



FOR IMMEDIATE RELEASE
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CIB MARINE BANCSHARES, INC. ANNOUNCES FIRST QUARTER 2022 RESULTS

BROOKFIELD, Wis. – CIB Marine Bancshares, Inc. (the “Company” or “CIBM”) (OTCQX: CIBH), the holding company of CIBM Bank, announced its unaudited results of operations and financial condition for the first quarter of 2022. *Changes to markets over the past quarter and year have impacted the Company’s level and composition of income and mortgage lending activity has declined in the rising mortgage rate environment. Net income for the quarter ended March 31, 2022, was \$0.9 million, or \$0.69 basic and \$0.50 diluted earnings per share, compared to \$2.1 million, or \$1.67 basic and \$0.97 diluted earnings per share, for the same period of 2021.*

Financial highlights for the quarter include:

- Net interest income and margin in the first quarter of 2022 were \$5.5 million and 3.05%, respectively, compared to \$5.7 million and 3.23% in the same period of 2021. The change was primarily the result of a reduction in residential loans held for sale balances due to lower mortgage volume, an increase in lower yielding interest bearing cash and due from, a decline in PPP loan fees, and the issuance of 4.50% coupon bearing subordinated debt.
- Net mortgage banking revenues were \$1.4 million for the first quarter of 2022 compared to \$5.0 million for the same period of 2021. The change was due to a significant decline in loan originations (from \$143 million to \$58 million) due to an increase of almost 100 basis points in average mortgage rates over the same period, as well as tightening margins in the industry due to competitive pressures in the lower volume environment. Related mortgage compensation expenses were also down \$1.8 million in the first quarter of 2022 compared to the same period in 2021.
- Asset quality ratios were strong at March 31, 2022. Non-performing assets, restructured loans, and loans 90 days or more past due and still accruing to total assets and nonaccrual loans to total loans were 0.19% and 0.13%, respectively, compared to 0.21% and 0.14% at December 31, 2021, and 0.52% and 0.23% at March 31, 2021. With asset quality measures continuing to report near cycle best levels, easing COVID infection levels, and loan balances down for the

quarter, CIBM reversed \$0.3 million in provisions for future loan losses compared to a nominal provision in the same period of 2021.

- Tangible book value attributable to the common stock was \$55.13 per share outstanding at March 31, 2022, compared to \$57.06 at December 31, 2021, and \$53.25 at March 31, 2021. The change at CIBM is similar to the experience across the industry. With a 100 basis point or more increase in US Treasury rates in the 2- to 5-year terms over the first quarter, the unrealized losses in the available for sale securities portfolio increased, representing \$2.19 in tangible book value per share at March 31, 2022.
- Deposits for checking, savings, and money market accounts in aggregate grew by \$12 million from December 31, 2021, to March 31, 2022, due to marketing activity and continued relatively low short-term interest rates. As short-term federal funds and US T-Bill interest rates rise over the course of the year, pressure on balances is expected to increase.

Mr. J. Brian Chaffin, CIBM's President and CEO, commented, "Tightening margins and the impact of seasonal and cyclical factors on mortgage volumes have led to a decline in the operating results for our mortgage banking division. With mortgage volumes expected to be down significantly compared to the last two years, we are taking this opportunity to make an important upgrade in our mortgage loan operating system, which will provide a better loan origination experience for employees and customers alike.

"Interest rates across the curve have shifted significantly upwards, with federal funds rates expected to increase from near 0% at the beginning of the year to over 2.0% by year-end as part of the Fed's inflation fighting monetary policy action plan. We expect this to dampen loan demand, economic activity, and certain asset prices significantly, and it has already changed recession risks materially over the coming year or two. We plan to continue adjusting underwriting standards to reflect future credit risks and actively managing the loan portfolio.

"The increase in interest rates is widely expected to reduce lower-cost deposit growth in the industry. However, lower loan demand and significant balance sheet liquidity are expected to slow the increase in deposit costs at CIBM and in the industry.

"Two years ago, we began Project Falcon with the primary goal of changing our deposit mix and cost of funds. Since then, our percentile rank for annual interest bearing liability costs within our national peer size category has declined from the 83rd to the 35th on a year-on-year basis.

