



FOR IMMEDIATE RELEASE
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CIB MARINE BANCSHARES, INC. ANNOUNCES FIRST QUARTER 2020 RESULTS

BROOKFIELD, Wis. – CIB Marine Bancshares, Inc. (the “Company” or “CIBM”) (OTCQB: CIBH), the holding company of CIBM Bank, announced its unaudited results of operations and financial condition for the first quarter of 2020. *Net income for the quarter ended March 31, 2020, was \$0.8 million or \$0.04 basic and \$0.02 diluted earnings per share, compared to \$0.6 million or \$0.03 basic and \$0.02 diluted earnings per share for the same period of 2019. Pre-tax income for the quarter ended March 31, 2020, was \$1.1 million compared to \$0.9 million for the same period of 2019.*

The increase in net income was the result of a few key factors:

- The three major lines of revenue were up in the first quarter of 2020 versus the same period in the prior year. Lower rates generated increased mortgage volumes, which drove net mortgage banking revenues up \$1.2 million over the first quarter of 2019; gains on sale of SBA 7(a) loans were up \$0.4 million due to higher loan production in the first quarter; and net interest income was up \$0.1 million and the net interest margin was up 10 basis points compared to the first quarter of 2019, due to a reduction in the cost of funds.
- The provision for loan losses was up \$0.4 million and our write-downs in other real estate owned were up \$0.3 million for the three months ending March 31, 2020, versus the same period in 2019. The increase in provisions was primarily due to COVID-19 related deterioration of economic conditions in the first quarter of 2020, net of other factors. Further deterioration is also expected in the foreseeable future.
- Non-interest expense was up \$0.8 million for the three months ending March 31, 2020, compared to the same period of 2019, due primarily to higher compensation related to the increase in mortgage and SBA loan volumes.
- 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 1.24% and 0.97%, respectively, at March 31, 2020, down from 1.35% and 1.09%, respectively, at December 31, 2019, and 1.51% and 1.29%, respectively, at March 31, 2019. The improvements during the first quarter of 2020

were related to certain loan level improvements, although credit quality is expected to deteriorate in the foreseeable future due to the economic impact of COVID-19.

Mr. J. Brian Chaffin, President and CEO of CIBM, commented, “Early in January 2020, CIBM Bank embarked on a major project designed to improve its operating performance over the coming years. This project involved nearly 40% of our employees and was focused on key revenue improvement areas as well as customer experience, products, and other matters. By the end of March, CIBM Bank was deep into our COVID-19 pandemic response – spending significant time coordinating, communicating and implementing our many internal and external responses to COVID-19. Much of our time has been spent evaluating and preparing for significant changes in operations, products, and delivery due to emerging social distancing norms, shelter in home orders by states, and the many federal support programs for individuals, businesses, and the financial sector. Our investors can be proud of the dedication and commitment CIBM Bank employees have exhibited through this period.”

He added, “Income for the first quarter of 2020 was up versus the prior year and would have been stronger by nearly \$1.0 million before tax, except for some COVID-19 related charges in our mortgage pipeline due to market dislocations and disruptions in the mortgage markets, and the provision for loan losses due primarily to the near-term decline in economic conditions. Economic forecasts for the future vary widely, but one thing seems to be clear: we are experiencing a historic decline in employment and private sector economic activity due to society’s response to COVID-19. We are preparing for a significant economic downturn and credit shock in our national, regional, and local economies, and it is our aim to be a source of banking strength for our clients during these times.

“By being flexible and agile in these unprecedented times, we remain a trusted advisor for our customers. In just the few months since this pandemic began, we have assisted our clients in navigating this new world so that they can benefit from assistance from both the bank and various government programs, including the approval of more than 213 100% U.S. government guaranteed SBA Paycheck Protection Program loans, totaling over \$38 million; six months of principal and interest payments to be made by the SBA on SBA 7(a) loans; and internal loan deferral programs.”

