

The logo for Citizens Community Bancorp Inc. features a stylized red swoosh that starts below the 'C' in 'Citizens', curves under the word 'Community', and ends above the 'B' in 'Bancorp'.

Citizens Community Bancorp Inc.

Earnings Release Presentation

2025 Second Quarter Results

Cautionary Notes and Additional Disclosures

DATES AND PERIODS PRESENTED

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 presentation 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 ability 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, 2024, filed with the Securities and Exchange Commission (“SEC”) on March 13, 2025, 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

These slides contain 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, EPS as adjusted, ROAA as adjusted, return on average tangible common equity (ROATCE), ROATCE as adjusted, tangible book value, tangible book value per share, efficiency ratio as adjusted and tangible common equity / tangible assets. Reconciliations of all Non-GAAP financial measures used herein to the comparable GAAP financial measures appear in the appendix at the end of this presentation.

SOURCE

Unless otherwise noted, internal Company documents

Markets

Growing markets with diverse industries mitigate volatility and support steady growth

Returns

Earnings and TCE profile supports double digit percentage dividend growth and share buyback activity

Asset Quality

Sound underwriting practices and portfolio administration have produced strong credit performance

Capital Ratios

Strong bank capital ratios and holding company TCE ratio of 8.89%

Insider Ownership

Board and Executive Management, including former chairperson, beneficially own 6% of outstanding shares

Capital Management

Optimize balance sheet and earnings to support share buybacks and maintain TCE >8% to weather economic shocks

Diversification

Broad industry exposure in deposit and loan portfolios provides stability in earnings, capital and asset quality in various economic cycles

Strong Credit Culture

Strength of credit culture demonstrated by prudent underwriting, disciplined loan administration, and net charge offs averaging <5 bps since 2017

Operating Leverage

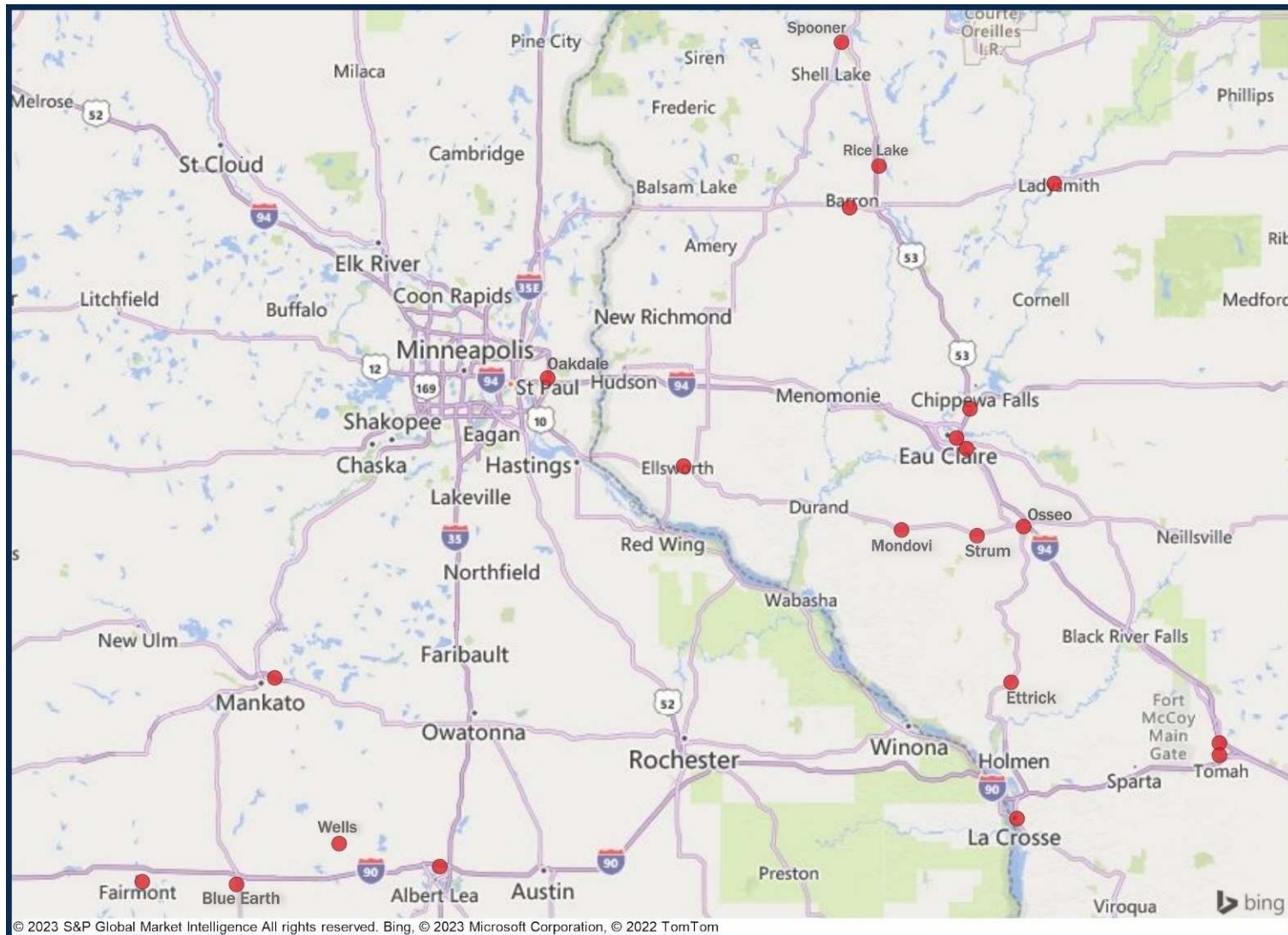
Management track record of holding expense growth below the rate of inflation by utilizing technology to reduce operating and occupancy costs and improve productivity

Culture

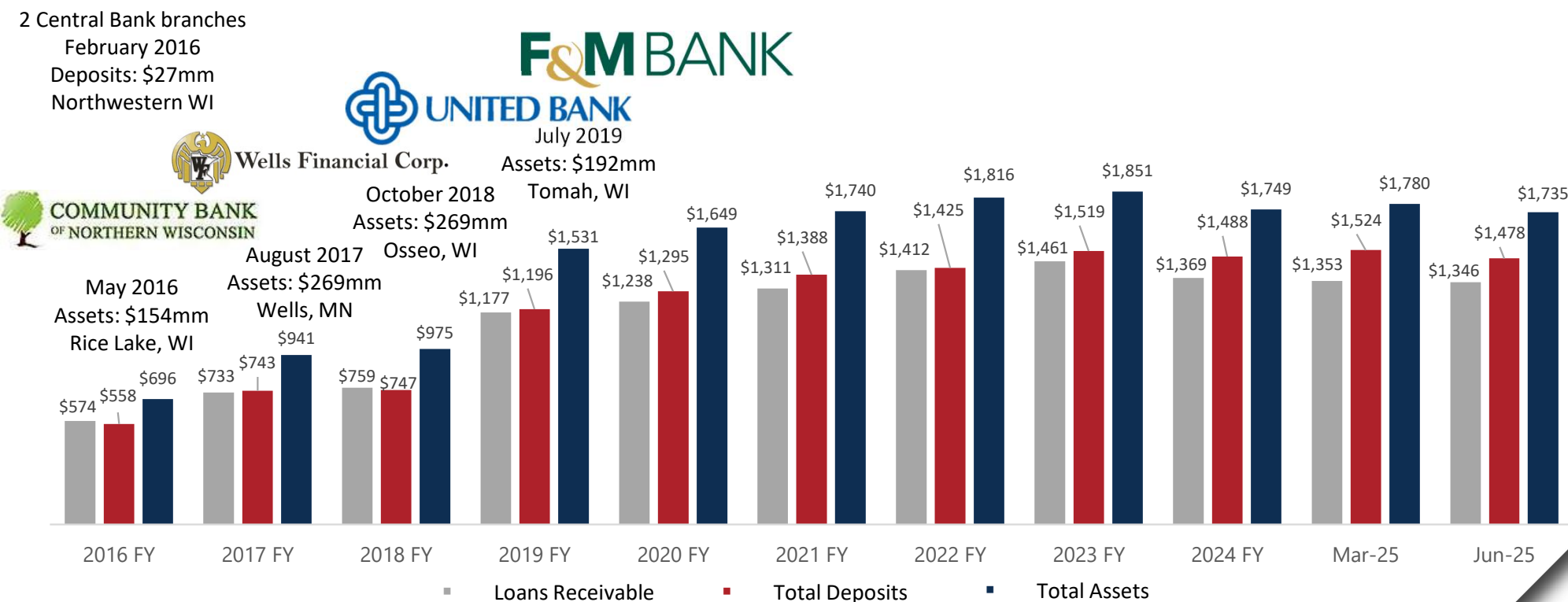
Accountability for executing business strategy that engages customers, colleagues, and our communities to generate strong results and increase franchise value

Operating Market Overview

CZWI Operates in diverse markets within the northwestern region of Wisconsin, metro Twin Cities and the Mankato, Minnesota MSA



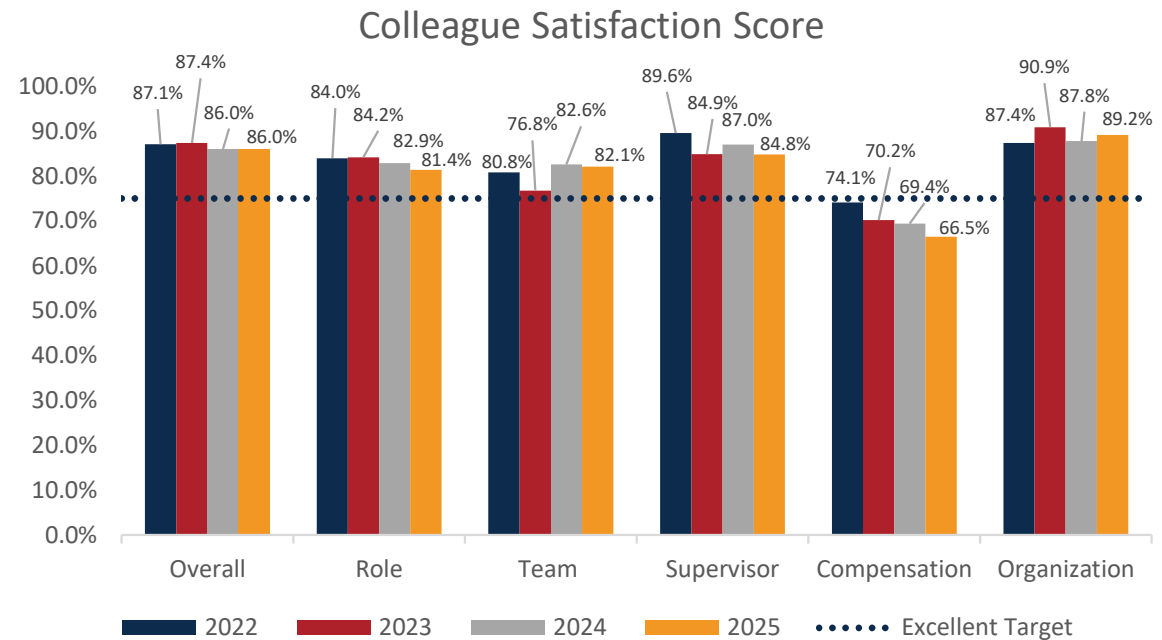
CZWI has transformed the Company from a consumer bank to a commercial bank to strengthen the earnings profile and franchise.



