

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, 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 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

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.

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)	
Selected Statements of Operations Data		
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
Net income	\$321	\$178
Common Share Data		
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
Financial Condition Data		
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
Financial Ratios and Other Data		
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)	
Assets		
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	<u>\$852,018</u>	<u>\$866,474</u>
Liabilities and Stockholders' Equity		
Deposits	692,028	692,378
Short-term borrowings	57,444	71,973
Other liabilities	23,237	24,162
Total liabilities	<u>772,709</u>	<u>788,513</u>
Stockholders' Equity		
Total stockholders' equity	<u>79,309</u>	<u>77,961</u>
Total liabilities and stockholders' equity	<u><u>\$852,018</u></u>	<u><u>\$866,474</u></u>

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
Net interest income	5,289	4,961
Provision for (reversal of) credit losses	42	(28)
Net interest income after provision for credit losses	5,247	4,989
Noninterest income	1,552	1,627
Compensation and employee benefits	4,066	4,289
Equipment, occupancy and premises	1,108	898
Other expense	1,199	1,234
Total noninterest expense	6,373	6,421
Income from operations before income taxes	426	195
Income tax expense	105	17
Net income	321	178
Preferred stock dividends	—	—
Discount from repurchase of preferred stock	—	—
Net income allocated to common stockholders	<u><u>\$321</u></u>	<u><u>\$178</u></u>

CIB Marine Bancshares, Inc. (OTCQX: CIBH). This report provides additional detailed financial information for the quarter ended March 31, 2025. Please see our Shareholder Letter dated May 8, 2025, at www.cibmarine.com for a summary description of our financial results.

CIB MARINE BANCSHARES, INC.
Net Interest Income (unaudited)

	2025			2024		
	Average Balance	Interest Earned/Paid	Average Yield/Cost	Average Balance	Interest Earned/Paid	Average Yield/Cost
	(Dollars in thousands)					
Quarter Ended March 31,						
Interest-earning assets						
Securities (1)	\$121,782	\$1,150	3.78%	\$126,408	\$1,231	3.89%
Loans held for sale (1)	10,477	137	5.30	8,963	142	6.36
Loans (1)(2)	684,787	9,623	5.70	733,406	10,394	5.70
Federal funds sold, reverse repos and interest-earning due from banks	1,984	31	6.29	1,589	34	8.69
Total interest-earning assets	819,030	10,941	5.41	870,366	11,801	5.46
Noninterest-earning assets	28,283			30,240		
Total assets	\$847,313			\$900,606		
Interest-bearing liabilities						
Interest-bearing deposits	\$606,092	\$5,029	3.37%	\$667,218	\$6,227	3.75%
Borrowed funds	61,958	623	4.08	51,393	613	4.80
Total interest-bearing liabilities	668,050	5,652	3.43	718,611	6,840	3.83
Noninterest-bearing liabilities:						
Noninterest-bearing demand deposits	93,005			90,947		
Accrued interest and other liabilities	7,492			6,080		
Preferred equity	—			13,806		
Common equity	78,766			71,162		
Total stockholders' equity	78,766			84,968		
Total liabilities and stockholders' equity	\$847,313			\$900,606		
Net interest-earning assets, interest income and net interest spread (1)(3)	\$150,980	\$5,289	1.98%	\$151,755	\$4,961	1.63%
Net interest margin (1)(4)			<u>2.62%</u>			<u>2.29%</u>
Ratio of average interest-earning assets to average interest-bearing liabilities	<u>1.23</u>			<u>1.21</u>		

- (1) Balance totals include respective nonaccrual assets.
- (2) Interest earned on loans includes a nominal amount of amortized loan costs for all periods presented.
- (3) Net interest spread is the yield on average interest-earning assets less the rate on interest-bearing liabilities.
- (4) Net interest margin is the ratio of net interest income to average interest-earning assets.

Net interest income increased by \$0.3 million for the quarter. The quarterly improvement was due to a 32-basis point increase in the net interest margin due to the 40-basis point improvement in the cost of interest-bearing liabilities. Interest-earning asset balances declined by \$51 million.