"Project Falcon also focuses on identifying and implementing internal process improvements and efficiency-enhancing technologies that allow us to maximize our internal capacity. In addition, we continue to focus on hiring and retaining highly talented employees, providing them the tools they need to be successful in our industry, and rewarding their success at competitive levels.

“Finally, to support our preferred stock redemption plan, we issued \$10 million in subordinated debentures during the first quarter of 2022. The 10-year notes bear interest at 4.50% per annum through February 18, 2027, and thereafter pay a quarterly floating rate equal to the Three-Month Term SOFR plus 275 basis. With two years of improved operating results, strong asset quality, and a substantial reduction in preferred stock already completed, the market presented an opportunity for this lower cost of capital to be obtained.”

CIB Marine Bancshares, Inc. is the holding company for CIBM Bank, which operates ten banking offices and five mortgage loan offices in Illinois, Wisconsin and Indiana. 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, 2022	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021	March 31, 2022	March 31, 2021	
(Dollars in thousands, except share and per share data)								
Selected Statement of Operations Data:								
Interest and dividend income	\$ 5,879	\$ 6,244	\$ 6,311	\$ 6,239	\$ 6,265	\$ 5,879	\$ 6,265	
Interest expense	413	387	417	456	536	413	536	
Net interest income	5,466	5,857	5,894	5,783	5,729	5,466	5,729	
Provision for (reversal of) loan losses	(325)	(502)	(413)	(300)	20	(325)	20	
Net interest income after provision for (reversal of) loan losses	5,791	6,359	6,307	6,083	5,709	5,791	5,709	
Noninterest income (1)	1,705	2,718	4,072	3,135	5,146	1,705	5,146	
Noninterest expense	6,262	7,641	7,517	7,279	7,940	6,262	7,940	
Income before income taxes	1,234	1,436	2,862	1,939	2,915	1,234	2,915	
Income tax expense	334	336	788	558	798	334	798	
Net income	\$ 900	\$ 1,100	\$ 2,074	\$ 1,381	\$ 2,117	\$ 900	\$ 2,117	
Common Share Data:								
Basic net income per share (2)	\$ 0.69	\$ 1.28	\$ 1.61	\$ 1.08	\$ 1.67	\$ 0.69	\$ 1.67	
Diluted net income per share (2)	0.50	0.92	0.94	0.63	0.97	0.50	0.97	
Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Tangible book value per share (3)	55.13	57.06	55.60	54.19	53.25	55.13	53.25	
Book value per share (3)	52.64	54.55	50.58	49.16	48.21	52.64	48.21	
Weighted average shares outstanding - basic	1,295,573	1,287,438	1,286,536	1,282,917	1,268,947	1,295,573	1,268,947	
Weighted average shares outstanding - diluted	1,792,181	1,784,005	2,208,493	2,208,600	2,185,433	1,792,181	2,185,433	
Financial Condition Data:								
Total assets	\$ 764,641	\$ 745,393	\$ 775,912	\$ 753,660	\$ 752,715	\$ 764,641	\$ 752,715	
Loans	529,212	543,819	559,079	553,642	540,206	529,212	540,206	
Allowance for loan losses	(8,011)	(8,352)	(8,699)	(9,165)	(9,253)	(8,011)	(9,253)	
Investment securities	109,533	106,647	102,243	108,825	112,400	109,533	112,400	
Deposits	631,953	618,991	624,579	609,964	608,433	631,953	608,433	
Borrowings	36,789	27,049	34,577	29,592	30,736	36,789	30,736	
Stockholders' equity	89,931	91,780	108,984	107,051	105,593	89,931	105,593	
Financial Ratios and Other Data:								
Performance Ratios:								
Net interest margin (4)	3.05%	3.18%	3.21%	3.26%	3.23%	3.05%	3.23%	
Net interest spread (5)	2.98%	3.10%	3.12%	3.16%	3.13%	2.98%	3.13%	
Noninterest income to average assets (6)	0.97%	1.43%	2.13%	1.68%	2.79%	0.97%	2.79%	
Noninterest expense to average assets	3.35%	3.98%	3.92%	3.91%	4.27%	3.35%	4.27%	
Efficiency ratio (7)	85.98%	88.87%	75.34%	81.69%	72.72%	85.98%	72.72%	
Earnings on average assets (8)	0.48%	0.57%	1.08%	0.74%	1.14%	0.48%	1.14%	
Earnings on average equity (9)	3.98%	4.47%	7.59%	5.18%	8.10%	3.98%	8.10%	
Asset Quality Ratios:								
Nonaccrual loans to loans (10)	0.13%	0.14%	0.18%	0.19%	0.23%	0.13%	0.23%	
Nonaccrual loans, restructured loans and loans 90 days or more past due and still accruing to total loans (10)	0.20%	0.21%	0.27%	0.32%	0.37%	0.20%	0.37%	
Nonperforming assets, restructured loans and loans 90 days or more past due and still accruing to total assets (10)	0.19%	0.21%	0.25%	0.29%	0.52%	0.19%	0.52%	
Allowance for loan losses to total loans (10)	1.51%	1.54%	1.56%	1.66%	1.71%	1.51%	1.71%	
Allowance for loan losses to nonaccrual loans, restructured loans and loans 90 days or more past due and still accruing (10)	742.45%	726.26%	575.33%	519.26%	459.21%	742.45%	459.21%	
Net charge-offs (recoveries) annualized to average loans (10)	0.01%	-0.11%	0.04%	-0.16%	-0.08%	0.01%	-0.08%	
Capital Ratios:								
Total equity to total assets	11.76%	12.31%	14.05%	14.20%	14.03%	11.76%	14.03%	
Total risk-based capital ratio	17.52%	15.53%	18.14%	18.02%	18.12%	17.52%	18.12%	
Tier 1 risk-based capital ratio	14.43%	14.28%	16.89%	16.76%	16.86%	14.43%	16.86%	
Leverage capital ratio	10.27%	10.22%	12.44%	12.32%	11.88%	10.27%	11.88%	
Other Data:								
Number of employees (full-time equivalent)	172	177	179	176	179	172	179	
Number of banking facilities	10	10	10	10	10	10	10	

