

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, 2021 and 2020.

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, 2022 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, 2022</u>	<u>September 30,</u> <u>2021</u>
ASSETS		
Cash and due from banks	\$ 916	\$ 1,134
Federal funds	17,424	16,986
Interest-bearing due from banks	3,421	2,738
Cash and cash equivalents	21,761	20,858
Investment and mortgage-backed securities available-for-sale	21,271	23,743
Stock in Federal Reserve Bank of Kansas City, at cost	196	196
Stock in Federal Home Loan Bank of Seattle, at cost	436	405
Loans held-for-sale	1,090	1,076
Loans receivable, net	117,169	107,033
Bank-owned life insurance	1,819	1,800
Accrued interest receivable	677	714
Premises and equipment, net	3,339	3,407
Deferred income tax	992	478
Goodwill	132	132
Other assets	173	210
Total assets	\$ 169,055	\$ 160,052
 LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Deposits	\$ 147,037	\$ 134,114
Advances from Federal Home Loan Bank	5,508	5,753
Other borrowed money	2,395	4,766
Advance payments by borrowers for taxes and insurance	51	107
Income taxes payable	112	97
Accrued expenses and other liabilities	343	467
Total liabilities	155,446	145,304
 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, 2022 and September 30, 2021, respectively.	106	106
Additional paid-in capital	10,303	10,303
Retained earnings	13,905	13,302
Accumulated other comprehensive income (loss), net	(2,237)	(495)
Treasury stock at cost, 527,986 and 527,986 shares at March 31, 2022 and September 30, 2021, respectively	(8,468)	(8,468)
Total stockholders' equity	13,609	14,748
Total liabilities and stockholders' equity	\$ 169,055	\$ 160,052

(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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
INTEREST INCOME:				
Loans receivable	\$ 1,396	\$ 1,320	\$ 2,823	\$ 2,656
Mortgage-backed securities	-	1	1	2
Investment securities	108	104	242	215
Other interest-earning assets	25	15	45	30
Total interest income	<u>1,529</u>	<u>1,440</u>	<u>3,111</u>	<u>2,903</u>
INTEREST EXPENSE:				
Deposits	86	99	168	220
Advances from Federal Home Loan Bank	34	42	71	88
Other interest expense	26	29	53	57
Total interest expense	<u>146</u>	<u>170</u>	<u>292</u>	<u>365</u>
Net interest income	1,383	1,270	2,819	2,538
Provision for loan losses	-	230	159	319
Net interest income after provision for loan losses	<u>1,383</u>	<u>1,040</u>	<u>2,660</u>	<u>2,219</u>
NON-INTEREST INCOME:				
Customer service charges	37	31	74	68
Gain (loss) on sale of securities	-	-	-	1
Gain on sale of loans	185	342	397	763
Other operating income	136	166	277	329
Total non-interest income	<u>358</u>	<u>539</u>	<u>748</u>	<u>1,161</u>
NON-INTEREST EXPENSE:				
Compensation and benefits	655	507	1,367	1,117
Occupancy and equipment	107	102	201	194
FDIC/SAIF deposit insurance premiums	17	10	29	19
Advertising	56	40	99	75
Data processing services	158	165	293	348
Professional fees	73	59	131	105
Other	152	153	324	310
Loss on disposal of obsolete equipment	1	-	1	-
Total non-interest expense	<u>1,219</u>	<u>1,036</u>	<u>2,445</u>	<u>2,168</u>
Income before income taxes	522	543	963	1,212
Income tax expense (benefit)	107	112	196	249
Net income	<u>\$ 415</u>	<u>\$ 431</u>	<u>\$ 767</u>	<u>\$ 963</u>

