



FOR IMMEDIATE RELEASE
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FOR INFORMATION CONTACT:
J. Brian Chaffin, President & CEO
(217) 355-0900
brian.chaffin@cibmbank.com

CIB MARINE BANCSHARES, INC. ANNOUNCES FIRST QUARTER 2024 RESULTS

BROOKFIELD, Wis. – CIB Marine Bancshares, Inc. (the “Company” or “CIB Marine”) (OTCQX: CIBH), the holding company of CIBM Bank (the “Bank”), announced its unaudited results of operations and financial condition for the quarter and three months ended March 31, 2024. During the quarter, CIBM Bank’s loan portfolio growth slowed to \$14 million and deposits grew \$45 million, allowing the Bank to reduce borrowings by \$45 million, improve its liquidity profile, and control cost of funds. The Mortgage Division improved its operating results versus the first quarter of 2023, but did have an operating loss as a result of the severe production environment created by higher interest rates and lack of housing supply.

Income before tax was \$0.2 million for the first quarter of 2024, nominally higher than the fourth quarter of 2023. Net income was \$0.2 million for the first quarter of 2024 or \$0.13 basic and \$0.10 diluted net income per share, compared to a loss of \$0.9 million during the fourth quarter of 2023 or \$0.67 basic and \$0.67 diluted net loss per share. Net income for the first quarter of 2023 was \$0.2 million or \$0.17 basic or \$0.13 diluted net income per share.

Financial highlights for the quarter include:

- CIBM Bank’s loan portfolio balances increased \$14 million, primarily from funding prior commercial real estate construction loans and other new commercial segment loans. This is down from \$33 million of growth in the fourth quarter of 2023. Loan portfolio growth is expected to continue to decline due to higher loan rates and balance sheet management. Deposits increased by \$45 million, primarily in time deposits and money market accounts, as lower-cost fundings were used to reduce higher-cost short term borrowings from the Federal Home Loan Bank of Chicago (“FHLB”). This helped to control some of the cost of funds pressures for the period and improved the Bank’s liquidity profile as the loan to deposit ratio declined from 98% at December 31, 2023, to 94% at March 31, 2024, and borrowing availability with the FHLB increased.
- As of March 31, 2024, non-performing assets, modified loans to borrowers experiencing financial difficulty, and loans 90 days or more past due and still accruing to total assets and

nonaccrual loans to total loans ratios were 0.89% and 0.48%, respectively, compared to 0.90% and 0.50%, respectively, on December 31, 2023, and 0.14% and 0.08%, respectively, on March 31, 2023. Also, as of March 31, 2024, the allowance for credit losses on loans (“ACLL”) to loans was 1.23% compared to an ACLL of 1.27% on December 31, 2023, and 1.51% on March 31, 2023. The ACLL qualitative factors, including in the assessment of the ACLL, include economic forecasts obtained from third parties. Over the course of 2023 and the first quarter of 2024, gross domestic product and unemployment forecasts have improved with declining recession risk resulting in a lower ACLL to loans ratio.

- Net interest margin was down 12 basis points from the prior quarter as the increase in the cost of funds was more than the increase in the yields on earning assets. Although progress was made in controlling the cost of funds by reducing our high-cost borrowings and replacing them with lower cost deposits, this progress was offset by certain other deposit relationship cost increases and higher cost renewals of time deposits. Net interest income was down \$0.2 million from the fourth quarter of 2023 and down \$0.9 million from the first quarter of 2023.
- For the quarter ended March 31, 2024, Banking Division net income was \$0.8 million, down \$0.2 million from the same period in 2023, and Mortgage Division net loss was \$0.3 million, improved by \$0.2 million due to prior cost saving actions and certain new hire costs in 2023, despite the continued market challenges. The remaining \$0.3 million net loss was from parent company sub-debt and administration expenses.

Reflecting on the quarter, Mr. J. Brian Chaffin, CIB Marine’s President and CEO, commented, “We have had some real successes this past quarter in a number of areas. Our solid deposit growth has resulted in an improved liquidity profile and, based on current forecasts, we believe it will lead to improved net interest margins in the future. Our targeted cost controls from last year are in place and have offset some of the decline in revenues.

