



Earnings Release Supplement

Third Quarter 2024

Citizens Community Bancorp, Inc.

Table of Contents

| | Page(s) | | Page(s) |
|---|---------|--|---------|
| Cautionary Notes and Additional Disclosures | 2 | Other Real Estate Owned Roll Forward | 24 |
| Portfolio Contractual Repricing | 3 | Investments – Amortized Cost and Fair Value | 25 |
| Deposit Composition | 4 | Investments – Credit Ratings | 25 |
| Commercial Deposit Concentrations | 5 | Earnings Per Share | 26 |
| Top 100 Depositors | 6 | Economic Value of Equity | 27 |
| Liquidity | 7 | Net Interest Income Over One Year Horizon | 27 |
| Non-Owner Occupied CRE | 8 | Selected Capital Composition Highlights – Bank | 28 |
| Owner Occupied CRE | 9 | and Company | |
| Multi-family | 10 | Fair Value Accounting and Fair Value Table | 29 |
| Commercial & Industrial Loans | 11 | | |
| Construction & Development Loans | 12 | | |
| Agricultural Real Estate & Operating Loans | 13 | | |
| Hotel Loans | 14 | | |
| Restaurant Loans | 15 | | |
| Campground Loans | 16 | | |
| Office Loans | 17 | | |
| Credit Quality/Risk Rating Descriptions | 18 | | |
| Loans by Risk Rating as of September 30, 2024 | 19 | | |
| Loans by Risk Rating as of June 30, 2024 | 19 | | |
| Loans by Risk Rating as of December 31, 2023 | 20 | | |
| Loans by Risk Rating as of September 30, 2023 | 20 | | |
| Allowance for Credit Losses – Loans | 21 | | |
| Allowance for Credit Losses – Unfunded | | | |
| Commitments | 21 | | |
| Delinquency as of September 30, 2024 and June | | | |
| 30, 2024 | 22 | | |
| Delinquency as of December 31, 2023 and | | | |
| September 30, 2023 | 23 | | |
| Nonaccrual Loans Roll forward | 24 | | |

DATES AND PERIODS PRESENTED

In this earnings release financial supplement, unless otherwise noted, “20YY” refers to either the corresponding fiscal year-end date or the corresponding 12-months (i.e. fiscal year) then ended. “MMM-YY” refers to either the corresponding quarter-end date, or the corresponding three-month period then ended.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This earnings release financial supplement may contain certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934. These statements include, but are not limited to, descriptions of the financial condition, results of operations, asset and credit quality trends, profitability, projected earnings, future plans, strategies and expectations of Citizens Community Bancorp, Inc. (“CZWI” or the “Company”) and its subsidiary, Citizens Community Federal, National Association (“CCFBank”). The Company intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and is including this statement for purposes of complying with those safe harbor provisions. Forward-looking statements, which are based on certain assumptions of the Company, are generally identifiable by use of the words “believe,” “expect,” “estimates,” “intend,” “anticipate,” “estimate,” “project,” “on pace,” “seek,” “target,” “potential,” “focus,” “may,” “preliminary,” “could,” “should” or similar expressions. These forward-looking statements express management’s current expectations or forecasts of future events, and by their nature, are subject to risks and uncertainties. Therefore, there are a number of factors that might cause actual results to differ materially from those in such statements.

These uncertainties include: conditions in the financial markets and economic conditions generally; the impact of inflation on our business and our customers; geopolitical tensions, including current or anticipated impact of military conflicts; higher lending risks associated with our commercial and agricultural banking activities; future pandemics (including new variants of COVID-19); cybersecurity risks; adverse impacts on the regional banking industry and the business environment in which it operates; interest rate risk; lending risk; changes in the fair value or ratings downgrades of our securities; the sufficiency of allowance for credit losses; competitive pressures among depository and other financial institutions; disintermediation risk; our ability to maintain our reputation; our ability to maintain or increase our market share; our ability to realize the benefits of net deferred tax assets; our inability to obtain needed liquidity; our ability to raise capital needed to fund growth or meet regulatory requirements; our ability to attract and retain key personnel; our ability to keep pace with technological change; prevalence of fraud and other financial crimes; the possibility that our internal controls and procedures could fail or be circumvented; our ability to successfully execute our acquisition growth strategy; risks posed by acquisitions and other expansion opportunities, including difficulties and delays in integrating the acquired business operations or fully realizing the cost savings and other benefits; restrictions on our ability to pay dividends; the potential volatility of our stock price; accounting standards for credit losses; legislative or regulatory changes or actions, or significant litigation, adversely affecting the Company or Bank; public company reporting obligations; changes in federal or state tax laws; and changes in accounting principles, policies or guidelines and their impact on financial performance.

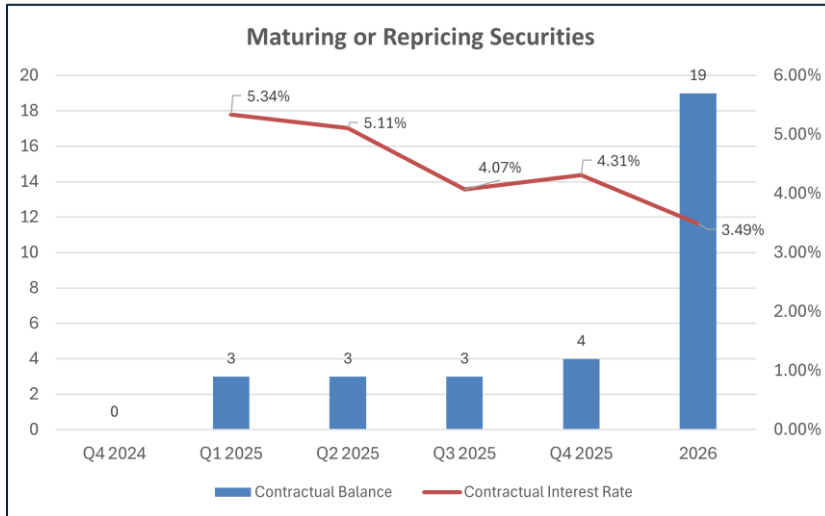
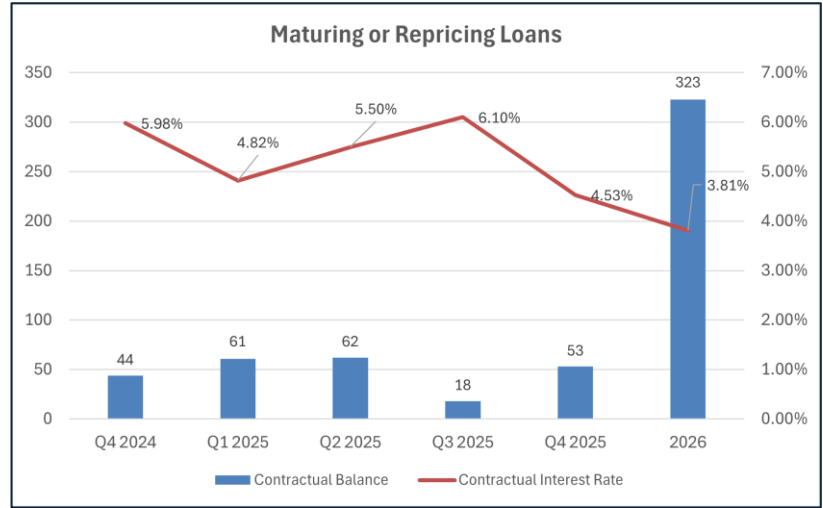
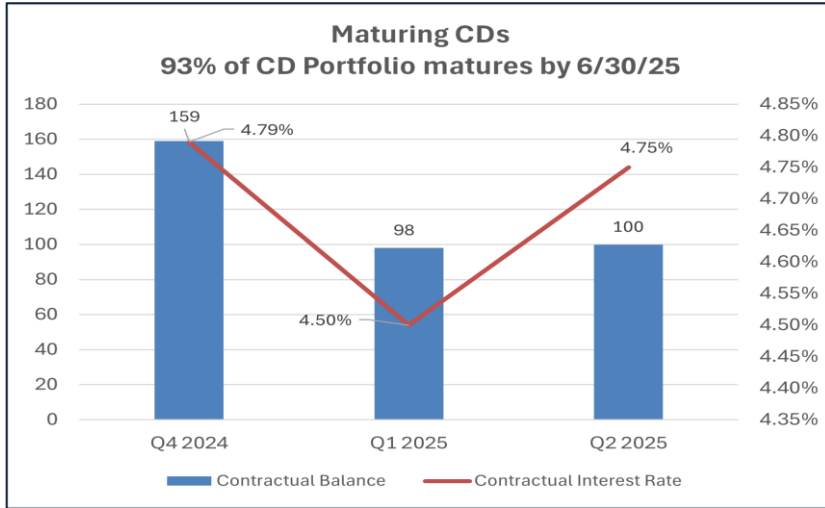
Stockholders, potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. Such uncertainties and other risks that may affect the Company's performance are discussed further in Part I, Item 1A, “Risk Factors,” in the Company’s Form 10-K, for the year ended December 31, 2023, filed with the Securities and Exchange Commission (“SEC”) on March 5, 2024, and the Company’s subsequent filings with the SEC. The Company undertakes no obligation to make any revisions to the forward-looking statements contained herein or to update them to reflect events or circumstances occurring after the date hereof.

NON-GAAP FINANCIAL MEASURES

This earnings release financial supplement contains non-GAAP financial measures. For purposes of Regulation G, a non-GAAP financial measure is a numerical measure of the registrant's historical or future financial performance, financial position or cash flows that excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with GAAP in the statement of income, balance sheet or statement of cash flows (or equivalent statements) of the issuer; or includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented. In this regard, GAAP refers to generally accepted accounting principles in the United States.

Non-GAAP financial measures referred to herein include net income as adjusted, return on average equity as adjusted, and return on average assets as adjusted. Reconciliations of all non-GAAP financial measures used herein to the comparable GAAP financial measures in the appendix at the end of this presentation.

