



FOR IMMEDIATE RELEASE
January 19, 2022

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CIB MARINE BANCSHARES, INC. ANNOUNCES 2021 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 fourth quarter and full year ended December 31, 2021. Improvements in net interest income, strong commercial loan originations, and net recoveries of prior loan losses partially offset lower overall refinance mortgage lending from the prior year, and resulted in net income of \$6.7 million for the twelve months ended December 31, 2021, compared to \$8.2 million for the same period in 2020. Net income allocated to common shareholders was \$7.2 million for the year compared to \$8.2 million for the year 2020, with the \$0.5 million improvement attributable to the discount to the carrying value for preferred shares repurchased during 2021.

Financial highlights include:

- Common stock tangible book value increased to \$57.06 per share outstanding at December 31, 2021, compared to \$52.28 at December 31, 2020, reflecting a 9.1% increase due primarily to earnings and the discount to the carrying value of repurchased preferred stock, off-set in part by a decline in accumulated other comprehensive income due to an increase in interest rates.
- Return on average assets (ROAA) was 0.88% for the year compared to 1.09% for the same period 2020. For the Company’s subsidiary, CIBM Bank, ROAA was 1.01% for the year compared to 1.21% for the same period in 2020. The primary difference between the consolidated company and the bank in 2021 was due to ongoing holding company expenses, including additional expenses related to the activities that culminated in the shareholder approved plan to repurchase all outstanding preferred stock over a period of approximately four years and the repurchase of nearly 50% of outstanding preferred stock during the fourth quarter of 2021.
- Net interest income for the year ended December 31, 2021, totaled \$23.3 million, up \$1.1 million from the same period in 2020. The increase was due to a \$0.4 million increase in accreted deferred Paycheck Protection Program (PPP) fees net of costs, a \$10 million increase in average earning assets, and a 52 basis point decline in interest bearing liabilities compared to a 32 basis point decline in the yield on interest earning assets. As a result, the net interest margin in 2021

improved 11 basis points to 3.22.

- Net recoveries of loans previously charged off totaling \$0.4 million, combined with improved loan portfolio asset quality and environmental factors, contributed to a \$1.2 million reversal of provision for loan losses for the year 2021 compared to provisions of \$1.1 million in 2020.
- 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 0.21% and 0.14%, respectively, at December 31, 2021, down from 0.54% and 0.23%, respectively, at December 31, 2020. Improvements are related, in part, to collection related activity and federal monetary policy and fiscal support measures for businesses and households.
- CIBM Bank's Mortgage Division had another solid year with loan closings of approximately \$440 million – the division's second highest level of closings following 2020's record year of approximately \$600 million – and net mortgage banking revenues of \$13.7 million compared to \$20.3 million in 2020. Stronger purchase money originations partially offset lower refinance lending due to higher mortgage rates and refinance burnout.
- During 2020 and 2021, CIBM Bank originated \$63 million in PPP loans. As of December 31, 2021, PPP loan balances were paid down to approximately \$8 million with substantially all pay downs resulting from 100% loan forgiveness funding from the SBA. Accreted PPP fees net of costs was \$1.0 million in 2021, up \$0.4 million from 2020, with remaining deferred fees of \$0.3 million at December 31, 2021.
- High levels of balance sheet liquidity, in part reflected by cash and due from bank balances of \$59 million, were supported by robust deposit level growth, with checking account deposits up \$32 million and savings and money market account deposits up \$46 million, since year-end 2020. The increases reflect ongoing marketing activity and general market liquidity conditions bolstered by federal fiscal and monetary policies (e.g., low interest rates and liquidity support programs).

Mr. J. Brian Chaffin, CIB Marine's President and CEO, commented, "2021 saw strong results in commercial and residential mortgage lending activity, continued growth in checking and money market balances, and improvement in our SBA 7(a) and 504 origination activity. In addition, improvements to the asset quality of the portfolio and continued economic growth has allowed the Bank to begin to cautiously unwind the significant build up in the allowance for loan losses experienced by CIB Marine and its peers in 2020. We continue to closely monitor the impact of the latest surge in COVID infections."

Mr. Chaffin added, "We have witnessed the yield curve move up significantly, reflecting the fixed income market's pricing for three to four Fed funds rate increases in 2022 and beyond. We are aware that the high levels of checking and money market balances seen across the industry over the last two years are

vulnerable to rising rates. Despite the potential for a reversal of this deposit balance trend, CIBM Bank continues to emphasize developing new checking and money market account relationships, which is a focus of our strategic plan.”

