



FOR IMMEDIATE RELEASE  
January 20, 2023

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### **CIB MARINE BANCSHARES, INC. ANNOUNCES 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 year ending December 31, 2022. Operating results for the year were dominated by rising net interest income and related net interest margins; continued asset quality strength; recoveries of prior loan losses; and the difficult operating environment for mortgage banking. *Net income for the twelve months ended December 31, 2022, was \$3.7 million, or \$2.97 basic and \$2.16 diluted earnings per share, compared to \$6.7 million, or \$5.64 basic and \$4.06 diluted earnings per share, for the same period of 2021; and net income for the quarter ended December 31, 2022, was \$0.9 million, or \$0.81 basic and \$0.59 diluted earnings per share, compared to \$1.1 million, or \$1.28 basic and \$0.92 diluted earnings per share, for the same period in 2021.*

Financial highlights for the year and quarter ended December 31, 2022, include:

- Net interest income and margin were \$23.9 million and 3.27%, respectively, for the twelve-month period, compared to \$23.3 million and 3.22%, respectively, in the same period of 2021; and \$6.1 million and 3.32%, respectively, for the quarter, compared to \$5.9 million and 3.18%, respectively, for the same period of 2021. These improvements were despite \$0.8 million lower Paycheck Protection Program (“PPP”) loan fee accretion income and \$0.4 million more subordinated debt interest expense in 2022, compared to the prior year. Stronger results reflect primarily higher earning asset balances and yields, and the relatively high level of non-interest bearing checking account balances. All remaining PPP loans were fully repaid in the third quarter of 2022.
- Net mortgage banking revenues were down \$9.3 million and \$1.7 million for the twelve months and quarter, respectively, compared to the same periods of 2021. The change was due to a \$260 million or 58% decline in loan originations for the twelve-month period compared to the prior year, as a result of average 30-year mortgage rates rising by more than 250 basis points from 2021 to 2022 and the dramatic competitive tightening of pricing margins across the mortgage banking industry.
- As of December 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 0.20% and 0.16%, respectively, compared to 0.21% and 0.14%, respectively, on December 31, 2021. In addition, net recoveries resulting from collections of loans previously charged off were 0.33% of average loans for the fourth quarter ending December 31, 2022; combined with ongoing collections and pay-offs of classified assets there was a reversal of loan losses of \$0.6 million for the quarter. Reversals of loan losses were \$0.9 million for the year, compared to \$1.2 million for the same period in 2021, with the primary difference being the improved environmental factors during 2021 compared to its prior period.

- Since December 31, 2021, the Fed has increased their target fed funds rate by 450 basis points putting pressure on deposit mix over the shorter term. Over the year 2022, time deposit balances have increased \$32 million versus a decrease of \$30 million in money market accounts, and interest bearing checking were up \$13 million versus a decline of \$5 million in non-interest bearing checking accounts. The current high level of short-term interest rates is a strong force for these ongoing trends of deposit balances shifting from lower cost to higher cost in the banking industry.
- On December 19, 2022, CIBM redeemed 5,830 shares of Series A Preferred Stock for a total price of \$4.8 million or \$825 per share. The redemption was at a total discount of \$146,000 to the carrying value for the preferred shares which is added to net income in the per share earnings allocated to common shareholder calculation.

Mr. J. Brian Chaffin, CIBM's President and CEO, commented, "Rising interest rates and housing affordability have severely impacted mortgage origination volumes. In a recent press release, we highlighted steps we have taken to enhance revenue generation and efficiencies in our Mortgage Division while the mortgage origination industry consolidates. At the same time, rising interest rates supported rising net interest margins, and ongoing collection activity related to classified loans and previously charged-off loans enhanced our operating results and financial condition."