Portfolio Contractual Repricing (Contractual Dollars shown in millions) September 30, 2024

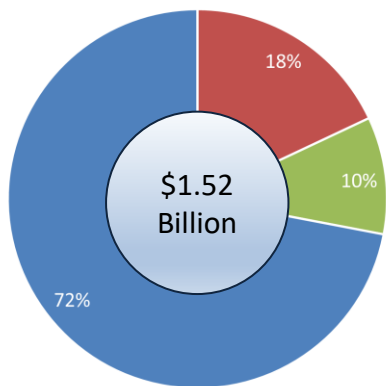


- Current contractual principal amounts shown are at maturity or repricing period
- Current contractual interest rates shown

Deposit Composition

September 30, 2024

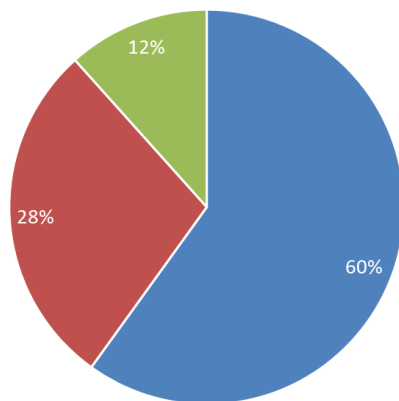
Insured and Collateralized Deposits



82% of deposits insured or collateralized

■ Uninsured or Uncollateralized ■ Preferred Public Deposits Collateralized ■ Insured Deposits

Deposit Composition



■ Consumer deposits ■ Commercial deposits ■ Public deposits

Average Account Size (In Thousands)

| Type | Amount |
|------------|--------|
| Retail | \$17 |
| Commercial | \$70 |
| Public | \$404 |

Top 10 Depositors

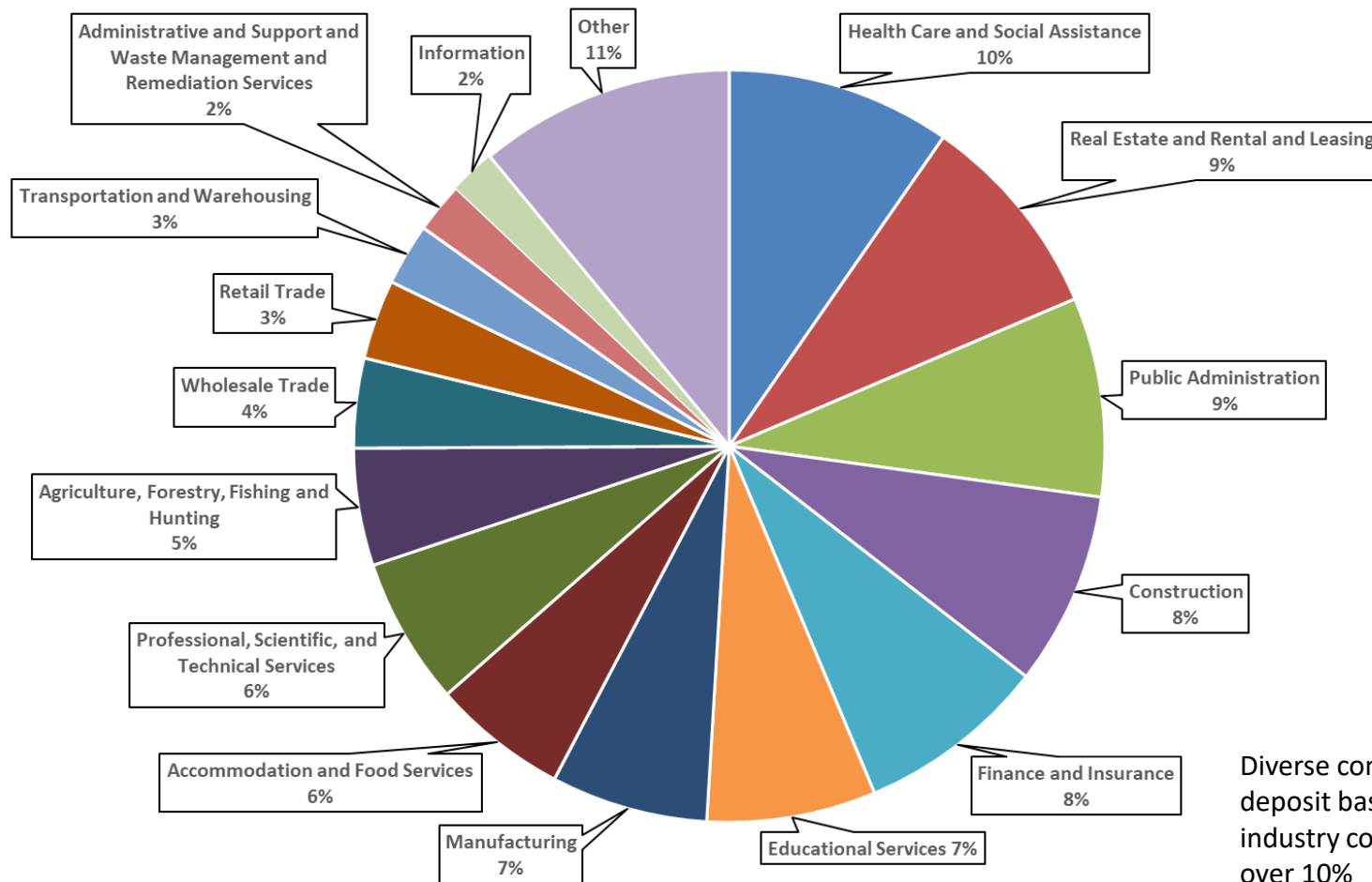
| Rank | % of Deposits | Industry | Coverage Beyond FDIC ⁽¹⁾ |
|------|---------------|--|-------------------------------------|
| 1 | 2.3% | Public Administration | ICS |
| 2 | 2.2% | Health Care | ICS |
| 3 | 2.0% | Educational Services | ICS |
| 4 | 1.4% | Public Administration | Collateralized |
| 5 | 1.3% | Public Administration | Collateralized |
| 6 | 0.8% | Public Administration | Collateralized |
| 7 | 0.8% | Manufacturing | ICS |
| 8 | 0.7% | Public Administration | Collateralized |
| 9 | 0.5% | Public Administration | Collateralized |
| 10 | 0.5% | Professional, Scientific, a Technical Services | None |

(1) Coverage by ICS and private insurance may not cover entire balance

Commercial Deposit Concentrations

September 30, 2024

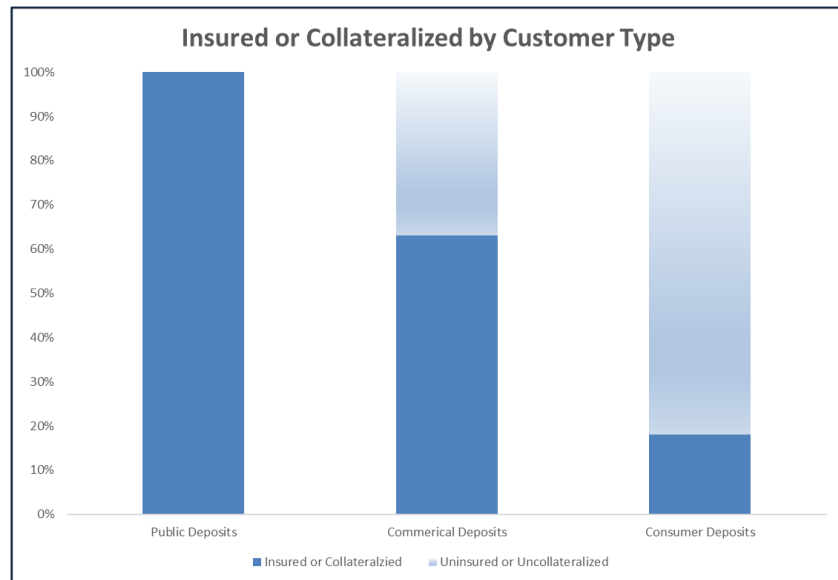
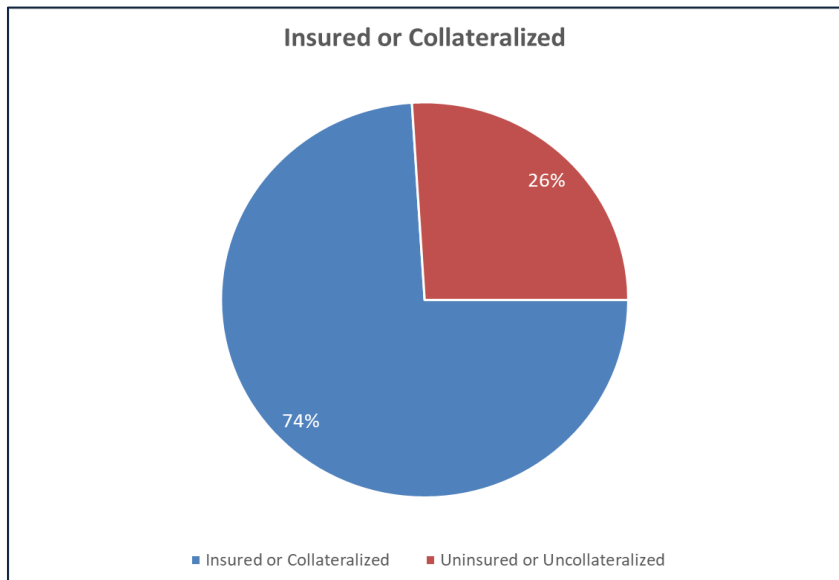
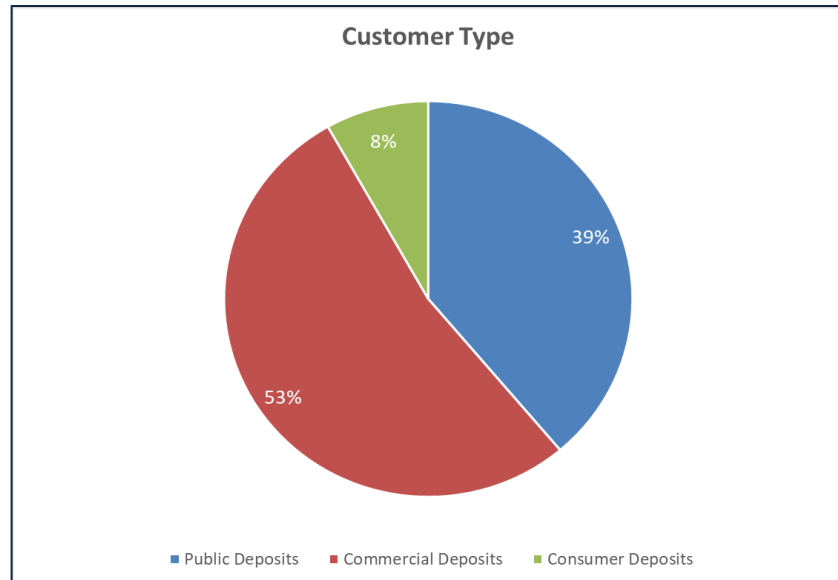
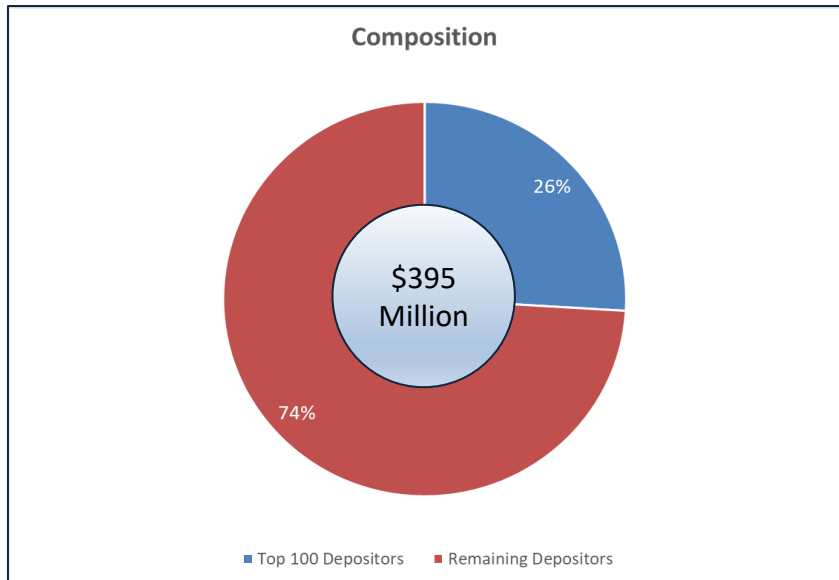
Commercial Deposits By Industry



