

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 six months ended March 31, 2018 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.

CRAZY WOMAN CREEK BANCORP INCORPORATED AND SUBSIDIARY

Consolidated Balance Sheets
(Dollars in thousands except share and per share data)

	<u>March 31,</u> <u>2018</u>	<u>September 30,</u> <u>2017</u>
ASSETS		
Cash and due from banks	\$ 893	\$ 1,029
Federal funds	3,152	3,327
Interest-bearing due from banks	<u>2,098</u>	<u>2,623</u>
Cash and cash equivalents	6,143	6,979
Investment and mortgage-backed securities available-for-sale	21,884	22,313
Stock in Federal Reserve Bank of Kansas City, at cost	196	196
Stock in Federal Home Loan Bank of Seattle, at cost	330	245
Loans held-for-sale	117	1,367
Loans receivable, net	78,897	75,695
Bank-owned life insurance	1,652	1,631
Accrued interest receivable	556	544
Premises and equipment, net	3,640	3,471
Repossessed other assets owned	-	189
Income tax receivable	14	59
Deferred income tax	342	401
Goodwill	132	132
Other assets	<u>110</u>	<u>119</u>
Total assets	<u>\$ 114,013</u>	<u>\$ 113,341</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
	<u>2018</u>	<u>2017</u>
Liabilities:		
Deposits	\$ 96,482	\$ 97,331
Advances from Federal Home Loan Bank	4,912	2,933
Advance payments by borrowers for taxes and insurance	35	78
Accrued expenses and other liabilities	<u>196</u>	<u>436</u>
Total liabilities	<u>101,625</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 March 31, 2018 and September 30, 2017, respectively.	106	106
Additional paid-in capital	10,303	10,303
Retained earnings	9,498	9,330
Accumulated other comprehensive income (loss), net	(445)	(102)
Treasury stock at cost, 432,728 and 432,728 shares at March 31, 2018 and September 30, 2017, respectively	<u>(7,074)</u>	<u>(7,074)</u>
Total stockholders' equity	<u>12,388</u>	<u>12,563</u>
Total liabilities and stockholders' equity	<u>\$ 114,013</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 March 31		Six Months ended March 31	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Interest income:				
Loans receivable	\$ 1,054	\$ 917	\$ 2,107	\$ 1,868
Mortgage-backed securities	2	2	4	5
Investment securities	124	116	243	232
Other interest-earning assets	16	8	34	16
Total interest income	1,196	1,043	2,388	2,121
INTEREST EXPENSE				
Deposits	88	59	164	116
Advances from Federal Home Loan Bank	28	10	47	21
Other interest expense	-	1	-	1
Total interest expense	116	70	211	138
Net interest income	1,080	973	2,177	1,983
Provision for loan losses	-	30	20	80
Net interest income after provision for loan losses	1,080	943	2,157	1,903
NON-INTEREST INCOME				
Customer service charges	41	49	89	101
Gain (loss) on sale of securities	-	1	-	1
Gain on sale of loans	111	175	332	324
Other operating income	116	118	241	227
Total non-interest income	268	343	662	653
Non-interest expense:				
Compensation and benefits	615	580	1,191	1,198
Occupancy and equipment	105	105	199	203
FDIC/SAIF deposit insurance premiums	9	9	17	17
Advertising	58	33	97	69
Data processing services	153	124	304	252
Professional fees	47	43	99	85
Other	127	153	251	282
Loss on disposal of equipment	3	-	5	-
Loss and write-downs on other repossessed assets	-	2	-	2
Total non-interest expense	1,117	1,049	2,163	2,108
Income before income taxes	231	237	656	448
Income tax expense (benefit)	156	74	294	147
Net income	\$ 75	\$ 163	\$ 362	\$ 301

