



million for the same period in 2020, for a difference of \$1.6 million between the two periods.

- At the same time, there was a \$2.9 million decrease in non-interest income during the nine-month period compared to the same period in 2020. Mortgage banking operating results remain strong with elevated earnings, although not as high as the same period in 2020 due, in part, to a significantly lower level of rate refinance activity as rates are higher and the market is experiencing refinance burnout.
- 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 0.25% and 0.18%, respectively, at September 30, 2021, down from 0.54% and 0.23%, respectively, at December 31, 2020, and 0.60% and 0.22%, respectively, at September 30, 2020. The results continue to be near this credit cycle's best, partially due to collection related activity and federal monetary policy and fiscal support measures for businesses and households.
- During 2020 and 2021, CIBM Bank originated \$63 million in Paycheck Protection Program (PPP) loans. As of September 30, 2021, PPP loan balances paid down to approximately \$17 million, with substantially all paid off PPP loans to date receiving 100% forgiveness funding from the SBA.
- Balance sheet liquidity is currently supported by robust deposit levels, with checking account deposits up \$32.6 million and savings and money market account deposits up \$43.7 million, since year-end. The increases reflect ongoing marketing activity and the 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, "Continued strong results in commercial and residential mortgage lending were complimented by a sizeable increase in activity by our Government Guaranteed Lending Division, which has generated \$7.8 million in SBA 7(a) and 504 loan originations year to date. In addition, after a significant build up by CIB Marine and peers in the allowance for loan losses last year, we have been cautiously unwinding that in 2021 due to improved asset quality in the portfolio and economic conditions supported by prior monetary and fiscal support measures for businesses and households."

Noting the improved deposit mix and net interest margin, Mr. Chaffin commented, "Our Project Falcon initiatives, combined with market liquidity conditions, have supported improvement in our deposit mix and lower cost of funds, which extended our net interest margin's positive trend into the third quarter. Since year-end 2020, our checking and savings deposit product balances have increased \$76 million, with time deposits down \$38 million. Both CIB Marine and the market have perceptively high levels of cash and cash equivalents in the balance sheet, primarily due to the uncertain nature of the stability of checking

and money market product balances.”

He concluded, “Finally, thanks to the approval granted by our common and preferred shareholders at their meetings held on September 24, 2021, we have moved forward with our Preferred Stock Redemption Plan and expect to execute the \$18 million Initial Redemption in October. Nearly 50% of all outstanding preferred shares will be redeemed on a pro-rata basis at \$825 per share. With a current carrying value and liquidation preference of \$850 and \$1,000 per preferred share, respectively, the transaction represents a discount to the carrying value of the redeemed shares of approximately \$545,000, or \$0.42 per outstanding share of common stock. Further, following the Initial Redemption, the dilution that would occur with the conversion of the Series B Shares to common shares (which may occur only in certain, limited circumstances) will be reduced 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](http://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.*

---