



May 5, 2022

Dear Shareholder,

CIB Marine Bancshares, Inc. ("CIB Marine" or the "Company") is pleased to report its financial results for the quarter ended March 31, 2022. CIB Marine's operating results were dominated by significant seasonal and cyclical mortgage trends, but also reflected another quarter of core deposit growth and continued strong asset quality.

Results of Operations – Summary

Net income for the quarter was \$0.9 million, with basic and diluted earnings per share of \$0.69 and \$0.50, respectively, and an annualized return on average assets ("ROAA") of 0.48%. Net income and ROAA for the same period in 2021 were \$2.1 million, with basic and diluted earnings per share of \$1.67 and \$0.97, respectively, and an annualized ROAA of 1.14%. The primary source of change was the operating results of the Mortgage Banking Division, where seasonal factors and higher interest rates caused an \$80 million decline in total mortgage originations during the first quarter of 2022 compared to the first quarter of 2021 and substantial tightening in pricing margins.

- Company revenues reflect a few key developments during the quarter compared to the same period of 2021. Net interest income of \$5.5 million was down \$0.3 million due primarily to lower loans held for sale balances, and non-interest income of \$1.7 million was lower by \$3.4 million due to lower mortgage production and tighter mortgage margins. Although seasonal factors are expected to improve for mortgage operations, significantly higher interest rates and tighter pricing margins are expected to continue to substantially impact mortgage originations and non-interest income in the quarters ahead versus the prior year.
- Strong asset quality results, lower loan balances, and favorable developments in economic and environmental factors resulted in a reversal of provision for loan losses of \$0.3 million for the quarter, versus a nominal provision during the first quarter of the prior year.

Financial Condition - Summary

Total assets were up \$19 million at March 31, 2022, from the start of the fiscal and calendar year. Cash and due from balances were up \$29 million and net loan balances were down \$14 million, offset in part by an increase in securities. The rise in cash and due from balances resulted from a \$13 million increase in deposits and the issuance of \$10 million in subordinated debt. Additional highlights of our financial condition as of March 31, 2022, include:

- Continued strength in asset quality ratios supported a decrease in the allowance for loan losses to total loans, from 1.54% at December 31, 2021, to 1.51% at March 31, 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 improved to 0.19% and 0.13%, respectively, at March 31, 2022, from 0.21% and 0.14%, respectively, at December 31, 2021, and 0.52% and 0.23%, respectively, March 31, 2021.
- Tangible book value ("TBV") per share of common stock of \$54.53 was down for the quarter ending March 31, 2022, due to the very rapid increase in interest rates during the quarter resulting in a \$2.8 million unrealized loss in the market value of available for sale securities. These unrealized losses are not expected to be realized losses in the future. The securities portfolio is comprised primarily of U.S. government and government sponsored enterprise issued fixed income and A to AAA rated municipal securities. For further insight into other factors effecting TBV: TBV excluding deferred tax assets ("DTA") was \$42.44 and TBV after the effects of a conversion of Series B preferred stock to common was \$41.81 (conversion is only permissible under very limited situations).

"Community Banking – The Way It Used To Be"

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We encourage you to visit our website, www.cibmarine.com, for a copy of our audited financial statements, additional detailed financial results, and a link to the quarterly reports we file with our regulators. We will continue to release our financial results on a quarterly basis on our website. Should you want a mailed or e-mailed copy of our quarterly results, please contact Shareholder Relations Manager, Elizabeth Neighbors, directly at (262) 695-6010 or Elizabeth.Neighbors@cibmarine.com to be added to our distribution list.

2022 Annual Shareholder Meeting

Our Annual Meeting was held on Thursday, April 28, 2022. All matters presented to the shareholders for vote were approved, including the election of three directors and the ratification of our independent registered public accounting firm. We bid farewell to Mr. John Hickey, who served the Company and its shareholders for more than 15 years, as both the Company's President & CEO and as a member of our Board of Directors; and welcomed our newest member of the Board, Ms. Rhonda Hopps, whose financial and management experience will benefit our shareholders and Company.

