

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, 2023 and 2022.

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 six months ended March 31, 2024 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)

	<u>March 31, 2024</u>	<u>September 30,</u> <u>2023</u>
ASSETS		
Cash and due from banks	\$ 516	\$ 758
Federal funds	15,306	7,960
Interest-bearing due from banks	2,937	3,319
Cash and cash equivalents	18,759	12,037
Investment and mortgage-backed securities available-for-sale	22,582	21,253
Stock in Federal Reserve Bank of Kansas City, at cost	196	196
Stock in Federal Home Loan Bank of Seattle, at cost	497	549
Loans held-for-sale	243	1,647
Loans receivable, net	133,764	138,582
Bank-owned life insurance	4,022	3,967
Accrued interest receivable	1,368	1,336
Premises and equipment, net	3,135	3,196
Repossessed other assets owned	799	-
Income tax receivable	102	219
Deferred income tax	1,688	1,968
Goodwill	132	132
SBA Receivable	296	203
Other assets	128	128
Total assets	\$ 187,711	\$ 185,413
 LIABILITIES AND STOCKHOLDERS' EQUITY		
	<u>March 31, 2024</u>	<u>September 30,</u> <u>2023</u>
Liabilities:		
Deposits	\$ 160,759	\$ 160,157
Advances from Federal Home Loan Bank	10,500	8,500
Other borrowed money	2,000	4,000
Advance payments by borrowers for taxes and insurance	28	86
Accrued expenses and other liabilities	521	628
Total liabilities	173,808	173,371
 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 March 31, 2024 and September 30, 2023, respectively.	106	106
Additional paid-in capital	10,303	10,303
Retained earnings	16,610	15,809
Accumulated other comprehensive income (loss), net	(4,648)	(5,708)
Treasury stock at cost, 527,986 shares at March 31, 2024 and September 30, 2023, respectively	(8,468)	(8,468)
Total stockholders' equity	13,903	12,042
Total liabilities and stockholders' equity	\$ 187,711	\$ 185,413

(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 March 31,		Six Months ended March 31,	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
INTEREST INCOME:				
Loans receivable	\$ 2,082	\$ 1,805	\$ 4,185	\$ 3,553
Mortgage-backed securities	-	1	1	1
Investment securities	150	151	299	301
Other interest-earning assets	222	64	406	98
Total interest income	<u>2,454</u>	<u>2,021</u>	<u>4,891</u>	<u>3,953</u>
INTEREST EXPENSE:				
Deposits	799	444	1,557	683
Advances from Federal Home Loan Bank	77	77	156	129
Other interest expense	52	25	104	50
Total interest expense	<u>928</u>	<u>546</u>	<u>1,817</u>	<u>862</u>
Net interest income	1,526	1,475	3,074	3,091
Provision for credit losses	40	-	40	99
Net interest income after provision for credit losses	<u>1,486</u>	<u>1,475</u>	<u>3,034</u>	<u>2,992</u>
NON-INTEREST INCOME:				
Customer service charges	35	41	76	81
Gain on sale of loans	91	44	151	76
Other operating income	149	141	310	293
Total non-interest income	<u>275</u>	<u>226</u>	<u>537</u>	<u>450</u>
NON-INTEREST EXPENSE:				
Compensation and benefits	704	809	1,437	1,589
Occupancy and equipment	104	113	201	221
FDIC/SAIF deposit insurance premiums	27	13	50	27
Advertising	56	57	95	107
Data processing services	173	168	357	336
Professional fees	72	63	142	120
Other	143	142	290	279
Loss on disposal of obsolete equipment	-	1	1	2
Loss (Gain) on other repossessed assets	7	-	7	-
Total non-interest expense	<u>1,286</u>	<u>1,366</u>	<u>2,580</u>	<u>2,681</u>
Income before income taxes	475	335	991	761
Income tax expense (benefit)	93	64	190	147
Net income	<u>\$ 382</u>	<u>\$ 271</u>	<u>\$ 801</u>	<u>\$ 614</u>