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

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#### **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.*

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**CIB MARINE BANCSHARES, INC.**  
**Selected Unaudited Consolidated Financial Data**

	At or for the						
	Quarters Ended					12 Months Ended	
	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
(Dollars in thousands, except share and per share data)							
<b>Selected Statement of Operations Data:</b>							
Interest and dividend income	\$ 7,808	\$ 7,234	\$ 6,411	\$ 5,879	\$ 6,244	\$ 27,332	\$ 25,059
Interest expense	1,664	823	517	413	387	3,417	1,796
Net interest income	6,144	6,411	5,894	5,466	5,857	23,915	23,263
Provision for (reversal of) loan losses	(642)	34	40	(325)	(502)	(893)	(1,195)
Net interest income after provision for (reversal of) loan losses	6,786	6,377	5,854	5,791	6,359	24,808	24,458
Noninterest income (1)	791	1,313	1,660	1,705	2,718	5,469	15,071
Noninterest expense	6,316	6,311	6,374	6,262	7,641	25,263	30,377
Income before income taxes	1,261	1,379	1,140	1,234	1,436	5,014	9,152
Income tax expense	351	352	251	334	336	1,288	2,480
Net income	\$ 910	\$ 1,027	\$ 889	\$ 900	\$ 1,100	\$ 3,726	\$ 6,672
<b>Common Share Data:</b>							
Basic net income per share (2)	\$ 0.81	\$ 0.78	\$ 0.68	\$ 0.69	\$ 1.28	\$ 2.97	\$ 5.64
Diluted net income per share (2)	0.59	0.57	0.49	0.50	0.92	2.16	4.06
Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tangible book value per share (3)	53.19	52.24	53.68	54.53	57.06	53.19	57.06
Book value per share (3)	51.39	49.78	51.22	52.07	54.55	51.39	54.55
Weighted average shares outstanding - basic	1,308,279	1,308,752	1,307,289	1,295,573	1,287,438	1,303,859	1,280,259
Weighted average shares outstanding - diluted	1,796,947	1,797,721	1,798,002	1,792,181	1,784,005	1,795,037	1,778,294
<b>Financial Condition Data:</b>							
Total assets	\$ 752,997	\$ 762,965	\$ 774,356	\$ 764,641	\$ 745,393	\$ 752,997	\$ 745,393
Loans	577,303	564,841	549,175	529,212	543,819	577,303	543,819
Allowance for loan losses	(7,894)	(8,061)	(8,010)	(8,011)	(8,352)	(7,894)	(8,352)
Investment securities	124,421	127,954	122,483	109,533	106,647	124,421	106,647
Deposits	628,869	633,234	642,500	631,953	618,991	628,869	618,991
Borrowings	34,485	37,168	37,693	36,789	27,049	34,485	27,049
Stockholders' equity	83,503	87,228	89,111	89,931	91,780	83,503	91,780
<b>Financial Ratios and Other Data:</b>							
<b>Performance Ratios:</b>							
Net interest margin (4)	3.32%	3.45%	3.23%	3.05%	3.18%	3.27%	3.22%
Net interest spread (5)	3.02%	3.29%	3.14%	2.98%	3.10%	3.10%	3.13%
Noninterest income to average assets (6)	0.41%	0.72%	0.91%	0.97%	1.43%	0.75%	2.00%
Noninterest expense to average assets	3.27%	3.24%	3.34%	3.35%	3.98%	3.30%	4.02%
Efficiency ratio (7)	91.13%	80.73%	83.52%	85.98%	88.87%	85.17%	79.10%
Earnings on average assets (8)	0.47%	0.53%	0.47%	0.48%	0.57%	0.49%	0.88%
Earnings on average equity (9)	4.15%	4.52%	3.96%	3.98%	4.47%	4.15%	6.37%
<b>Asset Quality Ratios:</b>							
Nonaccrual loans to loans (10)	0.16%	0.13%	0.22%	0.13%	0.14%	0.16%	0.14%
Nonaccrual loans, restructured loans and loans 90 days or more past due and still accruing to total loans (10)	0.20%	0.17%	0.28%	0.20%	0.21%	0.20%	0.21%
Nonperforming assets, restructured loans and loans 90 days or more past due and still accruing to total assets (10)	0.20%	0.18%	0.25%	0.19%	0.21%	0.20%	0.21%
Allowance for loan losses to total loans (10)	1.37%	1.43%	1.46%	1.51%	1.54%	1.37%	1.54%
Allowance for loan losses to nonaccrual loans, restructured loans and loans 90 days or more past due and still accruing (10)	684.06%	852.11%	512.48%	742.45%	726.26%	684.06%	726.26%
Net charge-offs (recoveries) annualized to average loans (10)	-0.33%	-0.01%	0.03%	0.01%	-0.11%	-0.08%	-0.08%
<b>Capital Ratios:</b>							
Total equity to total assets	11.09%	11.43%	11.51%	11.76%	12.31%	11.09%	12.31%
Total risk-based capital ratio	15.71%	16.42%	16.85%	17.52%	15.53%	15.71%	15.53%
Tier 1 risk-based capital ratio	12.78%	13.48%	13.85%	14.43%	14.28%	12.78%	14.28%
Leverage capital ratio	9.73%	10.16%	10.20%	10.27%	10.22%	9.73%	10.22%
<b>Other Data:</b>							
Number of employees (full-time equivalent)	189	166	159	172	177	189	177
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 \$0.1 million for the quarter and year ended December 31, 2022 and \$0.5 million for the quarter and year 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)**