“In this environment of constrained revenues, we continue to use balance sheet management to improve capital ratios in support of future preferred stock redemptions. Under this strategy, we expect slow – possibly even negative – loan growth in the foreseeable future, as well as possible asset sales, such as the sale of \$2.7 million SBA 7(a) guaranteed loans for a gain of \$0.2 million that we completed in the first quarter.

“In addition, due to continued challenges in mortgage banking largely originating from a shortfall in housing supply and high interest rates, and after evaluating many options, we significantly reduced ongoing operating costs for future periods with reductions of operations and less productive sales staff, and adjusted certain fees and compensation arrangements at the end of the first quarter of 2024 to improve the range of potential outcomes to include a profitable year in the Mortgage Division.”

He concluded, “We plan on covering a number of important topics related to our operating results and capital plans for our shareholders in more detail at the Annual Shareholder Meeting scheduled for Thursday, April 25th. We encourage shareholders to visit our website for additional details regarding our virtual shareholder meeting, and to review the meeting materials.”

CIB Marine Bancshares, Inc. is the holding company for CIBM Bank, which operates nine banking offices in Illinois, Wisconsin, and Indiana, and has mortgage loan officers and/or offices in nine states. More information on the Company is available at www.cibmarine.com, including recent shareholder letters, links to regulatory financial reports, and audited financial statements.

FORWARD-LOOKING STATEMENTS

CIB Marine has made statements in this release that may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. CIB Marine intends these forward-looking statements to be subject to the safe harbor created thereby and is including this statement to avail itself of the safe harbor. Forward-looking statements are identified generally by statements containing words and phrases such as “may,” “project,” “are confident,” “should be,” “intend,” “predict,” “believe,” “plan,” “expect,” “estimate,” “anticipate” and similar expressions. These forward-looking statements reflect CIB Marine’s current views with respect to future events and financial performance that are subject to many uncertainties and factors relating to CIB Marine’s operations and the business environment, which could change at any time.

There are inherent difficulties in predicting factors that may affect the accuracy of forward-looking statements.

Stockholders should note that many factors, some of which are discussed elsewhere in this Earnings Release and in the documents that are incorporated by reference, could affect the future financial results of CIB Marine and could cause those results to differ materially from those expressed in forward-looking statements contained or incorporated by reference in this document. These factors, many of which are beyond CIB Marine’s control, include but are not limited to:

- operating, legal, execution, credit, market, security (including cyber), and regulatory risks;*
- economic, political, and competitive forces affecting CIB Marine’s banking business;*
- the impact on net interest income and securities values from changes in monetary policy and general economic and political conditions; and*
- the risk that CIB Marine’s analyses of these risks and forces could be incorrect and/or that the strategies developed to address them could be unsuccessful.*

These factors should be considered in evaluating the forward-looking statements, and undue reliance should not be placed on such statements. Forward-looking statements speak only as of the date they are made. CIB Marine undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Forward-looking statements are subject to significant risks and uncertainties and CIB Marine’s actual results may differ materially from the results discussed in forward-looking statements.