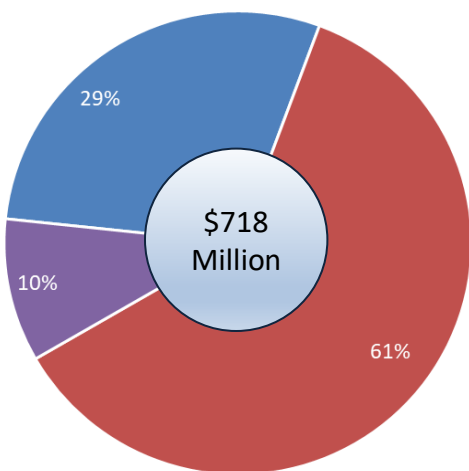
Diverse commercial deposit base with no industry concentration over 10%

Top 100 Depositors

September 30, 2024

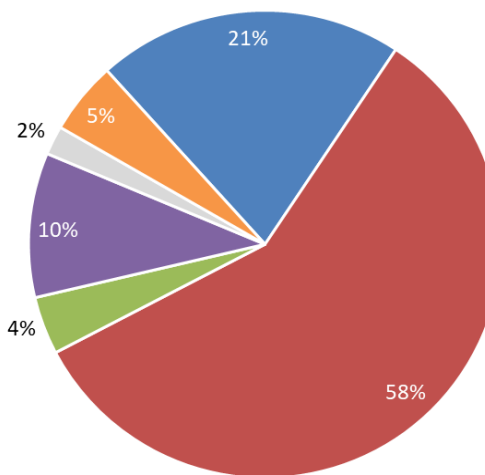


Total Sources



■ On Balance Sheet ■ Off Balance Sheet Collateralized ■ Off Balance Sheet Uncollateralized

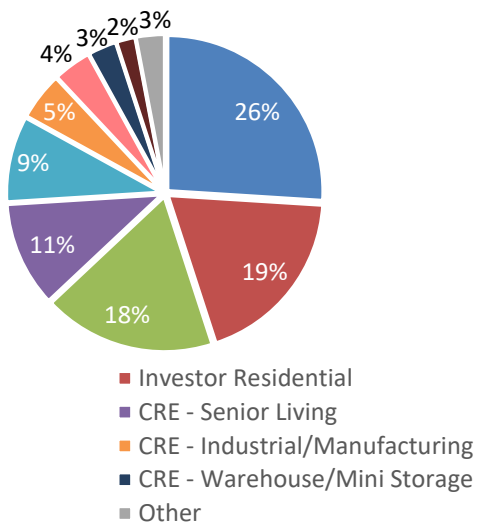
Composition



■ Available For Sale Securities ■ FHLB Chicago Borrowing Capacity
 ■ Fed Discount Window Capacity ■ Fed Funds Lines of Credit
 ■ Cash Balances at FRB ■ Held to Maturity Securities

Non – Owner Occupied CRE

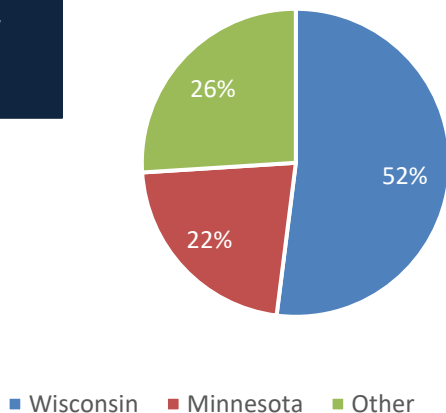
Non – Owner Occupied CRE
As of 9/30/24



Portfolio Characteristics - Non-Owner Occupied CRE

| As of | 9/30/2024 | 6/30/2024 |
|--|-----------|-----------|
| Loan Balance Outstanding In Millions | \$489 | \$492 |
| Number of Loans | 760 | 759 |
| Average Loan Size In Thousands | \$643 | \$648 |
| Approximate Weighted Average LTV | 53% | 53% |
| Weighted Average Seasoning In Months | 42 | 40 |
| Trailing 12 Month Net Charge-Offs | 0.00% | 0.00% |
| Criticized Loans Millions | \$8.0 | \$9.1 |
| Criticized Loans as a Percent of Total | 1.6% | 1.9% |

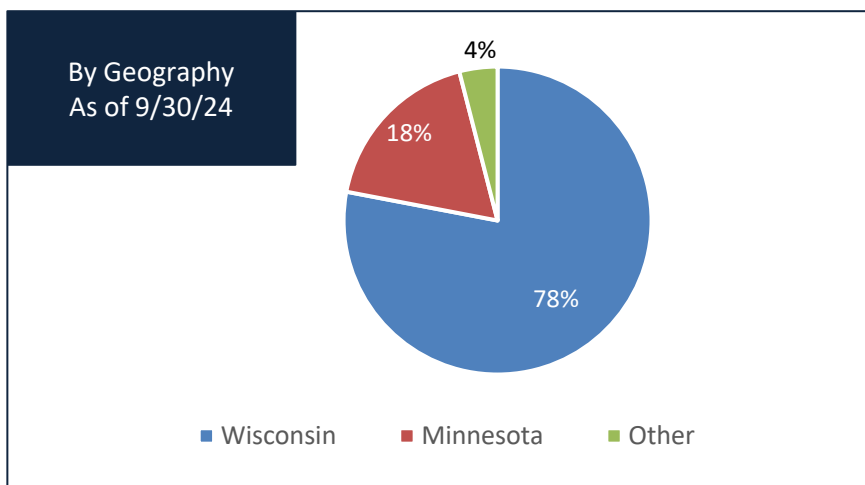
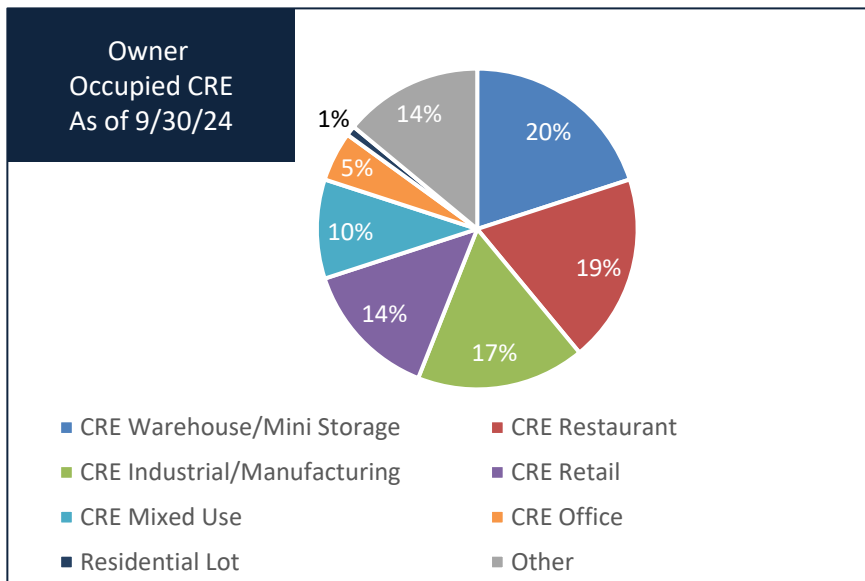
By Geography
As of 9/30/24



Portfolio Fundamentals

- Typically, well seasoned investors with multiple projects, track record of success and personal financial strength (Net Worth/Liquidity)
- Maximum LTV =<80% with recourse to owners with >20% interest
- Term of 5-10 years with 20 to 25-year amortizations depending on property type, markets and strength and liquidity of sponsors
- Minimum DSC and/or Global DSC covenant required to monitor performance ranging from 1.15x-1.25x
- Conservative underwriting approach emphasizing actual results or market data
- Appropriate use of SBA 504/7a for lower cash injection or special use projects

Owner Occupied CRE

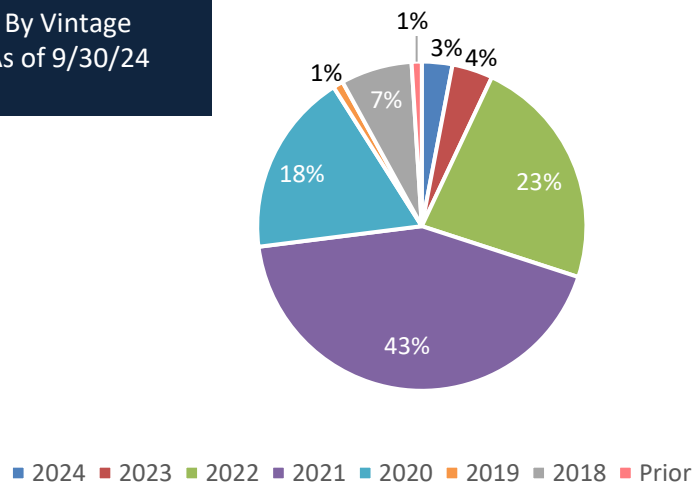


Portfolio Characteristics - Owner Occupied CRE

| As of | 9/30/2024 | 6/30/2024 |
|--|-----------|-----------|
| Loan Balance Outstanding In Millions | \$241 | \$238 |
| Number of Loans | 394 | 378 |
| Average Loan Size In Thousands | \$613 | \$628 |
| Approximate Weighted Average LTV | 52% | 51% |
| Weighted Average Seasoning In Months | 39 | 38 |
| Trailing 12 Month Net Charge-Offs (Recoveries) | (0.01%) | (0.01%) |
| Criticized Loans In Millions | \$1.8 | \$1.1 |
| Criticized Loans as a Percent of Total | 0.8% | 0.5% |

- Portfolio Fundamentals**
- Underwritten to <80% LTV based on appraised value (<75% for Restaurant)
 - Term of 5-10 years with 20-year amortization
 - Recourse to owners with greater than 20% interest
 - DSC covenant of 1.25x on project and/or Global DSC of 1.15x
 - Appropriate use of SBA 504/7a for lower cash injection or special use projects
 - By Geography "Other" segment includes borrowers with warm climates, no income tax states

