

May 8, 2025

Dear Shareholder,

CIB Marine Bancshares, Inc. (“CIB Marine” or the “Company”) is pleased to report its financial results for the quarter ended March 31, 2025. Operating results for the three-month period reflect continued improvement in operations represented by the ongoing recovery of our net interest margin and net interest income, as well as the improved results in the mortgage operations compared to the same period in the prior year.

**Results of Operations – Summary**

CIB Marine reported net income of \$0.3 million for the quarter ending March 31, 2025, compared to \$0.2 million in the same period the prior year. CIBM Bank’s 0.29% return on average assets for the first quarter of 2025 compares to 0.18% for the first quarter of 2024. Despite the first quarter typically being adversely affected by seasonality in our mortgage operations, key developments supportive of this improvement include the following:

- Net interest margin (“NIM”) increased to 2.62% compared to 2.44% for the fourth quarter of 2024 and 2.29% for the first quarter of 2024. The rising trend continues as interest-bearing liabilities reprice lower by greater amounts than changes in yields on earning assets. Net interest income rose \$0.3 million compared to the same quarter of 2024, primarily due to declining cost of funds and related improved net interest margins. This increase was partially offset by a decline in earning assets, which resulted from our balance sheet management strategy in support of the preferred stock redemption in 2024.
- Due to seasonal factors and continued relatively high interest rates, the Mortgage Division experienced a slow first quarter, resulting in a net loss of \$0.2 million. This reflects an improvement of \$0.2 million compared to the same period in 2024. We continue to strive for the best operating results possible in this challenging housing and economic environment.

**Financial Condition – Summary**

Loan portfolio balances were \$12 million lower compared to December 31, 2024. However, the commercial loan pipeline has grown since the final redemption of preferred stock in 2024, and we are targeting a growing balance sheet again. In addition, the allowance for credit losses to loans rose from 1.26% to 1.29%, primarily due to deterioration in the forecasted short-term economic outcomes and related risks. We are committed to controlled growth in 2025, with a focus on rates that support our NIM recovery and maintaining sound credit metrics. Additional highlights of our financial condition as of March 31, 2025, include:

- Non-performing assets to total assets of 0.67% and non-accrual loans to loans of 0.84% on March 31, 2025, compare to 0.68% and 0.81%, respectively on December 31, 2024.
- Tangible book value (“TBV”) per share of common stock rose to \$58.46 from \$57.37 at year-end 2024 and \$52.59 at March 31, 2024. This increase was primarily due to higher earnings, reduction of unrealized losses on securities available for sale securities due to lower interest rates, and the reduction in the number of shares of CIBH stock at a price below book value through the CIBH repurchase program that began during the first quarter of 2025. For further insight into other factors affecting TBV: TBV per share excluding deferred tax assets (“DTA”) was \$49.22 compared to \$47.83 December 31, 2024.

We encourage you to visit our website, [www.cibmarine.com](http://www.cibmarine.com), where you will find our audited financial statements, shareholder communications, earnings releases and other financial information. If you prefer a mailed or e-mailed copy of our quarterly results, please contact Shareholder Relations Manager, Elizabeth

Neighbors, at (262) 695-6010 or [Elizabeth.Neighbors@cibmarine.com](mailto:Elizabeth.Neighbors@cibmarine.com) to be added to our distribution list.

### **2025 Annual Shareholder Meeting**

Our Annual Shareholder Meeting was held on Thursday, April 24, 2025. All matters presented to shareholders were approved, including the election of three continuing Directors: Brian Chaffin, JoAnn Cotter, and Rhonda Hopps.

### **Concluding Comments**

During the Annual Shareholder Meeting, we shared our goals for the year and the strategies we are using to achieve improved operating outcomes. Our primary focus areas include the recovery and enhancement of our net interest margin, expanding our commercial loan portfolio, improving performance in our mortgage segment, and maintaining effective cost controls.

In furtherance of our goal to continue building shareholder value, our 2025 Common Stock Repurchase Plan is well underway. We plan to complete the full \$1 million of authorized common stock repurchases in 2025. While the Repurchase Plan is a positive action we can take now, the greatest long-term gains for our shareholders will be achieved with continued improvement in operating results.

For more details and additional information on the topics discussed at the Annual Shareholder Meeting, we invite you to visit our website to review the slides and transcript from management's presentation.

