

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, 2023 and 2022.

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, 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>December 31,</u> <u>2023</u>	<u>September 30,</u> <u>2023</u>
ASSETS		
Cash and due from banks	\$ 752	\$ 758
Federal funds	16,765	7,960
Interest-bearing due from banks	3,077	3,319
Cash and cash equivalents	20,594	12,037
Investment and mortgage-backed securities available-for-sale	22,892	21,253
Stock in Federal Reserve Bank of Kansas City, at cost	196	196
Stock in Federal Home Loan Bank of Seattle, at cost	487	549
Loans held-for-sale	1,182	1,647
Loans receivable, net	136,021	138,582
Bank-owned life insurance	3,994	3,967
Accrued interest receivable	1,247	1,336
Premises and equipment, net	3,180	3,196
Repossessed other assets owned	480	-
Income tax receivable	193	219
Deferred income tax	1,626	1,968
Goodwill	132	132
SBA Receivable	272	203
Other assets	122	128
Total assets	\$ 192,618	\$ 185,413
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Deposits	\$ 165,909	\$ 160,157
Advances from Federal Home Loan Bank	8,500	8,500
Other borrowed money	4,000	4,000
Advance payments by borrowers for taxes and insurance	(6)	86
Accrued expenses and other liabilities	452	628
Total liabilities	178,855	173,371
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, 2023 and September 30, 2023, respectively.	106	106
Additional paid-in capital	10,303	10,303
Retained earnings	16,228	15,809
Accumulated other comprehensive income (loss), net	(4,406)	(5,708)
Treasury stock at cost, 527,986 shares at December 31, 2023 and September 30, 2023, respectively	(8,468)	(8,468)
Total stockholders' equity	13,763	12,042
Total liabilities and stockholders' equity	\$ 192,618	\$ 185,413

(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>2023</u>	<u>2022</u>
INTEREST INCOME:		
Loans receivable	\$ 2,103	\$ 1,748
Mortgage-backed securities	1	-
Investment securities	149	150
Other interest-earning assets	184	34
Total interest income	<u>2,437</u>	<u>1,932</u>
INTEREST EXPENSE:		
Deposits	758	239
Advances from Federal Home Loan Bank	79	52
Other interest expense	52	25
Total interest expense	<u>889</u>	<u>316</u>
Net interest income	1,548	1,616
Provision for credit losses	-	99
Net interest income after provision for credit losses	<u>1,548</u>	<u>1,517</u>
NON-INTEREST INCOME:		
Customer service charges	41	40
Gain on sale of loans	60	32
Other operating income	161	152
Total non-interest income	<u>262</u>	<u>224</u>
NON-INTEREST EXPENSE:		
Compensation and benefits	733	780
Occupancy and equipment	97	108
FDIC/SAIF deposit insurance premiums	23	14
Advertising	39	50
Data processing services	184	168
Professional fees	70	57
Other	147	137
Loss on disposal of obsolete equipment	1	1
Total non-interest expense	<u>1,294</u>	<u>1,315</u>
Income before income taxes	516	426
Income tax expense (benefit)	97	83
Net income	<u>\$ 419</u>	<u>\$ 343</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>2023</u>	<u>2022</u>
OTHER COMPREHENSIVE LOSS		
Unrealized gain/loss on securities available-for-sale, net of reclassification adjustment	<u>1,302</u>	<u>56</u>
Comprehensive income	<u>\$ 1,721</u>	<u>\$ 399</u>
 Net income	 <u>419</u>	 <u>343</u>
Net income available to common stockholders	<u>\$ 419</u>	<u>\$ 343</u>
 Dividends declared per common share	 <u>\$ -</u>	 <u>\$ 0.31</u>
Basic earnings per share	<u>\$ 0.79</u>	<u>\$ 0.65</u>
 Diluted earnings per share	 <u>\$ 0.79</u>	 <u>\$ 0.65</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, 2022	\$ 106	\$ 10,303	\$ 14,696	\$ (5,061)	\$ (8,468)	\$ 11,576
Net income	-	-	1,277	-	-	1,277
Unrealized loss on securities available-for-sale, net of reclassification adjustment	-	-	-	(647)	-	(647)
Cash dividends declared- common stock	-	-	(164)	-	-	(164)
Balance at September 30, 2023	106	10,303	15,809	(5,708)	(8,468)	12,042
Net income	-	-	419	-	-	419
Unrealized gain on securities available-for-sale, net of reclassification adjustment	-	-	-	1,302	-	1,302
Cash dividends declared- common stock	-	-	-	-	-	-
Balance at December 31, 2023	<u>\$ 106</u>	<u>\$ 10,303</u>	<u>\$ 16,228</u>	<u>\$ (4,406)</u>	<u>\$ (8,468)</u>	<u>\$ 13,763</u>

(UNAUDITED)

CRAZY WOMAN CREEK BANCORP INCORPORATED AND SUBSIDIARY

Consolidated Statements of Cash Flows
(Dollars in Thousands)

Quarter ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Net income	\$ 419	\$ 343
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for credit losses	-	99
Loans originated for sale	(4,839)	(1,999)
Proceeds from sales of loans held-for-sale	5,304	1,974
Amortization of premiums and discounts on investment securities	3	3
Deferred income tax (benefit) expense	(4)	(23)
Depreciation	47	49
Mutual fund dividends reinvested	(2)	(2)
Deferred loan origination fees, net	(6)	34
Gain on bank-owned life insurance	(27)	(27)
Loss/(Gain) on sale of securities	-	1
Loss on disposal of equipment	1	-
Change in:		
Accrued interest receivable	89	(39)
Other assets	6	19
SBA Receivable	(69)	-
Income taxes payable	26	106
Accrued expenses and other liabilities	(176)	(231)
Net cash from operating activities	<u>772</u>	<u>307</u>
Cash flows from investing activities:		
Proceeds from maturities, calls and prepayments of securities available-for-sale	8	3
Purchases of FHLB stock	(42)	(180)
Proceeds from FHLB stock	104	-
Change in loans receivable	2,087	(6,768)
Purchases of premises and equipment	(32)	(43)
Net cash from investing activities	<u>2,125</u>	<u>(6,988)</u>

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CRAZY WOMAN CREEK BANCORP INCORPORATED AND SUBSIDIARY

Consolidated Statements of Cash Flows
(Dollars in Thousands)

Quarter ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from financing activities:		
Net increase (decrease) in deposits	5,752	(3,469)
Advances from Federal Home Loan Bank	-	4,500
Federal funds purchased	-	351
Net increase (decrease) in advances from borrowers for taxes and insurance	(92)	(88)
Dividends paid to stockholders-common	-	(164)
Net cash from financing activities	<u>5,660</u>	<u>1,130</u>
Net increase (decrease) in cash and cash equivalents	8,557	(5,551)
Cash and cash equivalents at beginning of year	12,037	10,048
Cash and cash equivalents at end of year	<u>\$ 20,594</u>	<u>\$ 4,497</u>
Cash paid during the year for:		
Interest	\$ 848	\$ 303
Income taxes	\$ 75	\$ -