Preferred Stock Redemptions

At the annual Meeting, we announced plans to redeem approximately 5,830 shares of Series A preferred stock during the fourth quarter of 2022. The redemption will be pro-rata among Series A preferred stockholders and at the fixed redemption price in our Articles of Incorporation of \$825 per share, for a total price of approximately \$4.8 million. Further details will be provided in the future. The \$10 million of sub-debt issued by CIB Marine during the first quarter of 2022 is the primary source of funds for this planned redemption. Preservation of DTA continues to be an important consideration and limiting factor in the amount and timing of redemptions. At this time, CIB Marine plans on redeeming the remaining shares of Series A and Series B preferred stock in the fourth quarter of 2024. These plans are subject to change, depend on the Company's operating results and financial condition, and will require regulatory approvals. CIB Marine will consider redeeming more preferred shares earlier if circumstances change and it is in the best interest of the Company and its shareholders.

Preservation and Use of Deferred Tax Assets

We want to continue to remind our common and preferred shareholders that if they accumulate 5% or more of Company 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 \$15 million DTA net of tax liabilities. At March 31, 2022, 5% of the total value of Company stock was approximately \$3.4 million, which is the equivalent of approximately 89,100 shares of common stock at the last traded price listed on OTCQX at March 31, 2022 (i.e., \$38.00/share), or approximately 4,105 shares of preferred stock at \$825 per share, the price paid per share of preferred stock on the last redemption date of October 29, 2021. Under the assumption all remaining preferred shares are redeemed, thereafter 5% of Company common stock would be approximately 65,150.

The Company does not directly control a number of factors related to Section 382 events, including fair market values of stock or shareholder purchases/sales of stock, and the number of shares that denote a 5% shareholder could change significantly as a result. Significant shareholders are cautioned to carefully consider the consequences of any stock purchase or sale transaction that could impact the value of the Company's DTA. For further explanation or inquiry, please contact the Company.

Concluding Comments

With changing economic conditions affecting inflation, interest rates, labor markets, and the credit market outlook, we are operating in a lower mortgage production market with important risk management considerations. We will be focused on continuing to grow quality banking relationships with an emphasis

on customer care and service; expanding our Government Guaranteed Lending Division's pipeline and refocusing its activities away from the historical concentration in hospitality to a broader base of commercial and industrial businesses and owner occupied real estate; and making decisions for improved longer term core operating results and sound financial conditions for the future.

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,	
	2022	2021
	(Dollars in thousands, except share and per share data)	
Selected Statements of Operations Data		
Interest and dividend income	\$5,879	\$6,265
Interest expense	413	536
Net interest income	5,466	5,729
Provision for (reversal of) loan losses	(325)	20
Net interest income after provision for (reversal of) loan losses	5,791	5,709
Noninterest income (1)	1,705	5,146
Noninterest expense	6,262	7,940
Income before income taxes	1,234	2,915
Income tax expense	334	798
Net income	\$900	\$2,117
Common Share Data		
Basic net income	\$0.69	\$1.67
Diluted net income	0.50	0.97
Dividends	—	—
Tangible book value per share (2)	54.53	53.25
Book value per share (2)	52.07	48.21
Weighted average shares outstanding-basic	1,295,573	1,268,947
Weighted average shares outstanding-diluted	1,792,181	2,185,433
Financial Condition Data		
Total assets	\$764,641	\$752,715
Loans	529,212	540,206
Allowance for loan losses	(8,011)	(9,253)
Investment securities	109,533	112,400
Deposits	631,953	608,433
Borrowings	36,789	30,736
Stockholders' equity	89,931	105,593
Financial Ratios and Other Data		
Performance Ratios:		
Net interest margin (3)	3.05%	3.23%
Net interest spread (4)	2.98	3.13
Noninterest income to average assets (5)	0.97	2.79
Noninterest expense to average assets	3.35	4.27
Efficiency ratio (6)	85.98	72.72
Earnings on average assets (7)	0.48	1.14
Earnings on average equity (8)	3.98	8.10
Asset Quality Ratios:		
Nonaccrual loans to total loans (9)	0.13%	0.23%
Nonaccrual loans, restructured loans and loans 90 days or more past due and still accruing to total loans (9)	0.20	0.37
Nonperforming assets, restructured loans and loans 90 days or more past due and still accruing to total assets (9)	0.19	0.52
Allowance for loan losses to total loans	1.51	1.71
Allowance for loan losses to nonaccrual loans, restructured loans and loans 90 days or more past due and still accruing (9)	742.45	459.21
Net charge-offs (recoveries) to average loans	0.01	(0.08)
Capital Ratios:		
Total equity to total assets	11.76%	14.03%
Total risk-based capital ratio	17.52	18.12
Tier 1 risk-based capital ratio	14.43	16.86
Leverage capital ratio	10.27	11.88
Other Data:		
Number of employees (full-time equivalent)	172	179
Number of banking facilities	10	10

