

## 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 March 31, 2024. For the third quarter of fiscal 2024, the Company’s consolidated net income was \$840,000 or \$0.89 per share, compared to \$1.2 million or \$1.29 per share for the quarter ended March 31, 2023. For the nine-month fiscal year-to-date period ended March 31, 2024, consolidated net income was \$2.9 million or \$3.05 per share, compared to \$3.9 million or \$4.04 per share for the nine months ended March 31, 2023.

The Company’s net interest income declined by \$34,000 or 0.7% during the quarter ended March 31, 2024 compared to the prior year period primarily due to an increase in interest expense resulting from increases in deposit rates and other funding costs and a decline in fee income recognized as a component of interest income, partially offset by the impact of growth in earning assets and the rate earned thereon. Noninterest income increased by \$22,000 or 4.9% during the quarter ended March 31, 2024 compared to the prior year period primarily due to the impact of an increase to other noninterest income, net of a decline in income on loans sold. Noninterest expense increased by \$328,000 or 9.3% during the quarter ended March 31, 2024 compared to the prior year period due to increases in compensation and benefits expense, occupancy, equipment and data processing expense, insurance and professional fees and other noninterest expense. The Company’s income tax expense declined to \$251,000, or an effective tax rate of approximately 23.0%, during the quarter ended March 31, 2024 from \$362,000, or an effective rate of approximately 22.9% compared to the prior year period.

For the nine months ended March 31, 2024, the Company’s net interest income declined by \$240,000 or 1.7% compared to the prior year period primarily due to an increase in interest expense resulting from increases in deposit rates and other funding costs and a decline in fee income recognized as a component of interest income, partially offset by the impact of growth in earning assets and the rate earned thereon. Noninterest income declined by \$128,000 or 8.2% during the nine months ended March 31, 2024 compared to the prior year period primarily due to 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 \$831,000 or 7.8% during the nine months ended March 31, 2024 compared to the prior year period due to increases in compensation and benefits expense, occupancy, equipment and data processing expense, insurance and professional fees and other noninterest expense. The Company’s income tax expense declined to \$847,000, or an effective tax rate of approximately 22.7%, during the nine months ended March 31, 2024 from \$1.2 million, or an effective rate of approximately 23.1%, 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. A quarter-to-date provision for credit loss of \$250,000 and a year-to-date provision for credit loss of \$350,000 were recorded during the periods ending March 31, 2024, while provisions for credit loss of \$100,000 and \$250,000, respectively, were recorded during the quarter- and year-to-date periods ended March 31, 2023. 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 \$23.6 million or 5.4% from \$439.9 million at June 30, 2023 to \$463.6 million at March 31, 2024. Net loans held for investment have increased by \$30.5 million or 8.8% during the first nine months of fiscal 2024. Total consolidated deposits have increased by \$3.7 million or 1.0% from \$374.4 million at June 30, 2023 to \$378.1 million at March 31, 2024.

On April 25, 2024, 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 May 6, 2024, payable on or about May 20, 2024. 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 March 31, 2024, the Company had 1,020,407 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>March 31, 2024</b>	<b>June 30, 2023</b>
<b><u>Assets</u></b>		
Cash and equivalents, non-interest earning	\$ 6,542,000	\$ 4,602,000
Cash and equivalents, interest earning	1,815,000	4,013,000
Cash and Equivalents	8,357,000	8,615,000
Interest-earning time deposits	497,000	1,244,000
Available-for-sale securities	59,156,000	66,060,000
Held-to-maturity securities	1,000	4,000
Loans held for sale	-	110,000
Loans held for investment, net of allowance for credit losses	376,529,000	346,007,000
Nonmarketable equity securities, carried at cost	2,608,000	1,461,000
Accrued interest receivable	1,859,000	1,580,000
Property and equipment, net	6,379,000	6,626,000
Deferred income taxes	1,370,000	1,433,000
Bank owned life insurance	6,143,000	6,032,000
Prepaid expenses and other assets	670,000	756,000
<b>Total Assets</b>	<b>\$ 463,569,000</b>	<b>\$ 439,928,000</b>
 <b><u>Liabilities and Stockholders' Equity</u></b>		
<b><u>Liabilities</u></b>		
Deposits		
Non-interest-bearing demand deposits	\$ 98,662,000	\$ 112,393,000
Savings, interest-bearing demand and money market	227,749,000	220,055,000
Time deposits	51,717,000	41,936,000
Total deposits	378,128,000	374,384,000
Escrow accounts	406,000	188,000
FHLBank term advances	20,000,000	-
FHLBank line of credit borrowing	22,100,000	22,700,000
Accrued interest payable	12,000	2,000
Accrued income taxes and other liabilities	3,709,000	4,363,000
<b>Total Liabilities</b>	<b>\$ 424,355,000</b>	<b>\$ 401,637,000</b>
 <b><u>Stockholders' Equity</u></b>		
Common stock, par	\$ 10,000	10,000
Additional paid-in capital	10,175,000	10,417,000
Company stock held in subsidiary trust	(958,000)	(1,251,000)
Accumulated other comprehensive gain (loss)	(3,000,000)	(3,246,000)
Retained earnings	32,987,000	32,361,000
<b>Total Stockholders' Equity</b>	<b>\$ 39,214,000</b>	<b>\$ 38,291,000</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 463,569,000</b>	<b>\$ 439,928,000</b>