Culture & Engagement



	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Participation Rate:	91.4%	84.8%	95.1%	95.0%



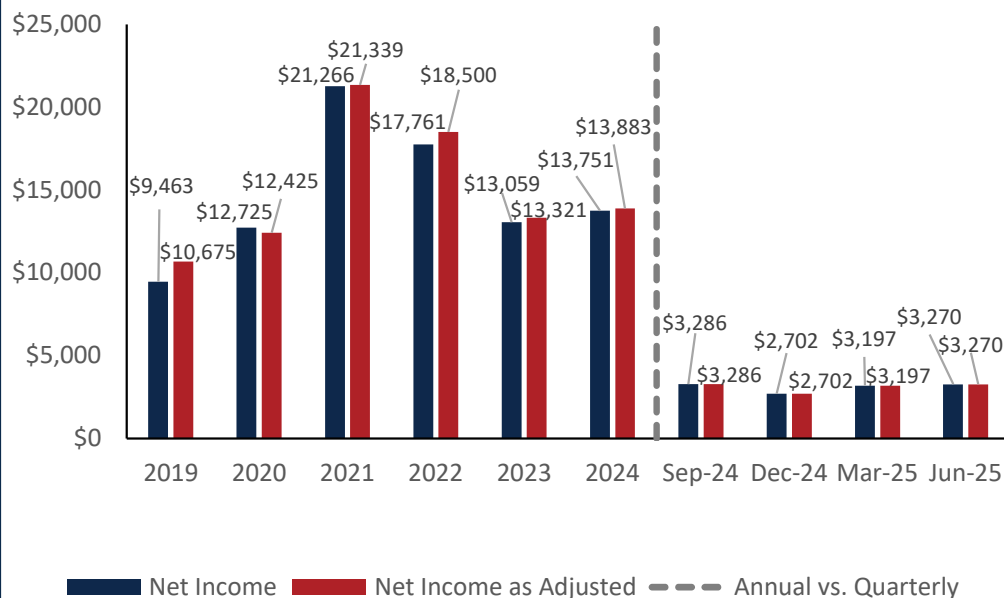
Pre-Provision Net Revenue (PPNR)

(000s)	Pre-Provision Net Revenue (PPNR)					
	Jun-25	Mar-25	Dec-24	Sep-24	Jun-24	Mar-24
Pre-tax income	\$ 4,047	\$ 3,974	\$ 3,358	\$ 4,185	\$ 4,715	\$ 5,192
Add back provision for credit losses	1,350					
Subtract negative provision for credit losses	-	(250)	(450)	(400)	(1,525)	(800)
Pre-Provision Net Revenue	<u>\$ 5,397</u>	<u>\$ 3,724</u>	<u>\$ 2,908</u>	<u>\$ 3,785</u>	<u>\$ 3,190</u>	<u>\$ 4,392</u>

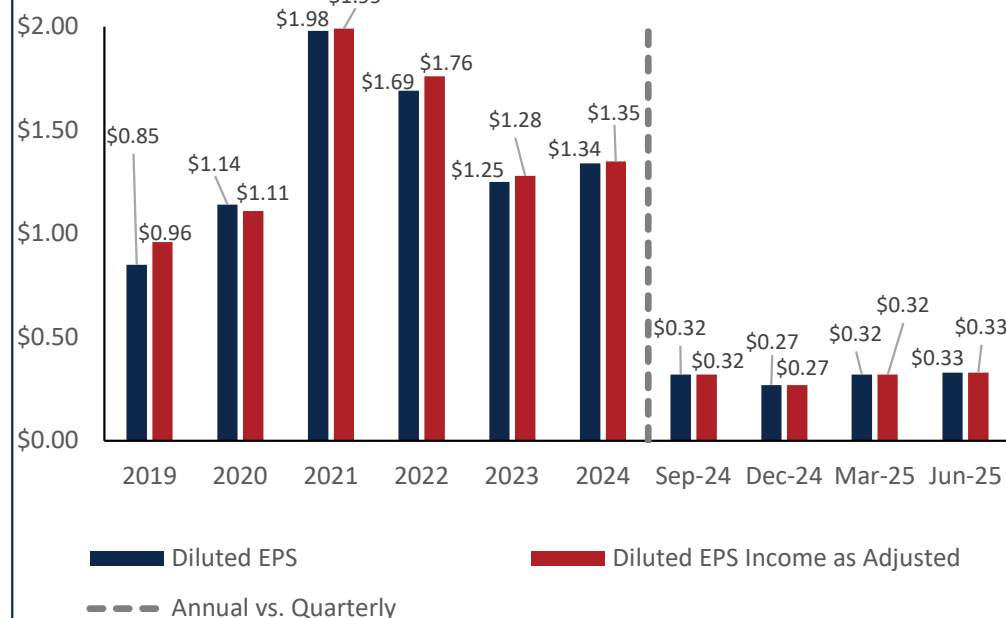
Pre-Provision Net Revenue (“PPNR”) is defined as net interest income plus total non-interest income minus total non-interest expense. This measure is a non-US GAAP financial measure since it excludes the provision for (recovery of) credit losses included in net income. This measure should not be viewed as a substitute for operating results determined in accordance with GAAP.

Net Income and Diluted EPS

Net Income



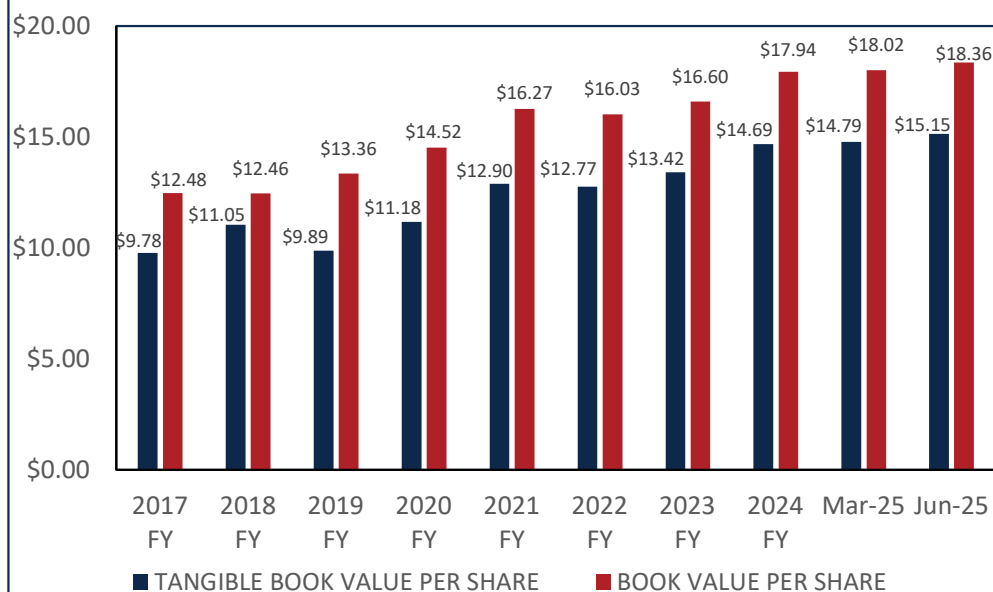
Diluted EPS



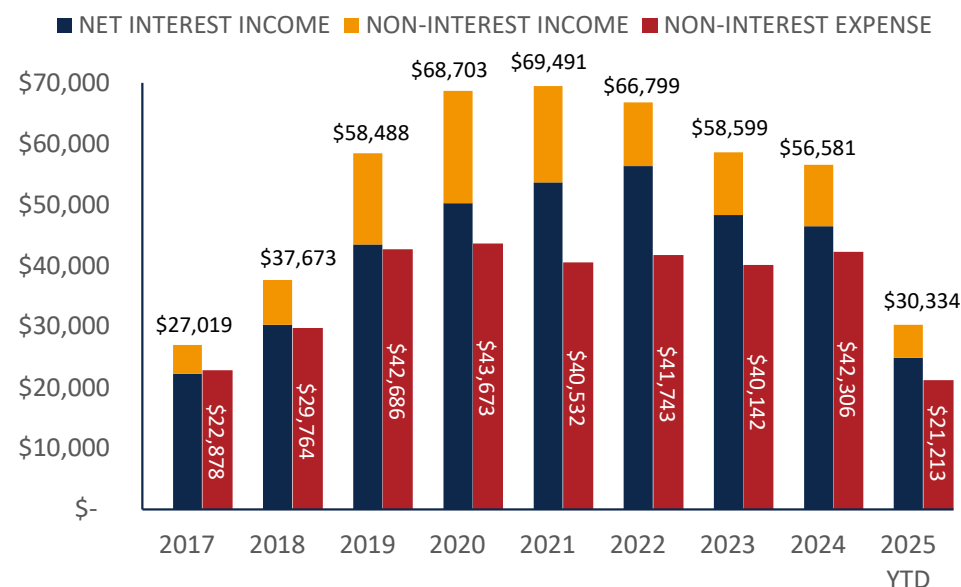
Net Income as Adjusted and Diluted EPS Income as Adjusted are non-GAAP financial measures, which management believes may be helpful in understanding the Company's results of operations or financial position and comparing results over different periods. Reconciliation of Net Income and Diluted EPS Income as Adjusted to the comparable GAAP financial measure can be found in the appendix of this presentation. These measures should not be viewed as a substitute for operating results determined in accordance with GAAP.

