



FOR IMMEDIATE RELEASE
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CIB MARINE BANCSHARES, INC. ANNOUNCES THIRD 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 quarter and nine months ended September 30, 2022. *Continued strong net interest income supported increased earnings over the prior quarter, however, third quarter earnings are down compared to the same period in 2021 due to substantially reduced mortgage banking income in the rapidly changing interest rate environment. Net income for the quarter was \$1.0 million, or \$0.78 basic and \$0.57 diluted earnings per share, compared to \$2.1 million, or \$1.61 basic and \$0.94 diluted earnings per share, for the same period of 2021; and net income for the nine-month period was \$2.8 million, or \$2.16 basic and \$1.57 diluted earnings per share, compared to \$5.6 million, or \$4.36 basic and \$2.53 diluted earnings per share, for the same period in 2021.*

Financial highlights for the quarter include:

- Net interest income and margin were \$6.4 million and 3.45%, respectively, compared to \$5.9 million and 3.21%, respectively, in the same period of 2021; and \$17.8 million and 3.25%, respectively, for the nine-month period compared to \$17.4 million and 3.23%, respectively, for the same period of 2021. The nine-month period in 2022 has \$0.6 million less PPP loan fee accretion income and \$0.3 million more subordinated debt interest expense compared to the same period in 2021. Improvements reflect higher earning assets, asset yield increases outpacing liability cost increases, and growth in non-interest bearing checking accounts. All remaining PPP loans were fully repaid in the third quarter of 2022.
- Net mortgage banking revenues were down \$2.5 million and \$7.5 million for the quarter and nine-month period, respectively, compared to the same periods of 2021. The change was due to a 54% decline in loan originations for the nine months ended September 30, 2022, compared to the same period of 2021, as a result of a substantial increase in residential mortgage rates and the dramatic competitive tightening of pricing margins across the industry.
- As of September 30, 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 0.18% and 0.13%, respectively, compared to 0.21% and 0.14%, respectively, on December 31, 2021, and 0.25% and 0.18%, respectively, on September 30, 2021.

- Over the longer-term, improving deposit mix is crucial to our success in managing consistently higher net interest margins. Since December 31, 2021, the Fed has increased their target fed funds rate by 300 basis points putting pressure on deposit mix over the shorter term. Over the year, time deposit balances have increased \$20 million, money market accounts have decreased by \$37 million, and combined interest and non-interest bearing checking accounts have increased by \$30 million.

Mr. J. Brian Chaffin, CIBM's President and CEO, commented, "Despite declining real gross domestic product, rapidly rising interest rates, and declining asset prices, we have been able to improve our core banking operating revenues with solid lending and deposit activity while maintaining strong asset quality measures. Although residential lending and related earnings have receded dramatically this year, we are positioned for longer-term success as the marketplace continues to consolidate."