CIB MARINE BANCSHARES, INC.
Loans and Allowance for Credit Losses on Loans

	Loan Portfolio Segments (unaudited)					
	March 31, 2025		December 31, 2024		March 31, 2024	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
	(Dollars in thousands)					
Commercial	\$92,261	14.0%	\$95,961	13.8%	\$94,920	12.9%
Commercial real estate	344,566	50.4	350,485	50.4	362,753	49.4
Construction and development	32,398	4.7	32,712	4.7	62,840	8.6
Residential real estate	192,919	28.2	198,181	28.5	197,297	26.9
Home equity	18,073	2.6	18,165	2.6	16,530	2.2
Purchased home equity pools	241	0.1	249	0.0	291	0.0
Other consumer	39	0.0	42	0.0	59	0.0
Gross loans	683,497	100.0%	695,795	100.0%	734,690	100.0%
Deferred loan costs (fees)	1,290		1,298		1,329	
Loans	687,787		697,093		736,019	
Allowance for credit losses on loans	(8,818)		(8,790)		(9,087)	
Loans, net	\$675,969		\$688,303		\$726,932	

	Select Real Estate Loan Property Types (1) (unaudited)					
	March 31, 2025		December 31, 2024		March 31, 2024	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
	(Dollars in thousands)					
Office	\$42,369	5.8%	\$41,875	6.0%	\$50,777	6.94%
Retail	73,319	10.0	73,269	10.5	84,540	11.5
Warehouse	35,225	4.8	38,701	5.6	32,874	4.5
Manufacturing	40,126	5.5	42,176	6.1	43,432	5.9
Hospitality	23,904	3.3	24,787	3.6	25,730	3.5
Nursing Home and Assisted Living	15,175	2.1	14,692	2.1	14,530	2.0
Multifamily Apartments	51,897	7.1	51,471	7.4	63,925	8.7
Restaurants and Food Service	22,329	3.0	21,935	3.2	24,167	3.3
Educational	14,706	2.0	14,755	2.1	17,415	2.4

(1) Select Real Estate Loan Property Types includes loans from the real estate and construction and development segments with listed commercial property types that are consistently 2.0% or more of total loans in the most recent period.

Management continues to be committed to maintaining reasonable and prudent loan portfolio diversification, in part represented by our commercial property type loans in the portfolio. These property types are spread primarily through our primary lending markets in Illinois, Indiana and Wisconsin.

	Nonperforming Assets and Selected Asset Quality Ratios (unaudited)		
	March 31, 2025	December 31, 2024	March 31, 2024
	(Dollars in thousands)		
Nonperforming assets			
Nonaccrual loans:			
Commercial	\$5,194	\$5,100	\$2,590
Commercial real estate	—	—	336
Construction and development	—	—	—
Residential real estate	—	—	51
Home equity	550	551	535
Other consumer	—	—	—
	5,744	5,651	3,512
Loans held for sale	—	—	—
Total nonaccrual loans	5,744	5,651	3,512
Other real estate owned	—	200	375
Total nonperforming assets	\$5,744	\$5,851	\$3,887
Restructured loans accruing			
Commercial	\$302	\$3,915	\$3,689
Commercial real estate	1,823	—	—
Residential real estate	378	2,207	382
Home equity	—	—	—
Purchased home equity pools	52	53	54
Other consumer	—	—	—
Total restructured loans accruing	\$2,555	\$6,175	\$4,125
90 days or more past due still accruing	\$—	\$76	\$14
Ratios			
Nonaccrual loans to total loans (1)	0.84%	0.81%	0.48%
Other real estate owned to total assets	0.00	0.02	0.04
Nonperforming assets to total assets (1)	0.67	0.68	0.43
Nonaccrual loans, restructured loans and loans 90 days or more past due and still accruing to total loans (1)	1.21	1.19	1.04
Nonperforming assets, restructured loans and 90 days or more past due and still accruing loans to total assets (1)	0.97	0.98	0.89

(1) Excludes loans held for sale from nonaccrual loans, nonperforming assets, restructured loans accruing and 90 days or more past due and still accruing loans.

Non-accrual loans are primarily two relationships related to the transportation industry.

Under the NAICS category of Transportation and Warehousing, CIB Marine had a total of \$15.2 million in outstanding loan balances as of March 31, 2025. This includes a mix of air, local and long-distance trucking, and other categories under that heading.

CIB Marine continues to engage qualified professional firms to perform annual loan reviews in addition to having various audit functions for the lending activities. For more than 10 years, these reviews have found minimal variations related to the accuracy and timeliness of CIB Marine's loan gradings and classifications. The loan reviews account for 40% or more of the commercial loan balances and focus primarily on larger credit relationships, loans that are a part of large NAICS concentrations, problem loans, and new loans. In addition, at least 10% of residential loans originated for sale or portfolio are evaluated by a qualified professional firm for accuracy and completeness of documentation, regulatory compliance, underwriting standards, and other matters as required by Fannie Mae and Federal Housing Authority quality assurance guidelines.