- (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, 2022	December 31, 2021
	(Dollars in thousands)	
Assets		
Cash and due from banks	\$88,605	\$59,184
Securities available for sale	109,533	106,647
Loans held for sale	9,567	9,859
Net loans	521,201	535,467
Other assets	35,735	34,236
Total assets	<u>\$764,641</u>	<u>\$745,393</u>
Liabilities and Stockholders' Equity		
Deposits	631,953	618,991
Short-term borrowings	27,117	27,049
Other liabilities	15,640	7,573
Total liabilities	<u>674,710</u>	<u>653,613</u>
Stockholders' Equity		
Total stockholders' equity	<u>89,931</u>	<u>91,780</u>
Total liabilities and stockholders' equity	<u>\$764,641</u>	<u>\$745,393</u>

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

	3 Months Ended March 31,	
	2022	2021
	(Dollars in thousands, except per share data)	
Total interest income	\$5,879	\$6,265
Total interest expense	413	536
Net interest income	<u>5,466</u>	<u>5,729</u>
Provision for (reversal of) loan losses	(325)	20
Net interest income after provision for (reversal of) loan losses	<u>5,791</u>	<u>5,709</u>
Noninterest income	1,705	5,146
Compensation and employee benefits	4,229	5,956
Equipment, occupancy and premises	864	813
Other expense	1,169	1,171
Total noninterest expense	<u>6,262</u>	<u>7,940</u>
Income from operations before income taxes	<u>1,234</u>	<u>2,915</u>
Income tax expense	334	798
Net income	<u>900</u>	<u>2,117</u>
Preferred stock dividends	—	—
Discount from repurchase of preferred stock	—	—
Net income allocated to common stockholders	<u>\$900</u>	<u>\$2,117</u>

CIB Marine Bancshares, Inc. (OTCQX: CIBH). This report provides additional detailed financial information for the quarter ended March 31, 2022. Please see our Shareholder Letter dated May 5, 2022, located at www.cibmarine.com for a summary description of our financial results.

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

	2022			2021		
	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)	\$106,440	\$537	2.02%	\$107,857	\$555	2.06%
Loans held for sale (1)	8,282	58	2.83	32,556	175	2.18
Loans (1)(2)	535,701	5,254	3.98	535,118	5,524	4.19
Federal funds sold, reverse repos and interest-earning due from banks	74,604	30	0.16	43,009	11	0.11
Total interest-earning assets	725,027	5,879	3.28	718,540	6,265	3.53
Noninterest-earning assets	32,453			36,377		
Total assets	\$757,480			\$754,917		
Interest-bearing liabilities						
Interest-bearing deposits	\$503,977	\$350	0.28%	\$493,376	\$512	0.42%
Borrowed funds	32,256	62	0.78	45,550	24	0.21
Total interest-bearing liabilities	536,232	413	0.31	538,926	536	0.40
Noninterest-earning liabilities:						
Noninterest-bearing demand deposits	124,780			104,143		
Accrued interest and other liabilities	4,665			5,820		
Preferred equity	18,762			37,308		
Common equity	73,040			68,720		
Total stockholders' equity	91,802			106,028		
Total liabilities and stockholders' equity	\$757,480			\$754,917		
Net interest-earning assets, interest income and net interest spread (1)(3)	\$188,794	\$5,466	2.97%	\$179,614	\$5,729	3.13%
Net interest margin (1)(4)			3.05%			3.23%
Ratio of average interest-earning assets to average interest-bearing liabilities	1.35			1.33		