Book Value, Tangible Book Value and Core Net Revenue Detail

BOOK VALUE AND TANGIBLE BOOK VALUE PER SHARE

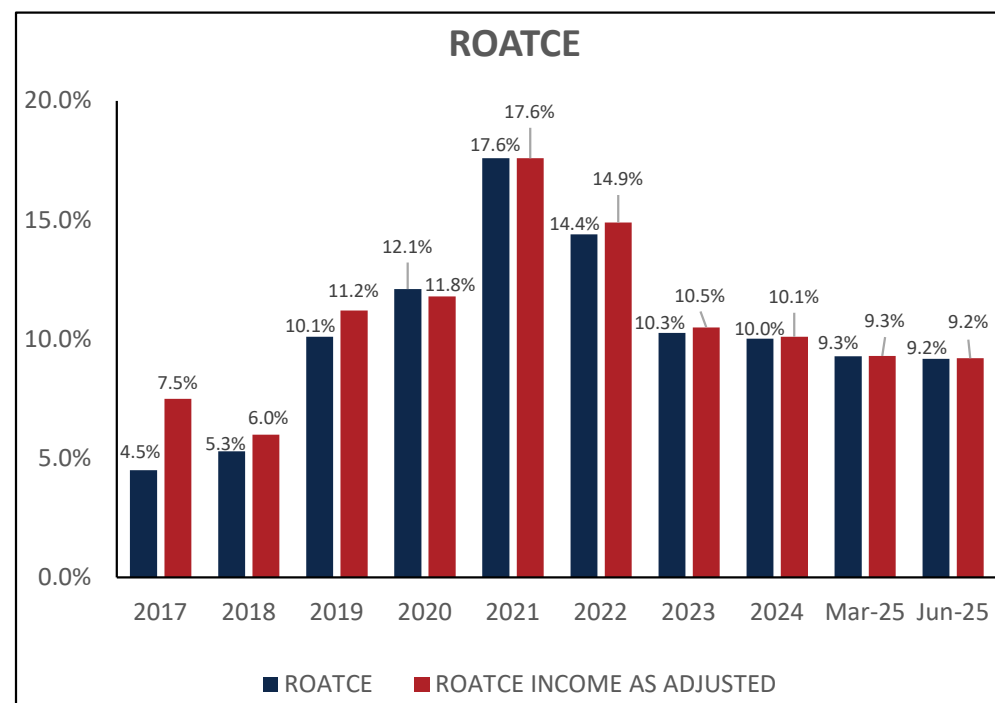
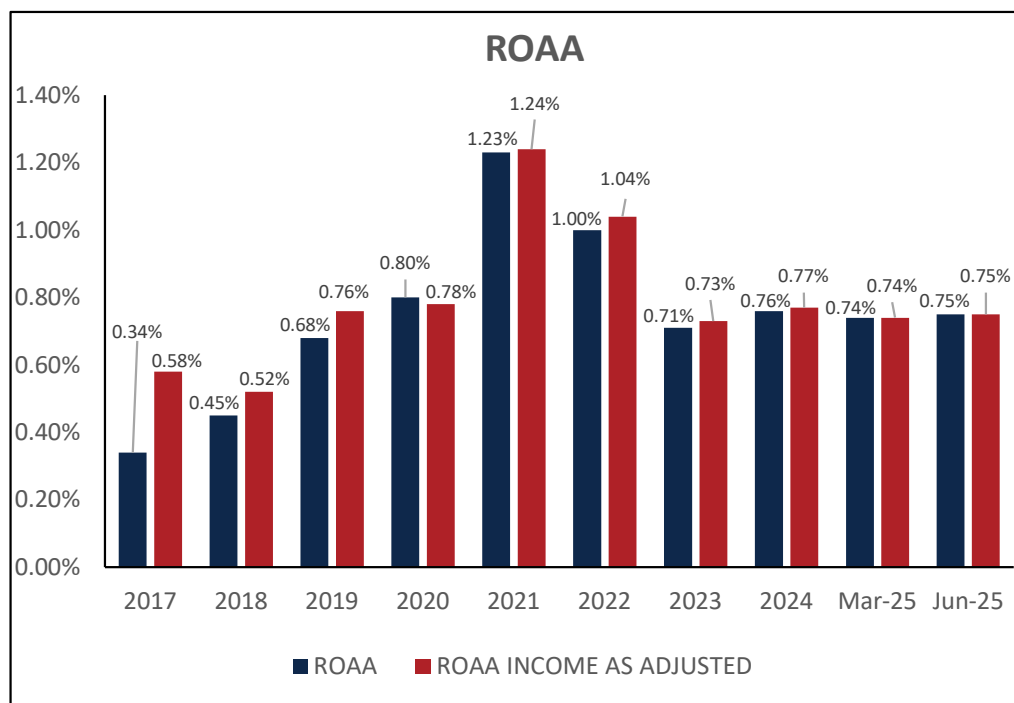


CORE NET REVENUE DETAIL (\$000)



Tangible book value per share is a non-GAAP measure which management believes may be helpful in assessing capital adequacy. The reconciliation of Tangible book value per share can be found in the appendix of this presentation. These measures should not be viewed as substitutes for operating results determined in accordance with GAAP.

Return on Average Assets and Return on Average Tangible Common Equity

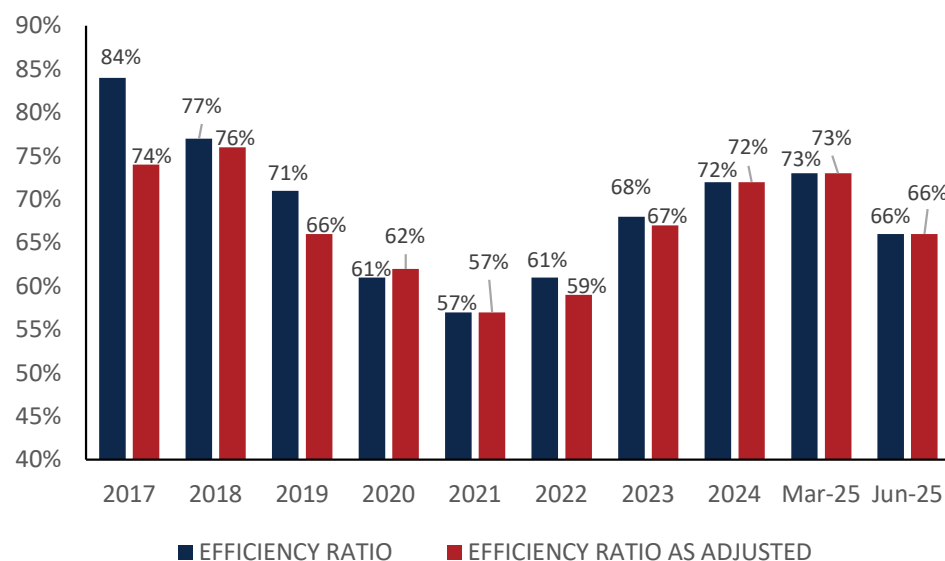


Quarterly data is annualized for the quarterly 2025 information.

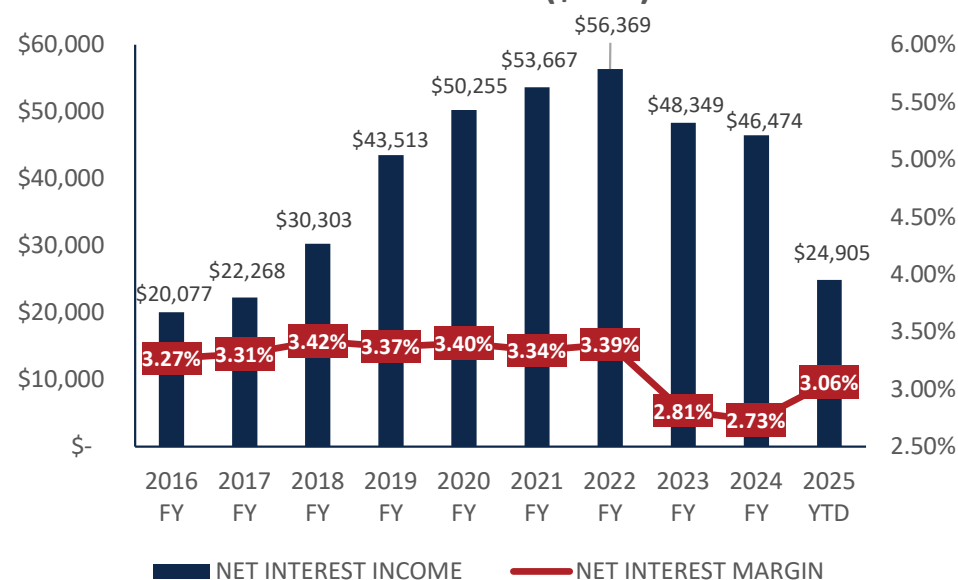
Return on average assets as adjusted, return on average tangible common equity (ROATCE) and ROATCE as adjusted are non-GAAP measures, which management believes may be helpful in understanding the underlying business performance trends related to average assets and average tangible equity. Reconciliations of ROAA as adjusted, ROTCE, and ROTCE as adjusted can be found in the appendix of this presentation. These measures should not be viewed as substitutes for operating results determined in accordance with GAAP.