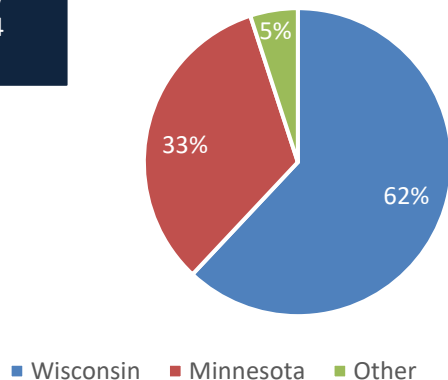
By Vintage
As of 9/30/24



Portfolio Characteristics - Multi-family

| As of | 9/30/2024 | 6/30/2024 |
|--|-----------|-----------|
| Loan Balance Outstanding In Millions | \$239 | \$235 |
| Number of Loans | 131 | 129 |
| Average Loan Size In Millions | \$1.83 | \$1.82 |
| Approximate Weighted Average LTV | 61% | 61% |
| Weighted Average Seasoning In Months | 38 | 36 |
| Trailing 12 Month Net Charge-Offs | 0% | 0% |
| Criticized Loans in Millions | \$8.7 | \$0.0 |
| Criticized Loans as a Percent of Total | 3.7% | 0.0% |

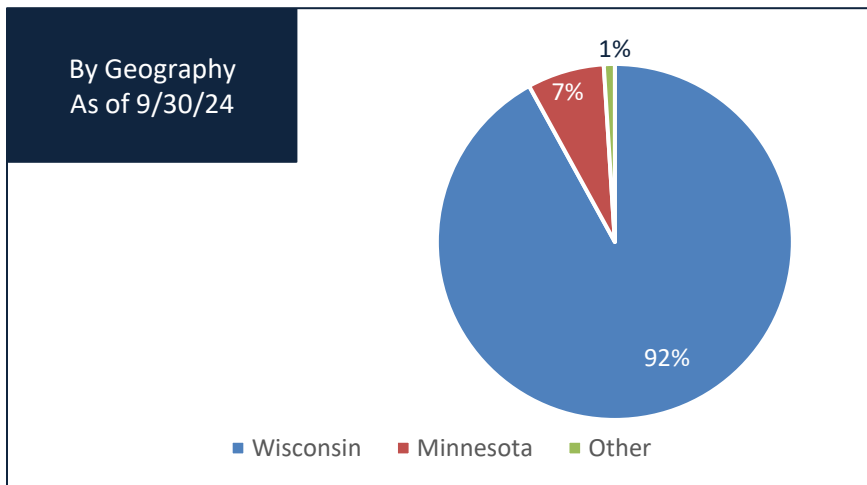
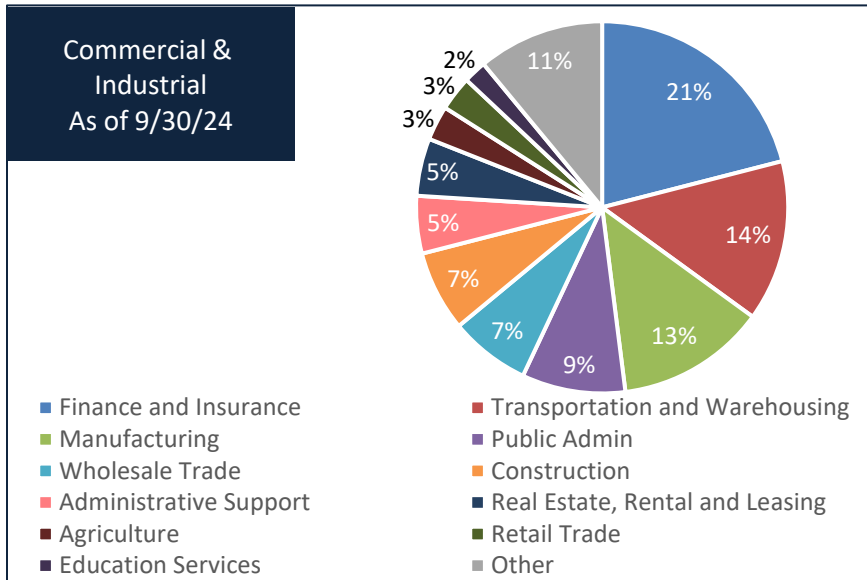
By Geography
As of 9/30/24



Portfolio Fundamentals

- Robust housing markets in Eau Claire and Mankato markets supported by student populations at state universities, technical colleges, and growing population and job markets
- Multi-family sponsors experienced owners with multi-project portfolios
- Typically underwritten to 75% LTV based on appraised value with recourse; metro markets and/or strong sponsors may warrant up to 80% LTV
- Generally, term of 5-10 years with 20 to 25-year amortization (varies by new versus existing, size of market and sponsor strength)
- Covenant for minimum DSC/Global DSC

Commercial & Industrial Loans



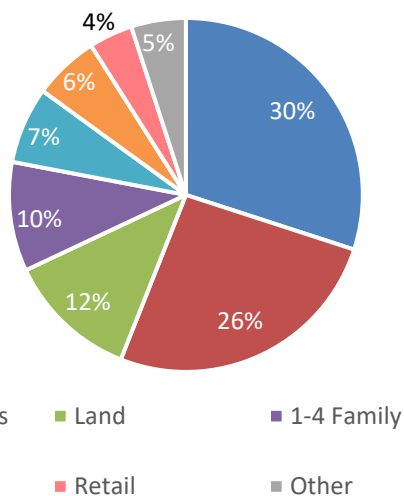
Portfolio Characteristics - Commercial & Industrial

| As of | 9/30/2024 | 6/30/2024 |
|--|-----------|-----------|
| Loan Balance In Millions | \$120 | \$127 |
| Number of Loans | 636 | 645 |
| Average Loan Size In Thousands | \$188 | \$197 |
| Weighted Average Seasoning In Months | 31 | 30 |
| Trailing 12 Month Net Charge-Offs (Recoveries) | (0.01%) | (0.01%) |
| Committed Line, if collateral In Millions | \$45 | \$54 |
| Criticized Loans In Millions | \$2.9 | \$2.9 |
| Criticized Loans as a Percent of Total | 2.4% | 2.2% |

- Portfolio Fundamentals**
- Highly diversified, secured loan portfolio underwritten with recourse
 - Lines of credit reviewed annually and may have borrowing base certificates governing line usage
 - Fixed asset LTV's based on age and type of equipment; <5-year amortization
 - Use of SBA Guaranty Program (Preferred Lender or General Processing) as appropriate
 - "Retail Trade" segment consists of Farm Supply, Franchised Hardware, Franchised Auto Parts, Franchised and Non-franchised Auto Dealers and Repair Shops, Convenience Stores/Gas Stations

Construction & Development Loans

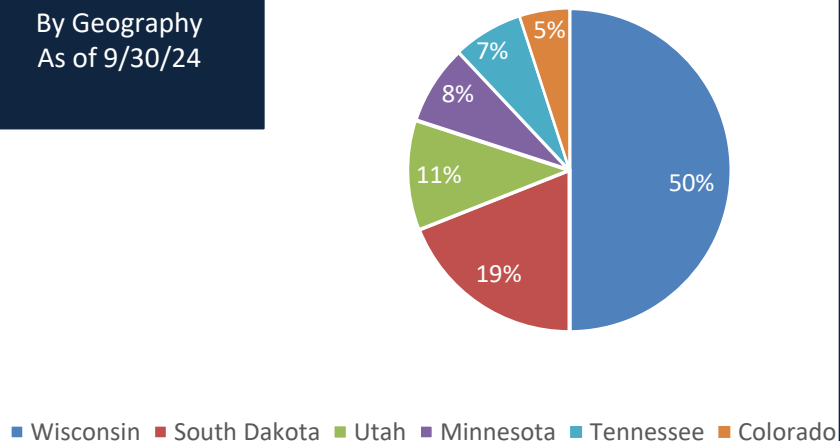
Construction & Development
As of 9/30/24



Portfolio Characteristics - Construction & Development

| As of | 9/30/2024 | 6/30/2024 |
|--|-----------|-----------|
| Loan Balance Outstanding In Millions | \$88 | \$88 |
| Number of Loans | 97 | 109 |
| Average Loan Size In Millions | \$0.9 | \$0.8 |
| Approximate Weighted Average LTV | 67% | 67% |
| Trailing 12 Month Net Charge-Offs | 0.00% | 0.00% |
| Percent Utilized of Commitments | 80% | 73% |
| Criticized Loans in Millions | \$0.1 | \$0.1 |
| Criticized Loans as a Percent of Total | 0.1% | 0.1% |

By Geography
As of 9/30/24

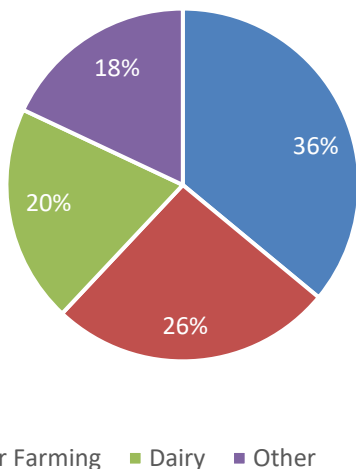


Portfolio Fundamentals

- Underwritten to 75-80% LTV based on lesser of cost or appraised value with full recourse
- Interest only typically up to 18 months (depending on project complexity and seasonal timing) followed by amortization of 15-25 years (terms vary by property type)
- Borrower equity contribution of cash/land value =>15% injected at the beginning of project (cash/land contribution)
- Construction loans require 3rd party inspections and title company draws after balancing to sworn construction statement
- 1-4 residential construction centered in eastern Twin Cities and Northwest Wisconsin. Generally, 80% LTC /60%-80% of AV. Spec building capped. Progress reporting monthly by individual home

Agricultural Real Estate & Operating Loans

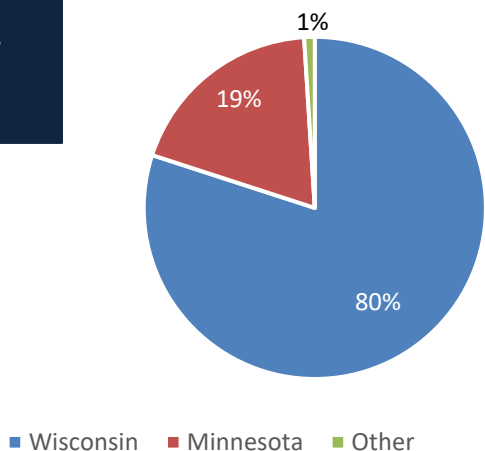
Agricultural
As of 9/30/24



Portfolio Characteristics - Agricultural

| As of | 9/30/2024 | 6/30/2024 |
|--|-----------|-----------|
| Loan Balance Outstanding In Millions | \$104 | \$106 |
| Number of Loans | 483 | 489 |
| Average Loan Size In Thousands | \$214 | \$216 |
| Weighted Average Seasoning In Months | 41 | 39 |
| Trailing 12 Month Net Charge-Offs (Recoveries) | (0.47%) | (0.47%) |
| Criticized Loans in Millions | \$7.3 | \$7.5 |
| Criticized Loans as a Percent of Total | 7.1% | 7.1% |