CIB Marine Bancshares, Inc. is the holding company for CIBM Bank, which operates ten banking offices and two 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					9 Months Ended		
	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021	September 30, 2022	September 30, 2021	
(Dollars in thousands, except share and per share data)								
Selected Statement of Operations Data:								
Interest and dividend income	\$ 7,234	\$ 6,411	\$ 5,879	\$ 6,244	\$ 6,311	\$ 19,524	\$ 18,815	
Interest expense	823	517	413	387	417	1,753	1,409	
Net interest income	6,411	5,894	5,466	5,857	5,894	17,771	17,406	
Provision for (reversal of) loan losses	34	40	(325)	(502)	(413)	(251)	(693)	
Net interest income after provision for (reversal of) loan losses	6,377	5,854	5,791	6,359	6,307	18,022	18,099	
Noninterest income (1)	1,313	1,660	1,705	2,718	4,072	4,678	12,353	
Noninterest expense	6,311	6,374	6,262	7,641	7,517	18,947	22,736	
Income before income taxes	1,379	1,140	1,234	1,436	2,862	3,753	7,716	
Income tax expense	352	251	334	336	788	937	2,144	
Net income	\$ 1,027	\$ 889	\$ 900	\$ 1,100	\$ 2,074	\$ 2,816	\$ 5,572	
Common Share Data:								
Basic net income per share (2)	\$ 0.78	\$ 0.68	\$ 0.69	\$ 1.28	\$ 1.61	\$ 2.16	\$ 4.36	
Diluted net income per share (2)	0.57	0.49	0.50	0.92	0.94	1.57	2.53	
Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Tangible book value per share (3)	52.24	53.68	54.53	57.06	55.60	52.24	55.60	
Book value per share (3)	49.78	51.22	52.07	54.55	50.58	49.78	50.58	
Weighted average shares outstanding - basic	1,308,752	1,307,289	1,295,573	1,287,438	1,286,536	1,302,872	1,278,818	
Weighted average shares outstanding - diluted	1,797,721	1,798,002	1,792,181	1,784,005	2,208,493	1,794,941	2,200,867	
Financial Condition Data:								
Total assets	\$ 762,965	\$ 774,356	\$ 764,641	\$ 745,393	\$ 775,912	\$ 762,965	\$ 775,912	
Loans	564,841	549,175	529,212	543,819	559,079	564,841	559,079	
Allowance for loan losses	(8,061)	(8,010)	(8,011)	(8,352)	(8,699)	(8,061)	(8,699)	
Investment securities	127,954	122,483	109,533	106,647	102,243	127,954	102,243	
Deposits	633,234	642,500	631,953	618,991	624,579	633,234	624,579	
Borrowings	37,168	37,693	36,789	27,049	34,577	37,168	34,577	
Stockholders' equity	87,228	89,111	89,931	91,780	108,984	87,228	108,984	
Financial Ratios and Other Data:								
Performance Ratios:								
Net interest margin (4)	3.45%	3.23%	3.05%	3.18%	3.21%	3.25%	3.23%	
Net interest spread (5)	3.29%	3.14%	2.98%	3.10%	3.12%	3.13%	3.14%	
Noninterest income to average assets (6)	0.72%	0.91%	0.97%	1.43%	2.13%	0.87%	2.20%	
Noninterest expense to average assets	3.24%	3.34%	3.35%	3.98%	3.92%	3.31%	4.03%	
Efficiency ratio (7)	80.73%	83.52%	85.98%	88.87%	75.34%	83.35%	76.28%	
Earnings on average assets (8)	0.53%	0.47%	0.48%	0.57%	1.08%	0.49%	0.99%	
Earnings on average equity (9)	4.52%	3.96%	3.98%	4.47%	7.59%	4.15%	6.95%	
Asset Quality Ratios:								
Nonaccrual loans to loans (10)	0.13%	0.22%	0.13%	0.14%	0.18%	0.13%	0.18%	
Nonaccrual loans, restructured loans and loans 90 days or more past due and still accruing to total loans (10)	0.17%	0.28%	0.20%	0.21%	0.27%	0.17%	0.27%	
Nonperforming assets, restructured loans and loans 90 days or more past due and still accruing to total assets (10)	0.18%	0.25%	0.19%	0.21%	0.25%	0.18%	0.25%	
Allowance for loan losses to total loans (10)	1.43%	1.46%	1.51%	1.54%	1.56%	1.43%	1.56%	
Allowance for loan losses to nonaccrual loans, restructured loans and loans 90 days or more past due and still accruing (10)	852.11%	512.48%	742.45%	726.26%	575.33%	852.11%	575.33%	
Net charge-offs (recoveries) annualized to average loans (10)	-0.01%	0.03%	0.01%	-0.11%	0.04%	0.01%	-0.07%	
Capital Ratios:								
Total equity to total assets	11.43%	11.51%	11.76%	12.31%	14.05%	11.43%	14.05%	
Total risk-based capital ratio	16.42%	16.85%	17.52%	15.53%	18.14%	16.42%	18.14%	
Tier 1 risk-based capital ratio	13.48%	13.85%	14.43%	14.28%	16.89%	13.48%	16.89%	
Leverage capital ratio	10.16%	10.20%	10.27%	10.22%	12.44%	10.16%	12.44%	
Other Data:								
Number of employees (full-time equivalent)	166	159	172	177	179	166	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)

