

## 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, 2023. For the first quarter of the Company’s fiscal 2024, consolidated net income was \$1.1 million or \$1.19 per share, compared to \$1.3 million or \$1.32 per share for the quarter ending September 30, 2022.

The Company’s net interest income declined by \$7,000 or 0.2% during the quarter ended September 30, 2023 compared to the prior year period primarily due to an increase in interest expense and a decline in the balance of interest-earning cash and equivalents, partially offset by the impact of loan growth and the rate earned thereon. Noninterest income declined by \$105,000 or 18.0% during the quarter ended September 30, 2023 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 increased by \$88,000 or 2.4% during the quarter ended September 30, 2023 compared to the prior year period due to increases in occupancy, equipment and DP expense, insurance and professional fees and other noninterest expense, partially offset by a decline in compensation and benefits expense. The Company’s provision for income taxes declined by \$52,000 during the quarter ended September 30, 2023 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, 2023 or the prior year period. Management evaluates credit risk on an ongoing basis to determine an appropriate level for the allowance for loan losses. During the fiscal quarter ended September 30, 2023, the Company adopted ASU No. 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which was effective for the Company as of July 1, 2023. The Company’s initial adoption resulted in an increase to its allowance for credit losses on loans and unfunded commitments of \$1,100,000.

Total consolidated assets have increased by \$7.6 million or 1.7% from \$439.9 million at June 30, 2023 to \$447.5 million at September 30, 2023. Net loans held for investment have increased by \$9.4 million during the first quarter of fiscal 2023. Total consolidated deposits increased by \$16.1 million or 4.3% from \$374.4 million at June 30, 2023 to \$390.5 million at September 30, 2023.

On October 19, 2023, 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 1, 2023, payable on or about November 13, 2023. 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, 2023, the Company had 1,032,872 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)

	<b>September 30,</b>	<b>June 30,</b>
	<b>2023</b>	<b>2023</b>
<b><u>Assets</u></b>		
Cash and equivalents, non-interest earning	7,435,000	4,602,000
Cash and equivalents, interest earning	1,719,000	4,013,000
Cash and Equivalents	9,154,000	8,615,000
Interest-earning time deposits	995,000	1,244,000
Available-for-sale securities	63,950,000	66,060,000
Held-to-maturity securities	2,000	4,000
Loans held for sale	311,000	110,000
Loans held for investment, net of allowance for credit losses	355,377,000	346,007,000
Nonmarketable equity securities, carried at cost	1,141,000	1,461,000
Accrued interest receivable	1,664,000	1,580,000
Property and equipment, net	6,452,000	6,626,000
Deferred income taxes	1,775,000	1,433,000
Bank owned life insurance	6,068,000	6,032,000
Prepaid expenses and other assets	654,000	756,000
<b>Total Assets</b>	447,543,000	439,928,000
 <b><u>Liabilities and Stockholders' Equity</u></b>		
<b><u>Liabilities</u></b>		
Deposits		
Non-interest-bearing demand deposits	115,722,000	112,393,000
Savings, interest-bearing demand and money market	222,375,000	220,055,000
Time deposits	52,410,000	41,936,000
Total deposits	390,507,000	374,384,000
Escrow accounts	295,000	188,000
FHLBank line of credit borrowing	15,547,000	22,700,000
Accrued interest payable	2,000	2,000
Accrued income taxes and other liabilities	3,707,000	4,363,000
<b>Total Liabilities</b>	410,058,000	401,637,000
 <b><u>Stockholders' Equity</u></b>		
Common stock, par	10,000	10,000
Paid-in capital	10,481,000	10,417,000
Company common stock held in subsidiary trust	(1,251,000)	(1,251,000)
Accumulated other comprehensive income (loss)	(3,923,000)	(3,246,000)
Retained earnings	32,168,000	32,361,000
<b>Total Stockholders' Equity</b>	37,485,000	38,291,000
<b>Total Liabilities and Stockholders' Equity</b>	447,543,000	439,928,000

**High Country Bancorp, Inc.**  
**Consolidated Statement of Operations**  
**Three Months Ending September 30, 2023 and 2022**  
*(Unaudited)*  
*(Rounded to thousands, except share data)*

	<b>Three Months Ending September 30,</b>	
	<b>2023</b>	<b>2022</b>
<b><i>Interest Income</i></b>		
Interest and fees on loans	\$ 5,167,000	\$ 4,118,000
Investment securities	432,000	351,000
Interest-earning time deposits	8,000	8,000
Interest on other interest-earning assets	23,000	382,000
<b><i>Total Interest Income</i></b>	<b>5,630,000</b>	<b>4,859,000</b>
<b><i>Interest Expense</i></b>		
Deposits	706,000	172,000
FHLBank line of credit and other borrowing	244,000	-
<b><i>Total Interest Expense</i></b>	<b>950,000</b>	<b>172,000</b>
<b><i>Net Interest Income Before Provision for Credit Losses</i></b>	<b>4,680,000</b>	<b>4,687,000</b>
<b><i>Net Provision for Credit Losses</i></b>	<b>-</b>	<b>-</b>
<b><i>Net Interest Income After Provision for Credit Losses</i></b>	<b>4,680,000</b>	<b>4,687,000</b>
<b><i>Noninterest Income</i></b>		
Service charges on deposits	47,000	54,000
Income on loans sold	57,000	128,000
Debit card surcharge income	241,000	238,000
Other non-interest income	135,000	165,000
<b><i>Total Noninterest Income</i></b>	<b>480,000</b>	<b>585,000</b>
<b><i>Noninterest Expense</i></b>		
Compensation and benefits	2,034,000	2,248,000
Occupancy, equipment & data processing expense	821,000	756,000
Insurance and professional fees	231,000	204,000
Other	622,000	412,000
<b><i>Total Noninterest Expense</i></b>	<b>3,708,000</b>	<b>3,620,000</b>
<b><i>Net Income Before Income Taxes</i></b>	<b>1,452,000</b>	<b>1,652,000</b>
Income tax expense	331,000	383,000
<b><i>Net Income</i></b>	<b>1,121,000</b>	<b>1,269,000</b>
Basic Earnings per Share	\$ 1.19	\$ 1.32
Fully Diluted Earnings per Share	\$ 1.10	\$ 1.23
<b><i>Weighted Average Common Shares Outstanding</i></b>		
<b><i>Basic</i></b>	<b>942,933</b>	<b>962,636</b>
<b><i>Diluted</i></b>	<b>1,021,820</b>	<b>1,032,190</b>