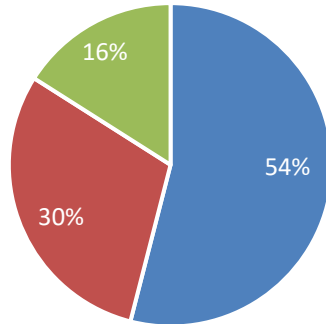
By Geography
As of 9/30/24



Portfolio Fundamentals

- Producers required to have marketing plans to mitigate volatility of commodities
- Appropriate crop/revenue insurance and/or dairy margin protection required
- Maximum ag RE LTV of less than 65%; equipment LTV of less than 75%
- Appropriate structuring to separate crop production cycles and to match length of loan with asset financed
- Use of Farmer Mac, FSA, SBA or USDA programs to address DSC, collateral margins or working capital
- Operating and ag loan relationships are typically cross collateralized

Hotels
As of 9/30/24

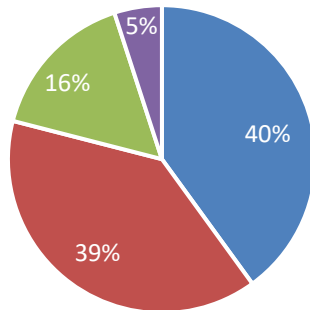


■ Limited Service ■ Full Service ■ Other

Portfolio Characteristics - Hotels

| As of | 9/30/2024 | 6/30/2024 |
|--|-----------|-----------|
| Loan Balance Outstanding In Millions | \$91 | \$92 |
| Number of Loans | 21 | 20 |
| Average Loan Size In Millions | \$4.3 | \$4.6 |
| Approximate Weighted Average LTV | 51% | 51% |
| Trailing 12 Month Net Charge Offs (Recoveries) | (0.04%) | (0.04%) |
| Criticized Loans in Millions | \$4.3 | \$4.5 |
| Criticized Loans as a Percent of Total | 4.8% | 4.9% |

By Geography
As of 9/30/24

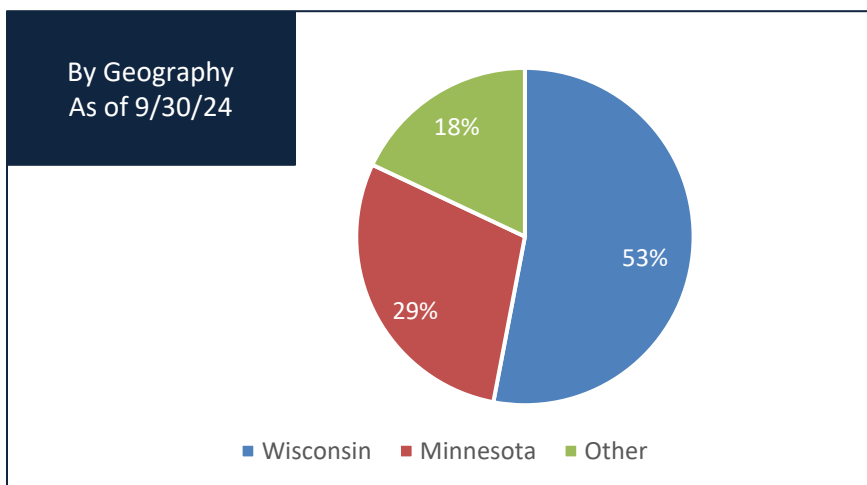
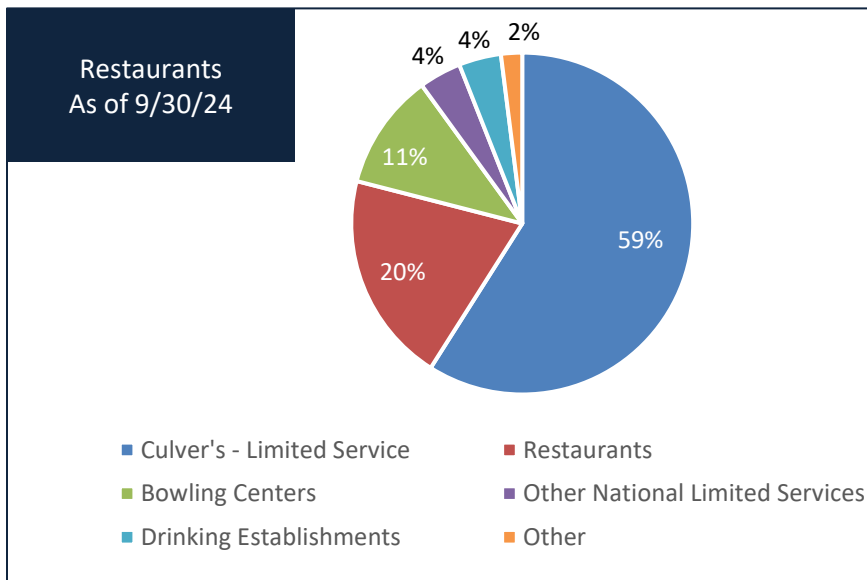


■ Minnesota ■ Wisconsin ■ Illinois ■ Colorado

Portfolio Fundamentals

- Mainly experienced multi project hoteliers and guarantors with strong personal financial statements (net worth and liquidity)
- Mainly flagged/franchised limited stay properties
- Underwriting consistent with management's conservative approach to Investor CRE, emphasizing actual results in underwriting

Restaurant Loans



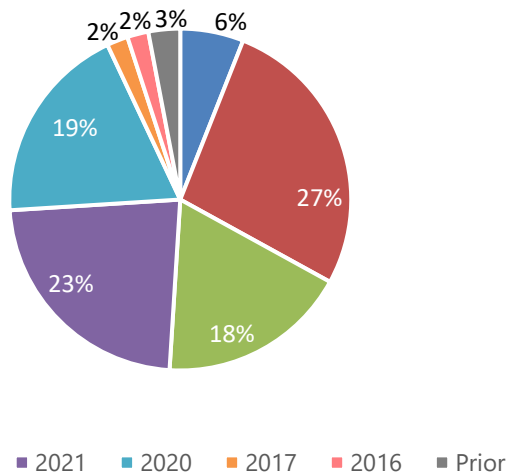
Portfolio Characteristics - Restaurants

| As of | 9/30/2024 | 6/30/2024 |
|--|-----------|-----------|
| Loan Balance Outstanding In Millions | \$54 | \$58 |
| Number of Loans | 74 | 71 |
| Average Loan Size In Thousands | \$731 | \$816 |
| Approximate Weighted Average LTV | 49% | 46% |
| Trailing 12 Month Net Charge-Offs | 0.00% | 0.00% |
| Criticized Loans In Millions | \$0.05 | \$0.05 |
| Criticized Loans as a Percent of Total | 0.1% | 0.1% |

- Portfolio Fundamentals**
- Experienced developers/operators of national Limited /Quick Service brands (Culver's, Subway, Dairy Queen, McDonalds, Jimmy John's, A&W)
 - Underwritten to =<80% LTV with full recourse (depending on sponsor history); 20-year amortization with 5 to 10-year terms
 - Use of SBA Guaranty Program (Preferred Lender or General Processing) as appropriate
 - Drinking establishments may have other collateral pledged and tend to be in smaller communities in our footprint
 - Lessors of RE include investor and owner-occupied structure

Campground Loans

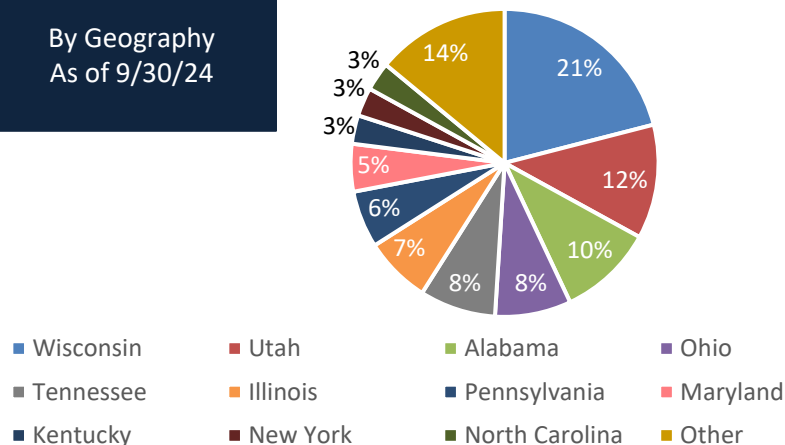
By Vintage
As 9/30/24



Portfolio Characteristics - Campgrounds

| As of | 9/30/2024 | 6/30/2024 |
|--|-----------|-----------|
| Loan Balance Outstanding In Millions | \$151 | \$149 |
| Number of Loans | 71 | 66 |
| Average Loan Size In Millions | \$2.1 | \$2.3 |
| Approximate Weighted Average LTV | 50% | 51% |
| Weighted Average Seasoning in Months | 34 | 31 |
| Trailing 12 Month Net Charge-Offs | 0.00% | 0.00% |
| Criticized Loans in Millions | \$0.0 | \$0.0 |
| Criticized Loans as a Percent of Total | 0.0% | 0.0% |

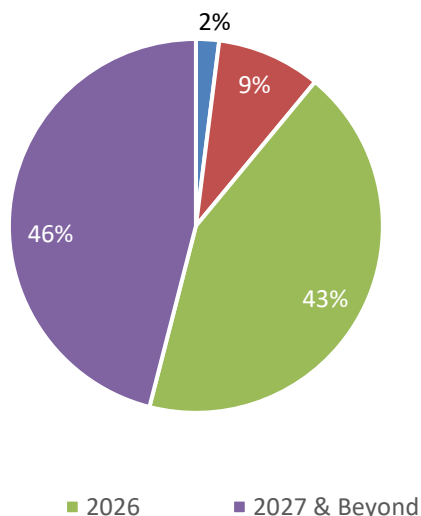
By Geography
As of 9/30/24



Portfolio Fundamentals

- Experienced multi-unit operators and owner-occupied franchised campgrounds (typically Jellystone Park)
- Grounds offer a mix of camping, RV and cabin options with recreational amenities
- Park locations within reasonable proximity of metropolitan areas and/or near national and state parks
- Underwritten with recourse generally with 5-10 year terms and 20 year amortization
- Use of SBA 7a and 504, or other government guaranteed loan programs as appropriate
- 20+ years of history through CCF acquisition with no charge-off history

