

BASIS OF PRESENTATION

The accompanying unaudited interim consolidated condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. For further information, the reader should refer to the Annual Report of Crazy Woman Creek Bancorp Incorporated (the "Company") for the fiscal years ended September 30, 2022 and 2021.

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for fair presentation have been included. The results of operations for the three and nine months ended June 30, 2023 are not necessarily indicative of the results, which may be expected for an entire year or any other period.

The accompanying consolidated financial statements include the accounts of the Company and Buffalo Federal Bank (the "Bank"), a wholly-owned subsidiary of the Company. All significant intercompany balances and transactions have been eliminated in consolidation.

FORWARD LOOKING STATEMENTS

The Company may from time to time make written or oral “forward-looking statements”, including statements contained in the Company’s filings with the Federal Reserve Bank of Kansas City (including this Quarterly Report and the exhibits thereto), in its reports to stockholders and in other communications by the Company, which are made in good faith by the Company pursuant to the “safe harbor” provision of the Private Securities Litigation Reform Act of 1995.

These forward-looking statements involve risks and uncertainties, such as statements of the Company’s plans, objectives, expectations, estimates and intentions, that are subject to changes based on various important factors (some of which are beyond the Company’s control). The following factors, among others, could cause the Company’s financial performance to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements: the strength of the United States economy in general and the strength of the local economy in which the Company conducts operations; the effects of, and changes in, trade, monetary and fiscal policies and laws, including interest rate policies of the board of governors of the federal reserve system, inflation, interest rates, market and monetary fluctuations; the timely development of and acceptance of new products and services of the Company and the perceived overall value of these products and services by users, including the features, pricing and quality compared to competitors’ products and services; the willingness of users to substitute competitors’ products and services for the Company’s products and services; the success of the Company in gaining regulatory approval of its products and services, when required; the impact of changes in financial services’ laws and regulations (including laws concerning taxes, banking, securities and insurance); technological changes; acquisitions; changes in consumer spending and saving habits; and the success of the Company at managing the risks resulting from these factors.

The Company cautions that the listed factors are not exclusive. The Company does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by or on behalf of the Company.

(UNAUDITED)
CRAZY WOMAN CREEK BANCORP INCORPORATED AND SUBSIDIARY
Consolidated Balance Sheets
(Dollars in thousands except share and per share data)

ASSETS	<u>June 30, 2023</u>	<u>September 30,</u> <u>2022</u>
Cash and due from banks	\$ 1,107	\$ 1,062
Federal funds	8,190	6,149
Interest-bearing due from banks	2,909	2,837
Cash and cash equivalents	12,206	10,048
Investment and mortgage-backed securities available-for-sale	22,462	22,193
Stock in Federal Reserve Bank of Kansas City, at cost	196	196
Stock in Federal Home Loan Bank of Seattle, at cost	549	415
Loans held-for-sale	497	413
Loans receivable, net	139,238	130,536
Bank-owned life insurance	3,940	3,859
Accrued interest receivable	1,049	905
Premises and equipment, net	3,227	3,299
Income tax receivable	173	67
Deferred income tax	1,725	1,779
Goodwill	132	132
Other assets	128	157
Total assets	\$ 185,522	\$ 173,999
LIABILITIES AND STOCKHOLDERS' EQUITY		
	<u>June 30, 2023</u>	<u>September 30,</u> <u>2022</u>
Liabilities:		
Deposits	\$ 159,697	\$ 154,769
Advances from Federal Home Loan Bank	8,500	5,000
Other borrowed money	4,000	2,000
Advance payments by borrowers for taxes and insurance	78	85
Accrued expenses and other liabilities	528	569
Total liabilities	172,803	162,423
Stockholders' equity:		
Common stock, par value \$.10 per share, 5,000,000 shares authorized; 1,058,000 issued, 530,014 and 530,014 outstanding at June 30, 2023 and September 30, 2022, respectively.	106	106
Additional paid-in capital	10,303	10,303
Retained earnings	15,533	14,696
Accumulated other comprehensive income (loss), net	(4,755)	(5,061)
Treasury stock at cost, 527,986 and 527,986 shares at June 30, 2023 and September 30, 2022, respectively	(8,468)	(8,468)
Total stockholders' equity	12,719	11,576
Total liabilities and stockholders' equity	\$ 185,522	\$ 173,999

(UNAUDITED)
CRAZY WOMAN CREEK BANCORP INCORPORATED AND SUBSIDIARY

Consolidated Statements of Stockholders' Equity and Comprehensive Income
(Dollars in thousands except share and per share data)

	Three Months ended		Nine Months ended	
	June 30,		June 30,	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
INTEREST INCOME:				
Loans receivable	\$ 1,943	\$ 1,450	\$ 5,496	\$ 4,273
Mortgage-backed securities	1	1	2	2
Investment securities	150	141	451	383
Other interest-earning assets	116	30	214	75
Total interest income	<u>2,210</u>	<u>1,622</u>	<u>6,163</u>	<u>4,733</u>
INTEREST EXPENSE:				
Deposits	603	74	1,286	242
Advances from Federal Home Loan Bank	76	35	205	106
Other interest expense	26	25	76	78
Total interest expense	<u>705</u>	<u>134</u>	<u>1,567</u>	<u>426</u>
Net interest income	1,505	1,488	4,596	4,307
Provision for loan losses	20	116	119	275
Net interest income after provision for loan losses	<u>1,485</u>	<u>1,372</u>	<u>4,477</u>	<u>4,032</u>
NON-INTEREST INCOME:				
Customer service charges	45	35	126	109
Gain on sale of loans	47	128	123	525
Other operating income	152	155	445	432
Total non-interest income	<u>244</u>	<u>318</u>	<u>694</u>	<u>1,066</u>
NON-INTEREST EXPENSE:				
Compensation and benefits	698	685	2,287	2,052
Occupancy and equipment	108	106	329	307
FDIC/SAIF deposit insurance premiums	32	14	59	43
Advertising	36	43	143	142
Data processing services	176	157	512	450
Professional fees	72	50	192	181
Other	126	135	405	459
Loss on disposal of obsolete equipment	-	-	2	1
Total non-interest expense	<u>1,248</u>	<u>1,190</u>	<u>3,929</u>	<u>3,635</u>
Income before income taxes	481	500	1,242	1,463
Income tax expense (benefit)	94	101	241	297
Net income	<u>\$ 387</u>	<u>\$ 399</u>	<u>\$ 1,001</u>	<u>\$ 1,166</u>

