

## 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, 2017 and 2016.

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 months ended December 31, 2017 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 Savings 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 Office of Thrift Supervision (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.

**CRAZY WOMAN CREEK BANCORP INCORPORATED AND SUBSIDIARY**

Consolidated Balance Sheets

(Dollars in thousands except share and per share data)

	<u>December 31,</u> <u>2017</u>	<u>September 30,</u> <u>2017</u>
<b>ASSETS</b>		
Cash and due from banks	\$ 843	\$ 1,029
Federal funds	505	3,327
Interest-bearing due from banks	2,143	2,623
Cash and cash equivalents	<u>3,491</u>	<u>6,979</u>
Investment and mortgage-backed securities available-for-sale	22,187	22,313
Stock in Federal Reserve Bank of Kansas City, at cost	196	196
Stock in Federal Home Loan Bank of Seattle, at cost	244	245
Loans held-for-sale	658	1,367
Loans receivable, net	78,128	75,695
Bank-owned life insurance	1,642	1,631
Accrued interest receivable	512	544
Premises and equipment, net	3,571	3,471
Repossessed other assets owned	150	189
Income tax receivable	-	59
Deferred income tax	464	401
Goodwill	132	132
Other assets	104	119
Total assets	<u>\$ 111,479</u>	<u>\$ 113,341</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
	<u>2017</u>	<u>2017</u>
Liabilities:		
Deposits	\$ 95,697	\$ 97,331
Advances from Federal Home Loan Bank	2,923	2,933
Advance payments by borrowers for taxes and insurance	6	78
Income taxes payable	103	-
Accrued expenses and other liabilities	170	436
Total liabilities	<u>98,899</u>	<u>100,778</u>
Stockholders' equity:		
Common stock, par value \$.10 per share, 5,000,000 shares authorized; 1,058,000 issued, 625,272 and 625,272 outstanding at December 31, 2017 and September 30, 2017, respectively.	106	106
Additional paid-in capital	10,303	10,303
Retained earnings	9,423	9,330
Accumulated other comprehensive income (loss), net	(178)	(102)
Treasury stock at cost, 432,728 and 432,728 shares at December 31, 2017 and September 30, 2017, respectively	(7,074)	(7,074)
Total stockholders' equity	<u>12,580</u>	<u>12,563</u>
Total liabilities and stockholders' equity	<u>\$ 111,479</u>	<u>\$ 113,341</u>

**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 Dec 31	
	<u>2017</u>	<u>2016</u>
Interest income:		
Loans receivable	\$ 1,053	\$ 951
Mortgage-backed securities	2	3
Investment securities	119	116
Other interest-earning assets	<u>18</u>	<u>8</u>
Total interest income	<u>1,192</u>	<u>1,078</u>
INTEREST EXPENSE		
Deposits	76	57
Advances from Federal Home Loan Bank	<u>19</u>	<u>11</u>
Total interest expense	<u>95</u>	<u>68</u>
Net interest income	1,097	1,010
Provision for loan losses	<u>20</u>	<u>50</u>
Net interest income after provision for loan losses	<u>1,077</u>	<u>960</u>
NON-INTEREST INCOME		
Customer service charges	48	52
Gain on asset disposals	(1)	-
Gain on sale of loans	221	149
Other operating income	<u>125</u>	<u>109</u>
Total non-interest income	<u>393</u>	<u>310</u>
Non-interest expense:		
Compensation and benefits	576	618
Occupancy and equipment	94	98
FDIC/SAIF deposit insurance premiums	8	8
Advertising	39	36
Data processing services	151	128
Professional fees	52	42
Other	124	129
Loss on disposal of equipment	<u>1</u>	<u>-</u>
Total non-interest expense	<u>1,045</u>	<u>1,059</u>
Income before income taxes	425	211
Income tax expense (benefit)	<u>138</u>	<u>73</u>
Net income	<u>\$ 287</u>	<u>\$ 138</u>
OTHER COMPREHENSIVE INCOME (LOSS)		
Unrealized gain (loss) on securities available-for-sale, net of reclassification adjustment	<u>(76)</u>	<u>(323)</u>
Comprehensive income (loss)	<u>\$ 211</u>	<u>\$ (185)</u>
Net income	<u>287</u>	<u>138</u>
Net income available to common stockholders	<u>\$ 287</u>	<u>\$ 138</u>
Dividends declared per common share	<u>\$ 0.31</u>	<u>\$ 0.30</u>
Basic earnings per share	<u>\$ 0.46</u>	<u>\$ 0.22</u>
Diluted earnings per share	<u>\$ 0.46</u>	<u>\$ 0.22</u>