Sincerely,



J. Brian Chaffin  
President & Chief Executive Officer

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### **FORWARD-LOOKING STATEMENTS**

CIB Marine has made statements in this Shareholder Letter that 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 Shareholder Letter 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 Three Months Ended March 31,	
	2025	2024
(Dollars in thousands, except share and per share data)		
<b>Selected Statements of Operations Data</b>		
Interest and dividend income	\$10,941	\$11,801
Interest expense	5,652	6,840
Net interest income	5,289	4,961
Provision for (reversal of) credit losses	42	(28)
Net interest income after provision for (reversal of) credit losses	5,247	4,989
Noninterest income (1)	1,552	1,627
Noninterest expense	6,373	6,421
Income before income taxes	426	195
Income tax expense	105	17
<b>Net income</b>	<b>\$321</b>	<b>\$178</b>
<b>Common Share Data</b>		
Basic net income	\$0.24	\$0.13
Diluted net income	0.23	0.10
Dividends	—	—
Tangible book value per share (2)	58.46	52.59
Book value per share (2)	58.51	50.84
Weighted average shares outstanding-basic	1,348,995	1,341,181
Weighted average shares outstanding-diluted	1,396,274	1,820,498
<b>Financial Condition Data</b>		
Total assets	\$852,018	\$897,595
Loans	684,787	736,019
Allowance for credit losses on loans	(8,818)	(9,087)
Investment securities	124,109	119,300
Deposits	692,028	772,377
Borrowings	67,214	32,120
Stockholders' equity	79,309	85,091
<b>Financial Ratios and Other Data</b>		
Performance Ratios:		
Net interest margin (3)	2.62%	2.29%
Net interest spread (4)	1.99	1.63
Noninterest income to average assets (5)	0.73	0.73
Noninterest expense to average assets	3.05	2.87
Efficiency ratio (6)	93.65	97.20
Earnings on average assets (7)	0.15	0.08
Earnings on average equity (8)	1.65	0.84
Asset Quality Ratios:		
Nonaccrual loans to total loans (9)	0.84%	0.48%
Nonaccrual loans, restructured loans and loans 90 days or more past due and still accruing to total loans (9)	1.21	1.04
Nonperforming assets, restructured loans and loans 90 days or more past due and still accruing to total assets (9)	0.97	0.89
Allowance for loan losses to total loans	1.29	1.23
Allowance for loan losses to nonaccrual loans, restructured loans and loans 90 days or more past due and still accruing (9)	106.25	118.77
Net charge-offs (recoveries) to average loans	(0.01)	0.03
Capital Ratios:		
Total equity to total assets	9.31%	9.48%
Total risk-based capital ratio	13.34	13.07
Tier 1 risk-based capital ratio	10.62	10.48
Leverage capital ratio	8.40	8.50
Other Data:		
Number of employees (full-time equivalent)	152	177
Number of banking facilities	9	9

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

(2) Tangible book value per share is the shareholder 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 shareholder equity less the liquidation preference of the preferred stock, divided by the total shares of common outstanding. Both book value measures are reported inclusive of the net deferred tax assets. As presented here, shares of common outstanding excludes unvested Restricted Stock Awards.

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

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

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

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

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

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

(9) Excludes loans held for sale.

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

	March 31, 2025	December 31, 2024
	(Dollars in thousands)	
<b>Assets</b>		
Cash and due from banks	\$7,717	\$6,748
Securities available for sale and equity securities	124,109	120,339
Loans held for sale	7,685	13,291
Net loans	675,969	688,303
Other assets	36,538	37,793
Total assets	\$852,018	\$866,474
<b>Liabilities and Stockholders' Equity</b>		
Deposits	692,028	692,378
Short-term borrowings	57,444	71,973
Other liabilities	23,237	24,162
Total liabilities	772,709	788,513
<b>Stockholders' Equity</b>		
Total stockholders' equity	79,309	77,961
Total liabilities and stockholders' equity	\$852,018	\$866,474

**CIB MARINE BANCSHARES, INC.**  
**Summary Consolidated Statements of Operations (unaudited)**

	Quarters Ended March 31,	
	2025	2024
	(Dollars in thousands, except per share data)	
Total interest income	\$10,941	\$11,801
Total interest expense	5,652	6,840
<b>Net interest income</b>	5,289	4,961
Provision for (reversal of) credit losses	42	(28)
<b>Net interest income after provision for credit losses</b>	5,247	4,989
<b>Noninterest income</b>		
Compensation and employee benefits	1,552	1,627
Equipment, occupancy and premises	4,066	4,289
Other expense	1,108	898
<b>Total noninterest expense</b>	1,199	1,234
<b>Income from operations before income taxes</b>	6,373	6,421
Income tax expense	426	195
<b>Net income</b>	105	17
Preferred stock dividends	321	178
Discount from repurchase of preferred stock	—	—
<b>Net income allocated to common stockholders</b>	\$321	\$178