(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 decreased by \$0.3 million during the first three months of 2022 compared to the same period of 2021. The primary reasons for the change is lower average balances in loans held for sale as mortgage production has declined due to higher mortgage interest rates and lower PPP net deferred fee accretions. The net interest margin declined by 18 basis points during the first three months of 2022 compared to the same period of 2021 with the yield on interest earnings assets declining by 25 basis points compared to 9 basis points in the cost of interest bearing liabilities. In addition to the decline in net deferred PPP fee accretions, the decline in the yield on interest-earning assets was the result of growth by \$32.6 million in average balances of low interest rate interest-earning due from bank accounts, resulting from the growth in certain interest-bearing liabilities including interest-bearing deposits and non-interest bearing deposit balances.

CIB MARINE BANCSHARES, INC.
Loans and Allowance for Loan and Losses

Loan Portfolio Segments (unaudited)						
	March 31, 2022		December 31, 2021		March 31, 2021	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
	(Dollars in thousands)					
Commercial	\$54,955	10.4%	\$59,699	11.0%	\$69,112	12.8%
Commercial real estate	300,010	56.8	307,229	56.6	298,402	55.2
Construction and development	19,275	3.6	18,629	3.4	23,157	4.3
Residential real estate	140,344	26.6	142,375	26.2	132,123	24.4
Home equity	12,949	2.5	14,084	2.6	16,078	3.0
Purchased home equity pools	698	0.1	950	0.2	1,530	0.3
Other consumer	213	0.0	232	0.0	318	0.0
Gross loans	528,444	100.0%	543,198	100.0%	540,720	100.0%
Deferred loan costs (fees)	768		621		(514)	
Loans	529,212		543,819		540,206	
Allowance for loan losses	(8,011)		(8,352)		(9,253)	
Loans, net	\$521,201		\$535,467		\$530,953	

Select Real Estate Loan Property Types (1) (unaudited)						
	March 31, 2022		December 31, 2021		March 31, 2021	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
	(Dollars in thousands)					
Office	\$58,732	11.1%	\$62,172	11.4%	\$64,333	11.9%
Retail	55,252	10.5	58,694	10.8	44,488	8.2
Warehouse	17,799	3.4	18,752	3.5	22,689	4.2
Manufacturing	22,223	4.2	20,360	3.7	25,181	4.7
Hospitality	29,593	5.6	31,189	5.7	25,520	4.7
Nursing Home and Assisted Living	15,044	2.8	15,187	2.8	12,012	2.2
Multifamily Apartments	39,204	7.4	41,685	7.7	48,489	9.0
Restaurants and Food Service	20,337	3.8	18,535	3.4	17,882	3.3

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

Nonperforming Assets and Selected Asset Quality Ratios (unaudited)

	March 31, 2022	December 31, 2021	March 31, 2021
(Dollars in thousands)			
Nonperforming assets			
Nonaccrual loans:			
Commercial	\$—	\$—	\$—
Commercial real estate	157	157	233
Construction and development	—	—	—
Residential real estate	207	210	357
Home equity	346	370	647
Other consumer	—	—	—
	710	737	1,237
Loans held for sale	—	—	—
Total nonaccrual loans	710	737	1,237
Other real estate owned	403	403	1,875
Total nonperforming assets	\$1,113	\$1,140	\$3,112
Restructured loans accruing			
Commercial	\$—	\$—	\$—
Commercial real estate	—	—	62
Residential real estate	272	277	577
Home equity	—	—	—
Purchased home equity pools	97	136	139
Other consumer	—	—	—
Total restructured loans accruing	\$369	\$413	\$778
90 days or more past due still accruing	\$—	\$—	\$—
Ratios			
Nonaccrual loans to total loans (1)	0.13%	0.14%	0.23%
Other real estate owned to total assets	0.05	0.05	0.25
Nonperforming assets to total assets (1)	0.15	0.15	0.41
Nonaccrual loans, restructured loans and loans 90 days or more past due and still accruing to total loans (1)	0.20	0.21	0.37
Nonperforming assets, restructured loans and 90 days or more past due and still accruing loans to total assets (1)	0.19	0.21	0.52

(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.