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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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
OTHER COMPREHENSIVE LOSS				
Unrealized gain/loss on securities available-for-sale, net of reclassification adjustment	<u>(1,736)</u>	<u>(803)</u>	<u>(1,742)</u>	<u>(743)</u>
Comprehensive income	<u>\$ (1,321)</u>	<u>\$ (372)</u>	<u>\$ (975)</u>	<u>\$ 220</u>
Net income	<u>415</u>	<u>431</u>	<u>767</u>	<u>963</u>
Net income available to common stockholders	<u>\$ 415</u>	<u>\$ 431</u>	<u>\$ 767</u>	<u>\$ 963</u>
Dividends declared per common share	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 0.31</u>	<u>\$ 0.30</u>
Basic earnings per share	<u>\$ 0.78</u>	<u>\$ 0.81</u>	<u>\$ 1.44</u>	<u>\$ 1.81</u>
Diluted earnings per share	<u>\$ 0.78</u>	<u>\$ 0.81</u>	<u>\$ 1.44</u>	<u>\$ 1.81</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, 2020	\$ 106	\$ 10,303	\$ 11,573	\$ (24)	\$ (8,468)	\$ 13,490
Net income	-	-	1,888	-	-	1,888
Unrealized loss on securities available-for-sale, net of reclassification adjustment	-	-	-	(471)	-	(471)
Treasury Shares Purchased	-	-	-	-	-	-
Cash dividends declared- common stock	-	-	(159)	-	-	(159)
Balance at September 30, 2021	106	10,303	13,302	(495)	(8,468)	14,748
Net income	-	-	767	-	-	767
Unrealized gain on securities available-for-sale, net of reclassification adjustment	-	-	-	(1,742)	-	(1,742)
Cash dividends declared- common stock	-	-	(164)	-	-	(164)
Balance at March 31, 2022	<u>\$ 106</u>	<u>\$ 10,303</u>	<u>\$ 13,905</u>	<u>\$ (2,237)</u>	<u>\$ (8,468)</u>	<u>\$ 13,609</u>

(UNAUDITED)

CRAZY WOMAN CREEK BANCORP INCORPORATED AND SUBSIDIARY

Consolidated Statements of Cash Flows
(Dollars in Thousands)

Quarter ended March 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Net income	\$ 767	\$ 963
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	159	319
Provision for EDP/EPO	10	7
Loans originated for sale	(15,339)	(26,523)
Proceeds from sales of loans held-for-sale	15,315	27,788
Amortization of premiums and discounts on investment securities	-	4
Deferred income tax (benefit) expense	(51)	(70)
Depreciation	96	91
Mutual fund dividends reinvested	(25)	(2)
Deferred loan origination fees, net	(87)	69
Gain on bank-owned life insurance	(19)	(20)
Loss/(Gain) on sale of securities	-	(1)
Change in:		
Accrued interest receivable	37	17
Other assets	37	49
Income taxes payable	15	71
Accrued expenses and other liabilities	(124)	(126)
Net cash from operating activities	<u>791</u>	<u>2,614</u>
Cash flows from investing activities:		
Purchases of securities available-for-sale	-	(5,497)
Proceeds from maturities, calls and prepayments of securities available-for-sale	292	5,512
Purchases of FHLB stock	(41)	(27)
Proceeds from FHLB stock	10	1
Change in loans receivable	(10,208)	(10,883)
Purchases of premises and equipment	(28)	(79)
Net cash from investing activities	<u>(9,975)</u>	<u>(10,973)</u>

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CRAZY WOMAN CREEK BANCORP INCORPORATED AND SUBSIDIARY

Consolidated Statements of Cash Flows
(Dollars in Thousands)

Quarter ended March 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from financing activities:		
Net increase (decrease) in deposits	12,923	13,315
Advances from Federal Home Loan Bank	-	2,000
Repayment of advances from Federal Home Loan Bank	(245)	(2,023)
Advances on other borrowed money	-	101
Repayment on other borrowed money	(2,371)	-
Net increase (decrease) in advances from borrowers for taxes and insurance	(56)	(50)
Dividends paid to stockholders-common	(164)	(159)
Net cash from financing activities	<u>10,087</u>	<u>13,184</u>
Net increase (decrease) in cash and cash equivalents	903	4,825
Cash and cash equivalents at beginning of year	20,858	11,701
Cash and cash equivalents at end of year	<u>\$ 21,761</u>	<u>\$ 16,526</u>
Cash paid during the year for:		
Interest	\$ 292	\$ 363
Income taxes	\$ 234	\$ 247