(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 March 31,		Six Months ended March 31,	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
OTHER COMPREHENSIVE LOSS				
Unrealized gain/loss on securities available-for-sale, net of reclassification adjustment	(242)	403	1,060	459
Comprehensive income	\$ 140	\$ 674	\$ 1,861	\$ 1,073
Net income	382	271	801	614
Net income available to common stockholders	\$ 382	\$ 271	\$ 801	\$ 614
Dividends declared per common share	\$ -	\$ -	\$ -	\$ 0.31
Basic earnings per share	\$ 0.72	\$ 0.51	\$ 1.51	\$ 1.16
Diluted earnings per share	\$ 0.72	\$ 0.51	\$ 1.51	\$ 1.16

(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, 2022	\$ 106	\$ 10,303	\$ 14,696	\$ (5,061)	\$ (8,468)	\$ 11,576
Net income	-	-	1,277	-	-	1,277
Unrealized loss on securities available-for-sale, net of reclassification adjustment	-	-	-	(647)	-	(647)
Cash dividends declared- common stock	-	-	(164)	-	-	(164)
Balance at September 30, 2023	106	10,303	15,809	(5,708)	(8,468)	12,042
Net income	-	-	801	-	-	801
Unrealized gain on securities available-for-sale, net of reclassification adjustment	-	-	-	1,060	-	1,060
Cash dividends declared- common stock	-	-	-	-	-	-
Balance at March 31, 2024	<u>\$ 106</u>	<u>\$ 10,303</u>	<u>\$ 16,610</u>	<u>\$ (4,648)</u>	<u>\$ (8,468)</u>	<u>\$ 13,903</u>

(UNAUDITED)

CRAZY WOMAN CREEK BANCORP INCORPORATED AND SUBSIDIARY

Consolidated Statements of Cash Flows
(Dollars in Thousands)

Quarter ended March 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Net income	\$ 801	\$ 614
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for credit losses	40	99
Loans originated for sale	(8,473)	(4,235)
Proceeds from sales of loans held-for-sale	9,877	4,660
Amortization of premiums and discounts on investment securities	5	5
Deferred income tax (benefit) expense	(2)	(26)
Depreciation	93	97
Mutual fund dividends reinvested	(3)	(4)
Deferred loan origination fees, net	(8)	35
Gain on bank-owned life insurance	(55)	(54)
(Gain) Loss on disposal of assets	1	1
Loss/(Gain) on repossessed/foreclosed assets	7	-
SBA portion of loss on repossessed assets	22	-
Change in:		
Accrued interest receivable	(32)	(2)
Other assets	-	20
SBA Receivable	(93)	-
Income taxes payable	117	73
Accrued expenses and other liabilities	(107)	(117)
Net cash from operating activities	<u>2,190</u>	<u>1,166</u>
Cash flows from investing activities:		
Proceeds from maturities, calls and prepayments of securities available-for-sale	11	8
Purchases of FHLB stock	(53)	(180)
Proceeds from FHLB stock	105	6
Proceeds from sale of repossessed/foreclosed assets	46	-
Change in loans receivable	3,912	(6,802)
Purchases of premises and equipment	(33)	(52)
Net cash from investing activities	<u>3,988</u>	<u>(7,020)</u>

(UNAUDITED)

CRAZY WOMAN CREEK BANCORP INCORPORATED AND SUBSIDIARY

Consolidated Statements of Cash Flows
(Dollars in Thousands)

Quarter ended March 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flows from financing activities:		
Net increase (decrease) in deposits	602	4,727
Advances from Federal Home Loan Bank	-	4,500
Net increase (decrease) in advances from borrowers for taxes and insurance	(58)	(51)
Dividends paid to stockholders-common	-	(164)
Net cash from financing activities	<u>544</u>	<u>9,012</u>
Net increase (decrease) in cash and cash equivalents	6,722	3,158
Cash and cash equivalents at beginning of year	12,037	10,048
Cash and cash equivalents at end of year	<u>\$ 18,759</u>	<u>\$ 13,206</u>
Cash paid during the year for:		
Interest	\$ 877	\$ 849
Income taxes	\$ 75	\$ 100