Allowance for Loan Losses (unaudited)

	Commercial	Commercial Real Estate	Construction and Development	Residential Real Estate	Home Equity	Purchased Home Equity Pools	Other Consumer	Total
(Dollars in thousands)								
Quarter ended March 31, 2022								
Balance at beginning of period	\$835	\$6,204	\$241	\$708	\$301	\$60	\$3	\$8,352
Provision for (reversal of) loan losses	(79)	(346)	(2)	1	(27)	126	2	(325)
Charge-offs	—	—	—	—	—	(89)	(4)	(93)
Recoveries	—	—	—	—	2	75	—	77
Balance at end of period	\$756	\$5,858	\$239	\$709	\$276	\$172	\$1	\$8,011
Quarter ended March 31, 2021								
Balance at beginning of period	\$914	\$6,005	\$812	\$824	\$439	\$122	\$6	\$9,122
Provision for (reversal of) loan losses	(100)	300	32	(64)	(48)	(100)	—	20
Charge-offs	—	—	—	—	—	—	—	—
Recoveries	—	—	—	1	21	89	—	111
Balance at end of period	\$814	\$6,305	\$844	\$761	\$412	\$111	\$6	\$9,253

The reversal of loan losses was \$325,000 for the first three months of 2022 versus a provision of \$20,000 for the same period of 2021, reflecting primarily environmental factors including lower COVID infection rates at March 31, 2022, compared to December 31, 2021 and lower loan balances.

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 loan losses, a net recovery may result in a credit provision (i.e., a reversal of provisions for loan 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 so as to permit it to record further credit provisions or reversals of provisions for loan 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
(Dollars in thousands)						
<u>At March 31, 2022</u>						
Commercial	\$—	\$—	\$—	\$—	\$54,955	\$54,955
Commercial real estate	—	—	—	—	299,853	299,853
Construction and development	—	—	—	—	19,275	19,275
Residential real estate	599	—	—	599	139,538	140,137
Home equity	18	—	—	18	12,585	12,603
Purchased home equity pools	196	27	—	223	475	698
Other consumer	—	—	—	—	213	213
Deferred loan costs	1	—	—	1	767	768
Total	\$814	\$27	\$—	\$841	\$527,661	\$528,502
<u>At December 30, 2021</u>						
Commercial	\$—	\$—	\$—	\$—	\$59,699	\$59,699
Commercial real estate	—	—	—	—	307,072	307,072
Construction and development	—	—	—	—	18,629	18,629
Residential real estate	406	—	—	406	141,759	142,165
Home equity	—	43	—	43	13,671	13,714
Purchased home equity pools	26	—	—	26	924	950
Other consumer	—	—	—	—	232	232
Deferred loan costs	1	—	—	1	620	621
Total	\$433	\$43	\$—	\$476	\$542,606	\$543,082
<u>At March 31, 2021</u>						
Commercial	\$75	\$—	\$—	\$75	\$69,037	\$69,112
Commercial real estate	—	—	—	—	298,169	298,169
Construction and development	—	—	—	—	23,157	23,157
Residential real estate	729	—	—	729	131,037	131,766
Home equity	—	—	—	—	15,407	15,431
Purchased home equity pools	24	—	—	24	1,486	1,530
Other consumer	44	—	—	44	318	318
Deferred loan costs	(1)	—	—	(1)	(513)	(514)
Total	\$871	\$—	\$—	\$871	\$538,098	\$538,969

The \$0.4 million increase in past due loans from December 31, 2021, to March 31, 2022, was due primarily to an increase in 30-59 day past due residential real estate and purchase home equity pool loans.