The allowance for credit losses on loans covers the entirety of the portfolio, including all non-performing, restructured, and 90 days or more past due and still accruing loans. The allowance is based on current expected credit loss accounting standards and includes the estimated effects of independent economic forecasts and a variety of qualitative factors, including past due loans and loan classifications on future loan loss estimates. In addition, certain loans, like collateral dependent loans, are evaluated individually for losses based on their collateral valuations with the results included in the allowance for credit losses on loans as outlined in the table below. There are circumstances where certain independently evaluated loans are more than adequately covered by the discounted collateral and, therefore, have little or no allowance for credit losses. More information is provided on these matters in CIB Marine's annual audited financial statements, CIBM Bank's quarterly Call Report filings, and other available public information.

Allowance for Credit Losses on Loans (unaudited)								
	Commercial	Commercial Real Estate	Construction and Development	Residential Real Estate	Home Equity	Purchased Home Equity Pools	Other Consumer	Total (1)
(Dollars in thousands)								
Quarter ended March 31, 2025								
Balance at beginning of period	\$689	\$5,451	\$575	\$1,952	\$117	\$6	\$—	\$8,790
Provision for (reversal of) credit losses on loans (1)	31	(139)	142	(4)	(3)	(9)	—	18
Charge-offs	—	—	—	—	—	—	—	—
Recoveries	—	—	—	—	1	9	—	10
Balance at end of period	\$720	\$5,312	\$717	\$1,948	\$115	\$6	\$—	\$8,818
Quarter ended March 31, 2024								
Balance at beginning of period	\$692	\$5,099	\$1,207	\$2,003	\$126	\$9	\$—	\$9,136
Provision for (reversal of) credit losses on loans (1)	71	62	168	(251)	(47)	(9)	3	(3)
Charge-offs	(55)	—	—	—	—	—	(2)	(57)
Recoveries	—	—	—	—	2	9	—	11
Balance at end of period	\$708	\$5,161	\$1,375	\$1,752	\$81	\$9	\$1	\$9,087

(1) The provision for (reversal of) credit losses on loans here excludes provisions made for the allowance for unfunded commitments.

CIB Marine had an \$18,000 provision to the allowance for credit losses on loans ("ACLL") during the three-month period ending March 31, 2025, compared to a \$3,000 reversal of loan losses for the same period in 2024. Although loan balances declined during the quarter, economic uncertainties and short-term economic forecasts deteriorated in the first quarter of 2025. CIB Marine also had a \$23,000 provision to the allowance for unfunded commitments ("AUC") during the first quarter of 2025, compared to a \$25,000 reversal in the same period of 2024. In both instances, although the related loan balances are lower in the first quarter of 2025, economic uncertainties and short-term economic forecasts deteriorated.

CIB Marine may record recoveries in excess of charge-offs from time to time. Although it cannot be certain in advance due to a number of factors related to the determination of the provision for credit losses, a net recovery may result in a credit provision (i.e., a reversal of provisions for credit losses) in the period of the net recovery. A net recovery has the potential to increase CIB Marine's net income by an amount up to the net recovery. However, there can be no certainty as to whether CIB Marine will experience improved credit quality or recoveries during future quarters permitting it to record further credit provisions or reversals of provisions for credit losses for any of the portfolio segments or in total.

Past Due Accruing Loans (unaudited)

	30-59 Days Past Due	60-89 Days Past Due	Greater Than 89 Days Past Due	Total Past Due	Loans Not Past Due	Total Accruing Loans
(Dollars in thousands)						
<u>At March 31, 2025</u>						
Commercial	\$3,647	\$—	\$—	\$3,647	\$86,420	\$90,067
Commercial real estate	3,500	—	—	3,500	341,066	344,566
Construction and development	—	—	—	—	32,398	32,398
Residential real estate	1,512	260	—	1,772	191,147	192,919
Home equity	194	—	—	194	17,329	17,523
Purchased home equity pools	—	—	—	—	241	241
Other consumer	—	—	—	—	39	39
Deferred loan costs	17	—	—	17	1,273	1,290
Total	\$8,870	\$260	\$—	\$9,130	\$669,913	\$679,043
<u>At December 31, 2024</u>						
Commercial	\$158	\$—	\$—	\$158	\$90,703	\$90,861
Commercial real estate	—	1,208	—	1,208	349,277	350,485
Construction and development	—	—	—	—	32,712	32,712
Residential real estate	971	308	—	1,279	196,902	198,181
Home equity	18	—	76	94	17,520	17,614
Purchased home equity pools	—	—	—	—	249	249
Other consumer	—	—	—	—	42	42
Deferred loan costs	2	3	—	5	1,293	1,298
Total	\$1,149	\$1,519	\$76	\$2,744	\$688,698	\$691,442
<u>At March 31, 2024</u>						
Commercial	\$14	\$36	\$—	\$50	\$92,280	\$92,330
Commercial real estate	1,309	—	—	1,309	361,108	362,417
Construction and development	—	—	—	—	62,840	62,840
Residential real estate	2,569	—	—	2,569	194,677	197,246
Home equity	147	93	14	254	15,741	15,995
Purchased home equity pools	—	—	—	—	291	291
Other consumer	—	—	—	—	59	59
Deferred loan costs	7	—	—	7	1,322	1,329
Total	\$4,046	\$129	\$14	\$4,189	\$728,318	\$732,507