Efficiency Ratio, Net Interest Income (NII) and Net Interest Margin (NIM)

EFFICIENCY RATIO



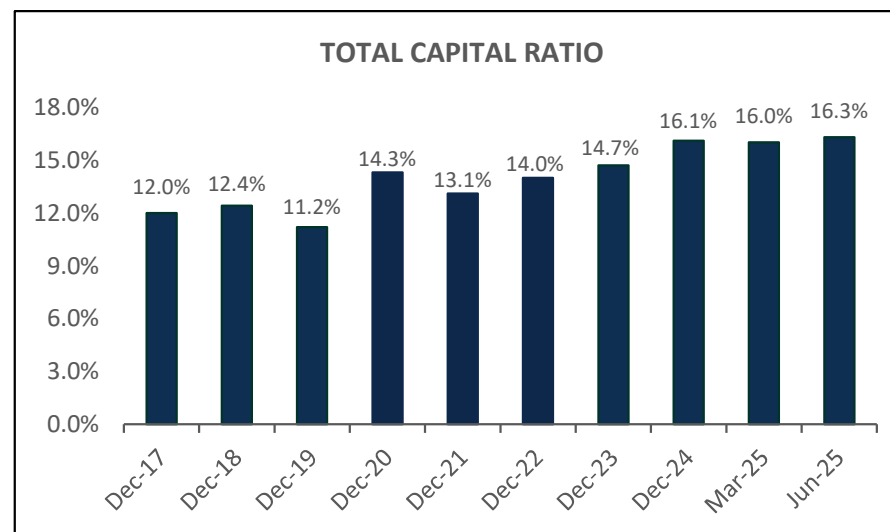
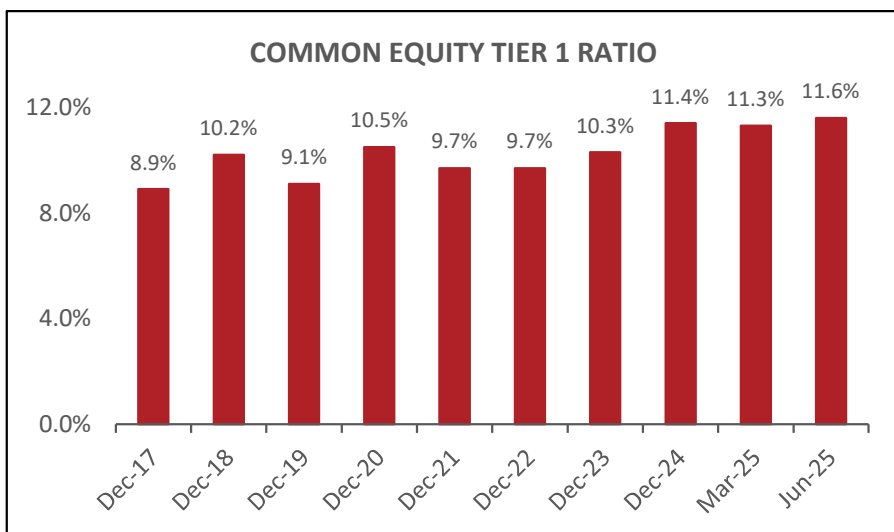
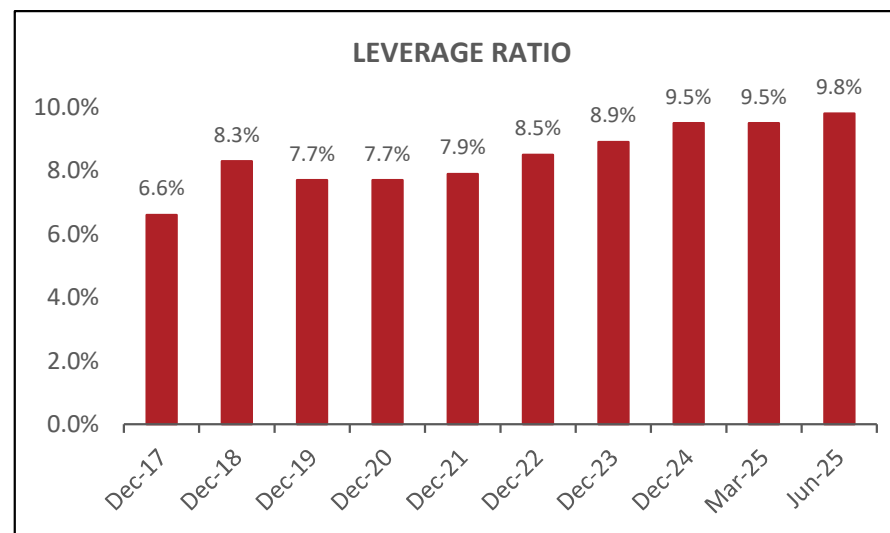
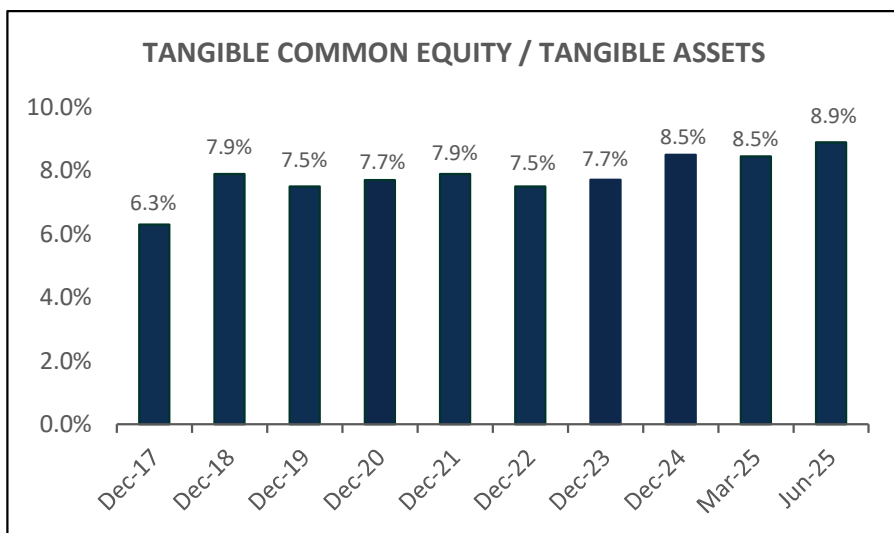
NII AND NIM (\$'000)



The efficiency ratio as adjusted is a non-GAAP measure, which management believes may be helpful in understanding the underlying business performance trends related to non-interest expense. A reconciliation of the efficiency ratio as adjusted to its comparable GAAP financial measure can be found in the appendix of this presentation. This measure should not be viewed as a substitute for operating results determined in accordance with GAAP.

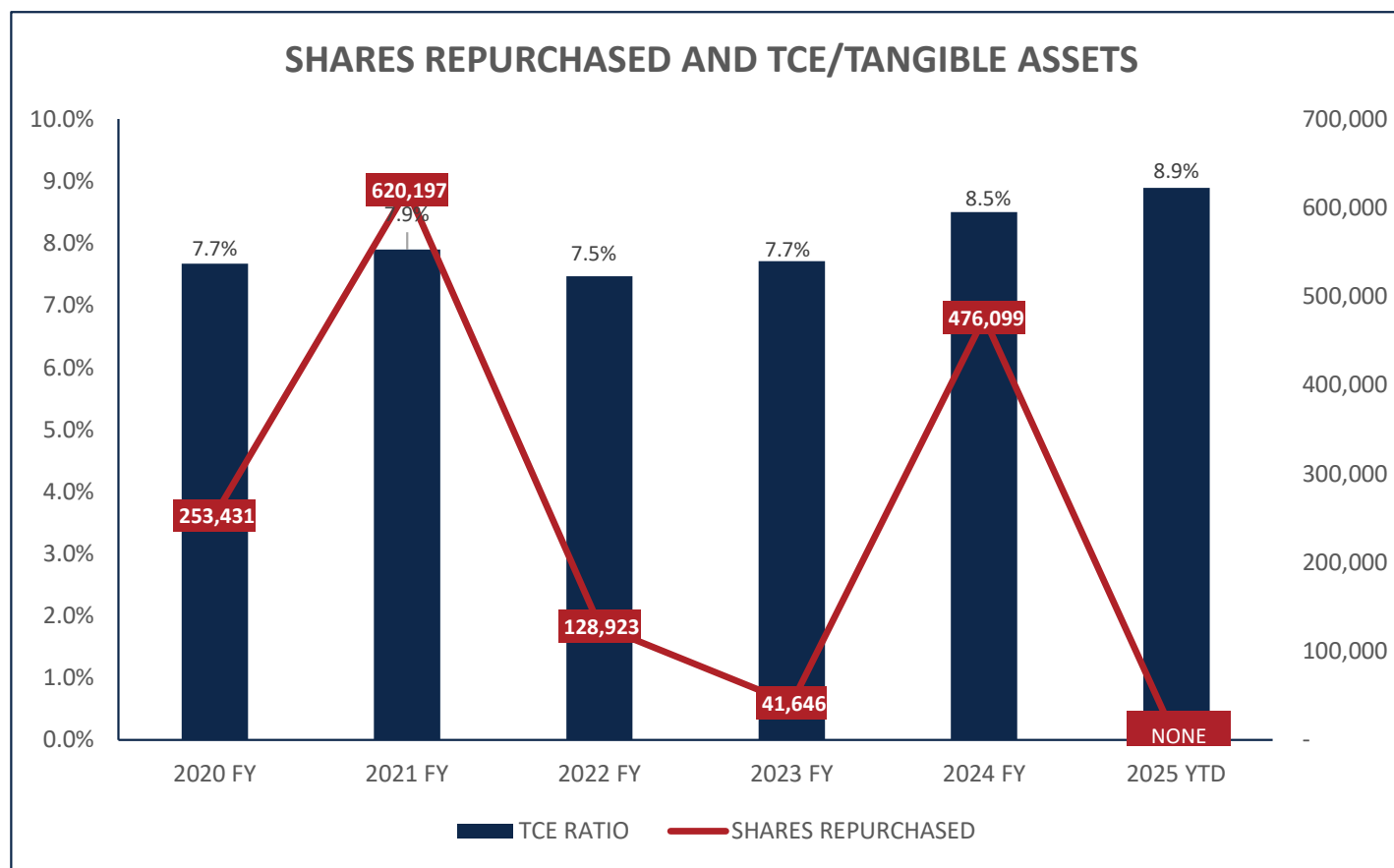
Citizens Community Bancorp, Inc.

Capital Ratios



Tangible common equity/tangible assets is a non-GAAP measure, which management believes may be helpful in understanding the underlying business performance trends related to tangible assets and tangible common equity. A reconciliation of tangible common equity and tangible assets to its comparable financial measure can be found in the appendix of the presentation. This measure should not be viewed as a substitute for operating results determined in accordance with GAAP.