CRAZY WOMAN CREEK BANCORP INCORPORATED AND SUBSIDIARYConsolidated 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>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Unrealized gain (loss) on securities available-for-sale, net of reclassification adjustment	<u>(267)</u>	<u>42</u>	<u>(343)</u>	<u>(281)</u>
Comprehensive income (loss)	<u>\$ (192)</u>	<u>\$ 205</u>	<u>\$ 19</u>	<u>\$ 20</u>
Net income	<u>75</u>	<u>163</u>	<u>362</u>	<u>301</u>
Net income available to common stockholders	<u>\$ 75</u>	<u>\$ 163</u>	<u>\$ 362</u>	<u>\$ 301</u>
Dividends declared per common share	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 0.31</u>	<u>\$ 0.30</u>
Basic earnings per share	<u>\$ 0.12</u>	<u>\$ 0.26</u>	<u>\$ 0.58</u>	<u>\$ 0.48</u>
Diluted earnings per share	<u>\$ 0.12</u>	<u>\$ 0.26</u>	<u>\$ 0.58</u>	<u>\$ 0.48</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	106	10,303	-	9,330	(102)	(7,074)	12,563
Comprehensive income:							
Net income	-	-	-	362	-	-	362
Unrealized gain on securities available-for-sale, net of reclassification adjustment	-	-	-	-	(343)	-	(343)
Total comprehensive income							19
Treasury Shares Purchased	-	-	-	-	-	-	-
Cash dividends declared- common stock	-	-	-	(194)	-	-	(194)
Balance at March 31, 2018	\$ 106	\$ 10,303	-	\$ 9,498	\$ (445)	(7,074)	\$ 12,388

CRAZY WOMAN CREEK BANCORP INCORPORATED AND SUBSIDIARY

Consolidated Statements of Cash Flows (Dollars in Thousands)

Six months ended March 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Net income	\$ 362	\$ 301
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	20	80
Provision for EDP/EPO	6	-
Loans originated for sale	(8,103)	(9,985)
Proceeds from sales of loans held-for-sale	9,347	9,963
Amortization of premiums and discounts on investment securities	(7)	(7)
Deferred income tax (benefit) expense	(17)	(16)
Depreciation	80	89
Mutual fund dividends reinvested	(4)	(2)
Deferred loan origination fees, net	(1)	(4)
Gain on bank-owned life insurance	(21)	(22)
(Gain) Loss on repossessed/foreclosed assets	-	3
ALLL Recovery due to sale of repossessed assets	(4)	-
SBA portion of loss on repossessed assets	-	(48)
Loss on sale of equipment	4	-
Gain on sale of investments	-	(1)
Change in:		
Accrued interest receivable	(12)	36
Other assets	9	22
Income taxes payable	187	(49)
Accrued expenses and other liabilities	(240)	(88)
Net cash from operating activities	1,606	272
Cash flows from investing activities:		
Purchases of securities available-for-sale	(2,000)	30
Purchases of FHLB Stock	(174)	-
Proceeds from maturities, calls and prepayments of securities available-for-sale	2,031	49
Proceeds from FHLB stock	89	26
Proceeds from sale of repossessed/foreclosed assets	349	36
Change in loans receivable	(3,377)	677
Purchases of premises and equipment	(253)	(30)
Net cash from investing activities	(3,335)	788

CRAZY WOMAN CREEK BANCORP INCORPORATED AND SUBSIDIARY

Consolidated Statements of Cash Flows (Dollars in Thousands)

Six months ended March 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash flows from financing activities:		
Net increase (decrease) in deposits	(849)	(2,759)
Advances from Federal Home Loan Bank	2,000	-
Repayment of advances from Federal Home Loan Bank	(21)	(21)
Repayment on other borrowed money	-	(4)
Federal funds purchased	-	(600)
Net increase (decrease) in advances from borrowers for taxes and insurance	(43)	(41)
Dividends paid to stockholders-common	(194)	(188)
Net cash from financing activities	<u>893</u>	<u>(3,613)</u>
Net increase (decrease) in cash and cash equivalents	(836)	(2,553)
Cash and cash equivalents at beginning of year	6,979	7,243
Cash and cash equivalents at end of year	<u>\$ 6,143</u>	<u>\$ 4,690</u>
Cash paid during the year for:		
Interest	\$ 209	\$ 138
Income taxes	\$ 125	\$ 214