He concluded, “Our shareholder meeting will proceed as scheduled on April 30, 2020. Given the current ‘stay at home’ directives, we encourage shareholders to listen to the meeting via teleconference, as outlined in the Proxy Statement.”

CIB Marine Bancshares, Inc. is the holding company for CIBM Bank, which operates eleven 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, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	(Dollars in thousands, except share and per share data)						
Selected Statement of Operations Data							
Interest and dividend income	\$ 6,636	\$ 6,820	\$ 7,035	\$ 7,078	\$ 7,015	\$ 6,636	\$ 7,015
Interest expense	1,689	2,030	2,183	2,256	2,178	1,689	2,178
Net interest income	4,947	4,790	4,852	4,822	4,837	4,947	4,837
Provision for (reversal of) loan losses	202	715	327	(67)	(158)	202	(158)
Net interest income after provision for (reversal of) loan losses	4,745	4,075	4,525	4,889	4,995	4,745	4,995
Noninterest income (1)	2,642	2,249	3,835	2,710	1,362	2,642	1,362
Noninterest expense	6,322	6,879	7,233	6,557	5,505	6,322	5,505
Income (loss) before income taxes	1,065	(555)	1,127	1,042	852	1,065	852
Income tax expense (benefit)	281	(180)	93	281	229	281	229
Net income (loss)	\$ 784	\$ (375)	\$ 1,034	\$ 761	\$ 623	\$ 784	\$ 623
Common Share Data							
Basic net income (loss) per share (2)	\$ 0.04	\$ (0.02)	\$ 0.07	\$ 0.04	\$ 0.03	\$ 0.04	\$ 0.03
Diluted net income (loss) per share (2)	0.02	(0.02)	0.04	0.02	0.02	0.02	0.02
Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tangible book value per share (3)	3.07	2.99	3.03	2.97	2.90	3.07	2.90
Book value per share (3)	2.73	2.64	2.68	2.60	2.53	2.73	2.53
Weighted average shares outstanding - basic	18,724,047	18,646,427	18,455,408	18,290,674	18,232,169	18,724,047	18,232,169
Weighted average shares outstanding - diluted	32,329,698	32,329,533	32,536,354	33,009,983	32,815,744	32,329,698	32,815,744
Financial Condition Data							
Total assets	\$ 705,473	\$ 703,791	\$ 700,711	\$ 708,270	\$ 702,152	\$ 705,473	\$ 702,152
Loans	513,992	513,705	508,758	513,755	489,273	513,992	489,273
Allowance for loan losses	(8,107)	(8,007)	(7,560)	(7,251)	(7,865)	(8,107)	(7,865)
Investment securities	120,105	120,398	120,648	124,784	123,500	120,105	123,500
Deposits	531,999	530,190	557,745	535,367	542,938	531,999	542,938
Borrowings	68,950	73,847	38,468	69,174	57,220	68,950	57,220
Stockholders' equity	95,841	93,404	94,082	94,035	92,507	95,841	92,507
Financial Ratios and Other Data							
Performance Ratios:							
Net interest margin (4)	3.04%	2.86%	2.95%	2.89%	2.94%	3.04%	2.94%
Net interest spread (5)	2.78%	2.55%	2.62%	2.58%	2.64%	2.78%	2.64%
Noninterest income to average assets (6)	1.51%	1.28%	2.19%	1.52%	0.76%	1.51%	0.76%
Noninterest expense to average assets	3.67%	3.88%	4.14%	3.72%	3.14%	3.67%	3.14%
Efficiency ratio (7)	83.74%	97.57%	83.44%	87.45%	89.24%	83.74%	89.24%
Earnings on average assets (8)	0.45%	-0.21%	0.59%	0.43%	0.36%	0.45%	0.36%
Earnings on average equity (9)	3.32%	-1.56%	4.35%	3.28%	2.76%	3.32%	2.76%
Asset Quality Ratios:							
Nonaccrual loans to loans (10)	0.97%	1.09%	1.14%	1.12%	1.29%	0.97%	1.29%
Nonaccrual loans, restructured loans and loans 90 days or more past due and still accruing to total loans (10)	1.25%	1.38%	1.44%	1.45%	1.66%	1.25%	1.66%
Nonperforming assets, restructured loans and loans 90 days or more past due and still accruing to total assets (10)	1.24%	1.35%	1.40%	1.40%	1.51%	1.24%	1.51%
Allowance for loan losses to total loans (10)	1.58%	1.56%	1.49%	1.41%	1.61%	1.58%	1.61%
Allowance for loan losses to nonaccrual loans, restructured loans and loans 90 days or more past due and still accruing (10)	126.26%	112.66%	103.07%	97.34%	96.96%	126.26%	96.96%
Net charge-offs (recoveries) annualized to average loans (10)	0.08%	0.21%	0.01%	0.44%	-0.06%	0.08%	-0.06%
Capital Ratios:							
Total equity to total assets	13.59%	13.27%	13.43%	13.28%	13.17%	13.59%	13.17%
Total risk-based capital ratio	15.36%	15.19%	15.18%	15.32%	15.56%	15.36%	15.56%
Tier 1 risk-based capital ratio	14.11%	13.94%	13.93%	14.07%	14.31%	14.11%	14.31%
Leverage capital ratio	11.08%	10.71%	10.86%	10.64%	10.39%	11.08%	10.39%
Other Data:							
Number of employees (full-time equivalent)	177	176	182	180	177	177	177
Number of banking facilities	11	11	11	11	11	11	11