CIB Marine past due loans increased \$6.4 million from December 31, 2024, to March 31, 2025. The increase was primarily in commercial segments and related to two relationships. The loans are on accrual and collection actions are underway to resolve the related issues.

CIB MARINE BANCSHARES, INC.
Uninsured Deposits (unaudited)

CIB Marine's subsidiary bank, CIBM Bank, estimated its uninsured deposit balances were \$153 million, or 22% of total deposits at March 31, 2025, compared to \$137 million, or 20% of total deposits at December 31, 2024; \$150 million, or 20%, at December 31, 2023; and \$178 million, or 28%, at December 31, 2022. CIBM Bank offers several products to reduce uninsured deposits, including fully FDIC insured reciprocal deposit products, non-deposit uninsured collateralized government repo sweep product (the latter is included in Borrowings in the balance sheet) or, for municipal entities, Federal Home Loan Bank of Chicago letters of credit or collateralization arrangements with government securities.

CIB MARINE BANCSHARES, INC.
Capital (unaudited)

	Actual		For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
(Dollars in thousands)						
March 31, 2025						
Total capital to risk-weighted assets						
CIB Marine Bancshares, Inc.	\$88,749	13.34%				
CIBM Bank	87,835	13.20%	\$53,218	8.00%	\$66,523	10.00%
Tier 1 capital to risk-weighted assets						
CIB Marine Bancshares, Inc.	70,655	10.62%				
CIBM Bank	79,511	11.95%	\$39,914	6.00%	\$53,218	8.00%
Tier 1 leverage to average assets						
CIB Marine Bancshares, Inc.	\$70,655	8.40%				
CIBM Bank	79,511	9.45%	\$33,646	4.00%	\$42,057	5.00%
Common Equity Tier 1 (1)						
CIBM Bank	\$79,511	11.95%	\$29,935	4.50%	\$43,240	6.50%
December 31, 2024						
Total capital to risk-weighted assets						
CIB Marine Bancshares, Inc.	\$88,287	13.02%				
CIBM Bank	\$86,961	12.82%	\$54,273	8.00%	\$67,841	10.00%
Tier 1 capital to risk-weighted assets						
CIB Marine Bancshares, Inc.	\$70,041	10.33%				
CIBM Bank	\$78,475	11.57%	\$40,704	6.00%	\$54,273	8.00%
Tier 1 leverage to average assets						
CIB Marine Bancshares, Inc.	\$70,041	8.14%				
CIBM Bank	\$78,475	9.12%	\$34,412	4.00%	\$43,015	5.00%
Common Equity Tier 1						
CIBM Bank	\$78,475	11.57%	\$30,528	4.50%	\$44,096	6.50%

(1) CIB Marine is a Small Bank Holding Company under Appendix C of Part 225 of the Federal Reserve regulation and, as a result, the consolidated CIB Marine is exempt from capital adequacy requirements.

Preservation and Use of Deferred Tax Assets

We continue to remind our common and preferred shareholders that if they accumulate 5% or more of Company common and/or preferred stock versus their lowest ownership percent over a 3-year test period, they could, by themselves or in combination with others, cause a cumulative 50% ownership change. Such an event would trigger certain Internal Revenue Code Section 382 limitations that could severely limit our ability to use net operating loss carryforwards prior to their expiration dates, thereby reducing the value of the Company's approximately \$13 million deferred tax assets net of tax liabilities resulting in an impairment expense for a portion of the deferred tax assets and a reduction in stockholder's equity. On March 31, 2025, 5% of the total value of Company stock was approximately \$2.0 million, which is the equivalent of approximately 67,810 shares of common stock at the last reported traded price of \$29.25 as of March 31, 2025, as listed on OTCQX. CIB Marine currently has a CIBH stock repurchase program in place for the year 2025 with the goal of acquiring upwards a total of \$1 million in CIBH stock in the open market. The effect of this will be to reduce the number of shares that represent 5% of the total value of issued and outstanding stock.