

August 7, 2025

Dear Shareholder,

CIB Marine Bancshares, Inc. (“CIB Marine” or the “Company”) is pleased to report its financial results for the quarter and six months ended June 30, 2025. Operating results for the three- and six-month period reflect continued improvement in operations represented by ongoing recovery of the net interest margin and net interest income, as well as improved results in mortgage operations compared to the same periods in 2024.

**Results of Operations – Summary**

CIB Marine reported net income of \$0.7 million for the quarter ended June 30, 2025, compared to \$0.5 million in the same period the prior year excluding the effects of the net gain related to the sale-leaseback transaction in June of 2024. CIB Marine also reported net income of \$1.0 million for the six months ended June 30, 2025, compared to \$0.6 million for the same period of 2024. Key developments that led to improved performance including the following:

- Net interest margin (“NIM”) increased to 2.69% for the quarter ended June 30, 2025, compared to 2.38% for the same period of 2024 and 2.65% for the six months ended June 30, 2025, compared to 2.34% for the same period of 2024. The improvement was primarily driven by lower cost of funds relative to yields on interest earning assets, resulting in increases in net interest income of \$0.3 million and \$0.6 million, respectively, despite a decline in average interest earning asset balances.
- The Mortgage Division’s earnings improved by \$0.1 million through June 30, 2025, compared to the same period of 2024. This modest earnings progress reflects some operating cost improvements, but its effect was limited due to lower loan production compared to the prior year due to the decline in lending staff earlier this year as was noted in the first quarter earnings release.

**Financial Condition – Summary**

Loan portfolio balances were \$32 million lower as of June 30, 2025, compared to December 31, 2024, reflecting a deliberate strategy to manage asset composition and maintain appropriate capital ratios in support of the 2024 preferred stock redemption plan. Since the final redemption of preferred stock in 2024, the commercial loan pipeline has expanded, despite some unexpected payoffs, and we are targeting higher loan balances by year-end as we focus on growth in the portfolio. In addition, the allowance for credit losses to loans rose from 1.26% to 1.32%, primarily due to deterioration in 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 June 30, 2025, include:

- As of June 30, 2025, non-performing assets represented 0.68% of total assets, and non-accrual loans accounted for 0.85% of total loans—both relatively unchanged from 0.68% and 0.81%, respectively, as of December 31, 2024.
- Tangible book value (“TBV”) per share of common stock rose to \$59.55, up from \$57.37 at year-end 2024 and \$55.36 at June 30, 2024. This growth was primarily driven by earnings, a reduction in unrealized losses on available for sale securities due to lower interest rates, and the repurchase of CIBH shares below TBV as a part of our 2025 common stock repurchase program initiated during the first quarter of 2025. For further insight into other factors affecting TBV: TBV per share excluding deferred tax assets (“DTA”) was \$50.54 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.

### **Concluding Comments**

Our key priorities continue to be strengthening the net interest margin, expanding the commercial loan portfolio, enhancing performance in the mortgage segment, and maintaining disciplined cost controls.

In furtherance of our goal to continue building shareholder value, our 2025 common stock repurchase plan is well underway, with \$0.5 million in purchases completed through June 30, 2025. 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.