	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021
(Dollars in Thousands, Except Shares)					
<b>Assets</b>					
Cash and due from banks	\$ 19,667	\$ 36,454	\$ 68,097	\$ 88,605	\$ 59,184
Reverse repurchase agreements	-	-	-	-	-
Securities available for sale	122,292	125,830	120,265	107,237	104,240
Equity securities at fair value	2,129	2,124	2,218	2,296	2,407
Loans held for sale	5,057	6,471	7,519	9,567	9,859
Loans	577,303	564,841	549,175	529,212	543,819
Allowance for loan losses	(7,894)	(8,061)	(8,010)	(8,011)	(8,352)
Net loans	569,409	556,780	541,165	521,201	535,467
Federal Home Loan Bank Stock	1,897	1,897	2,897	3,140	3,140
Premises and equipment, net	4,081	4,159	4,138	4,226	4,200
Accrued interest receivable	1,915	1,807	1,644	1,611	1,605
Deferred tax assets, net	16,273	16,977	16,142	15,758	14,731
Other real estate owned, net	375	403	403	403	403
Bank owned life insurance	6,076	6,040	6,002	5,966	5,930
Goodwill and other intangible assets	87	92	98	103	109
Other assets	3,739	3,931	3,768	4,528	4,118
Total Assets	\$ 752,997	\$ 762,965	\$ 774,356	\$ 764,641	\$ 745,393
<b>Liabilities and Stockholders' Equity</b>					
Deposits:					
Noninterest-bearing demand	\$ 115,186	\$ 134,765	\$ 129,457	\$ 124,724	\$ 120,479
Interest-bearing demand	76,918	79,306	66,495	67,362	63,693
Savings	260,159	254,146	287,159	294,255	289,943
Time	176,606	165,017	159,389	145,612	144,876
Total deposits	628,869	633,234	642,500	631,953	618,991
Short-term borrowings	24,789	27,480	28,013	27,117	27,049
Long-term borrowings	9,696	9,688	9,680	9,672	-
Accrued interest payable	554	227	287	144	100
Other liabilities	5,586	5,108	4,765	5,824	7,473
Total liabilities	669,494	675,737	685,245	674,710	653,613
<b>Stockholders' Equity</b>					
Preferred stock, \$1 par value; 5,000,000 authorized shares at December 31, 2022 and December 31, 2021; 7% fixed rate noncumulative perpetual issued; 14,633 shares and 20,463 shares of series A and 1,610 shares and 1,610 shares of series B; convertible; \$16.2 million and \$22.1 million aggregate liquidation preference, respectively	13,806	18,762	18,762	18,762	18,762
Common stock, \$1 par value; 75,000,000 authorized shares; 1,323,547 and 1,306,660 issued shares; 1,309,478 and 1,292,591 outstanding shares at December 31, 2022 and December 31, 2021, respectively. (1)	1,324	1,324	1,324	1,318	1,307
Capital surplus	180,777	180,664	180,544	180,431	180,360
Accumulated deficit	(105,025)	(106,081)	(107,108)	(107,997)	(108,897)
Accumulated other comprehensive income, net	(6,845)	(6,907)	(3,877)	(2,049)	782
Treasury stock, 14,791 shares on December 31, 2022 and December 31, 2021 (2)	(534)	(534)	(534)	(534)	(534)
Total stockholders' equity	83,503	87,228	89,111	89,931	91,780
Total liabilities and stockholders' equity	\$ 752,997	\$ 762,965	\$ 774,356	\$ 764,641	\$ 745,393