**High Country Bancorp, Inc.**  
**Consolidated Statement of Operations**  
**Three and Nine Months Ending March 31, 2024 and 2023**

(Unaudited)

(Rounded to thousands, except share data)

	<u>Three Months Ending March 31,</u>		<u>Nine Months Ending March 31,</u>	
	2024	2023	2024	2023
<b>Interest Income</b>				
Interest and fees on loans	\$ 5,815,000	\$ 4,472,000	\$ 16,490,000	\$ 12,872,000
Investment securities	414,000	450,000	1,273,000	1,216,000
Interest-earning time deposits	3,000	8,000	15,000	23,000
Interest on other interest-earning assets	24,000	137,000	81,000	988,000
<b>Total Interest Income</b>	<u>6,256,000</u>	<u>5,067,000</u>	<u>17,859,000</u>	<u>15,099,000</u>
<b>Interest Expense</b>				
Deposits	937,000	297,000	2,531,000	705,000
FHLBank Advances	242,000	-	315,000	-
Other Borrowings	344,000	3,000	862,000	3,000
<b>Total Interest Expense</b>	<u>1,523,000</u>	<u>300,000</u>	<u>3,708,000</u>	<u>708,000</u>
<b>Net Interest Income Before Provision for Credit Losses</b>	<u>4,733,000</u>	<u>4,767,000</u>	<u>14,151,000</u>	<u>14,391,000</u>
<b>Net Provision for Credit Losses</b>	<u>250,000</u>	<u>100,000</u>	<u>350,000</u>	<u>250,000</u>
<b>Net Interest Income After Provision for Credit Losses</b>	<u>4,483,000</u>	<u>4,667,000</u>	<u>13,801,000</u>	<u>14,141,000</u>
<b>Noninterest Income</b>				
Service charges on deposits	56,000	49,000	158,000	155,000
Income on loans sold	55,000	76,000	166,000	304,000
Debit card surcharge income	204,000	213,000	669,000	671,000
Other non-interest income	160,000	115,000	439,000	430,000
<b>Total Noninterest Income</b>	<u>475,000</u>	<u>453,000</u>	<u>1,432,000</u>	<u>1,560,000</u>
<b>Noninterest Expense</b>				
Compensation and benefits	2,274,000	2,107,000	6,660,000	6,573,000
Occupancy, equipment & data processing expense	849,000	812,000	2,514,000	2,268,000
Insurance and professional fees	264,000	184,000	729,000	581,000
Other	480,000	436,000	1,606,000	1,256,000
<b>Total Noninterest Expense</b>	<u>3,867,000</u>	<u>3,539,000</u>	<u>11,509,000</u>	<u>10,678,000</u>
<b>Net Income Before Income Taxes</b>	<u>1,091,000</u>	<u>1,581,000</u>	<u>3,724,000</u>	<u>5,023,000</u>
Income tax expense	251,000	362,000	847,000	1,159,000
<b>Net Income</b>	<u>\$ 840,000</u>	<u>\$ 1,219,000</u>	<u>\$ 2,877,000</u>	<u>\$ 3,864,000</u>
Basic Earnings per Share	\$ 0.89	\$ 1.29	\$ 3.05	\$ 4.04
Fully Diluted Earnings per Share	\$ 0.82	\$ 1.20	\$ 2.80	\$ 3.76
<b>Weighted Average Common Shares Outstanding</b>				
Basic	940,801	946,119	941,914	957,211
Diluted	1,025,601	1,014,343	1,027,587	1,026,328