He concluded, “Once again, we want to thank our shareholders for their support during 2021, particularly as it relates to their approval of our Amended and Restated Articles of Incorporation, which paved the way for the implementation of our preferred stock redemption plan. Through this plan, we repurchased nearly 50%, or \$18 million, of all outstanding preferred stock during the fourth quarter. The purchase was at a discount of \$0.5 million to the carrying value, or \$0.42 per outstanding share of common stock at the time, and further reduced the dilution that would occur upon the conversion of the Series B preferred shares to common shares (which may occur only in certain, limited circumstances) from 40% to 24% of the total issued and outstanding common shares on a pro-forma, fully-diluted basis.”

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					12 Months Ended	
	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
(Dollars in thousands, except share and per share data)							
Selected Statement of Operations Data:							
Interest and dividend income	\$ 6,244	\$ 6,311	\$ 6,239	\$ 6,265	\$ 6,489	\$ 25,059	\$ 26,996
Interest expense	387	417	456	536	765	1,796	4,814
Net interest income	5,857	5,894	5,783	5,729	5,724	23,263	22,182
Provision for (reversal of) loan losses	(502)	(413)	(300)	20	101	(1,195)	1,053
Net interest income after provision for (reversal of) loan losses	6,359	6,307	6,083	5,709	5,623	24,458	21,129
Noninterest income (1)	2,718	4,072	3,135	5,146	6,566	15,071	21,801
Noninterest expense	7,641	7,517	7,279	7,940	9,317	30,377	32,003
Income before income taxes	1,436	2,862	1,939	2,915	2,872	9,152	10,927
Income tax expense	336	788	558	798	565	2,480	2,743
Net income	\$ 1,100	\$ 2,074	\$ 1,381	\$ 2,117	\$ 2,307	\$ 6,672	\$ 8,184
Common Share Data: (2)							
Basic net income per share (3)	\$ 1.28	\$ 1.61	\$ 1.08	\$ 1.67	\$ 1.82	\$ 5.64	\$ 6.51
Diluted net income per share (3)	0.92	0.94	0.63	0.97	1.06	4.06	3.79
Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tangible book value per share (4)	57.06	55.60	54.19	53.25	52.28	57.06	52.28
Book value per share (4)	54.55	50.58	49.16	48.21	47.19	54.55	47.19
Weighted average shares outstanding - basic	1,287,438	1,286,536	1,282,917	1,268,947	1,267,584	1,280,259	1,262,279
Weighted average shares outstanding - diluted	1,784,005	2,208,493	2,208,600	2,185,433	2,181,142	1,778,294	2,167,731
Financial Condition Data:							
Total assets	\$ 745,393	\$ 775,912	\$ 753,660	\$ 752,715	\$ 750,982	\$ 745,393	\$ 750,982
Loans	543,819	559,079	553,642	540,206	539,227	543,819	539,227
Allowance for loan losses	(8,352)	(8,699)	(9,165)	(9,253)	(9,122)	(8,352)	(9,122)
Investment securities	106,647	102,243	108,825	112,400	108,492	106,647	108,492
Deposits	618,991	624,579	609,964	608,433	586,373	618,991	586,373
Borrowings	27,049	34,577	29,592	30,736	51,310	27,049	51,310
Stockholders' equity	91,780	108,984	107,051	105,593	103,704	91,780	103,704
Financial Ratios and Other Data:							
Performance Ratios:							
Net interest margin (5)	3.18%	3.21%	3.26%	3.23%	3.14%	3.22%	3.11%
Net interest spread (6)	3.10%	3.12%	3.16%	3.13%	3.01%	3.13%	2.93%
Noninterest income to average assets (7)	1.43%	2.13%	1.68%	2.79%	3.43%	2.00%	2.90%
Noninterest expense to average assets	3.98%	3.92%	3.91%	4.27%	4.86%	4.02%	4.26%
Efficiency ratio (8)	88.87%	75.34%	81.69%	72.72%	75.77%	79.10%	72.85%
Earnings on average assets (9)	0.57%	1.08%	0.74%	1.14%	1.20%	0.88%	1.09%
Earnings on average equity (10)	4.47%	7.59%	5.18%	8.10%	8.83%	6.37%	8.26%
Asset Quality Ratios:							
Nonaccrual loans to loans (11)	0.14%	0.18%	0.19%	0.23%	0.23%	0.14%	0.23%
Nonaccrual loans, restructured loans and loans 90 days or more past due and still accruing to total loans (11)	0.21%	0.27%	0.32%	0.37%	0.40%	0.21%	0.40%
Nonperforming assets, restructured loans and loans 90 days or more past due and still accruing to total assets (11)	0.21%	0.25%	0.29%	0.52%	0.54%	0.21%	0.54%
Allowance for loan losses to total loans (11)	1.54%	1.56%	1.66%	1.71%	1.69%	1.54%	1.69%
Allowance for loan losses to nonaccrual loans, restructured loans and loans 90 days or more past due and still accruing (11)	726.26%	575.33%	519.26%	459.21%	421.14%	726.26%	421.14%
Net charge-offs (recoveries) annualized to average loans (11)	-0.11%	0.04%	-0.16%	-0.08%	0.01%	-0.08%	0.15%
Capital Ratios:							
Total equity to total assets	12.31%	14.05%	14.20%	14.03%	13.81%	12.31%	13.81%
Total risk-based capital ratio	15.53%	18.14%	18.02%	18.15%	17.44%	15.53%	17.44%
Tier 1 risk-based capital ratio	14.28%	16.89%	16.76%	16.89%	16.19%	14.28%	16.19%
Leverage capital ratio	10.22%	12.44%	12.32%	11.88%	11.46%	10.22%	11.46%
Other Data:							
Number of employees (full-time equivalent)	177	179	176	179	176	177	176
Number of banking facilities	10	10	10	10	11	10	11