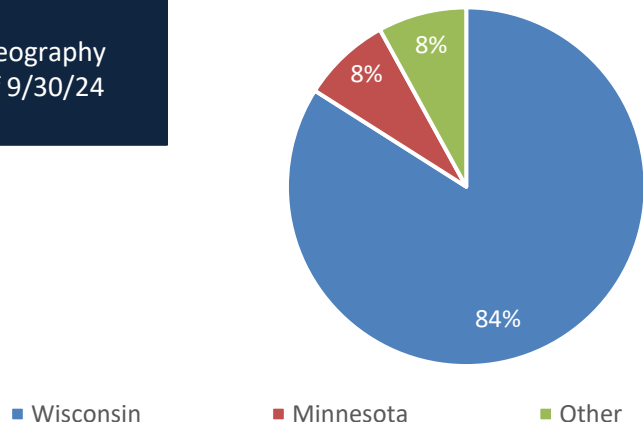
Maturity or Next Repricing Date As of 9/30/24



Portfolio Characteristics - Office

| As of | 9/30/2024 | 6/30/2024 |
|--|-----------|-----------|
| Loan Balance Outstanding In Millions | \$31 | \$29 |
| Number of Loans | 71 | 69 |
| Average Loan Size In Thousands | \$434 | \$421 |
| Approximate Weighted Average LTV | 60% | 59% |
| Weighted Average Seasoning in Months | 42.8 | 44.2 |
| Trailing 12 Month Net Charge-Offs | 0.00% | 0.00% |
| Criticized Loans in Millions | \$0.2 | \$0.2 |
| Criticized Loans as a Percent of Total | 0.6% | 0.6% |

By Geography As of 9/30/24



Portfolio Fundamentals

- Properties financed are generally in Wisconsin and Minnesota and 98% of properties are located outside of large cities
- Projects underwritten with 5-10 year term, up to 20 year amortization, and less than 80% LTV
- Loans are with recourse to the sponsor/owner(s)
- Buildings are mostly single level buildings and no more than three floors high
- Tenants centered in medical, insurance, professional services and government



Citizens Community Bancorp Inc.

Credit Quality/Risk Ratings: Management utilizes a numeric risk rating system to identify and quantify the Bank's risk of loss within its loan portfolio. Ratings are initially assigned prior to funding the loan, and may be changed at any time as circumstances warrant.

Ratings range from the highest to lowest quality based on factors that include measurements of ability to pay, collateral type and value, borrower stability and management experience. The Bank's loan portfolio is presented below in accordance with the risk rating framework that has been commonly adopted by the federal banking agencies. The definitions of the various risk rating categories are as follows:

1 through 4 - Pass. A "Pass" loan means that the condition of the borrower and the performance of the loan is satisfactory or better.

5 - Watch. A "Watch" loan has clearly identifiable developing weaknesses that deserve additional attention from management. Weaknesses that are not corrected or mitigated, may jeopardize the ability of the borrower to repay the loan in the future.

6 - Special Mention. A "Special Mention" loan has one or more potential weakness that deserve management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or in the institution's credit position in the future.

7 - Substandard. A "Substandard" loan is inadequately protected by the current net worth and paying capacity of the obligor or the collateral pledged, if any. Assets classified as substandard must have a well-defined weakness, or weaknesses, that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the Bank will sustain some loss if the deficiencies are not corrected.

8 - Doubtful. A "Doubtful" loan has all the weaknesses inherent in a Substandard loan with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions and values, highly questionable and improbable.

9 - Loss. Loans classified as "Loss" are considered uncollectible, and their continuance as bankable assets is not warranted. This classification does not mean that the loan has absolutely no recovery or salvage value, and a partial recovery may occur in the future.

As of September 30, 2024, and December 31, 2023, there were no loans classified as doubtful with a risk rating of 8 and no loans classified as loss with a risk rating of 9.

Residential and consumer loans are typically not rated until they are past due 90 days at month-end which is why they are classified as pass graded 1-5 and once past due or have a history of delinquencies, get assigned a grade 7.

Below is a breakdown of loans by risk rating as of September 30, 2024:
(in thousands)

| | 1 to 5 | 6 | 7 | TOTAL |
|---|---------------------|------------------|------------------|---------------------|
| Total Loans: | | | | |
| Commercial/Agricultural real estate: | | | | |
| Commercial real estate | \$ 720,771 | \$ 1,589 | \$ 8,099 | \$ 730,459 |
| Agricultural real estate | 69,621 | 200 | 6,222 | 76,043 |
| Multi-family real estate | 230,455 | 8,736 | — | 239,191 |
| Construction and land development | 87,769 | — | 106 | 87,875 |
| C&I/Agricultural operating: | | | | |
| Commercial and industrial | 116,699 | 522 | 2,398 | 119,619 |
| Agricultural operating | 26,651 | — | 899 | 27,550 |
| Residential mortgage: | | | | |
| Residential mortgage | 131,633 | — | 3,311 | 134,944 |
| Purchased HELOC loans | 2,815 | — | 117 | 2,932 |
| Consumer installment: | | | | |
| Originated indirect paper | 4,361 | — | 44 | 4,405 |
| Other consumer | 5,432 | — | 6 | 5,438 |
| Gross loans | <u>\$ 1,396,207</u> | <u>\$ 11,047</u> | <u>\$ 21,202</u> | \$ 1,428,456 |
| Less: | | | | |
| Unearned net deferred fees and costs and loans in process | | | | (2,703) |
| Unamortized discount on acquired loans | | | | (925) |
| Allowance for credit losses | | | | (21,000) |
| Loans receivable, net | | | | <u>\$ 1,403,828</u> |

Below is a breakdown of loans by risk rating as of June 30, 2024:
(in thousands)

| | 1 to 5 | 6 | 7 | TOTAL |
|---|---------------------|-----------------|------------------|---------------------|
| Total Loans: | | | | |
| Commercial/Agricultural real estate: | | | | |
| Commercial real estate | \$ 719,510 | \$ 214 | \$ 9,512 | \$ 729,236 |
| Agricultural real estate | 71,768 | 6,099 | 381 | 78,248 |
| Multi-family real estate | 234,758 | — | — | 234,758 |
| Construction and land development | 87,790 | 108 | — | 87,898 |
| C&I/Agricultural operating: | | | | |
| Commercial and industrial | 124,521 | 2,427 | 438 | 127,386 |
| Agricultural operating | 26,393 | — | 1,016 | 27,409 |
| Residential mortgage: | | | | |
| Residential mortgage | 130,615 | — | 2,888 | 133,503 |
| Purchased HELOC loans | 2,798 | — | 117 | 2,915 |
| Consumer installment: | | | | |
| Originated indirect paper | 5,049 | — | 61 | 5,110 |
| Other consumer | 5,853 | — | 7 | 5,860 |
| Gross loans | <u>\$ 1,409,055</u> | <u>\$ 8,848</u> | <u>\$ 14,420</u> | \$ 1,432,323 |
| Less: | | | | |
| Unearned net deferred fees and costs and loans in process | | | | (2,733) |
| Unamortized discount on acquired loans | | | | (1,002) |
| Allowance for credit losses | | | | (21,178) |
| Loans receivable, net | | | | <u>\$ 1,407,410</u> |

Below is a breakdown of loans by risk rating as of December 31, 2023:
(in thousands)

| | 1 to 5 | 6 | 7 | TOTAL |
|---|---------------------|------------------|------------------|---------------------|
| Total Loans: | | | | |
| Commercial/Agricultural real estate: | | | | |
| Commercial real estate | \$ 726,075 | \$ 9,832 | \$ 14,624 | \$ 750,531 |
| Agricultural real estate | 76,715 | 6,245 | 390 | 83,350 |
| Multi-family real estate | 228,095 | — | — | 228,095 |
| Construction and land development | 110,628 | 110 | 203 | 110,941 |
| C&I/Agricultural operating: | | | | |
| Commercial and industrial | 119,442 | 2,205 | 19 | 121,666 |
| Agricultural operating | 24,512 | — | 1,179 | 25,691 |
| Residential mortgage: | | | | |
| Residential mortgage | 125,913 | — | 3,108 | 129,021 |
| Purchased HELOC loans | 2,880 | — | — | 2,880 |
| Consumer installment: | | | | |
| Originated indirect paper | 6,491 | — | 44 | 6,535 |
| Other consumer | 6,158 | — | 29 | 6,187 |
| Gross loans | <u>\$ 1,426,909</u> | <u>\$ 18,392</u> | <u>\$ 19,596</u> | <u>\$ 1,464,897</u> |
| Less: | | | | |
| Unearned net deferred fees and costs and loans in process | | | | (2,900) |
| Unamortized discount on acquired loans | | | | (1,205) |
| Allowance for loan losses | | | | (22,908) |
| Loans receivable, net | | | | <u>\$ 1,437,884</u> |

Below is a breakdown of loans by risk rating as of September 30, 2023:
(in thousands)

| | 1 to 5 | 6 | 7 | TOTAL |
|---|---------------------|------------------|------------------|---------------------|
| Total Loans: | | | | |
| Commercial/Agricultural real estate: | | | | |
| Commercial real estate | \$ 729,891 | \$ 9,313 | \$ 11,078 | \$ 750,282 |
| Agricultural real estate | 77,462 | 6,611 | 485 | 84,558 |
| Multi-family real estate | 219,193 | — | — | 219,193 |
| Construction and land development | 109,594 | 111 | 94 | 109,799 |
| C&I/Agricultural operating: | | | | |
| Commercial and industrial | 118,062 | 2,950 | 21 | 121,033 |
| Agricultural operating | 22,124 | 1,058 | 1,370 | 24,552 |
| Residential mortgage: | | | | |
| Residential mortgage | 122,883 | — | 3,056 | 125,939 |
| Purchased HELOC loans | 2,881 | — | — | 2,881 |
| Consumer installment: | | | | |
| Originated indirect paper | 7,135 | — | 40 | 7,175 |
| Other consumer | 6,413 | — | 27 | 6,440 |
| Gross loans | <u>\$ 1,415,638</u> | <u>\$ 20,043</u> | <u>\$ 16,171</u> | <u>\$ 1,451,852</u> |
| Less: | | | | |
| Unearned net deferred fees and costs and loans in process | | | | (3,048) |
| Unamortized discount on acquired loans | | | | (1,275) |
| Allowance for loan losses | | | | (22,973) |
| Loans receivable, net | | | | <u>\$ 1,424,556</u> |