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CRAZY WOMAN CREEK BANCORP INCORPORATED AND SUBSIDIARY

Consolidated Statements of Stockholders' Equity and Comprehensive Income
(Dollars in thousands except share and per share data)

	Three Months ended June 30,		Nine Months ended June 30,	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
OTHER COMPREHENSIVE LOSS				
Unrealized gain/loss on securities available-for-sale, net of reclassification adjustment	(153)	(1,139)	306	(2,881)
Comprehensive income	\$ 234	\$ (740)	\$ 1,307	\$ (1,715)
Net income	387	399	1,001	1,166
Net income available to common stockholders	\$ 387	\$ 399	\$ 1,001	\$ 1,166
Dividends declared per common share	\$ -	\$ -	\$ 0.31	\$ 0.31
Basic earnings per share	\$ 0.73	\$ 0.75	\$ 1.89	\$ 2.20
Diluted earnings per share	\$ 0.73	\$ 0.75	\$ 1.89	\$ 2.20

(UNAUDITED)
CRAZY WOMAN CREEK BANCORP INCORPORATED AND SUBSIDIARY

Consolidated Statements of Stockholders' Equity
(Dollars in thousands except share and per share data)

	<u>Common stock</u>	<u>Additional paid-in capital</u>	<u>Retained earnings</u>	<u>Accumulated other comprehensive income (loss)</u>	<u>Treasury stock</u>	<u>Total stockholders' equity</u>
Balance at October 1, 2021	\$ 106	\$ 10,303	# \$ 13,302	\$ (495)	\$ (8,468)	\$ 14,748
Net income	-	-	1,558	-	-	1,558
Unrealized loss on securities available-for-sale, net of reclassification adjustment	-	-	-	(4,566)	-	(4,566)
Cash dividends declared- common stock	-	-	(164)	-	-	(164)
Balance at September 30, 2022	106	10,303	14,696	(5,061)	(8,468)	11,576
Net income	-	-	1,001	-	-	1,001
Unrealized gain on securities available-for-sale, net of reclassification adjustment	-	-	-	306	-	306
Cash dividends declared- common stock	-	-	(164)	-	-	(164)
Balance at June 30, 2023	<u>\$ 106</u>	<u>\$ 10,303</u>	<u>\$ 15,533</u>	<u>\$ (4,755)</u>	<u>\$ (8,468)</u>	<u>\$ 12,719</u>

(UNAUDITED)

CRAZY WOMAN CREEK BANCORP INCORPORATED AND SUBSIDIARY

Consolidated Statements of Cash Flows
(Dollars in Thousands)

Quarter ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Net income	\$ 1,001	\$ 1,166
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	119	275
Provision for EDP/EPO	-	10
Loans originated for sale	(7,889)	(21,260)
Proceeds from sales of loans held-for-sale	7,805	21,267
Amortization of premiums and discounts on investment securities	7	2
Deferred income tax (benefit) expense	(27)	(70)
Depreciation	144	142
Mutual fund dividends reinvested	(6)	(32)
Deferred loan origination fees, net	28	(88)
Gain on bank-owned life insurance	(81)	(2,033)
Loss on disposal of equipment	1	-
Change in:		
Accrued interest receivable	(144)	(93)
Other assets	29	49
Income taxes payable	(106)	(146)
Accrued expenses and other liabilities	(41)	(61)
Net cash from operating activities	<u>840</u>	<u>(872)</u>
Cash flows from investing activities:		
Purchases of securities available-for-sale	-	(4,606)
Proceeds from maturities, calls and prepayments of securities available-for-sale	117	401
Purchases of FHLB stock	(260)	(40)
Proceeds from FHLB stock	126	10
Proceeds from sale of repossessed/foreclosed assets	39	-
Change in loans receivable	(8,888)	(15,625)
Purchases of premises and equipment	(73)	(68)
Net cash from investing activities	<u>(8,939)</u>	<u>(19,928)</u>

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CRAZY WOMAN CREEK BANCORP INCORPORATED AND SUBSIDIARY

Consolidated Statements of Cash Flows
(Dollars in Thousands)

Quarter ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from financing activities:		
Net increase (decrease) in deposits	4,928	11,333
Advances from Federal Home Loan Bank	6,500	-
Repayment of advances from Federal Home Loan Bank	(3,000)	(252)
Advances on other borrowed money	2,000	-
Repayment on other borrowed money	-	(2,766)
Net increase (decrease) in advances from borrowers for taxes and insurance	(7)	(29)
Dividends paid to stockholders-common	(164)	(164)
Net cash from financing activities	<u>10,257</u>	<u>8,122</u>
Net increase (decrease) in cash and cash equivalents	2,158	(12,678)
Cash and cash equivalents at beginning of year	10,048	20,858
Cash and cash equivalents at end of year	<u>\$ 12,206</u>	<u>\$ 8,180</u>
Cash paid during the year for:		
Interest	\$ 1,540	\$ 426
Income taxes	\$ 375	\$ 514