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

(2) Common share data prior to September 14, 2020, is adjusted to reflect the 1-for-15 reverse split to allow for comparability between the pre- and post-reverse split periods.

(3) 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 and \$0.03 million for the 12 months ended December 31, 2021 and 2020, respectively.

(4) 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.

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

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

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

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

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

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

(11) Excludes loans held for sale.

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

	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
(Dollars in Thousands, Except Shares)					
Assets					
Cash and due from banks	\$ 59,184	\$ 69,217	\$ 52,467	\$ 51,691	\$ 29,927
Reverse repurchase agreements	-	-	-	-	-
Securities available for sale	104,240	99,813	106,383	109,965	106,014
Equity securities at fair value	2,407	2,430	2,442	2,435	2,478
Loans held for sale	9,859	18,258	13,168	18,136	42,977
Loans	543,819	559,079	553,642	540,206	539,227
Allowance for loan losses	(8,352)	(8,699)	(9,165)	(9,253)	(9,122)
Net loans	535,467	550,380	544,477	530,953	530,105
Federal Home Loan Bank Stock	3,140	3,140	3,140	3,140	3,140
Premises and equipment, net	4,200	3,979	3,873	4,476	4,682
Accrued interest receivable	1,605	1,813	1,916	1,983	2,050
Deferred tax assets, net	14,731	15,193	15,632	16,417	16,292
Other real estate owned, net	403	403	403	1,875	1,875
Bank owned life insurance	5,930	5,894	4,861	4,831	4,802
Goodwill and other intangible assets	109	115	120	126	131
Other assets	4,118	5,277	4,778	6,687	6,509
Total Assets	<u>\$ 745,393</u>	<u>\$ 775,912</u>	<u>\$ 753,660</u>	<u>\$ 752,715</u>	<u>\$ 750,982</u>
Liabilities and Stockholders' Equity					
Deposits:					
Noninterest-bearing demand	\$ 120,479	\$ 122,441	\$ 121,862	\$ 109,466	\$ 92,544
Interest-bearing demand	63,693	62,414	61,439	63,033	59,679
Savings	289,943	287,609	266,085	268,026	243,888
Time	144,876	152,115	160,578	167,908	190,262
Total deposits	618,991	624,579	609,964	608,433	586,373
Short-term borrowings	27,049	34,577	29,592	30,736	51,310
Long-term borrowings	-	-	-	-	-
Accrued interest payable	100	111	127	140	246
Other liabilities	7,473	7,661	6,926	7,813	9,349
Total liabilities	653,613	666,928	646,609	647,122	647,278
Stockholders' Equity					
Preferred stock, \$1 par value; 5,000,000 authorized shares at December 31, 2021 and December 31, 2020; 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	37,308	37,308	37,308	37,308
Common stock, \$1 par value; 75,000,000 authorized shares; 1,306,660 and 1,282,385 issued shares; 1,292,591 and 1,268,316 outstanding shares at December 31, 2021 and December 31, 2020, respectively. (1)	1,307	1,302	1,301	1,295	1,282
Capital surplus	180,360	179,557	179,421	179,291	179,188
Accumulated deficit	(108,897)	(109,997)	(112,071)	(113,452)	(115,569)
Accumulated other comprehensive income, net	782	1,348	1,626	1,685	2,029
Treasury stock, 14,791 shares on December 31, 2021 and December 31, 2020	(534)	(534)	(534)	(534)	(534)
Total stockholders' equity	91,780	108,984	107,051	105,593	103,704
Total liabilities and stockholders' equity	<u>\$ 745,393</u>	<u>\$ 775,912</u>	<u>\$ 753,660</u>	<u>\$ 752,715</u>	<u>\$ 750,982</u>