Allowance for Credit Losses - Loans

(in thousand, except ratios)

| | September 30, 2024 and Three Months Ended | June 30, 2024 and Three Months Ended | December 31, 2023 and Three Months Ended | September 30, 2023 and Three Months Ended |
|---|---|--|--|---|
| Allowance for Credit Losses ("ACL") | | | | |
| ACL - Loans, at beginning of period | \$ 21,178 | \$ 22,436 | \$ 22,973 | \$ 23,164 |
| Loans charged off: | | | | |
| Commercial/Agricultural real estate | (39) | — | — | — |
| C&I/Agricultural operating | — | — | — | — |
| Residential mortgage | (4) | — | — | (54) |
| Consumer installment | (11) | (12) | (6) | (3) |
| Total loans charged off | (54) | (12) | (6) | (57) |
| Recoveries of loans previously charged off: | | | | |
| Commercial/Agricultural real estate | 5 | 2 | 253 | 206 |
| C&I/Agricultural operating | 10 | 10 | 6 | 10 |
| Residential mortgage | 4 | 2 | 2 | — |
| Consumer installment | 5 | 2 | 9 | 2 |
| Total recoveries of loans previously charged off: | 24 | 16 | 270 | 218 |
| Net loan recoveries/(charge-offs) ("NCOs") | (30) | 4 | 264 | 161 |
| (Reductions) additions to ACL - Loans via provision for credit losses charged to operations | (148) | (1,262) | (329) | (352) |
| ACL - Loans, at end of period | \$ 21,000 | \$ 21,178 | \$ 22,908 | \$ 22,973 |
| Average outstanding loan balance | \$ 1,429,928 | \$ 1,439,535 | \$ 1,458,558 | \$ 1,435,284 |
| Ratios: | | | | |
| NCOs (annualized) to average loans | 0.01 % | 0.00 % | (0.07)% | (0.04)% |

Allowance for Credit Losses - Unfunded Commitments:

(in thousands)

In addition to the ACL - Loans, the Company has established an ACL - Unfunded Commitments of \$0.460 million at September 30, 2024, \$0.712 million at June 30, 2024, and \$1.250 million at December 31, 2023, classified in other liabilities on the consolidated balance sheets.

| | September 30, 2024 and Three Months Ended | June 30, 2024 and Three Months Ended | December 31, 2023 and Three Months Ended | September 30, 2023 and Three Months Ended |
|--|---|--|--|---|
| ACL - Unfunded commitments - beginning of period | \$ 712 | \$ 975 | \$ 1,571 | \$ 1,544 |
| Additions (reductions) to ACL - Unfunded commitments via provision for credit losses charged to operations | (252) | (263) | (321) | 27 |
| ACL - Unfunded commitments - End of period | \$ 460 | \$ 712 | \$ 1,250 | \$ 1,571 |

Delinquency Detail

Loan balances at amortized cost
(in thousands)

| | 30-59 Days Past Due | 60-89 Days Past Due | Greater Than 89 Days Past Due | Total Past Due | Current | Total Loans |
|---|------------------------|------------------------|--|-------------------|--------------------|--------------------|
| September 30, 2024 | | | | | | |
| Commercial/Agricultural real estate: | | | | | | |
| Commercial real estate | \$ 125 | \$ — | \$ 232 | \$ 357 | \$ 728,090 | \$ 728,447 |
| Agricultural real estate | 229 | — | 354 | 583 | 75,030 | 75,613 |
| Multi-family real estate | — | — | — | — | 239,065 | 239,065 |
| Construction and land development | 413 | — | — | 413 | 86,968 | 87,381 |
| C&I/Agricultural operating: | | | | | | |
| Commercial and industrial | 48 | 253 | 421 | 722 | 118,792 | 119,514 |
| Agricultural operating | — | — | 901 | 901 | 26,666 | 27,567 |
| Residential mortgage: | | | | | | |
| Residential mortgage | 1,534 | 770 | 1,070 | 3,374 | 131,093 | 134,467 |
| Purchased HELOC loans | — | — | 117 | 117 | 2,815 | 2,932 |
| Consumer installment: | | | | | | |
| Originated indirect paper | 9 | — | 12 | 21 | 4,384 | 4,405 |
| Other consumer | 21 | 29 | 2 | 52 | 5,385 | 5,437 |
| Total | \$ 2,379 | \$ 1,052 | \$ 3,109 | \$ 6,540 | \$1,418,288 | \$1,424,828 |
| June 30, 2024 | | | | | | |
| Commercial/Agricultural real estate: | | | | | | |
| Commercial real estate | \$ 103 | \$ 111 | \$ 533 | \$ 747 | \$ 726,423 | \$ 727,170 |
| Agricultural real estate | — | — | 354 | 354 | 77,428 | 77,782 |
| Multi-family real estate | — | — | — | — | 234,624 | 234,624 |
| Construction and land development | — | — | — | — | 87,379 | 87,379 |
| C&I/Agricultural operating: | | | | | | |
| Commercial and industrial | 277 | — | 421 | 698 | 126,610 | 127,308 |
| Agricultural operating | — | — | 1,017 | 1,017 | 26,405 | 27,422 |
| Residential mortgage: | | | | | | |
| Residential mortgage | 3,025 | 692 | 814 | 4,531 | 128,487 | 133,018 |
| Purchased HELOC loans | — | 117 | — | 117 | 2,798 | 2,915 |
| Consumer installment: | | | | | | |
| Originated indirect paper | 2 | 9 | 25 | 36 | 5,074 | 5,110 |
| Other consumer | 41 | 3 | 2 | 46 | 5,814 | 5,860 |
| Total | \$ 3,448 | \$ 932 | \$ 3,166 | \$ 7,546 | \$1,421,042 | \$1,428,588 |

Delinquency Detail (Continued)

Loan balances at amortized cost

(in thousands)

| | 30-59 Days Past Due | 60-89 Days Past Due | Greater Than 89 Days Past Due | Total Past Due | Current | Total Loans |
|---|------------------------|------------------------|--|-------------------|--------------------|--------------------|
| December 31, 2023 | | | | | | |
| Commercial/Agricultural real estate: | | | | | | |
| Commercial real estate | \$ 50 | \$ 308 | \$ 5,579 | \$ 5,937 | \$ 742,510 | \$ 748,447 |
| Agricultural real estate | 30 | — | 361 | 391 | 82,766 | 83,157 |
| Multi-family real estate | — | — | — | — | 228,004 | 228,004 |
| Construction and land development | — | — | 54 | 54 | 110,164 | 110,218 |
| C&I/Agricultural operating: | | | | | | |
| Commercial and industrial | 248 | — | — | 248 | 120,942 | 121,190 |
| Agricultural operating | — | — | 1,179 | 1,179 | 24,516 | 25,695 |
| Residential mortgage: | | | | | | |
| Residential mortgage | 856 | 583 | 1,023 | 2,462 | 126,017 | 128,479 |
| Purchased HELOC loans | 117 | — | — | 117 | 2,763 | 2,880 |
| Consumer installment: | | | | | | |
| Originated indirect paper | 66 | — | 12 | 78 | 6,457 | 6,535 |
| Other consumer | 38 | — | 20 | 58 | 6,129 | 6,187 |
| Total | \$ 1,405 | \$ 891 | \$ 8,228 | \$ 10,524 | \$1,450,268 | \$1,460,792 |
| September 30, 2023 | | | | | | |
| Commercial/Agricultural real estate: | | | | | | |
| Commercial real estate | \$ 523 | \$ — | \$ 5,650 | \$ 6,173 | \$ 741,945 | \$ 748,118 |
| Agricultural real estate | 36 | — | 438 | 474 | 83,854 | 84,328 |
| Multi-family real estate | — | — | — | — | 219,095 | 219,095 |
| Construction and land development | — | — | 94 | 94 | 108,947 | 109,041 |
| C&I/Agricultural operating: | | | | | | |
| Commercial and industrial | — | 150 | — | 150 | 120,382 | 120,532 |
| Agricultural operating | — | 292 | 958 | 1,250 | 23,321 | 24,571 |
| Residential mortgage: | | | | | | |
| Residential mortgage | 1,122 | 365 | 1,409 | 2,896 | 122,452 | 125,348 |
| Purchased HELOC loans | 117 | — | — | 117 | 2,764 | 2,881 |
| Consumer installment: | | | | | | |
| Originated indirect paper | 70 | 3 | 12 | 85 | 7,090 | 7,175 |
| Other consumer | 36 | 4 | 20 | 60 | 6,380 | 6,440 |
| Total | \$ 1,904 | \$ 814 | \$ 8,581 | \$ 11,299 | \$1,436,230 | \$1,447,529 |

Nonaccrual Loans Roll forward

Loan balances at amortized cost
(in thousands)

| | Quarter Ended | | | | |
|------------------------------|--------------------|-----------------|-----------------|-------------------|--------------------|
| | September 30, 2024 | June 30, 2024 | March 31, 2024 | December 31, 2023 | September 30, 2023 |
| Balance, beginning of period | \$ 8,352 | \$ 8,413 | \$ 13,184 | \$ 13,456 | \$ 15,663 |
| Additions | 7,486 | 352 | 961 | 538 | 33 |
| Charge offs | — | — | — | — | (53) |
| Transfers to OREO | (124) | — | — | (23) | — |
| Return to accrual status | — | — | — | — | (190) |
| Payments received | (641) | (411) | (5,767) | (781) | (1,994) |
| Other, net | (31) | (2) | 35 | (6) | (3) |
| Balance, end of period | <u>\$ 15,042</u> | <u>\$ 8,352</u> | <u>\$ 8,413</u> | <u>\$ 13,184</u> | <u>\$ 13,456</u> |

Other Real Estate Owned Roll forward

(in thousands)

| | Quarter Ended | | | | |
|--|--------------------|-----------------|-----------------|-------------------|--------------------|
| | September 30, 2024 | June 30, 2024 | March 31, 2024 | December 31, 2023 | September 30, 2023 |
| Balance, beginning of period | \$ 1,662 | \$ 1,845 | \$ 1,795 | \$ 1,046 | \$ 1,199 |
| Loans transferred in | — | — | 73 | 23 | — |
| Real estate transferred in from fixed assets | — | — | — | 724 | — |
| Real estate transferred in from fixed assets value reduction | — | — | (27) | — | — |
| Branch properties sales | — | — | — | — | — |
| Sales | (25) | (183) | — | — | (25) |
| Write-downs | (70) | — | — | — | (128) |
| Other, net | — | — | 4 | 2 | — |
| Balance, end of period | <u>\$ 1,567</u> | <u>\$ 1,662</u> | <u>\$ 1,845</u> | <u>\$ 1,795</u> | <u>\$ 1,046</u> |