CIB MARINE BANCSHARES, INC.
Selected Unaudited Consolidated Financial Data

	At or for the							
	Quarters Ended					3 Months Ended		
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023	March 31, 2024	March 31, 2023	
	(Dollars in thousands, except share and per share data)							
Selected Statement of Operations Data:								
Interest and dividend income	\$ 11,801	\$ 11,328	\$ 10,117	\$ 9,152	\$ 8,472	\$ 11,801	\$ 8,472	
Interest expense	6,840	6,190	5,180	3,643	2,601	6,840	2,601	
Net interest income	4,961	5,138	4,937	5,509	5,871	4,961	5,871	
Provision for (reversal of) credit losses	(28)	135	(140)	(246)	159	(28)	159	
Net interest income after provision for (reversal of) credit losses	4,989	5,003	5,077	5,755	5,712	4,989	5,712	
Noninterest income (1)	1,627	1,824	2,368	3,298	1,410	1,627	1,410	
Noninterest expense	6,421	6,669	7,007	7,457	6,805	6,421	6,805	
Income before income taxes	195	158	438	1,596	317	195	317	
Income tax expense	17	1,050	59	431	89	17	89	
Net income (loss)	\$ 178	\$ (892)	\$ 379	\$ 1,165	\$ 228	\$ 178	\$ 228	
Common Share Data:								
Basic net income (loss) per share	\$ 0.13	\$ (0.67)	\$ 0.28	\$ 0.88	\$ 0.17	\$ 0.13	\$ 0.17	
Diluted net income (loss) per share	0.10	(0.67)	0.21	0.64	0.13	0.10	0.13	
Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Tangible book value per share (2)	52.59	53.35	52.05	52.47	53.28	52.59	53.28	
Book value per share (2)	50.84	51.58	50.28	50.70	51.48	50.84	51.48	
Weighted average shares outstanding - basic	1,341,181	1,334,163	1,333,889	1,318,460	1,308,603	1,341,181	1,308,603	
Weighted average shares outstanding - diluted	1,820,498	1,813,207	1,814,716	1,815,593	1,803,218	1,820,498	1,803,218	
Financial Condition Data:								
Total assets	\$ 897,595	\$ 899,060	\$ 874,247	\$ 819,521	\$ 787,244	\$ 897,595	\$ 787,244	
Loans	736,019	722,084	688,446	647,823	608,492	736,019	608,492	
Allowance for credit losses on loans	(9,087)	(9,136)	(8,947)	(8,999)	(9,193)	(9,087)	(9,193)	
Investment securities	119,300	131,529	130,476	114,661	126,001	119,300	126,001	
Deposits	772,377	727,565	644,165	613,808	632,339	772,377	632,339	
Borrowings	32,120	76,956	138,469	113,950	65,173	32,120	65,173	
Stockholders' equity	85,091	85,075	83,313	83,876	83,615	85,091	83,615	
Financial Ratios and Other Data:								
Performance Ratios:								
Net interest margin (3)	2.29%	2.41%	2.43%	2.90%	3.22%	2.29%	3.22%	
Net interest spread (4)	1.63%	1.79%	1.85%	2.42%	2.82%	1.63%	2.82%	
Noninterest income to average assets (5)	0.73%	0.78%	1.15%	1.68%	0.72%	0.73%	0.72%	
Noninterest expense to average assets	2.87%	3.00%	3.31%	3.77%	3.58%	2.87%	3.58%	
Efficiency ratio (6)	97.20%	97.13%	95.06%	84.35%	93.90%	97.20%	93.90%	
Earnings on average assets (7)	0.08%	-0.40%	0.18%	0.59%	0.12%	0.08%	0.12%	
Earnings on average equity (8)	0.84%	-4.21%	1.78%	5.53%	1.11%	0.84%	1.11%	
Asset Quality Ratios:								
Nonaccrual loans to loans (9)	0.48%	0.50%	0.50%	0.02%	0.08%	0.48%	0.08%	
Nonaccrual loans, modified loans to borrowers experiencing financial difficulty, loans 90 days or more past due and still accruing to total loans	1.04%	1.07%	0.56%	0.11%	0.12%	1.04%	0.12%	
Nonaccrual loans, modified loans to borrowers experiencing financial difficulty, loans 90 days or more past due and still accruing to total assets	0.89%	0.90%	0.49%	0.13%	0.14%	0.89%	0.14%	
Allowance for credit losses on loans to total loans (9)	1.23%	1.27%	1.30%	1.39%	1.51%	1.23%	1.51%	
Allowance for credit losses on loans to nonaccrual loans, restructured loans and loans 90 days or more past due and still accruing (9)	118.77%	118.59%	231.01%	1283.74%	1262.77%	118.77%	1262.77%	
Net charge-offs (recoveries) annualized to average loans (9)	0.03%	0.01%	-0.01%	-0.02%	-0.02%	0.03%	-0.02%	
Capital Ratios:								
Total equity to total assets	9.48%	9.46%	9.53%	10.23%	10.62%	9.48%	10.62%	
Total risk-based capital ratio	13.07%	13.24%	13.58%	14.31%	14.84%	13.07%	14.84%	
Tier 1 risk-based capital ratio	10.48%	10.62%	10.91%	11.54%	11.99%	10.48%	11.99%	
Leverage capital ratio	8.50%	8.62%	8.93%	9.43%	9.56%	8.50%	9.56%	
Other Data:								
Number of employees (full-time equivalent)	177	193	194	206	202	177	202	
Number of banking facilities	9	9	9	10	10	9	10	

(1) Noninterest income includes gains and losses on securities.

