CIB Marine Bancshares, Inc. (OTCQX: CIBH). This report provides additional detailed financial information for the year ended December 31, 2023, that is not also included in the audited financial statement as of December 31, 2023. Please see our Shareholder Letter dated February 15, 2024, at www.cibmarine.com for a summary description of our financial results.

CIB MARINE BANCSHARES, INC.
Uninsured Deposits (unaudited)

CIB Marine's subsidiary bank, CIBM Bank, estimated its uninsured deposit balances were $149 million or 20% of total deposits at December 31, 2023, and $178 million or 28% of total deposits at December 31, 2022. The decline was due in part to larger deposit clients choosing to fully utilize FDIC insured products (i.e., CIBM Bank's reciprocal deposit products) or non-deposit uninsured collateralized government securities repo sweep product (the latter is included in Borrowings in the balance sheet), as well as growth in new customers with insured deposits.

Estimates of uninsured deposits are those deposits that are estimated to be in excess of FDIC deposit insurance limits for customer deposits and excludes:

a. Deposits that are estimated to be insured within FDIC deposit insurance limits;
b. $55 million in deposits in our reciprocal deposit products, which are insured by other qualifying depository institutions that participate in the reciprocal deposit program managed by a third party;
c. $4 million in municipal deposit balances secured by securities collateral;
d. $13 million in municipal deposit balances secured by FHLB letters of credit; and
e. $22 million of funds invested in government securities repurchase agreements.

Due to the complexities of FDIC deposit insurance rules, our estimate likely overstates actual uninsured deposits as it does not reduce balances for various personal account ownership types that can expand FDIC insurance coverage (e.g., joint ownership and different types of trust accounts, including 'pay on death' accounts).

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

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 $15 million deferred tax assets net of tax liabilities resulting in an impairment expense and a reduction in stockholder's equity. On December 31, 2023, 5% of the total value of Company stock was approximately $2.1 million, which is the equivalent of approximately 98,480 shares of common stock at the last traded price of $21.10 as of December 31, 2023, as listed on OTCQX, or approximately 2,519 shares of preferred stock at $825 per share, the price paid per share of preferred stock on the last redemption date of December 19, 2022. Under the assumption all remaining preferred shares are redeemed, thereafter 5% of Company common stock would be approximately 66,730 shares.

The Company does not directly control a number of factors related to Section 382 ownership change events, including the fair market value of stock or shareholder purchases/sales of stock, and as a result the number of shares that denote a 5% shareholder could change significantly.