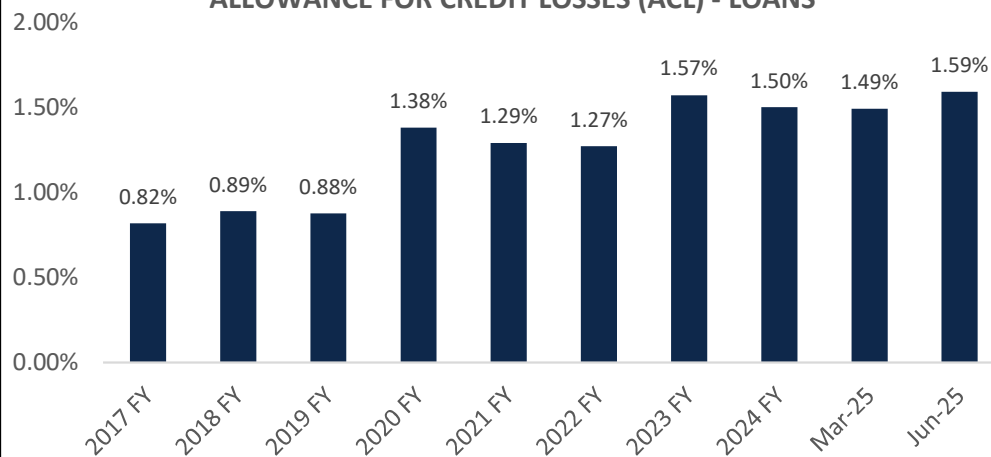
CZWI Shares Repurchased and Tangible Common Equity (TCE) as a Percent of Tangible Assets (non-GAAP)



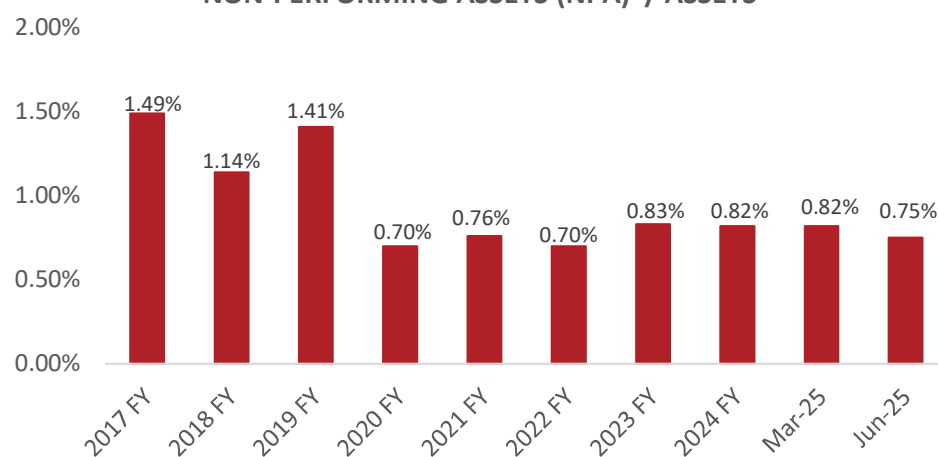
Tangible common equity/tangible assets is a non-GAAP measure, which management believes may be helpful in understanding the underlying business performance trends related to tangible assets and tangible common equity. A reconciliation of tangible common equity and tangible assets to its comparable financial measure can be found in the appendix of the presentation. This measure should not be viewed as a substitute for operating results determined in accordance with GAAP.

Asset Quality

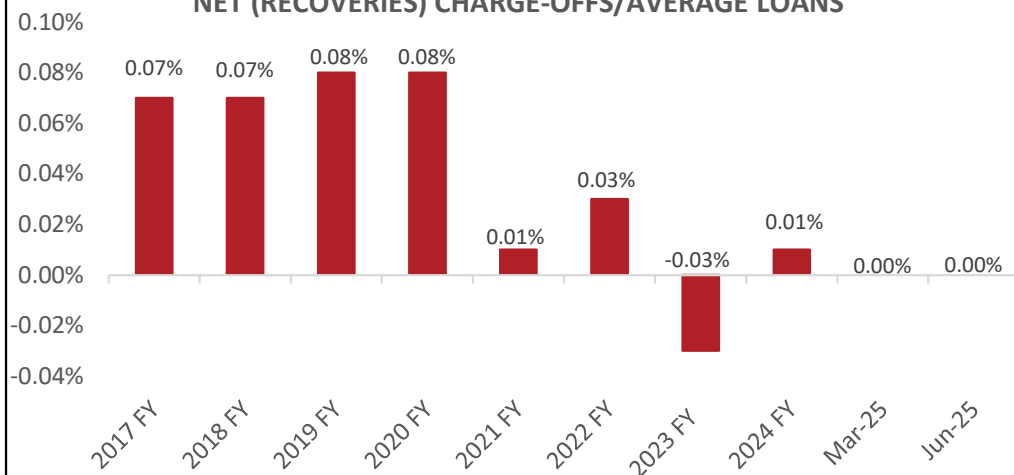
ALLOWANCE FOR CREDIT LOSSES (ACL) - LOANS



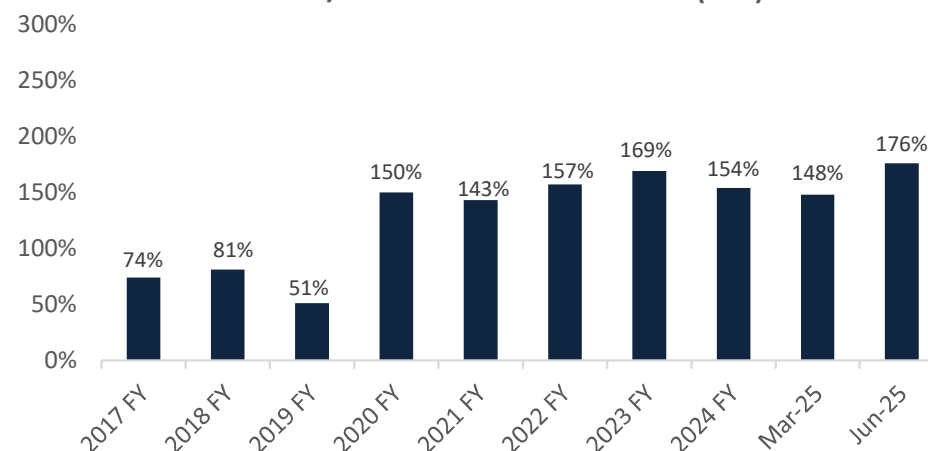
NON-PERFORMING ASSETS (NPA) / ASSETS



NET (RECOVERIES) CHARGE-OFFS/AVERAGE LOANS



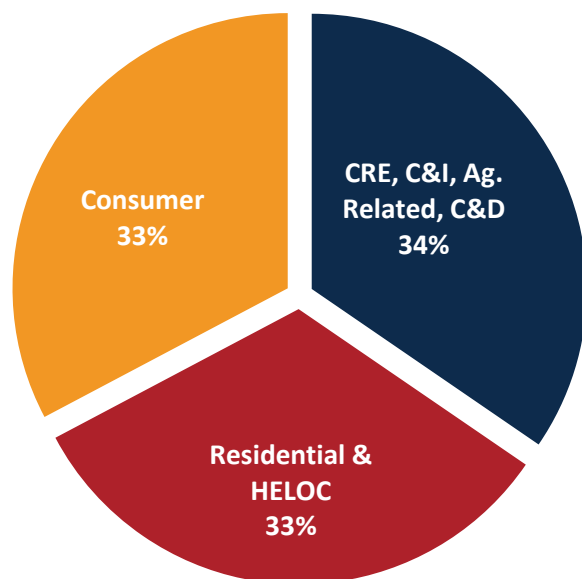
ACL-LOANS / NON-PERFORMING LOANS (NPL)



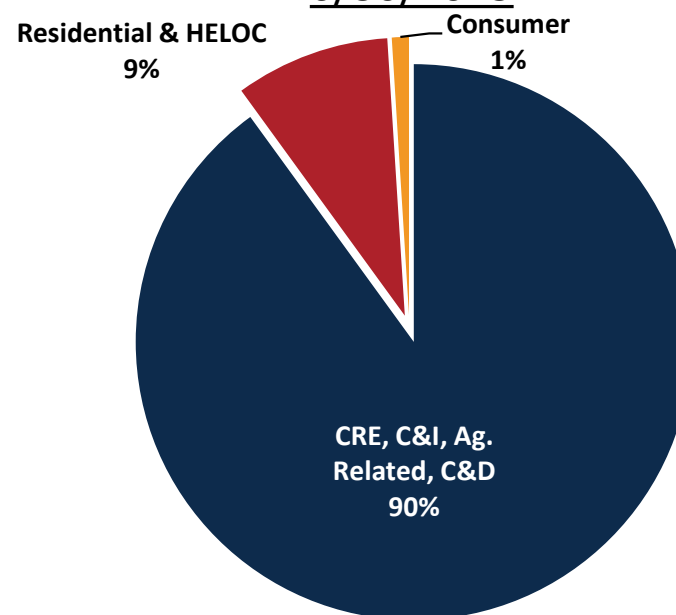
Quarterly data is annualized for the quarterly 2025 information.