(1) Both issued and outstanding shares as stated here exclude 66,299 shares of unvested restricted stock awards at December 31, 2021 and 59,842 shares at December 31, 2020. Treasury shares include 722 shares held by subsidiary bank CIBM Bank.

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

	At or for the					12 Months Ended	
	Quarters Ended						
	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	(Dollars in thousands)						
Interest Income							
Loans	\$ 5,572	\$ 5,646	\$ 5,583	\$ 5,524	\$ 5,577	\$ 22,325	\$ 22,874
Loans held for sale	131	135	95	175	331	536	1,438
Securities	516	509	551	555	564	2,131	2,561
Other investments	25	21	10	11	17	67	123
Total interest income	6,244	6,311	6,239	6,265	6,489	25,059	26,996
Interest Expense							
Deposits	379	409	447	512	735	1,747	4,452
Short-term borrowings	8	8	9	24	30	49	299
Long-term borrowings	0	0	0	0	0	0	63
Total interest expense	387	417	456	536	765	1,796	4,814
Net interest income	5,857	5,894	5,783	5,729	5,724	23,263	22,182
Provision for (reversal of) loan losses	(502)	(413)	(300)	20	101	(1,195)	1,053
Net interest income after provision for (reversal of) loan losses	6,359	6,307	6,083	5,709	5,623	24,458	21,129
Noninterest Income							
Deposit service charges	95	97	90	84	91	366	364
Other service fees	23	35	43	40	37	141	129
Mortgage banking revenue, net	2,300	3,626	2,763	4,983	6,387	13,672	20,295
Other income	185	186	280	192	165	843	922
Net gains on sale of securities available for sale	0	0	0	0	0	0	0
Unrealized gains (losses) recognized on equity securities	(23)	(12)	7	(43)	(6)	(71)	53
Net gains (loss) on sale of SBA loans	120	151	0	0	55	271	524
Net gains (losses) on sale of assets and (writedowns)	18	(11)	(48)	(110)	(163)	(151)	(486)
Total noninterest income	2,718	4,072	3,135	5,146	6,566	15,071	21,801
Noninterest Expense							
Compensation and employee benefits	5,334	5,436	5,099	5,956	7,015	21,825	24,216
Equipment	446	390	384	379	402	1,599	1,496
Occupancy and premises	400	395	443	434	452	1,672	1,709
Data Processing	167	105	181	185	178	638	674
Federal deposit insurance	51	46	47	48	49	192	144
Professional services	353	227	328	253	322	1,161	1,024
Telephone and data communication	67	70	56	60	82	253	288
Insurance	72	66	64	68	62	270	229
Other expense	751	782	677	557	755	2,767	2,223
Total noninterest expense	7,641	7,517	7,279	7,940	9,317	30,377	32,003
Income from operations before income taxes	1,436	2,862	1,939	2,915	2,872	9,152	10,927
Income tax expense	336	788	558	798	565	2,480	2,743
Net income	1,100	2,074	1,381	2,117	2,307	6,672	8,184
Preferred stock dividend	0	0	0	0	0	0	0
Discount from repurchase of preferred stock	546	0	0	0	0	546	33
Net income allocated to common stockholders	\$ 1,646	\$ 2,074	\$ 1,381	\$ 2,117	\$ 2,307	\$ 7,218	\$ 8,217