Commercial Loans at Higher Risk from COVID-19

Management has identified six sectors as the most susceptible to immediate increased credit risk from the impact of COVID-19: retail, office space, hotels, health and social services, restaurants, and recreation.

At Risk Commercial Loan Sectors									
	Retail	Office (1)	Hotel	Health & Social Services	Restaurants	Recreation	Total at Risk Sectors	Total Commercial Sector Loans	Percent
	(Dollars in thousands)								
March 31, 2022									
Commercial real estate	\$55,041	\$56,053	\$22,603	\$6,175	\$17,981	\$4,094	\$161,948	\$300,009	54%
Commercial and industrial	—	10,150	641	772	654	357	12,574	54,955	23
Commercial construction	210	2,679	6,990	1,595	2,356	—	13,830	19,275	72
Total	\$55,251	\$68,882	\$30,234	\$8,542	\$20,991	\$4,451	\$188,352	\$374,239	50%
December 31, 2021									
Commercial real estate	\$58,694	\$59,583	\$24,437	\$6,382	\$16,775	\$4,271	\$170,142	\$307,229	55%
Commercial and industrial	—	2,793	461	404	1,516	212	5,386	59,699	9
Commercial construction	—	2,589	6,753	1,476	1,759	—	12,577	18,629	68
Total	\$58,694	\$64,965	\$31,651	\$8,262	\$20,050	\$4,483	\$188,105	\$385,557	49%
March 31, 2021									
Commercial real estate	\$43,089	\$61,732	\$22,950	\$9,410	\$14,396	\$6,221	\$157,797	\$298,402	53%
Commercial and industrial	—	15,041	518	4,432	3,585	1,025	24,601	69,112	36
Commercial construction	1,399	2,601	2,570	0	3,486	—	10,057	23,157	43
Total	\$44,488	\$79,374	\$26,038	\$13,872	\$21,467	\$7,246	\$192,455	\$390,671	49%

(1) Office includes both office real estate secured loans and non-real estate secured commercial investment and property management loans. The at-risk commercial loan sectors were a (?) factor in determining the adequacy of allowance for loan losses.

CIB Marine is a cautious and selective lender in the at risk commercial loan sectors outlined in the table above. Since December 31, 2021, total at risk commercial sector balances has changed by less than \$0.2 million.

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, 2022						
Total capital to risk-weighted assets						
CIB Marine Bancshares, Inc.(1)	\$92,402	17.52%				
CIBM Bank	78,023	14.81	\$42,148	8.00%	\$52,685	10.00%
Tier 1 capital to risk-weighted assets						
CIB Marine Bancshares, Inc.	\$76,119	14.43%				
CIBM Bank	71,420	13.56	\$31,611	6.00%	\$42,148	8.00%
Tier 1 leverage to average assets						
CIB Marine Bancshares, Inc.	\$76,119	10.27%				
CIBM Bank	71,420	9.64	\$29,634	4.00%	\$37,042	5.00%
Common Equity Tier 1 (2)						
CIBM Bank	\$71,420	13.56%	\$23,708	4.50%	\$34,245	6.50%
December 31, 2021						
Total capital to risk-weighted assets						
CIB Marine Bancshares, Inc.	\$82,846	15.53%				
CIBM Bank	78,086	14.66	42,624	8.00	\$53,280	10.00%
Tier 1 capital to risk-weighted assets						
CIB Marine Bancshares, Inc.	\$76,158	14.28%				
CIBM Bank	71,406	13.40	31,968	6.00	\$42,624	8.00%
Tier 1 leverage to average assets						
CIB Marine Bancshares, Inc.	\$76,158	10.22%				
CIBM Bank	71,406	9.59	29,792	4.00	\$37,240	5.00%
Common Equity Tier 1 (2)						
CIBM Bank	\$71,406	13.40%	\$23,976	4.50%	\$34,632	6.50%

- (1) During the first quarter of 2022, CIB Marine issued \$10 million in Subordinated Debentures that qualify as Tier 2 capital and included in total capital.
- (2) 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.