchased home equity pools	27	34	_	61	3,278	3,339	
Other consumer	_	_	_	_	431	431	
Deferred loan costs	1	_	_	1	709	710	
Total	\$544	\$260	\$43	\$847	\$507,148	\$507,995	
At December 30, 2018							
Commercial	\$325	\$	\$	\$325	\$51,816	\$52,141	
Commercial real estate	143	_	_	143	240,536	240,679	
Construction and development	_	_	_	_	22,279	22,279	
Residential real estate	321	723	_	1,044	141,741	142,785	
Home equity	231	13	_	244	21,694	21,938	
Purchased home equity pools	_	40	_	40	3,810	3,850	
Other consumer	1	_	_	1	483	484	
Deferred loan costs	1	_	_	1	580	581	
Total	\$1,022	\$776	\$—	\$1,798	\$482,939	\$484,737	
At June 30, 2018							
Commercial	\$107	\$	S —	\$107	\$55,061	\$55,168	
Commercial real estate	_	_	_	_	253,106	253,106	
Construction and development	_	_	_	_	16,971	16,971	
Residential real estate	285	_	47	332	131,894	132,226	
Home equity	104	72	_	176	22,531	22,707	
Purchased home equity pools	87	62	_	149	4,278	4,427	
Other consumer	_	_	_	_	635	635	
Deferred loan costs	1	_	_	1	910	911	
Total	\$584	\$134	\$47	\$765	\$485,386	\$486,151	

CIB MARINE BANCSHARES, INC. Capital (unaudited)

	Actu	For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Provisions		
	Amount	Ratio	Amount	Ratio	Amount	Ratio
			(Dollars in th	ousands)		
June 30, 2019 (1) Total capital to risk-weighted assets CIB Marine Bancshares, Inc. CIBM Bank	\$79,608 78,547	15.32% 15.15	\$41,561 41,477	8.00% 8.00	\$51,846	10.00%
Tier 1 capital to risk-weighted assets CIB Marine Bancshares, Inc. CIBM Bank	\$73,105 72,057	14.07% 13.90	\$31,171 31,108	6.00% 6.00	\$41,477	8.00%
Tier 1 leverage to average assets CIB Marine Bancshares, Inc. CIBM Bank	\$73,105 72,057	10.64% 10.45	\$27,492 27,589	4.00% 4.00	\$34,487	5.00%
Common Equity Tier 1 (2) CIBM Bank	\$72,057	13.90%	\$23,331	4.50%	\$33,700	6.50%
December 31, 2018 (1) Total capital to risk-weighted assets CIB Marine Bancshares, Inc. CIBM Bank	\$77,024 72,643	15.34% 14.50	\$40,164 40,074	8.00% 8.00	\$50,092	10.00%
Tier 1 capital to risk-weighted assets CIB Marine Bancshares, Inc. CIBM Bank	\$70,728 66,360	14.09% 13.25	\$30,123 30,055	6.00% 6.00	\$40,074	8.00%
Tier 1 leverage to average assets CIB Marine Bancshares, Inc. CIBM Bank	\$70,728 66,360	10.10% 9.49	\$27,997 27,958	4.00% 4.00	\$34,947	5.00%
Common Equity Tier 1 (2) CIBM Bank	\$66,360	13.25%	\$22,542	4.50%	\$32,560	6.50%

⁽¹⁾ Under the new capital regulation implemented January 1, 2015, referred to as Basel III, a capital conservation buffer of 2.5%, comprised of Common Equity Tier 1 ("CET1"), is established above the regulatory minimum capital requirements. The capital conservation buffer will be phased in between January 1, 2016, and year-end 2018, becoming fully effective on January 1, 2019. Non-compliance with the capital conservation buffer can result in limitations of certain types of compensation for executive and equivalent officers. In addition, CIBM Bank made the one-time accumulated other comprehensive income opt-out election on the first Call Report filed after January 1, 2015, which allows community banks under \$250 billion a one-time opt-out election to remove the impact of certain unrealized capital gains and losses (e.g., unrealized securities gains and losses) from the calculation of capital. The election cannot be changed in future periods.

⁽²⁾ CIB Marine is a Small Bank Holding Company under Appendix C of Part 225 of the Federal Reserve regulation and, as a result the CET1 is not applicable to CIB Marine. CET1 is applicable to CIBM Bank.