Loan Portfolio

9/30/2016



6/30/2025

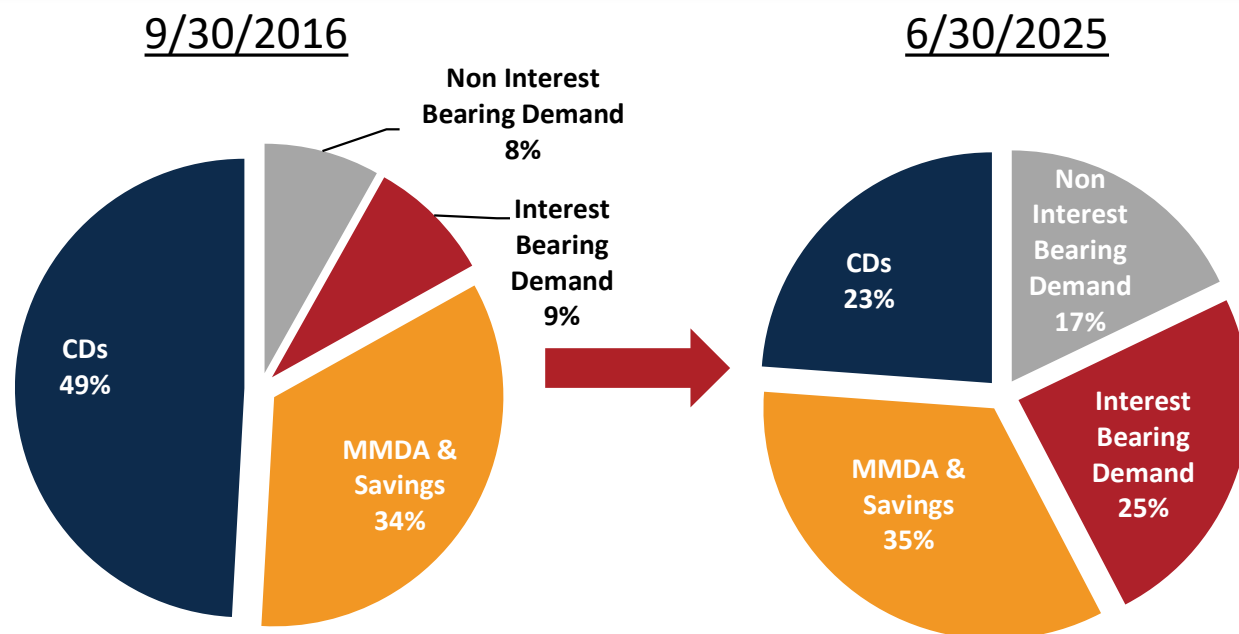


(\$000s)	Sep-16	Sep-17	Sep-18	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24	Mar-25	Jun-25	
Commercial Real Estate	\$54,600	\$109,024	\$156,735	\$420,383	\$425,283	\$610,214	\$630,857	\$653,437	\$621,251	\$623,621	\$606,083	
Housing related CRE	\$53,475	\$77,166	\$108,029	\$181,084	\$204,544	\$266,600	\$304,022	\$325,189	\$308,572	\$324,226	\$326,252	
Commercial & Industrial	\$31,001	\$55,251	\$76,254	\$133,734	\$116,553	\$122,167	\$136,013	\$121,666	\$115,657	\$109,620	\$109,202	
Ag. Real Estate / Ag. Operating	\$42,845	\$91,875	\$97,066	\$123,143	\$101,580	\$110,083	\$116,714	\$109,041	\$104,130	\$100,381	\$101,113	
Construction & Development	\$16,580	\$19,708	\$17,739	\$86,410	\$98,517	\$79,520	\$102,492	\$110,941	\$78,489	\$58,461	\$70,477	
Residential mortgage and												
Purchased HELOC loans	\$187,738	\$247,634	\$209,781	\$184,739	\$137,646	\$94,861	\$108,651	\$131,901	\$135,297	\$131,630	\$128,186	
Indirect Consumer Installment	\$168,294	\$115,287	\$78,245	\$39,585	\$25,851	\$15,971	\$10,236	\$6,535	\$3,970	\$3,434	\$2,959	
Consumer Installment	\$19,715	\$20,668	\$18,844	\$18,186	\$13,213	\$8,874	\$7,150	\$6,187	\$5,012	\$4,679	\$4,275	
Gross Loans Ex SBA PPP Loans	\$574,248	\$736,613	\$762,693	\$1,187,264	\$1,123,187	\$1,308,290	\$1,416,135	\$1,464,897	\$1,372,378	\$1,356,052	\$1,348,547	
SBA PPP Loans	\$0	\$0	\$0	\$0	\$123,702	\$8,755	\$0	\$0	\$0	\$0	\$0	
Total Gross Loans	\$574,248	\$736,613	\$762,693	\$1,187,264	\$1,246,889	\$1,317,045	\$1,416,135	\$1,464,897	\$1,372,378	\$1,356,052	\$1,348,547	

Q2 2025
5.96%
Yield

Deposit Composition

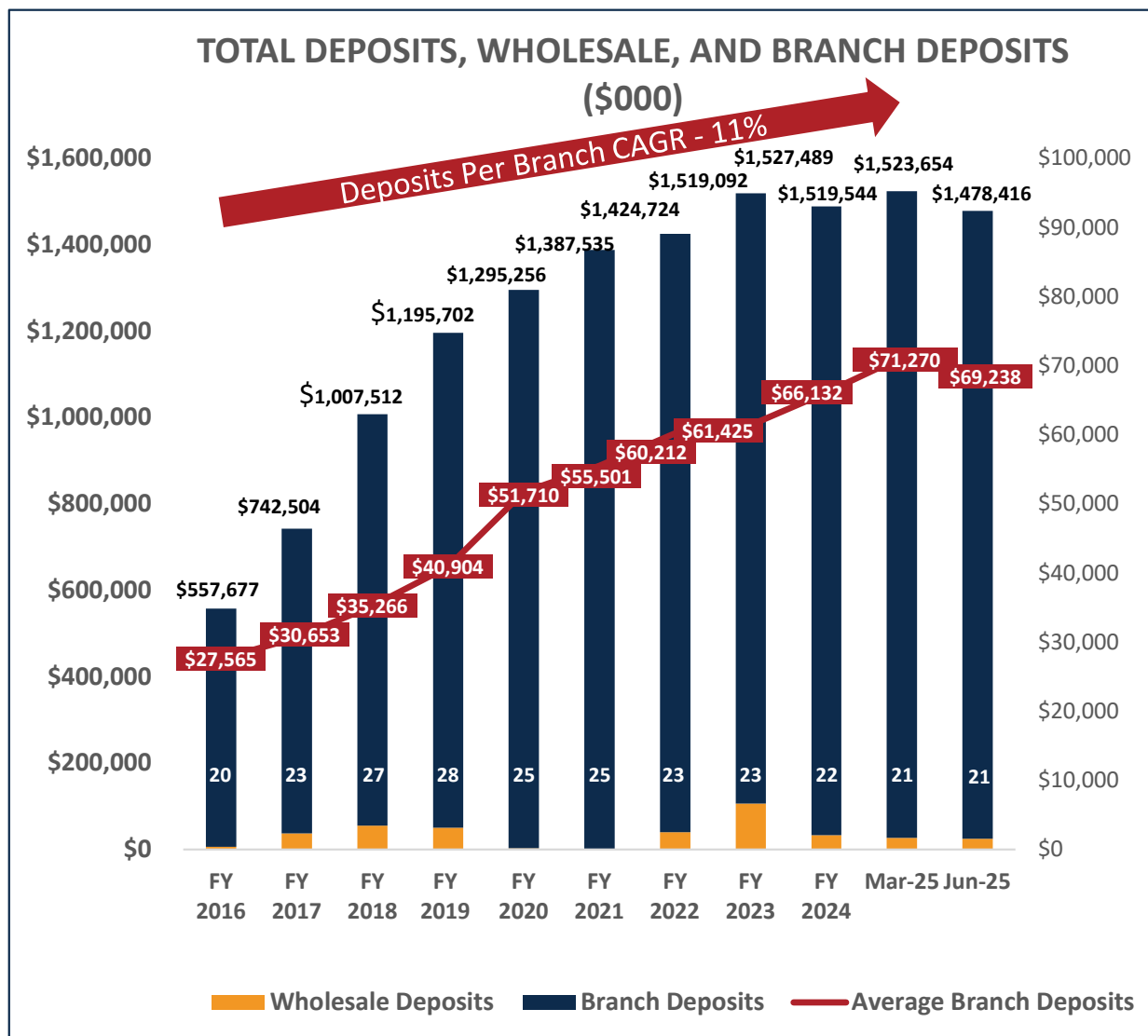
- Focus has been on transforming the deposit composition to core deposits
- Deposit transformation and growth has been achieved through both acquisitions and organic initiatives



Deposit Composition - Quarter Lookback											
(\$000)	Sep-16	Sep-17	Sep-18	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24	Mar-25	Jun-25
Non-interest-bearing demand deposits	\$45,408	\$75,318	\$87,495	\$168,157	\$238,348	\$276,631	\$284,726	\$265,704	\$252,656	\$253,343	\$260,248
Interest-bearing demand deposits	\$48,934	\$147,912	\$139,276	\$223,102	\$301,764	\$396,231	\$371,210	\$343,276	\$355,750	\$386,302	\$366,481
Savings accounts	\$52,153	\$102,756	\$97,329	\$156,599	\$196,348	\$222,674	\$220,019	\$176,548	\$159,821	\$167,614	\$159,340
Money market accounts	\$137,234	\$125,749	\$109,314	\$246,430	\$245,549	\$288,985	\$323,435	\$374,055	\$369,534	\$370,741	\$357,518
Certificate accounts	\$273,948	\$290,769	\$313,115	\$401,414	\$313,247	\$203,014	\$225,334	\$359,509	\$350,387	\$345,654	\$334,829
Total Deposits	\$557,677	\$742,504	\$746,529	\$1,195,702	\$1,295,256	\$1,387,535	\$1,424,724	\$1,519,092	\$1,488,148	\$1,523,654	\$1,478,416

Q2 2025
Cost of Deposits
2.25%

Branch Deposit Growth & Efficiency



Includes branch acquisitions and consolidations

White Numbers
Indicate Branch Count

- Significant increase in deposits per branch since FY2016
 - Organic growth and M&A
 - Average branch of \$27.6 million in FY 2016 to \$69.2 million in 2025 Q2
- The number of branches has increased by one since 2016
 - 17 branches purchased
 - 2 branches opened
 - 18 branches closed, consolidated or sold

Appendix

Net Interest Margin Analysis

	Quarter ended June 30, 2025			Quarter ended March 31, 2025			Quarter ended December 31, 2024			Quarter ended September 30, 2024		
(\$ Dollars in Thousands)	Average Balance	Interest Income/ Expense	Average Yield/ Rate	Average Balance	Interest Income/ Expense	Average Yield/ Rate	Average Balance	Interest Income/ Expense	Average Yield/ Rate	Average Balance	Interest Income/ Expense	Average Yield/ Rate
Average interest earning assets:												
Cash and cash equivalents	\$ 44,377	\$ 493	4.46%	\$ 47,835	\$ 524	4.44%	\$ 26,197	\$ 327	4.97%	\$ 25,187	\$ 360	5.69%
Loans receivable	1,353,332	20,105	5.96%	1,363,352	18,602	5.53%	1,396,854	19,534	5.56%	1,429,928	20,115	5.60%
Investment securities	223,318	1,735	3.12%	228,514	1,808	3.21%	235,268	1,940	3.28%	236,960	1,966	3.30%
Non-marketable equity securities, at cost	12,400	169	5.47%	12,498	169	5.48%	12,318	160	5.17%	12,553	71	2.25%
Total interest earning assets	<u>\$ 1,633,427</u>	<u>\$ 22,502</u>	5.53%	<u>\$ 1,652,199</u>	<u>\$ 21,103</u>	5.18%	<u>\$ 1,670,637</u>	<u>\$ 21,961</u>	5.23%	<u>\$ 1,704,628</u>	<u>\$ 22,512</u>	5.25%
Average interest-bearing liabilities:												
Total deposits	\$ 1,237,951	\$ 8,287	2.69%	\$ 1,258,635	\$ 8,597	2.77%	\$ 1,234,565	\$ 9,273	2.99%	\$ 1,289,069	\$ 10,165	3.14%
FHLB Advances & Other Borrowings	61,781	904	5.87%	64,635	912	5.72%	72,431	980	5.38%	80,338	1,062	5.26%
Total interest bearing liabilities	<u>\$ 1,299,732</u>	<u>\$ 9,191</u>	2.84%	<u>\$ 1,323,270</u>	<u>\$ 9,509</u>	2.91%	<u>\$ 1,306,996</u>	<u>\$ 10,253</u>	3.12%	<u>\$ 1,369,407</u>	<u>\$ 11,227</u>	3.26%
Net interest income		<u>\$ 13,311</u>			<u>\$ 11,594</u>			<u>\$ 11,708</u>			<u>\$ 11,285</u>	
Interest Rate Spread			2.69%			2.27%			2.11%			1.99%
Net interest margin			3.27%			2.85%			2.79%			2.63%

Economic Value of Equity (EVE)			
June 30, 2025		December 31, 2024	
Change in Interest Rates In Basis Points ("bp") Rate Shock in Rates (1)	Percent Change	Change in Interest Rates In Basis Points ("bp") Rate Shock in Rates (1)	Percent Change
+300 bp	6%	+300 bp	2%
+200 bp	4%	+200 bp	2%
+100 bp	2%	+100 bp	1%
-100 bp	-2%	-100 bp	-1%
-200 bp	-5%	-200 bp	-4%

Net Interest Income Over One Year Horizon			
June 30, 2025		December 31, 2024	
Change in Interest Rates In Basis Points ("bp") Rate Shock in Rates (1)	Percent Change	Change in Interest Rates In Basis Points ("bp") Rate Shock in Rates (1)	Percent Change
+300 bp	-5%	+300 bp	-8%
+200 bp	-3%	+200 bp	-5%
+100 bp	-2%	+100 bp	-3%
-100 bp	1%	-100 bp	2%
-200 bp	2%	-200 bp	3%

(1) Assumes an immediate and parallel shift in the yield curve at all maturities.