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

(2) Net income available to common stockholders in the calculation of earnings per share includes the difference between the carrying amount less the consideration paid for redeemed preferred stock of \$0.5 million for the quarter ended December 31, 2021.

(3) 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 awards.

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

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

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

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

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

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

(10) Excludes loans held for sale.

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

	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
(Dollars in Thousands, Except Shares)					
Assets					
Cash and due from banks	\$ 88,605	\$ 59,184	\$ 69,217	\$ 52,467	\$ 51,691
Reverse repurchase agreements	-	-	-	-	-
Securities available for sale	107,237	104,240	99,813	106,383	109,965
Equity securities at fair value	2,296	2,407	2,430	2,442	2,435
Loans held for sale	9,567	9,859	18,258	13,168	18,136
Loans	529,212	543,819	559,079	553,642	540,206
Allowance for loan losses	(8,011)	(8,352)	(8,699)	(9,165)	(9,253)
Net loans	521,201	535,467	550,380	544,477	530,953
Federal Home Loan Bank Stock	3,140	3,140	3,140	3,140	3,140
Premises and equipment, net	4,226	4,200	3,979	3,873	4,476
Accrued interest receivable	1,611	1,605	1,813	1,916	1,983
Deferred tax assets, net	15,758	14,731	15,193	15,632	16,417
Other real estate owned, net	403	403	403	403	1,875
Bank owned life insurance	5,966	5,930	5,894	4,861	4,831
Goodwill and other intangible assets	103	109	115	120	126
Other assets	4,528	4,118	5,277	4,778	6,687
Total Assets	\$ 764,641	\$ 745,393	\$ 775,912	\$ 753,660	\$ 752,715
Liabilities and Stockholders' Equity					
Deposits:					
Noninterest-bearing demand	\$ 124,724	\$ 120,479	\$ 122,441	\$ 121,862	\$ 109,466
Interest-bearing demand	67,362	63,693	62,414	61,439	63,033
Savings	294,255	289,943	287,609	266,085	268,026
Time	145,612	144,876	152,115	160,578	167,908
Total deposits	631,953	618,991	624,579	609,964	608,433
Short-term borrowings	27,117	27,049	34,577	29,592	30,736
Long-term borrowings	9,672	-	-	-	-
Accrued interest payable	144	100	111	127	140
Other liabilities	5,824	7,473	7,661	6,926	7,813
Total liabilities	674,710	653,613	666,928	646,609	647,122
Stockholders' Equity					
Preferred stock, \$1 par value; 5,000,000 authorized shares at March 31, 2022 and December 31, 2021; 7% fixed rate noncumulative perpetual issued; 20,463 shares and 40,690 shares of series A and 1,610 shares and 3,201 shares of series B; convertible; \$22.1 million and \$43.9 million aggregate liquidation preference, respectively	18,762	18,762	37,308	37,308	37,308
Common stock, \$1 par value; 75,000,000 authorized shares; 1,317,958 and 1,306,660 issued shares; 1,303,889 and 1,292,591 outstanding shares at March 31, 2022 and December 31, 2021, respectively. (1)	1,318	1,307	1,302	1,301	1,295
Capital surplus	180,431	180,360	179,557	179,421	179,291
Accumulated deficit	(107,997)	(108,897)	(109,997)	(112,071)	(113,452)
Accumulated other comprehensive income, net	(2,049)	782	1,348	1,626	1,685
Treasury stock, 14,791 shares on March 31, 2022 and December 31, 2021 (2)	(534)	(534)	(534)	(534)	(534)
Total stockholders' equity	89,931	91,780	108,984	107,051	105,593
Total liabilities and stockholders' equity	\$ 764,641	\$ 745,393	\$ 775,912	\$ 753,660	\$ 752,715