The amortized cost, estimated fair value and related unrealized gains and losses on securities available for sale and held to maturity as of September 30, 2024 and December 31, 2023, respectively, were as follows:

| Available for sale securities | (in thousands) | | | |
|-------------------------------------|-------------------|------------------------|-------------------------|----------------------|
| | Amortized Cost | Gross Unrealized Gains | Gross Unrealized Losses | Estimated Fair Value |
| <u>September 30, 2024</u> | | | | |
| U.S. government agency obligations | \$ 14,497 | \$ 55 | \$ 95 | \$ 14,457 |
| Mortgage-backed securities | 89,439 | — | 15,419 | 74,020 |
| Corporate debt securities | 44,925 | 66 | 3,940 | 41,051 |
| Asset-backed securities | 20,021 | 38 | 155 | 19,904 |
| Total available for sale securities | <u>\$ 168,882</u> | <u>\$ 159</u> | <u>\$ 19,609</u> | <u>\$ 149,432</u> |
| <u>December 31, 2023</u> | | | | |
| U.S. government agency obligations | \$ 16,655 | \$ 77 | \$ 156 | \$ 16,576 |
| Mortgage-backed securities | 91,091 | — | 17,611 | 73,480 |
| Corporate debt securities | 47,158 | 6 | 5,990 | 41,174 |
| Asset-backed securities | 24,840 | 12 | 339 | 24,513 |
| Total available for sale securities | <u>\$ 179,744</u> | <u>\$ 95</u> | <u>\$ 24,096</u> | <u>\$ 155,743</u> |

| Held to maturity securities | (in thousands) | | | |
|--|------------------|--------------------------|---------------------------|----------------------|
| | Amortized Cost | Gross Unrecognized Gains | Gross Unrecognized Losses | Estimated Fair Value |
| <u>September 30, 2024</u> | | | | |
| Obligations of states and political subdivisions | \$ 500 | \$ — | \$ 19 | \$ 481 |
| Mortgage-backed securities | 86,533 | 8 | 15,976 | 70,565 |
| Total held to maturity securities | <u>\$ 87,033</u> | <u>\$ 8</u> | <u>\$ 15,995</u> | <u>\$ 71,046</u> |
| <u>December 31, 2023</u> | | | | |
| Obligations of states and political subdivisions | \$ 600 | \$ — | \$ 35 | \$ 565 |
| Mortgage-backed securities | 90,629 | 6 | 17,938 | 72,697 |
| Total held to maturity securities | <u>\$ 91,229</u> | <u>\$ 6</u> | <u>\$ 17,973</u> | <u>\$ 73,262</u> |

The composition of our available for sale portfolios by credit rating as of the dates indicated below was as follows:

| Available for sale securities | (in thousands) | | | |
|-------------------------------------|--------------------|-------------------|-------------------|-------------------|
| | September 30, 2024 | | December 31, 2023 | |
| | Amortized Cost | Fair Value | Amortized Cost | Fair Value |
| U.S. government agency | \$ 96,246 | \$ 80,821 | \$ 98,977 | \$ 81,351 |
| AAA | 10,366 | 10,322 | 9,695 | 9,508 |
| AA | 17,345 | 17,239 | 23,913 | 23,709 |
| A | 5,950 | 5,571 | 8,200 | 7,292 |
| BBB | 38,975 | 35,479 | 38,959 | 33,883 |
| Non-rated | — | — | — | — |
| Total available for sale securities | <u>\$ 168,882</u> | <u>\$ 149,432</u> | <u>\$ 179,744</u> | <u>\$ 155,743</u> |

The composition of our held to maturity portfolio by credit rating as of the dates indicated was as follows:

| Held to maturity securities | (in thousands) | | | |
|-----------------------------|--------------------|------------------|-------------------|------------------|
| | September 30, 2024 | | December 31, 2023 | |
| | Amortized Cost | Fair Value | Amortized Cost | Fair Value |
| U.S. government agency | \$ 86,533 | \$ 70,565 | \$ 90,629 | \$ 72,697 |
| AAA | — | — | — | — |
| AA | — | — | — | — |
| A | 500 | 481 | 600 | 565 |
| Total | \$ 87,033 | \$ 71,046 | \$ 91,229 | \$ 73,262 |

On July 23, 2021, the Board of Directors adopted a share repurchase program, pursuant to which Citizens Community Bancorp, Inc. was authorized to repurchase 532,962 shares of its common stock, or approximately 5% of the outstanding shares on that date. On July 25, 2024, the Board of Directors authorized an additional stock repurchase program of 5% or 512,709 shares. As of the beginning of the quarter ended September 30, 2024, 555 thousand shares were collectively available for purchase under the 2021 and 2024 share repurchase programs. During the quarter ended September 30, 2024, 223 thousand shares were repurchased under the program. As of September 30, 2024, no shares remain available under the 2021 share repurchase program, and an additional 332 thousand shares remain available for repurchase under the 2024 share repurchase program.

Earnings Per Share

(Amounts in thousands, except per share data)

| | Three Months Ended | | | Nine Months Ended | |
|---|--------------------|---------------|--------------------|--------------------|--------------------|
| | September 30, 2024 | June 30, 2024 | September 30, 2023 | September 30, 2024 | September 30, 2023 |
| Basic | | | | | |
| Net income attributable to common shareholders | \$ 3,286 | \$ 3,675 | \$ 2,498 | \$ 11,049 | \$ 9,366 |
| Weighted average common shares outstanding | 10,198 | 10,370 | 10,470 | 10,335 | 10,473 |
| Basic earnings per share | \$ 0.32 | \$ 0.35 | \$ 0.24 | \$ 1.07 | \$ 0.89 |
| Diluted | | | | | |
| Net income attributable to common shareholders | \$ 3,286 | \$ 3,675 | \$ 2,498 | \$ 11,049 | \$ 9,366 |
| Weighted average common shares outstanding | 10,198 | 10,370 | 10,470 | 10,335 | 10,473 |
| Add: Dilutive stock options outstanding | 6 | 3 | — | 5 | 2 |
| Average shares and dilutive potential common shares | 10,204 | 10,373 | 10,470 | 10,340 | 10,475 |
| Diluted earnings per share | \$ 0.32 | \$ 0.35 | \$ 0.24 | \$ 1.07 | \$ 0.89 |
| Common stock issued and outstanding | 10,074 | 10,297 | 10,468 | 10,074 | 10,468 |

Economic Value of Equity

| Change in Interest Rates in Basis Points (“bp”) Rate Shock in Rates (1) | Percent Change in Economic Value of Equity (EVE) | |
|--|--|----------------------|
| | At September 30, 2024 | At December 31, 2023 |
| +300 bp | 0 % | 0 % |
| +200 bp | 0 % | 0 % |
| +100 bp | 0 % | 0 % |
| -100 bp | 0 % | 0 % |
| -200 bp | (2)% | (2)% |

Net Interest Income Over One Year Horizon

| Change in Interest Rates in Basis Points (“bp”) Rate Shock in Rates (1) | Percent Change in Net Interest Income Over One Year Horizon | |
|--|--|----------------------|
| | At September 30, 2024 | At December 31, 2023 |
| +300 bp | (11)% | (13)% |
| +200 bp | (7)% | (8)% |
| +100 bp | (4)% | (4)% |
| -100 bp | 3 % | 4 % |
| -200 bp | 5 % | 7 % |

**CITIZENS COMMUNITY FEDERAL N.A.
Selected Capital Composition Highlights**

| | September 30, 2024 (unaudited) | June 30, 2024 (unaudited) | December 31, 2023 (audited) | September 30, 2023 (unaudited) | To Be Well Capitalized Under Prompt Corrective Action Provisions |
|--|--------------------------------------|---------------------------------|-----------------------------------|--------------------------------------|--|
| Tier 1 leverage ratio (to adjusted total assets) | 11.7% | 11.7% | 11.5% | 11.6% | 5.0% |
| Tier 1 capital (to risk weighted assets) | 13.8% | 13.7% | 13.4% | 13.3% | 8.0% |
| Common equity tier 1 capital (to risk weighted assets) | 13.8% | 13.7% | 13.4% | 13.3% | 6.5% |
| Total capital (to risk weighted assets) | 15.0% | 15.0% | 14.6% | 14.6% | 10.0% |

**CITIZENS COMMUNITY BANCORP, INC.
Selected Capital Composition Highlights**

| | September 30, 2024 (unaudited) | June 30, 2024 (unaudited) | December 31, 2023 (audited) | September 30, 2023 (unaudited) | For Capital Adequacy Purposes |
|--|--------------------------------------|---------------------------------|-----------------------------------|--------------------------------------|----------------------------------|
| Tier 1 leverage ratio (to adjusted total assets) | 9.2% | 9.1% | 8.9% | 8.7% | 4.0% |
| Tier 1 capital (to risk weighted assets) | 10.8% | 10.7% | 10.3% | 10.0% | 6.0% |
| Common equity tier 1 capital (to risk weighted assets) | 10.8% | 10.7% | 10.3% | 10.0% | 4.5% |
| Total capital (to risk weighted assets) | 15.3% | 15.2% | 14.7% | 14.4% | 8.0% |

Fair Value Accounting

ASC Topic 820-10, “*Fair Value Measurements and Disclosures*” establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The topic describes three levels of inputs that may be used to measure fair value:

Level 1- Quoted prices (unadjusted) for identical assets or liabilities in active markets that the Company has the ability to access as of the measurement date.

Level 2- Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3- Significant unobservable inputs that reflect the Company’s assumptions about the factors that market participants would use in pricing an asset or liability.

A financial instrument’s categorization within the valuation hierarchy is based upon the lowest level of input within the valuation hierarchy that is significant to the fair value measurement.

The fair value of securities available for sale is determined by obtaining market price quotes from independent third parties wherever such quotes are available (Level 1 inputs); or matrix pricing, which is a mathematical technique widely used in the industry to value debt securities without relying exclusively on quoted prices for the specific securities but rather by relying on the securities’ relationship to other benchmark quoted securities (Level 2 inputs). Where such quotes are not available, we utilize independent third party valuation analysis to support our own estimates and judgments in determining fair value (Level 3 inputs).

Fair Value Table

The table below represents what we would receive to sell an asset or what we would have to pay to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying amount and estimated fair value of the Company’s financial instruments as of the dates indicated below were as follows:

| | Valuation Method Used | September 30, 2024 | |
|--|-----------------------|--------------------|----------------------|
| | | Carrying Amount | Estimated Fair Value |
| Financial assets: | | | |
| Cash and cash equivalents | (Level I) | \$ 36,632 | \$ 36,632 |
| Securities available for sale “AFS” | (Level II) | 149,432 | 149,432 |
| Securities held to maturity “HTM” | (Level II) | 87,033 | 71,046 |
| Farmer Mac equity securities | (Level I) | 540 | 540 |
| Preferred equity | (Level III) | 1,812 | 1,812 |
| Equity investments valued at NAV (1) | N/A | 2,744 | N/A |
| Other investments | (Level II) | 12,311 | 12,311 |
| Loans receivable, net | (Level III) | 1,403,828 | 1,379,680 |
| Loans held for sale - Residential mortgage | (Level I) | 535 | 535 |
| Loans held for sale - SBA /FSA | (Level II) | 162 | 162 |
| Mortgage servicing rights | (Level III) | 3,696 | 5,025 |
| Accrued interest receivable | (Level I) | 6,235 | 6,235 |
| Financial liabilities: | | | |
| Deposits | (Level III) | \$ 1,520,667 | \$ 1,520,399 |
| FHLB advances | (Level II) | 21,000 | 20,915 |
| Other borrowings | (Level II) | 61,548 | 57,225 |
| Accrued interest payable | (Level I) | 6,887 | 6,887 |

(1) Investments valued at NAV are excluded from being reported under the fair value hierarchy but are presented to permit reconciliation with the balance sheet in accordance with ASC 820-10-35-54B.