Note: The tables above may not be indicative of future results.

Reconciliation of Non-GAAP Financial Measures

Reconciliation of GAAP Earnings and Core Earnings (non-GAAP):

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Mar-25	Jun-25
GAAP pre-tax earnings	\$ 3,822	\$ 6,609	\$ 12,277	\$ 17,280	\$ 28,959	\$ 23,581	\$ 18,932	\$ 17,450	\$ 3,974	\$ 4,047
Merger related costs (1)	\$ 1,860	\$ 463	\$ 3,880	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Branch closure costs (2)	\$ 951	\$ 26	\$ 15	\$ 165	\$ -	\$ 981	\$ 380	\$ 168	\$ -	\$ -
Settlement proceeds (3)	\$ (283)	\$ -	\$ -	\$ (131)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FHLB borrowings prepayment fee (4)	\$ 104	\$ -	\$ -	\$ -	\$ 102	\$ -	\$ -	\$ -	\$ -	\$ -
Audit and Financial Reporting (5)	\$ -	\$ -	\$ 358	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net gain on sale of branch	\$ -	\$ -	\$ (2,295)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net gain on sale of acquired business lines (6)	\$ -	\$ -	\$ -	\$ (432)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income before provision for income taxes as adjusted (7)	\$ 6,454	\$ 7,098	\$ 14,235	\$ 16,882	\$ 29,061	\$ 24,562	\$ 19,312	\$ 17,618	\$ 3,974	\$ 4,047
Provision for income tax on pre-tax earnings as adjusted (8)	\$ 2,233	\$ 1,798	\$ 3,260	\$ 4,457	\$ 7,722	\$ 6,062	\$ 5,991	\$ 3,735	\$ 777	\$ 777
Tax impact of certain acquired BOLI policies (9)	\$ -	\$ -	\$ 300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tax cuts and Jobs Act of 2017 (10)	\$ -	\$ 338	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total provision for income tax as adjusted	\$ 2,233	\$ 2,136	\$ 3,560	\$ 4,457	\$ 7,722	\$ 6,062	\$ 5,991	\$ 3,735	\$ 777	\$ 777
Net income as adjusted (non-GAAP) (7)	\$ 4,221	\$ 4,962	\$ 10,675	\$ 12,425	\$ 21,339	\$ 18,500	\$ 13,321	\$ 13,883	\$ 3,197	\$ 3,270
GAAP diluted earnings per share, net of tax	\$ 0.46	\$ 0.58	\$ 0.85	\$ 1.14	\$ 1.98	\$ 1.69	\$ 1.25	\$ 1.34	\$ 0.32	\$ 0.33
Merger related costs, net of tax	\$ 0.22	\$ 0.06	\$ 0.27	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Branch related costs, net of tax	\$ 0.12	\$ -	\$ -	\$ 0.01	\$ -	\$ 0.07	\$ 0.03	\$ 0.01	\$ -	\$ -
Settlement proceeds	\$ (0.03)	\$ -	\$ -	\$ (0.01)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FHLB borrowings prepayment fee	\$ 0.01	\$ -	\$ -	\$ -	\$ 0.01	\$ -	\$ -	\$ -	\$ -	\$ -
Tax impact of certain acquired BOLI policies (9)	\$ -	\$ -	\$ (0.03)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tax Cuts and Jobs Act of 2017 tax provision (10)	\$ -	\$ 0.04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Audit and Financial Reporting, net of tax	\$ -	\$ -	\$ 0.02	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net gain on sale of branch	\$ -	\$ -	\$ (0.15)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net gain on sale of acquired business lines	\$ -	\$ -	\$ -	\$ (0.03)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Diluted earnings per share, as adjusted, net of tax (non-GAAP)	\$ 0.78	\$ 0.68	\$ 0.96	\$ 1.11	\$ 1.99	\$ 1.76	\$ 1.28	\$ 1.35	\$ 0.32	\$ 0.33
Average diluted shares outstanding	5,378,548	7,335,247	11,121,435	11,161,811	10,726,539	10,513,773	10,470,298	10,262,710	10,000,818	9,997,229

Reconciliation of Non-GAAP Financial Measures

(1) All costs incurred are presented as professional fees and other non-interest expense in the consolidated statement of operations and include costs \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$341,000, \$350,000, and \$565,000 for the three months ended June 30, 2025, March 31, 2025, and years ended December 31, 2024, December 31, 2023, December 31, 2022, December 31, 2021, December 31, 2020, December 31, 2019, September 30, 2018, and September 30, 2017, respectively, which are nondeductible expenses for federal income tax purposes.

(2) Branch closure costs include severance pay recorded in compensation and benefits, accelerated depreciation expense and lease termination fees included in occupancy and other costs included in other non-interest expense in the consolidated statement of operations. In addition, other non-interest expense includes costs related to the reduction in valuation of a closed branch office in the fourth quarter of fiscal 2017 and costs associated with three branch closures during the quarter ended December 31, 2020, one branch closure in the quarter ended September 30, 2022, two branch closures in the quarter ended December 31, 2022, and one branch office closure in the quarter ended December 31, 2023. Professional services includes legal costs related to the sale of the Michigan branch included in these Branch closure costs during the quarter ended March 31, 2019.

(3) Settlement proceeds includes litigation income from a JP Morgan Residential Mortgage-Backed Security (RMBS) claim. This JP Morgan RMBS was previously owned by the Bank and sold in 2011.

(4) The prepayment fee to restructure our FHLB borrowings is included in other non-interest expense in the consolidated statement of operations.

(5) Audit and financial reporting costs include additional audit and professional fees related to the change in our year end from September 30 to December 31, effective December 31, 2018.

(6) Net gain on sale of acquired business lines resulted from (1) the sale of Wells Insurance Agency and (2) the termination and sale of the wealth management business line sales contract acquired in a former acquisition.

(7) Pretax net income as adjusted and net income as adjusted are non-GAAP measures that management believes enhances the market's ability to assess the underlying business performance and trends related to core business activities.

(8) Provision for income tax on pre-tax income as adjusted is calculated at our effective tax rate for each respective period presented.

(9) Tax impact of certain acquired BOLI policies from United Bank.

(10) As a result of the Tax Cuts and Jobs Act of 2017, we recorded a one-time net tax provision of \$338,000 in 2018, which is included in provision for income taxes expense in the consolidated statement of operations.

Reconciliation of Non-GAAP Financial Measures

Return on Average Assets (ROAA) as Adjusted

(In thousands except ROAA and ROAA as adjusted)

	2017	2018	2019	2020	2021	2022	2023	2024	Mar-25	Jun-25
Net Income	\$ 2,499	\$ 4,283	\$ 9,463	\$ 12,725	\$ 21,266	\$ 17,761	\$ 13,059	\$ 13,751	\$ 3,197	\$ 3,270
Net Income as adjusted	\$ 4,221	\$ 4,962	\$ 10,675	\$ 12,425	\$ 21,339	\$ 18,500	\$ 13,321	\$ 13,883	\$ 3,197	\$ 3,270
Average assets	\$ 731,407	\$ 954,912	\$ 1,398,482	\$ 1,594,053	\$ 1,722,483	\$ 1,775,049	\$ 1,836,337	\$ 1,808,256	\$ 1,763,191	\$ 1,745,897
Return on average assets	0.34%	0.45%	0.68%	0.80%	1.23%	1.00%	0.71%	0.76%	0.74%	0.75%
Return on average assets as adjusted	0.58%	0.52%	0.76%	0.78%	1.24%	1.04%	0.73%	0.77%	0.74%	0.75%

Return on Average Tangible Common Equity (ROATCE) as Adjusted

(In thousands except ROATCE and ROATCE as adjusted)

	2017	2018	2019	2020	2021	2022	2023	2024	Mar-25	Jun-25
Common Equity	\$ 73,483	\$ 135,847	\$ 150,553	\$ 160,564	\$ 170,866	\$ 167,088	\$ 173,334	\$ 179,084	\$ 180,051	\$ 183,462
Less: Goodwill	(10,444)	(10,444)	(31,498)	(31,498)	(31,498)	(31,498)	(31,498)	(31,498)	(31,498)	(31,498)
Less: Core Deposit and other intangibles	(5,449)	(4,805)	(7,587)	(5,494)	(3,898)	(2,449)	(1,694)	(979)	(800)	(621)
Tangible Common Equity (TCE)	\$ 57,590	\$ 120,598	\$ 111,468	\$ 123,572	\$ 135,470	\$ 133,141	\$ 140,142	\$ 146,607	\$ 147,753	\$ 151,343
Average Tangible Common Equity	\$ 58,300	\$ 89,094	\$ 105,340	\$ 115,313	\$ 127,793	\$ 131,305	\$ 132,409	\$ 142,641	\$ 146,083	\$ 149,161
Net Income	\$ 2,499	\$ 4,283	\$ 9,463	\$ 12,725	\$ 21,266	\$ 17,761	\$ 13,059	\$ 13,751	\$ 3,197	\$ 3,270
Intangible amortization, net of tax	143	417	1,153	1,194	1,171	1,095	521	563	144	145
Tangible Net Income	\$ 2,642	\$ 4,700	\$ 10,616	\$ 13,919	\$ 22,437	\$ 18,856	\$ 13,580	\$ 14,314	\$ 3,341	\$ 3,415
Net Income as adjusted	\$ 4,221	\$ 4,962	\$ 10,675	\$ 12,425	\$ 21,339	\$ 18,500	\$ 13,321	\$ 13,883	\$ 3,197	\$ 3,270
Intangible amortization, net of tax	143	417	1,153	1,194	1,171	1,095	521	563	144	145
Tangible Net Income as adjusted	\$ 4,364	\$ 5,379	\$ 11,828	\$ 13,619	\$ 22,510	\$ 19,595	\$ 13,842	\$ 14,446	\$ 3,341	\$ 3,415
ROATCE	4.5%	5.3%	10.1%	12.1%	17.6%	14.4%	10.3%	10.0%	9.3%	9.2%
ROATCE as adjusted	7.5%	6.0%	11.2%	11.8%	17.6%	14.9%	10.5%	10.1%	9.3%	9.2%

Note: All quarterly period ratios are annualized for net income / net income as adjusted.