(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 \$0.3 million for the third quarter of 2019 and twelve months ended December 31, 2019.

(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, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
(Dollars in Thousands, Except Shares)					
Assets					
Cash and due from banks	\$ 9,006	\$ 8,970	\$ 9,582	\$ 8,791	\$ 8,168
Reverse repurchase agreements	3,622	11,196	4,083	18,347	42,729
Securities available for sale	117,640	117,972	118,211	122,365	121,115
Equity securities at fair value	2,465	2,426	2,437	2,419	2,385
Loans held for sale	24,988	16,928	25,347	8,450	4,467
Loans	513,992	513,705	508,758	513,755	489,273
Allowance for loan losses	(8,107)	(8,007)	(7,560)	(7,251)	(7,865)
Net loans	505,885	505,698	501,198	506,504	481,408
Federal Home Loan Bank Stock	2,947	2,587	926	2,363	2,003
Premises and equipment, net	4,769	4,274	4,504	4,643	4,538
Accrued interest receivable	1,610	1,486	1,646	1,820	1,873
Deferred tax assets, net	19,509	20,069	20,455	20,703	21,156
Other real estate owned, net	2,335	2,396	2,466	2,466	2,466
Bank owned life insurance	4,718	4,691	4,666	4,640	4,613
Goodwill and other intangible assets	148	154	159	165	171
Other assets	5,831	4,944	5,031	4,594	5,060
Total Assets	\$ 705,473	\$ 703,791	\$ 700,711	\$ 708,270	\$ 702,152
Liabilities and Stockholders' Equity					
Deposits:					
Noninterest-bearing demand	\$ 67,459	\$ 70,175	\$ 63,694	\$ 62,424	\$ 62,553
Interest-bearing demand	47,760	45,512	50,683	32,649	32,467
Savings	196,797	204,976	202,866	192,133	188,110
Time	219,983	209,527	240,502	248,161	259,808
Total deposits	531,999	530,190	557,745	535,367	542,938
Short-term borrowings	68,950	73,847	38,468	69,174	57,220
Accrued interest payable	543	603	711	725	727
Other liabilities	8,140	5,747	9,705	8,969	8,760
Total liabilities	609,632	610,387	606,629	614,235	609,645
Stockholders' Equity					
Preferred stock, \$1 par value; 5,000,000 authorized shares at both March 31, 2020 and December 31, 2019; 7% fixed rate noncumulative perpetual issued; 40,888 shares of series A and 3,217 shares of series B; convertible; \$44.1 million aggregate liquidation preference	37,490	37,490	37,489	39,384	39,384
Common stock, \$1 par value; 75,000,000 authorized shares; 19,162,637 and 18,868,329 issued shares; 18,951,590 and 18,657,282 outstanding shares at March 31, 2020 and December 31, 2019, respectively.					
(1)	19,162	18,868	18,868	18,543	18,456
Capital surplus	160,990	161,175	161,110	160,991	160,930
Accumulated deficit	(122,969)	(123,753)	(123,377)	(124,412)	(125,173)
Accumulated other comprehensive income (loss), net	1,702	158	526	63	(556)
Treasury stock 221,902 shares at cost	(534)	(534)	(534)	(534)	(534)
Total stockholders' equity	95,841	93,404	94,082	94,035	92,507
Total liabilities and stockholders' equity	\$ 705,473	\$ 703,791	\$ 700,711	\$ 708,270	\$ 702,152