(2) Tangible book value per share is the stockholder equity less the carry value of the preferred stock and less the goodwill and intangible assets, divided by the total shares of common outstanding. Book value per share is the stockholder equity less the liquidation preference of the preferred stock, divided by the total shares of common outstanding. Book value measures are reported inclusive of the net deferred tax assets. As presented here, shares of common outstanding excludes unvested restricted stock

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

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

(5) Noninterest income to average assets excludes gains and losses on securities.

(6) The efficiency ratio is noninterest expense divided by the sum of net interest income plus noninterest income, excluding gains and losses on securities.

(7) Earnings on average assets are net income divided by average total assets.

(8) Earnings on average equity are net income divided by average stockholders' equity.

(9) Excludes loans held for sale.

CIB MARINE BANCSHARES, INC.
Consolidated Balance Sheets (unaudited)

	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
(Dollars in Thousands, Except Shares)					
Assets					
Cash and due from banks	\$ 7,727	\$ 9,491	\$ 9,203	\$ 14,444	\$ 16,490
Reverse repurchase agreements	-	-	-	-	-
Securities available for sale	117,160	129,370	128,413	112,532	123,838
Equity securities at fair value	2,140	2,159	2,063	2,129	2,163
Loans held for sale	8,048	9,209	15,011	14,726	10,848
Loans	736,019	722,084	688,446	647,823	608,492
Allowance for credit losses on loans	(9,087)	(9,136)	(8,947)	(8,999)	(9,193)
Net loans	726,932	712,948	679,499	638,824	599,299
Federal Home Loan Bank Stock	2,328	2,709	4,645	2,818	1,897
Premises and equipment, net	3,550	3,602	3,675	3,879	3,969
Accrued interest receivable	3,271	2,983	2,748	2,036	2,118
Deferred tax assets, net	14,849	14,753	16,815	16,790	16,464
Other real estate owned, net	375	375	375	375	375
Bank owned life insurance	6,291	6,247	6,204	6,160	6,119
Goodwill and other intangible assets	64	64	70	76	81
Other assets	4,860	5,150	5,526	4,732	3,583
Total assets	\$ 897,595	\$ 899,060	\$ 874,247	\$ 819,521	\$ 787,244
Liabilities and Stockholders' Equity					
Deposits:					
Noninterest-bearing demand	\$ 87,621	\$ 89,025	\$ 88,674	\$ 93,487	\$ 94,700
Interest-bearing demand	92,092	90,232	73,086	82,484	93,388
Savings	261,998	256,059	254,211	247,339	259,907
Time	330,666	292,249	228,194	190,498	184,344
Total deposits	772,377	727,565	644,165	613,808	632,339
Short-term borrowings	22,383	67,227	128,748	104,238	55,469
Long-term borrowings	9,737	9,729	9,721	9,712	9,704
Accrued interest payable	1,982	1,883	1,491	963	557
Other liabilities	6,025	7,581	6,809	6,924	5,560
Total liabilities	812,504	813,985	790,934	735,645	703,629
Stockholders' Equity					
Preferred stock, \$1 par value; 5,000,000 authorized shares at both March 31, 2024 and December 31, 2023; 7% fixed rate noncumulative perpetual issued; 14,633 shares of series A and 1,610 shares of series B; convertible; \$16.2 million aggregate liquidation preference	13,806	13,806	13,806	13,806	13,806
Common stock, \$1 par value; 75,000,000 authorized shares; 1,368,987 and 1,349,392 issued shares; 1,354,918 and 1,335,323 outstanding shares at March 31, 2024 and December 31, 2023, respectively. (1)	1,369	1,349	1,349	1,349	1,324
Capital surplus	181,380	181,282	181,144	181,050	180,903
Accumulated deficit	(105,157)	(105,335)	(104,443)	(104,822)	(105,987)
Accumulated other comprehensive income, net	(5,773)	(5,493)	(8,009)	(6,973)	(5,897)
Treasury stock, 14,791 shares on March 31, 2024 and December 31, 2023 (2)	(534)	(534)	(534)	(534)	(534)
Total stockholders' equity	85,091	85,075	83,313	83,876	83,615
Total liabilities and stockholders' equity	\$ 897,595	\$ 899,060	\$ 874,247	\$ 819,521	\$ 787,244