	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
(Dollars in Thousands, Except Shares)					
Assets					
Cash and due from banks	\$ 36,454	\$ 68,097	\$ 88,605	\$ 59,184	\$ 69,217
Reverse repurchase agreements	-	-	-	-	-
Securities available for sale	125,830	120,265	107,237	104,240	99,813
Equity securities at fair value	2,124	2,218	2,296	2,407	2,430
Loans held for sale	6,471	7,519	9,567	9,859	18,258
Loans	564,841	549,175	529,212	543,819	559,079
Allowance for loan losses	(8,061)	(8,010)	(8,011)	(8,352)	(8,699)
Net loans	556,780	541,165	521,201	535,467	550,380
Federal Home Loan Bank Stock	1,897	2,897	3,140	3,140	3,140
Premises and equipment, net	4,159	4,138	4,226	4,200	3,979
Accrued interest receivable	1,807	1,644	1,611	1,605	1,813
Deferred tax assets, net	16,977	16,142	15,758	14,731	15,193
Other real estate owned, net	403	403	403	403	403
Bank owned life insurance	6,040	6,002	5,966	5,930	5,894
Goodwill and other intangible assets	92	98	103	109	115
Other assets	3,931	3,768	4,528	4,118	5,277
Total Assets	\$ 762,965	\$ 774,356	\$ 764,641	\$ 745,393	\$ 775,912
Liabilities and Stockholders' Equity					
Deposits:					
Noninterest-bearing demand	\$ 134,765	\$ 129,457	\$ 124,724	\$ 120,479	\$ 122,441
Interest-bearing demand	79,306	66,495	67,362	63,693	62,414
Savings	254,146	287,159	294,255	289,943	287,609
Time	165,017	159,389	145,612	144,876	152,115
Total deposits	633,234	642,500	631,953	618,991	624,579
Short-term borrowings	27,480	28,013	27,117	27,049	34,577
Long-term borrowings	9,688	9,680	9,672	-	-
Accrued interest payable	227	287	144	100	111
Other liabilities	5,108	4,765	5,824	7,473	7,661
Total liabilities	675,737	685,245	674,710	653,613	666,928
Stockholders' Equity					
Preferred stock, \$1 par value; 5,000,000 authorized shares at September 30, 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	18,762	18,762	37,308
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 September 30, 2022 and December 31, 2021, respectively. (1)	1,324	1,324	1,318	1,307	1,302
Capital surplus	180,664	180,544	180,431	180,360	179,557
Accumulated deficit	(106,081)	(107,108)	(107,997)	(108,897)	(109,997)
Accumulated other comprehensive income, net	(6,907)	(3,877)	(2,049)	782	1,348
Treasury stock, 14,791 shares on September 30, 2022 and December 31, 2021 (2)	(534)	(534)	(534)	(534)	(534)
Total stockholders' equity	87,228	89,111	89,931	91,780	108,984
Total liabilities and stockholders' equity	\$ 762,965	\$ 774,356	\$ 764,641	\$ 745,393	\$ 775,912

(1) Both issued and outstanding shares as stated here exclude 59,676 shares of unvested restricted stock awards at June 30, 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					9 Months Ended	
	Quarters Ended					September 30,	September 30,
	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021	2022	2021
	(Dollars in thousands)						
Interest Income							
Loans	\$ 6,029	\$ 5,542	\$ 5,254	\$ 5,572	\$ 5,646	\$ 16,825	\$ 16,753
Loans held for sale	96	90	58	131	135	244	405
Securities	826	683	537	516	509	2,046	1,615
Other investments	283	96	30	25	21	409	42
Total interest income	7,234	6,411	5,879	6,244	6,311	19,524	18,815
Interest Expense							
Deposits	662	384	350	379	409	1,396	1,368
Short-term borrowings	40	12	7	8	8	59	41
Long-term borrowings	121	121	56	0	0	298	0
Total interest expense	823	517	413	387	417	1,753	1,409
Net interest income	6,411	5,894	5,466	5,857	5,894	17,771	17,406
Provision for (reversal of) loan losses	34	40	(325)	(502)	(413)	(251)	(693)
Net interest income after provision for (reversal of) loan losses	6,377	5,854	5,791	6,359	6,307	18,022	18,099
Noninterest Income							
Deposit service charges	86	92	88	95	97	266	271
Other service fees	18	71	25	23	35	114	118
Mortgage banking revenue, net	1,126	1,268	1,430	2,300	3,626	3,824	11,372
Other income	147	141	212	185	186	500	658
Net gains on sale of securities available for sale	0	0	0	0	0	0	0
Unrealized gains (losses) recognized on equity securities	(93)	(78)	(112)	(23)	(12)	(283)	(48)
Net gains (loss) on sale of SBA loans	0	126	31	120	151	157	151
Net gains (losses) on sale of assets and (writedowns)	29	40	31	18	(11)	100	(169)
Total noninterest income	1,313	1,660	1,705	2,718	4,072	4,678	12,353
Noninterest Expense							
Compensation and employee benefits	4,240	4,175	4,229	5,334	5,436	12,644	16,491
Equipment	396	439	442	446	390	1,277	1,153
Occupancy and premises	390	408	422	400	395	1,220	1,272
Data Processing	205	171	166	167	105	542	471
Federal deposit insurance	58	51	52	51	46	161	141
Professional services	244	284	224	353	227	752	808
Telephone and data communication	61	60	61	67	70	182	186
Insurance	74	74	85	72	66	233	198
Other expense	643	712	581	751	782	1,936	2,016
Total noninterest expense	6,311	6,374	6,262	7,641	7,517	18,947	22,736
Income from operations before income taxes	1,379	1,140	1,234	1,436	2,862	3,753	7,716
Income tax expense	352	251	334	336	788	937	2,144
Net income	1,027	889	900	1,100	2,074	2,816	5,572
Preferred stock dividend	0	0	0	0	0	0	0
Discount from repurchase of preferred stock	0	0	0	546	0	0	0
Net income allocated to common stockholders	\$ 1,027	\$ 889	\$ 900	\$ 1,646	\$ 2,074	\$ 2,816	\$ 5,572