

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 six months ended March 31, 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)

	<u>March 31, 2023</u>	<u>September 30,</u> <u>2022</u>
ASSETS		
Cash and due from banks	\$ 1,166	\$ 1,062
Federal funds	8,923	6,149
Interest-bearing due from banks	3,117	2,837
Cash and cash equivalents	13,206	10,048
Investment and mortgage-backed securities available-for-sale	22,765	22,193
Stock in Federal Reserve Bank of Kansas City, at cost	196	196
Stock in Federal Home Loan Bank of Seattle, at cost	589	415
Loans held-for-sale	-	413
Loans receivable, net	137,164	130,536
Bank-owned life insurance	3,913	3,859
Accrued interest receivable	907	905
Premises and equipment, net	3,253	3,299
Repossessed other assets owned	40	-
Income tax receivable	-	67
Deferred income tax	1,683	1,779
Goodwill	132	132
Other assets	125	157
Total assets	\$ 183,973	\$ 173,999
 LIABILITIES AND STOCKHOLDERS' EQUITY		
	<u>March 31, 2023</u>	<u>September 30,</u> <u>2022</u>
Liabilities:		
Deposits	\$ 159,496	\$ 154,769
Advances from Federal Home Loan Bank	9,500	5,000
Other borrowed money	2,000	2,000
Advance payments by borrowers for taxes and insurance	34	85
Income taxes payable	6	-
Accrued expenses and other liabilities	452	569
Total liabilities	171,488	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 March 31, 2023 and September 30, 2022, respectively.	106	106
Additional paid-in capital	10,303	10,303
Retained earnings	15,146	14,696
Accumulated other comprehensive income (loss), net	(4,602)	(5,061)
Treasury stock at cost, 527,986 and 527,986 shares at March 31, 2023 and September 30, 2022, respectively	(8,468)	(8,468)
Total stockholders' equity	12,485	11,576
Total liabilities and stockholders' equity	\$ 183,973	\$ 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 March 31,		Six Months ended March 31,	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
INTEREST INCOME:				
Loans receivable	\$ 1,805	\$ 1,396	\$ 3,553	\$ 2,823
Mortgage-backed securities	1	-	1	1
Investment securities	151	108	301	242
Other interest-earning assets	64	25	98	45
Total interest income	<u>2,021</u>	<u>1,529</u>	<u>3,953</u>	<u>3,111</u>
INTEREST EXPENSE:				
Deposits	444	86	683	168
Advances from Federal Home Loan Bank	77	34	129	71
Other interest expense	25	26	50	53
Total interest expense	<u>546</u>	<u>146</u>	<u>862</u>	<u>292</u>
Net interest income	1,475	1,383	3,091	2,819
Provision for loan losses	-	-	99	159
Net interest income after provision for loan losses	<u>1,475</u>	<u>1,383</u>	<u>2,992</u>	<u>2,660</u>
NON-INTEREST INCOME:				
Customer service charges	41	37	81	74
Gain on sale of loans	44	185	76	397
Other operating income	141	136	293	277
Total non-interest income	<u>226</u>	<u>358</u>	<u>450</u>	<u>748</u>
NON-INTEREST EXPENSE:				
Compensation and benefits	809	655	1,589	1,367
Occupancy and equipment	113	107	221	201
FDIC/SAIF deposit insurance premiums	13	17	27	29
Advertising	57	56	107	99
Data processing services	168	158	336	293
Professional fees	63	73	120	131
Other	142	152	279	324
Loss on disposal of obsolete equipment	1	1	2	1
Total non-interest expense	<u>1,366</u>	<u>1,219</u>	<u>2,681</u>	<u>2,445</u>
Income before income taxes	335	522	761	963
Income tax expense (benefit)	64	107	147	196
Net income	<u>\$ 271</u>	<u>\$ 415</u>	<u>\$ 614</u>	<u>\$ 767</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>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	403	(1,736)	459	(1,742)
Comprehensive income	\$ 674	\$ (1,321)	\$ 1,073	\$ (975)
Net income	271	415	614	767
Net income available to common stockholders	\$ 271	\$ 415	\$ 614	\$ 767
Dividends declared per common share	\$ -	\$ -	\$ 0.31	\$ 0.31
Basic earnings per share	\$ 0.51	\$ 0.78	\$ 1.16	\$ 1.44
Diluted earnings per share	\$ 0.51	\$ 0.78	\$ 1.16	\$ 1.44

(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	-	-	614	-	-	614
Unrealized gain on securities available-for-sale, net of reclassification adjustment	-	-	-	459	-	459
Cash dividends declared- common stock	-	-	(164)	-	-	(164)
Balance at March 31, 2023	<u>\$ 106</u>	<u>\$ 10,303</u>	<u>\$ 15,146</u>	<u>\$ (4,602)</u>	<u>\$ (8,468)</u>	<u>\$ 12,485</u>

(UNAUDITED)

CRAZY WOMAN CREEK BANCORP INCORPORATED AND SUBSIDIARY

Consolidated Statements of Cash Flows
(Dollars in Thousands)

Quarter ended March 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Net income	\$ 614	\$ 767
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	99	159
Provision for EDP/EPO	-	10
Loans originated for sale	(4,235)	(15,339)
Proceeds from sales of loans held-for-sale	4,660	15,315
Amortization of premiums and discounts on investment securities	5	-
Deferred income tax (benefit) expense	(26)	(51)
Depreciation	97	96
Mutual fund dividends reinvested	(4)	(25)
Deferred loan origination fees, net	35	(87)
Gain on bank-owned life insurance	(54)	(19)
Loss on disposal of equipment	1	-
Change in:		
Accrued interest receivable	(2)	37
Other assets	20	37
Income taxes payable	73	15
Accrued expenses and other liabilities	(117)	(124)
Net cash from operating activities	<u>1,166</u>	<u>791</u>
Cash flows from investing activities:		
Proceeds from maturities, calls and prepayments of securities available-for-sale	8	292
Purchases of FHLB stock	(180)	(41)
Proceeds from FHLB stock	6	10
Change in loans receivable	(6,802)	(10,208)
Purchases of premises and equipment	(52)	(28)
Net cash from investing activities	<u>(7,020)</u>	<u>(9,975)</u>

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CRAZY WOMAN CREEK BANCORP INCORPORATED AND SUBSIDIARY

Consolidated Statements of Cash Flows
(Dollars in Thousands)

Quarter ended March 31, 2023 and 2022

	<u>2023</u>	<u>2021</u>
Cash flows from financing activities:		
Net increase (decrease) in deposits	4,727	12,923
Advances from Federal Home Loan Bank	4,500	-
Repayment of advances from Federal Home Loan Bank	-	(245)
Repayment on other borrowed money	-	(2,371)
Federal funds purchased	-	-
Net increase (decrease) in advances from borrowers for taxes and insurance	(51)	(56)
Dividends paid to stockholders-common	(164)	(164)
Net cash from financing activities	<u>9,012</u>	<u>10,087</u>
Net increase (decrease) in cash and cash equivalents	3,158	903
Cash and cash equivalents at beginning of year	10,048	20,858
Cash and cash equivalents at end of year	<u>\$ 13,206</u>	<u>\$ 21,761</u>
Cash paid during the year for:		
Interest	\$ 849	\$ 292
Income taxes	\$ 100	\$ 234