(1) Both issued and outstanding shares as stated here exclude 521,087 shares and 815,395 shares of unvested restricted stock awards at March 31, 2020 and December 31, 2019, respectively.

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

	At or for the					3 Months Ended	
	Quarters Ended						
	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	(Dollars in thousands)						
Interest Income							
Loans	\$ 5,703	\$ 5,793	\$ 5,992	\$ 5,811	\$ 5,693	\$ 5,703	\$ 5,693
Loans held for sale	119	195	152	97	85	119	85
Securities	763	764	810	868	804	763	804
Other investments	51	68	81	302	433	51	433
Total interest income	6,636	6,820	7,035	7,078	7,015	6,636	7,015
Interest Expense							
Deposits	1,512	1,856	2,027	1,949	1,805	1,512	1,805
Short-term borrowings	177	174	156	307	373	177	373
Total interest expense	1,689	2,030	2,183	2,256	2,178	1,689	2,178
Net interest income	4,947	4,790	4,852	4,822	4,837	4,947	4,837
Provision for (reversal of) loan losses	202	715	327	(67)	(158)	202	(158)
Net interest income after provision for (reversal of) loan losses	4,745	4,075	4,525	4,889	4,995	4,745	4,995
Noninterest Income							
Deposit service charges	96	98	101	95	83	96	83
Other service fees	20	23	30	29	20	20	20
Mortgage banking revenue, net	2,177	2,112	2,936	2,148	978	2,177	978
Other income	265	129	150	179	165	265	165
Net gains on sale of securities available for sale	0	0	0	0	0	0	0
Unrealized gains (losses) recognized on equity securities	39	(11)	18	34	30	39	30
Net gains on sale of SBA loans	437	166	605	253	0	437	0
Net gains (losses) on sale of assets and (writedowns)	(392)	(268)	(5)	(28)	86	(392)	86
Total noninterest income	2,642	2,249	3,835	2,710	1,362	2,642	1,362
Noninterest Expense							
Compensation and employee benefits	4,421	4,701	5,309	4,445	3,687	4,421	3,687
Equipment	363	394	335	353	335	363	335
Occupancy and premises	460	460	420	437	456	460	456
Data Processing	164	157	165	160	166	164	166
Federal deposit insurance	0	(10)	(5)	66	82	0	82
Professional services	298	320	198	207	140	298	140
Telephone and data communication	68	81	86	83	78	68	78
Insurance	54	59	70	52	53	54	53
Other expense	494	717	655	754	508	494	508
Total noninterest expense	6,322	6,879	7,233	6,557	5,505	6,322	5,505
Income (losses) from operations before income taxes	1,065	(555)	1,127	1,042	852	1,065	852
Income tax expense (benefit)	281	(180)	93	281	229	281	229
Net income (loss)	784	(375)	1,034	761	623	784	623
Preferred stock dividend	0	0	0	0	0	0	0
Discount from repurchase of preferred stock	0	0	308	0	0	0	0
Net income (loss) allocated to common stockholders	\$ 784	\$ (375)	\$ 1,342	\$ 761	\$ 623	\$ 784	\$ 623