Reconciliation of Non-GAAP Financial Measures

Efficiency Ratio as Adjusted

	(In thousands except Efficiency Ratio and Efficiency Ratio as adjusted)										
	2017	2018	2019	2020	2021	2022	2023	2024		Mar-25	Jun-25
Non-interest Expense (GAAP)	\$ 22,878	\$ 29,764	\$ 42,686	\$ 43,673	\$ 40,532	\$ 41,743	\$ 40,142	\$ 42,306	\$	10,463	\$ 10,750
Less amortization of intangibles	(219)	(644)	(1,496)	(1,622)	(1,596)	(1,449)	(755)	(715)		(179)	(179)
Efficiency ratio numerator	22,659	29,120	41,190	42,051	38,936	40,294	39,387	41,591		10,284	10,571
Merger related costs	(1,860)	(463)	(3,880)	-	-	-	-	-		-	-
Branch Closure costs	(951)	(26)	(15)	(165)	-	(981)	(380)	(168)		-	-
Audit and financial reporting	-	-	(358)	-	-	-	-	-		-	-
Prepayment fee	(104)	-	-	-	(102)	-	-	-		-	-
Efficiency ratio numerator as adjusted	\$ 19,744	\$ 28,631	\$ 36,937	\$ 41,886	\$ 38,834	\$ 39,313	\$ 39,007	\$ 41,423	\$	10,284	\$ 10,571
Non-interest income	\$ 4,751	\$ 7,370	\$ 14,975	\$ 18,448	\$ 15,824	\$ 10,430	\$ 10,250	\$ 10,107	\$	2,593	\$ 2,836
Net interest margin	22,268	30,303	43,513	50,255	53,667	56,369	48,349	46,474		11,594	13,311
Add back net losses on debt and equity securities	-	(17)	-	-	-	-	-	(856)		-	-
Subtract net gains on debt and equity securities	111	-	271	110	1,224	541	459	-		10	99
Efficiency ratio denominator (GAAP)	26,908	37,690	58,217	68,593	68,267	66,258	58,140	57,437		14,177	16,048
Net gain on sale of branch	-	-	(2,295)	-	-	-	-	-		-	-
Net gain on sale of acquired business lines	-	-	-	(432)	-	-	-	-		-	-
Settlement proceeds	(283)	-	-	(131)	-	-	-	-		-	-
Efficiency ratio denominator as adjusted	\$ 26,625	\$ 37,690	\$ 55,922	\$ 68,030	\$ 68,267	\$ 66,258	\$ 58,140	\$ 57,437	\$	14,177	\$ 16,048
Efficiency ratio	84%	77%	71%	61%	57%	61%	68%	72%		73%	66%
Efficiency ratio as adjusted	74%	76%	66%	62%	57%	59%	67%	72%		73%	66%

Tangible Book Value Per Share (TBVPS) as Adjusted

	(In thousands except Shares Outstanding, Book Value and TBVPS)										
	2017	2018	2019	2020	2021	2022	2023	2024		Mar-25	Jun-25
Total Stockholders' equity	\$ 73,483	\$ 135,847	\$ 150,553	\$ 160,564	\$ 170,866	\$ 167,088	\$ 173,334	\$ 179,084	\$	180,051	\$ 183,462
Less: Goodwill	(10,444)	(10,444)	(31,498)	(31,498)	(31,498)	(31,498)	(31,498)	(31,498)		(31,498)	(31,498)
Less: Core deposit and intangibles	(5,449)	(4,805)	(7,587)	(5,494)	(3,898)	(2,449)	(1,694)	(979)		(800)	(621)
Tangible book value (non-GAAP)	\$ 57,590	\$ 120,598	\$ 111,468	\$ 123,572	\$ 135,470	\$ 133,141	\$ 140,142	\$ 146,607	\$	147,753	\$ 151,343
Shares outstanding	5,888,816	10,913,853	11,266,954	11,056,349	10,502,442	10,425,119	10,440,591	9,981,996		9,989,536	9,991,997
Book Value	\$ 12.48	\$ 12.45	\$ 13.36	\$ 14.52	\$ 16.27	\$ 16.03	\$ 16.60	\$ 17.94	\$	18.02	\$ 18.36
TBVPS	\$ 9.78	\$ 11.05	\$ 9.89	\$ 11.18	\$ 12.90	\$ 12.77	\$ 13.42	\$ 14.69	\$	14.79	\$ 15.15

Tangible Common Equity / Tangible Assets

	(In thousands except Tangible Common Equity / Tangible Assets)										
	2017	2018	2019	2020	2021	2022	2023	2024		Mar-25	Jun-25
Total Assets	\$ 940,664	\$ 975,409	\$ 1,531,249	\$ 1,649,095	\$ 1,739,628	\$ 1,816,367	\$ 1,851,391	\$ 1,748,519	\$	1,779,963	\$ 1,735,164
Less: Goodwill	(10,444)	(10,444)	(31,498)	(31,498)	(31,498)	(31,498)	(31,498)	(31,498)		(31,498)	(31,498)
Less: Core deposit and intangibles	(5,449)	(4,805)	(7,587)	(5,494)	(3,898)	(2,449)	(1,694)	(979)		(800)	(621)
Tangible Assets (non-GAAP)	\$ 924,771	\$ 960,160	\$ 1,492,164	\$ 1,612,103	\$ 1,704,232	\$ 1,782,420	\$ 1,818,199	\$ 1,716,042	\$	1,747,665	\$ 1,703,045
Total Stockholders' Equity/Total Assets	7.8%	13.9%	9.8%	9.7%	9.8%	9.2%	9.4%	10.2%		10.1%	10.6%
Tangible Common Equity / Tangible Assets	6.2%	12.6%	7.5%	7.7%	7.9%	7.5%	7.7%	8.5%		8.5%	8.9%

Note: All quarterly period ratios are annualized for net income / net income as adjusted

Market Demographics

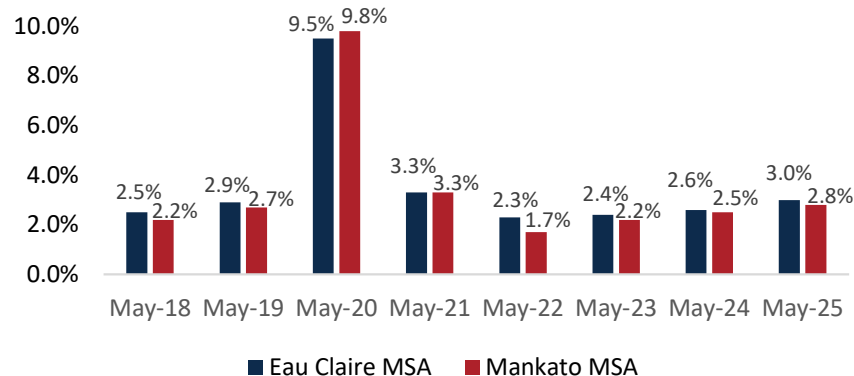
Eau Claire MSA:

- Features a broad-based, diverse economy, which is driven by commercial, housing, retail and medical industries.

Mankato MSA:

- The Mankato market also possesses a broad-based, diverse economy, which is driven by manufacturing, agribusiness, health care and education.

MSA Unemployment Rates



Eau Claire Area Employers



Mankato Area Employers





Stephen M. Bianchi
*Chairman of the Board
President & CEO*

Mr. Stephen M. Bianchi, also known as Steve, has been the Chief Executive Officer and President of Citizens Community Bancorp, Inc. and Citizens Community Federal since June 24, 2016. He has been Chairman of Citizens Community Bancorp, Inc. since October 2018 and Citizens Community Federal National Association. As a banking veteran with 40 years of experience, Mr. Bianchi served in several senior management positions at Wells Fargo Bank and with Associated Bank. He served as the Chief Executive Officer at HF Financial Corp. from October 2011 and its President from April 2010 to May 2015. Mr. Bianchi served as the Chief Executive Officer and President of Home Federal Bank, a subsidiary of HF Financial Corp. from August 2012 to May 2015. He served as the Interim Chief Executive Officer and Interim President of HF Financial Corp. from October 2011 until July 2012. Mr. Bianchi served as Senior Vice President at Associated Bank, where he served as Minnesota Regional President and Minnesota Regional Commercial Banking Manager from July 2006 to April 2010. Before that, he served as Twin Cities Business Banking Manager for Wells Fargo Bank, where he held several other management positions over 14 years. He has been a Director of Citizens Community Bancorp, Inc. since May 25, 2017. He has been a Director of Citizens Community Federal since June 24, 2016. Mr. Bianchi received his B.S. degree in Finance and M.B.A. from Providence College.



James S. Broucek
*Executive VP, CFO Principal
Accounting Officer, Treasurer
& Secretary*

Mr. James S. Broucek, also known as Jim, has been Chief Financial Officer and Principal Accounting Officer at Citizens Community Bancorp, Inc. and Citizens Community Federal since October 31, 2017. He serves as Executive Vice President, CFO, Treasurer, and Secretary of Citizens Community Bancorp, Inc. and of Citizens Community Federal National Association. He served as a Senior Manager of Wipfli LLP ("Wipfli") from December 2013 to October 2017. Before joining Wipfli, Mr. Broucek held several positions with TCF Financial Corporation ("TCF Financial") and its subsidiaries from 1995 to 2013, with his last position being Treasurer of TCF Financial. Prior to joining TCF Financial, Mr. Broucek served as the Controller of Great Lakes Bancorp. Mr. Broucek is a banking veteran with 40 years of experience. Mr. Broucek holds a B.A. in mathematics and business administration with a concentration in accounting from Hope College.