

## HIGH COUNTRY BANCORP, INC. ANNOUNCES QUARTERLY EARNINGS AND DECLARES DIVIDEND

The Board of Directors (“the Board”) of High Country Bancorp, Inc. (OTCQX: HCBC) (“the Company”) has announced its quarterly earnings for the period ended September 30, 2022. For the first quarter of the Company’s fiscal 2023, consolidated net income was \$1.3 million or \$1.32 per share, compared to \$1.5 million or \$1.61 per share for the quarter ending September 30, 2021.

The Company’s net interest income increased by \$13,000 or 0.3% during the quarter ended September 30, 2022 compared to the prior year period primarily due to growth in earning assets and the rate earned thereon, partially offset by a decline in fee income recognized as a component of interest income in the prior year period as well as an increase in interest expense. Noninterest income declined by \$512,000 or 46.7% during the quarter ended September 30, 2022 compared to the prior year period primarily due to the impact of declines in income on loans sold. Lower market interest rates are generally more conducive to residential mortgage loan refinance and purchase activity, and the level of residential mortgage loans originated and sold by the Company has been adversely impacted by increases in market interest rates. Noninterest expense declined by \$124,000 or 3.3% during the quarter ended September 30, 2022 compared to the prior year period due to a decline in compensation and benefits expense, partially offset by increases in occupancy, equipment and DP expense, insurance and professional fees and other noninterest expense. The Company’s provision for income taxes declined by \$109,000 during the quarter ended September 30, 2022 compared to the prior year period.

Factors including, but not limited to, loan growth, credit quality and others are used to determine the level of the allowance for loan losses. In consideration of these factors, no provision for loan loss was recorded during the quarter ending September 30, 2022 or the prior year period. Management evaluates credit risk on an ongoing basis to determine an appropriate level for the allowance for loan losses.

Total consolidated assets have increased by \$6.3 million or 1.4% from \$455.4 million at June 30, 2022 to \$461.7 million at September 30, 2022. Net loans held for investment have increased by \$3.9 million during the first quarter of fiscal 2022. Total consolidated deposits increased by \$6.9 million or 1.7% from \$412.9 million at June 30, 2022 to \$419.8 million at September 30, 2022.

On October 25, 2022, the Board declared a cash dividend in the amount of \$0.50 per share to the shareholders of record at the close of business on November 7, 2022, payable on or about November 21, 2022. The Board determined that the payment of a cash dividend was appropriate after consideration of the Company’s financial condition and the strength of its core earnings.

High Country Bancorp, Inc. is the holding company for High Country Bank, which conducts business through its main office in Salida, Colorado and branch offices in Salida, Buena Vista, Canon City and Longmont, Colorado. At September 30, 2022, the Company had 1,032,190 shares of common stock issued and outstanding.

This report contains certain forward-looking statements pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements are subject to certain risks and uncertainties including changes in economic conditions in the Company’s market area, changes in policies by regulatory agencies, fluctuations in interest rates, loan demand in the Company’s market area and competition that could cause actual results to differ materially from historical earnings and those presently anticipated or projected. The Company wishes to caution readers not to place undue reliance on any such forward-looking statements, which reflect management’s analysis only as the date made. The Company does not undertake any obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date of such statements.

**High Country Bancorp, Inc.**  
**Consolidated Statement of Condition**  
(Unaudited)  
(Rounded to thousands, except share data)