**CRAZY WOMAN CREEK BANCORP INCORPORATED AND SUBSIDIARY**

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

	<u>Common stock</u>	<u>Additional paid-in capital</u>	<u>Unearned ESOP/ MSBP shares</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, 2016	\$ 106	\$ 10,303	-	\$ 8,723	\$ 143	(7,018)	12,257
Comprehensive income:							
Net income	-	-	-	795	-	-	795
Unrealized gain on securities available-for-sale, net of reclassification adjustment	-	-	-	-	(245)	-	(245)
Total comprehensive income	-	-	-	-	-	-	550
Treasury Shares Purchased	-	-	-	-	-	(56)	(56)
MSBP shares vested		-	-	-	-	-	-
Cash dividends declared- common stock	-	-	-	(188)	-	-	(188)
Balance at September 30, 2017	<b>106</b>	<b>10,303</b>	-	<b>9,330</b>	<b>(102)</b>	<b>(7,074)</b>	<b>12,563</b>
Comprehensive income:							
Net income	-	-	-	287	-	-	287
Unrealized gain on securities available-for-sale, net of reclassification adjustment	-	-	-	-	(76)	-	(76)
Total comprehensive income	-	-	-	-	-	-	211
Treasury Shares Purchased	-	-	-	-	-	-	-
Cash dividends declared- common stock	-	-	-	(194)	-	-	(194)
Balance at December 31, 2017	<b>\$ 106</b>	<b>\$ 10,303</b>	-	<b>\$ 9,423</b>	<b>\$ (178)</b>	<b>(7,074)</b>	<b>\$ 12,580</b>

## CRAZY WOMAN CREEK BANCORP INCORPORATED AND SUBSIDIARY

### Consolidated Statements of Cash Flows (Dollars in Thousands)

Year ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Net income	\$ 287	\$ 138
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	20	50
Provision for EDP/EPO	6	-
Loans originated for sale	(4,918)	(5,707)
Proceeds from sales of loans held-for-sale	5,621	4,119
Amortization of premiums and discounts on investment securities	(4)	(3)
Deferred income tax (benefit) expense	(23)	(5)
Depreciation	38	44
Mutual fund dividends reinvested	(3)	(1)
Deferred loan origination fees, net	1	(5)
Gain on bank-owned life insurance	(11)	(11)
(Gain) Loss on repossessed/foreclosed assets	(4)	-
SBA portion of loss on repossessed assets	-	(47)
Loss on sale of equipment	1	-
Change in:		
Accrued interest receivable	32	115
Other assets	15	14
Income taxes payable	162	(10)
Accrued expenses and other liabilities	(266)	89
Net cash from operating activities	954	(1,220)
Cash flows from investing activities:		
Purchases of securities available-for-sale	(2,000)	-
Proceeds from maturities, calls and prepayments of securities available-for-sale	2,017	21
Proceeds from FHLB stock	1	25
Proceeds from sale of repossessed/foreclosed assets	193	33
Change in loans receivable	(2,604)	2,096
Purchases of premises and equipment	(139)	(4)
Net cash from investing activities	(2,532)	2,171

**CRAZY WOMAN CREEK BANCORP INCORPORATED AND SUBSIDIARY**Consolidated Statements of Cash Flows  
(Dollars in Thousands)

Year ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash flows from financing activities:		
Net increase (decrease) in deposits	(1,634)	(1,810)
Advances from Federal Home Loan Bank	-	-
Repayment of advances from Federal Home Loan Bank	(10)	(11)
Repayment on other borrowed money	-	(2)
Federal funds purchased	-	(600)
Net increase (decrease) in advances from borrowers for taxes and insurance	(72)	(75)
Dividends paid to stockholders-common	(194)	(188)
Net cash from financing activities	<u>(1,910)</u>	<u>(2,686)</u>
Net increase (decrease) in cash and cash equivalents	(3,488)	(1,735)
Cash and cash equivalents at beginning of year	6,979	7,243
Cash and cash equivalents at end of year	<u>\$ 3,491</u>	<u>\$ 5,508</u>
Cash paid during the year for:		
Interest	\$ 94	\$ 68
Income taxes	\$ -	\$ 90