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**

	Quarters Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<b>Selected Statements of Operations Data</b>	(Dollars in thousands, except share and per share data)			
Interest and dividend income	\$11,017	\$12,052	\$21,958	\$23,853
Interest expense	5,541	6,897	11,193	13,737
Net interest income	5,476	5,155	10,765	10,116
Provision for (reversal of) credit losses on loans	9	10	51	(18)
Net interest income after provision for (reversal of) credit losses	5,467	5,145	10,714	10,134
Noninterest income (1)	1,765	6,904	3,317	8,531
Noninterest expense	6,311	6,904	12,684	13,325
Income before income taxes	921	5,145	1,347	5,340
Income tax expense	253	1,361	358	1,378
<b>Net income</b>	<b>\$668</b>	<b>\$3,784</b>	<b>\$989</b>	<b>\$3,962</b>
<b>Common Share Data</b>				
Basic net income	\$0.50	\$2.79	\$0.74	\$2.94
Diluted net income	0.48	2.06	0.71	2.17
Dividends	—	—	—	—
Tangible book value per share (2)	59.55	55.36	59.55	55.36
Book value per share (2)	59.59	53.61	59.59	53.61
Weighted average shares outstanding-basic	1,349,613	1,356,255	1,344,573	1,348,440
Weighted average shares outstanding-diluted	1,397,365	1,833,881	1,392,090	1,826,911
<b>Financial Condition Data</b>				
Total assets	\$838,441	\$901,634	\$838,441	\$901,634
Loans	665,393	719,129	665,393	719,129
Allowance for credit losses on loans	(8,793)	(9,083)	(8,793)	(9,083)
Investment securities	126,795	123,814	126,795	123,814
Deposits	684,480	768,984	684,480	768,984
Borrowings	59,292	28,222	59,292	28,222
Stockholders' equity	80,492	89,008	80,492	89,008
<b>Financial Ratios and Other Data</b>				
Performance Ratios:				
Net interest margin (3)	2.69%	2.38%	2.65%	2.34%
Net interest spread (4)	2.06	1.71	2.03	1.67
Noninterest income to average assets (5)	0.83	3.09	0.78	1.91
Noninterest expense to average assets	3.00	3.09	3.02	2.98
Efficiency ratio (6)	87.24	57.19	90.35	71.34
Earnings on average assets (7)	0.32	1.69	0.24	0.88
Earnings on average equity (8)	3.36	17.92	2.52	9.38
Asset Quality Ratios:				
Nonaccrual loans to total loans (9)	0.85%	0.47%	0.85%	0.47%
Nonperforming assets to total assets	0.68	0.41	0.68	0.41
Nonaccrual loans, modified loans to borrowers experiencing financial difficulty and loans 90 days or more past due and still accruing to total loans (9)(10)	2.33	1.38	2.33	1.38
Nonperforming assets, modified loans to borrowers experiencing financial difficulty and loans 90 days or more past due and still accruing to total assets (9)(10)	1.85	1.14	1.85	1.14
Allowance for loan losses to total loans	1.32	1.26	1.32	1.26
Allowance for loan losses to nonaccrual loans, modified loans to borrowers experiencing financial difficulty and loans 90 days or more past due and still accruing (9)	56.76	91.24	56.76	91.24
Net charge-offs (recoveries) to average loans	(0.02)	0.03	(0.01)	0.03
Capital Ratios:				
Total equity to total assets	9.60%	9.87%	9.60%	9.87%
Total risk-based capital ratio	13.55	13.90	13.55	13.90
Tier 1 risk-based capital ratio	10.82	11.27	10.82	11.27
Leverage capital ratio	8.54	8.93	8.54	8.93
Other Data:				
Number of employees (full-time equivalent)	144	172	144	172
Number of banking facilities	9	9	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.
- (10) A large loan 90 days or more past due and still accruing was brought current after June 30, 2025, but was also restructured so these ratios will remain the same.

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

	June 30, 2025	December 31, 2024
	(Dollars in thousands)	
<b>Assets</b>		
Cash and due from banks	\$10,363	\$6,748
Securities available for sale and equity securities	126,795	120,339
Loans held for sale	7,733	13,291
Net loans	656,600	688,303
Other assets	36,950	37,793
Total assets	<u>\$838,441</u>	<u>\$866,474</u>
<b>Liabilities and Stockholders' Equity</b>		
Deposits	684,480	692,378
Short-term borrowings	49,514	71,973
Other liabilities	23,955	24,162
Total liabilities	<u>757,949</u>	<u>788,513</u>
<b>Stockholders' Equity</b>		
Total stockholders' equity	<u>80,492</u>	<u>77,961</u>
Total liabilities and stockholders' equity	<u>\$838,441</u>	<u>\$866,474</u>

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

	Quarters Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(Dollars in thousands)			
Interest income	11,017	12,052	21,958	23,853
Interest expense	5,541	6,897	11,193	13,737
<b>Net interest income</b>	5,476	5,155	10,765	10,116
Provision for (reversal of) credit losses	9	10	51	(18)
<b>Net interest income after provision for (reversal of) credit losses</b>	5,467	5,145	10,714	10,134
<b>Noninterest income</b>	1,765	6,904	3,317	8,531
Compensation and employee benefits	4,060	4,700	8,126	8,989
Equipment, occupancy, and premises	1,102	848	2,210	1,746
Other expense	1,149	1,356	2,348	2,590
<b>Total noninterest expense</b>	6,311	6,904	12,684	13,325
<b>Income from operations before income taxes</b>	921	5,145	1,347	5,340
Income tax expense	253	1,361	358	1,378
<b>Net income</b>	668	3,784	989	3,962
Discount from repurchase of preferred shares	—	—	—	—
<b>Net income allocated to common stockholders</b>	<u>\$668</u>	<u>\$3,784</u>	<u>\$989</u>	<u>\$3,962</u>