(1) Both issued and outstanding shares as stated here exclude 69,232 shares of unvested restricted stock awards at March 31, 2022 and 66,299 shares at December 31, 2021.

(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, 2022	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021	March 31, 2022	March 31, 2021
	(Dollars in thousands)						
Interest Income							
Loans	\$ 5,254	\$ 5,572	\$ 5,646	\$ 5,583	\$ 5,524	\$ 5,254	\$ 5,524
Loans held for sale	58	131	135	95	175	58	175
Securities	537	516	509	551	555	537	555
Other investments	30	25	21	10	11	30	11
Total interest income	5,879	6,244	6,311	6,239	6,265	5,879	6,265
Interest Expense							
Deposits	350	379	409	447	512	350	512
Short-term borrowings	7	8	8	9	24	7	24
Long-term borrowings	56	0	0	0	0	56	0
Total interest expense	413	387	417	456	536	413	536
Net interest income	5,466	5,857	5,894	5,783	5,729	5,466	5,729
Provision for (reversal of) loan losses	(325)	(502)	(413)	(300)	20	(325)	20
Net interest income after provision for (reversal of) loan losses	5,791	6,359	6,307	6,083	5,709	5,791	5,709
Noninterest Income							
Deposit service charges	88	95	97	90	84	88	84
Other service fees	25	23	35	43	40	25	40
Mortgage banking revenue, net	1,430	2,300	3,626	2,763	4,983	1,430	4,983
Other income	212	185	186	280	192	212	192
Net gains on sale of securities available for sale	0	0	0	0	0	0	0
Unrealized gains (losses) recognized on equity securities	(112)	(23)	(12)	7	(43)	(112)	(43)
Net gains (loss) on sale of SBA loans	31	120	151	0	0	31	0
Net gains (losses) on sale of assets and (writedowns)	31	18	(11)	(48)	(110)	31	(110)
Total noninterest income	1,705	2,718	4,072	3,135	5,146	1,705	5,146
Noninterest Expense							
Compensation and employee benefits	4,229	5,334	5,436	5,099	5,956	4,229	5,956
Equipment	442	446	390	384	379	442	379
Occupancy and premises	422	400	395	443	434	422	434
Data Processing	166	167	105	181	185	166	185
Federal deposit insurance	52	51	46	47	48	52	48
Professional services	224	353	227	328	253	224	253
Telephone and data communication	61	67	70	56	60	61	60
Insurance	85	72	66	64	68	85	68
Other expense	581	751	782	677	557	581	557
Total noninterest expense	6,262	7,641	7,517	7,279	7,940	6,262	7,940
Income from operations before income taxes	1,234	1,436	2,862	1,939	2,915	1,234	2,915
Income tax expense	334	336	788	558	798	334	798
Net income	900	1,100	2,074	1,381	2,117	900	2,117
Preferred stock dividend	0	0	0	0	0	0	0
Discount from repurchase of preferred stock	0	546	0	0	0	0	0
Net income allocated to common stockholders	\$ 900	\$ 1,646	\$ 2,074	\$ 1,381	\$ 2,117	\$ 900	\$ 2,117