

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, 2020 and 2019.

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, 2020 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>December 31,</u> <u>2020</u>	<u>September 30,</u> <u>2020</u>
ASSETS		
Cash and due from banks	\$ 1,013	\$ 1,101
Federal funds	8,573	8,007
Interest-bearing due from banks	3,114	2,593
Cash and cash equivalents	12,700	11,701
Investment and mortgage-backed securities available-for-sale	22,440	22,368
Stock in Federal Reserve Bank of Kansas City, at cost	196	196
Stock in Federal Home Loan Bank of Seattle, at cost	379	380
Loans held-for-sale	2,593	2,288
Loans receivable, net	101,189	98,846
Bank-owned life insurance	1,769	1,759
Accrued interest receivable	655	710
Premises and equipment, net	3,426	3,410
Deferred income tax	300	294
Goodwill	132	132
Other assets	95	160
Total assets	\$ 145,874	\$ 142,244
 LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Deposits	\$ 120,529	\$ 115,905
Advances from Federal Home Loan Bank	5,789	5,800
Other borrowed money	5,078	6,509
Advance payments by borrowers for taxes and insurance	20	111
Income taxes payable	159	20
Dividends payable	159	-
Accrued expenses and other liabilities	217	409
Total liabilities	131,951	128,754
 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 December 31, 2020 and September 30, 2020, respectively.	106	106
Additional paid-in capital	10,303	10,303
Retained earnings	11,946	11,573
Accumulated other comprehensive income (loss), net	36	(24)
Treasury stock at cost, 527,986 and 527,986 shares at December 31, 2020 and September 30, 2020, respectively	(8,468)	(8,468)
Total stockholders' equity	13,923	13,490
Total liabilities and stockholders' equity	\$ 145,874	\$ 142,244

(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 December 31,	
	<u>2020</u>	<u>2019</u>
INTEREST INCOME:		
Loans receivable	\$ 1,336	\$ 1,201
Mortgage-backed securities	1	1
Investment securities	111	156
Other interest-earning assets	<u>15</u>	<u>35</u>
Total interest income	<u>1,463</u>	<u>1,393</u>
INTEREST EXPENSE:		
Deposits	121	197
Advances from Federal Home Loan Bank	46	47
Other interest expense	<u>28</u>	<u>-</u>
Total interest expense	<u>195</u>	<u>244</u>
Net interest income	1,268	1,149
Provision for loan losses	<u>89</u>	<u>-</u>
Net interest income after provision for loan losses	<u>1,179</u>	<u>1,149</u>
NON-INTEREST INCOME:		
Customer service charges	37	35
Gain (loss) on sale of securities	1	-
Gain on sale of loans	421	203
Other operating income	<u>163</u>	<u>133</u>
Total non-interest income	<u>622</u>	<u>371</u>
NON-INTEREST EXPENSE:		
Compensation and benefits	610	615
Occupancy and equipment	92	97
FDIC/SAIF deposit insurance premiums	9	-
Advertising	35	39
Data processing services	183	166
Professional fees	46	52
Other	157	131
Loss on disposal of obsolete equipment	<u>-</u>	<u>1</u>
Total non-interest expense	<u>1,132</u>	<u>1,101</u>
Income before income taxes	669	419
Income tax expense (benefit)	<u>137</u>	<u>85</u>
Net income	<u>\$ 532</u>	<u>\$ 334</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 December 31,	
	<u>2020</u>	<u>2019</u>
OTHER COMPREHENSIVE LOSS		
Unrealized gain/loss on securities available-for-sale, net of reclassification adjustment	<u>60</u>	<u>(149)</u>
Comprehensive income	<u>\$ 592</u>	<u>\$ 185</u>
Net income	<u>532</u>	<u>334</u>
Net income available to common stockholders	<u>\$ 532</u>	<u>\$ 334</u>
Dividends declared per common share	<u>\$ 0.30</u>	<u>\$ 0.33</u>
Basic earnings per share	<u>\$ 1.00</u>	<u>\$ 0.54</u>
Diluted earnings per share	<u>\$ 1.00</u>	<u>\$ 0.54</u>

(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, 2019	\$ 106	\$ 10,303	\$ 10,859	\$ 33	\$ (7,086)	\$ 14,215
Net income	-	-	920	-	-	920
Unrealized loss on securities available-for-sale, net of reclassification adjustment	-	-	-	(57)	-	(57)
Cash dividends declared- common stock	-	-	(206)	-	-	(206)
Balance at September 30, 2020	106	10,303	11,573	(24)	(8,468)	13,490
Net income	-	-	532	-	-	532
Unrealized gain on securities available-for-sale, net of reclassification adjustment	-	-	-	60	-	60
Treasury Shares Purchased	-	-	-	-	-	-
Cash dividends declared- common stock	-	-	(159)	-	-	(159)
Balance at December 31, 2020	<u>\$ 106</u>	<u>\$ 10,303</u>	<u>\$ 11,946</u>	<u>\$ 36</u>	<u>\$ (8,468)</u>	<u>\$ 13,923</u>

(UNAUDITED)

CRAZY WOMAN CREEK BANCORP INCORPORATED AND SUBSIDIARY

Consolidated Statements of Cash Flows
(Dollars in Thousands)

Quarter ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Net income	\$ 532	\$ 334
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	89	-
Provision for EDP/EPO	6	-
Loans originated for sale	(15,460)	(6,579)
Proceeds from sales of loans held-for-sale		6,710
Amortization of premiums and discounts on investment securities	2	4
Deferred income tax (benefit) expense	(22)	(4)
Depreciation	45	45
Mutual fund dividends reinvested	(2)	(16)
Deferred loan origination fees, net	(51)	(5)
Gain on bank-owned life insurance	(10)	(10)
Loss/(Gain) on sale of securities	(1)	-
Loss on disposal of equipment	-	1
Change in:		
Accrued interest receivable	55	223
Other assets	65	25
Income taxes payable	139	89
Accrued expenses and other liabilities	(33)	(11)
Net cash from operating activities	<u>(14,646)</u>	<u>806</u>
Cash flows from investing activities:		
Purchases of securities available-for-sale	(3,000)	(4,253)
Proceeds from maturities, calls and prepayments of securities available-for-sale	3,005	5,266
Proceeds from FHLB stock	1	1
Change in loans receivable	(2,381)	181
Purchases of premises and equipment	(61)	(15)
Net cash from investing activities	<u>(2,436)</u>	<u>1,180</u>

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CRAZY WOMAN CREEK BANCORP INCORPORATED AND SUBSIDIARY

Consolidated Statements of Cash Flows
(Dollars in Thousands)

Quarter ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from financing activities:		
Net increase (decrease) in deposits	4,624	(879)
Repayment of advances from Federal Home Loan Bank	(11)	(11)
Advances on other borrowed money	(1,431)	-
Net increase (decrease) in advances from borrowers for taxes and insurance	(91)	(90)
Acquisition of treasury stock, at cost	-	(34)
Dividends paid to stockholders-common	(159)	(205)
Net cash from financing activities	<u>2,932</u>	<u>(1,219)</u>
Net increase (decrease) in cash and cash equivalents	(14,150)	767
Cash and cash equivalents at beginning of year	11,701	8,854
Cash and cash equivalents at end of year	<u>\$ (2,449)</u>	<u>\$ 9,621</u>
Cash paid during the year for:		
Interest	\$ 193	\$ 242
Income taxes	\$ 20	\$ -