(1) Both issued and outstanding shares as stated here exclude 51,018 shares and 48,308 shares of unvested restricted stock awards at March 31, 2024 and December 31, 2023, respectively.

(2) Treasury stock includes 722 shares held by subsidiary bank CIBM Bank.

CIB MARINE BANCSHARES, INC.
Consolidated Statements of Operations (Unaudited)

	At or for the					3 Months Ended	
	Quarters Ended						
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023	March 31, 2024	March 31, 2023
	(Dollars in thousands)						
Interest Income							
Loans	\$ 10,394	\$ 9,752	\$ 8,718	\$ 7,942	\$ 7,121	\$ 10,394	\$ 7,121
Loans held for sale	142	200	227	155	84	142	84
Securities	1,231	1,330	1,132	985	1,031	1,231	1,031
Other investments	34	46	40	70	236	34	236
Total interest income	11,801	11,328	10,117	9,152	8,472	11,801	8,472
Interest Expense							
Deposits	6,227	5,071	3,918	3,076	2,364	6,227	2,364
Short-term borrowings	493	998	1,141	445	118	493	118
Long-term borrowings	120	121	121	122	119	120	119
Total interest expense	6,840	6,190	5,180	3,643	2,601	6,840	2,601
Net interest income	4,961	5,138	4,937	5,509	5,871	4,961	5,871
Provision for (reversal of) credit losses	(28)	135	(140)	(246)	159	(28)	159
Net interest income after provision for (reversal of) credit losses	4,989	5,003	5,077	5,755	5,712	4,989	5,712
Noninterest Income							
Deposit service charges	66	74	101	76	79	66	79
Other service fees	(5)	3	6	11	16	(5)	16
Mortgage banking revenue, net	1,209	1,397	1,984	1,636	1,008	1,209	1,008
Other income	163	165	132	171	110	163	110
Net gains on sale of securities available for sale	0	0	0	0	0	0	0
Unrealized gains (losses) recognized on equity securities	(18)	96	(66)	(34)	34	(18)	34
Net gains (loss) on sale of SBA loans	202	0	0	0	151	202	151
Net gains (losses) on sale of assets and (writedowns)	10	89	211	1,438	12	10	12
Total noninterest income	1,627	1,824	2,368	3,298	1,410	1,627	1,410
Noninterest Expense							
Compensation and employee benefits	4,289	4,369	4,631	5,101	4,550	4,289	4,550
Equipment	462	493	484	504	475	462	475
Occupancy and premises	436	415	490	404	438	436	438
Data Processing	212	224	245	221	199	212	199
Federal deposit insurance	199	170	123	150	87	199	87
Professional services	199	243	271	317	278	199	278
Telephone and data communication	56	66	57	56	61	56	61
Insurance	81	79	82	68	88	81	88
Other expense	487	610	624	636	629	487	629
Total noninterest expense	6,421	6,669	7,007	7,457	6,805	6,421	6,805
Income from operations before income taxes	195	158	438	1,596	317	195	317
Income tax expense	17	1,050	59	431	89	17	89
Net (loss) income	178	(892)	379	1,165	228	178	228
Preferred stock dividend	0	0	0	0	0	0	0
Discount from repurchase of preferred stock	0	0	0	0	0	0	0
Net income (loss) allocated to common stockholders	\$ 178	\$ (892)	\$ 379	\$ 1,165	\$ 228	\$ 178	\$ 228