(1) Both issued and outstanding shares as stated here exclude 58,897 shares of unvested restricted stock awards at December 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					12 Months Ended	
	Quarters Ended						
	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	(Dollars in thousands)						
<b>Interest Income</b>							
Loans	\$ 6,426	\$ 6,029	\$ 5,542	\$ 5,254	\$ 5,572	\$ 23,251	\$ 22,325
Loans held for sale	63	96	90	58	131	307	536
Securities	948	826	683	537	516	2,994	2,131
Other investments	371	283	96	30	25	780	67
Total interest income	7,808	7,234	6,411	5,879	6,244	27,332	25,059
<b>Interest Expense</b>							
Deposits	1,452	662	384	350	379	2,848	1,747
Short-term borrowings	91	40	12	7	8	150	49
Long-term borrowings	121	121	121	56	0	419	0
Total interest expense	1,664	823	517	413	387	3,417	1,796
Net interest income	6,144	6,411	5,894	5,466	5,857	23,915	23,263
Provision for (reversal of) loan losses	(642)	34	40	(325)	(502)	(893)	(1,195)
Net interest income after provision for (reversal of) loan losses	6,786	6,377	5,854	5,791	6,359	24,808	24,458
<b>Noninterest Income</b>							
Deposit service charges	82	86	92	88	95	348	366
Other service fees	15	18	71	25	23	129	141
Mortgage banking revenue, net	597	1,126	1,268	1,430	2,300	4,421	13,672
Other income	117	147	141	212	185	617	843
Net gains on sale of securities available for sale	0	0	0	0	0	0	0
Unrealized gains (losses) recognized on equity securities	4	(93)	(78)	(112)	(23)	(279)	(71)
Net gains (loss) on sale of SBA loans	0	0	126	31	120	157	271
Net gains (losses) on sale of assets and (writedowns)	(24)	29	40	31	18	76	(151)
Total noninterest income	791	1,313	1,660	1,705	2,718	5,469	15,071
<b>Noninterest Expense</b>							
Compensation and employee benefits	4,061	4,240	4,175	4,229	5,334	16,705	21,825
Equipment	466	396	439	442	446	1,743	1,599
Occupancy and premises	399	390	408	422	400	1,619	1,672
Data Processing	202	205	171	166	167	744	638
Federal deposit insurance	70	58	51	52	51	231	192
Professional services	415	244	284	224	353	1,167	1,161
Telephone and data communication	66	61	60	61	67	248	253
Insurance	85	74	74	85	72	318	270
Other expense	552	643	712	581	751	2,488	2,767
Total noninterest expense	6,316	6,311	6,374	6,262	7,641	25,263	30,377
Income from operations before income taxes	1,261	1,379	1,140	1,234	1,436	5,014	9,152
Income tax expense	351	352	251	334	336	1,288	2,480
<b>Net income</b>	910	1,027	889	900	1,100	3,726	6,672
Preferred stock dividend	0	0	0	0	0	0	0
Discount from repurchase of preferred stock	146	0	0	0	546	146	546
<b>Net income allocated to common stockholders</b>	\$ 1,056	\$ 1,027	\$ 889	\$ 900	\$ 1,646	\$ 3,872	\$ 7,218