	<u>September 30,</u> <u>2022</u>	<u>June 30,</u> <u>2022</u>
<b><u>Assets</u></b>		
Cash and due from banks	8,682,000	6,931,000
Interest-earning demand deposits in banks	65,545,000	71,464,000
Cash and Equivalents	74,227,000	78,395,000
Interest-earning time deposits	1,244,000	1,244,000
Securities carried at fair value	67,300,000	61,254,000
Held-to-maturity securities	8,000	9,000
Loans held for sale	450,000	-
Loans held for investment, net of allowance for loan losses	300,789,000	296,840,000
Investment in nonmarketable equity securities	812,000	809,000
Accrued interest receivable	1,285,000	1,267,000
Office and equipment, net	7,131,000	7,327,000
Deferred income taxes	1,499,000	1,473,000
Bank Owned Life Insurance	5,930,000	5,897,000
Prepaid expenses and other assets	986,000	872,000
<b>Total Assets</b>	<b>461,661,000</b>	<b>455,387,000</b>
<b><u>Liabilities and Stockholders' Equity</u></b>		
<b><u>Liabilities</u></b>		
Deposits		
Non-interest-bearing demand deposits	144,703,000	145,055,000
Savings, interest-bearing demand and money market	241,249,000	234,397,000
Time	33,867,000	33,439,000
Total deposits	419,819,000	412,891,000
Escrow accounts	186,000	173,000
FHLBank term advances	-	-
Accrued interest payable	1,000	1,000
Accrued income taxes and other liabilities	4,563,000	5,305,000
<b>Total Liabilities</b>	<b>424,569,000</b>	<b>418,370,000</b>
<b><u>Stockholders' Equity</u></b>		
Common stock, par	10,000	10,000
Paid-in capital	11,263,000	11,227,000
Company common stock held in subsidiary trust	(1,251,000)	(1,251,000)
Accumulated other comprehensive income	(3,442,000)	(2,692,000)
Unearned ESOP compensation	-	-
Retained earnings	30,512,000	29,723,000
<b>Total Stockholders' Equity</b>	<b>37,092,000</b>	<b>37,017,000</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>461,661,000</b>	<b>455,387,000</b>

**High Country Bancorp, Inc.**  
**Consolidated Statement of Operations**  
**Three Months Ending September 30, 2022 and 2021**

(Unaudited)

(Rounded to thousands, except share data)

	<u>Three Months Ending September 30,</u>	
	<u>2022</u>	<u>2021</u>
<b><i>Interest Income</i></b>		
Interest and fees on loans	\$ 4,118,000	\$ 4,612,000
Investment securities	351,000	126,000
Interest-earning time deposits	8,000	9,000
Interest-earning demand deposit accounts	382,000	27,000
<b><i>Total Interest Income</i></b>	<u>4,859,000</u>	<u>4,774,000</u>
<b><i>Interest Expense</i></b>		
Deposits	172,000	100,000
FHLBank Advances	-	-
Other Borrowings	-	-
<b><i>Total Interest Expense</i></b>	<u>172,000</u>	<u>100,000</u>
<b><i>Net Interest Income Before Provision for Losses on Interest-Earning Assets</i></b>	<u>4,687,000</u>	<u>4,674,000</u>
<b><i>Net Provision for Losses on Interest- Earning Assets</i></b>	<u>-</u>	<u>-</u>
<b><i>Net Interest Income After Provision for Losses on Interest-Earning Assets</i></b>	<u>4,687,000</u>	<u>4,674,000</u>
<b><i>Noninterest Income</i></b>		
Service Charges on Deposit Accounts	54,000	35,000
Income on Loans Sold	128,000	639,000
Debit Card Surcharge Income	238,000	221,000
Other Noninterest Income	165,000	202,000
<b><i>Total Noninterest Income</i></b>	<u>585,000</u>	<u>1,097,000</u>
<b><i>Noninterest Expense</i></b>		
Personnel Compensation and Benefits	2,248,000	2,546,000
Occupancy, Equipment & DP Expense	756,000	686,000
Insurance and Professional Fees	204,000	185,000
Other Noninterest Expenses	412,000	327,000
<b><i>Total Noninterest Expense</i></b>	<u>3,620,000</u>	<u>3,744,000</u>
<b><i>Net Income Before Provision for Income Taxes</i></b>	<u>1,652,000</u>	<u>2,027,000</u>
Net Provision for Income Taxes	<u>383,000</u>	<u>492,000</u>
<b><i>Net Income After Provision for Income Taxes</i></b>	<u>1,269,000</u>	<u>1,535,000</u>
Basic Earnings per Share	\$ 1.32	\$ 1.61
Fully Diluted Earnings per Share	\$ 1.23	\$ 1.48
<b><i>Weighted Average Common Shares Outstanding</i></b>		
<i>Basic</i>	<b>962,636</b>	<b>953,943</b>
<i>Diluted</i>	<b>1,032,190</b>	<b>1,033,897</b>