



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, 2020. For the first quarter of the Company’s fiscal 2021, consolidated net income was \$1.4 million or \$1.45 per share, compared to \$1.1 million or \$1.34 per share for the quarter ending September 30, 2019.

The Company’s net interest income increased by \$335,000 or 9.2% during the quarter ended September 30, 2020 compared to the prior year period primarily due to growth in loans. Noninterest income increased by \$617,000 or 84.2% during the quarter ended September 30, 2020 compared to the prior year period primarily due to increases in income on loans sold and other interest income. Noninterest expense increased by \$391,000 or 14.1% during the quarter ended September 30, 2020 compared to the prior year period due to increases in compensation and benefits expense, occupancy, equipment and DP expense, insurance and professional fees and other noninterest expense. The Company’s provision for income taxes increased by \$106,000 during the quarter ended September 30, 2020 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. The provision for loan loss of \$300,000 during the quarter ended September 30, 2020 was primarily attributable to credit quality considerations while the provision for loan loss of \$100,000 during the quarter ending September 30, 2019 was primarily attributable to loan growth. 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 \$27.1 million or 8.2% from \$331.8 million at June 30, 2020 to \$358.8 million at September 30, 2020. Net loans held for investment have increased by \$2.8 million during the first quarter of fiscal 2021. Total consolidated deposits increased by \$28.7 million or 10.2% from \$281.3 million at June 30, 2020 to \$310.0 million at September 30, 2020.

On October 16, 2020, 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 October 27, 2020, payable on or about November 10, 2020. 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.

“Core earnings for the Company continues to grow, due to loan growth and growth in income on loans sold” stated Larry Smith, Chairman of the Board and President of the Company. “We continue to take conservative and prudent actions to respond to and mitigate the impact of COVID-19 to our employees, the communities we serve, and to the financial condition of the Company. We remain focused on asset quality and vigilant in serving the needs of our customers and communities.”

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 and Canon City, Colorado. At September 30, 2020, the Company had 1,046,624 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)

	September 30, 2020	June 30, 2020
<u>Assets</u>		
Cash and due from banks	5,807,000	4,018,000
Interest-earning demand deposits in banks	36,393,000	17,654,000
Cash and Equivalents	42,200,000	21,672,000
Interest-earning time deposits	1,493,000	1,493,000
Securities carried at fair value	30,139,000	29,573,000
Held-to-maturity securities	276,000	529,000
Loans held for sale	5,635,000	2,709,000
Loans held for investment, net of allowance for loan losses	262,439,000	259,625,000
Investment in nonmarketable equity securities	1,006,000	1,002,000
Accrued interest receivable	1,517,000	1,571,000
Foreclosed assets held for sale	-	-
Office and equipment, net	7,608,000	7,204,000
Deferred income taxes	341,000	432,000
Bank Owned Life Insurance	5,676,000	5,644,000
Prepaid expenses and other assets	484,000	297,000
Total Assets	358,814,000	331,751,000
 <u>Liabilities and Stockholders' Equity</u>		
<u>Liabilities</u>		
Deposits		
Non-interest-bearing demand deposits	104,846,000	90,935,000
Savings, interest-bearing demand and money market	173,494,000	159,927,000
Time	31,645,000	30,411,000
Total deposits	309,985,000	281,273,000
Escrow accounts	160,000	131,000
FHLBank term advances	8,000,000	10,500,000
Accrued interest payable	1,000	1,000
Accrued income taxes and other liabilities	4,773,000	4,979,000
Total Liabilities	322,919,000	296,884,000
 <u>Stockholders' Equity</u>		
Common stock, par	10,000	10,000
Paid-in capital	11,201,000	11,153,000
Company common stock held in subsidiary trust	(1,247,000)	(1,246,000)
Accumulated other comprehensive income	584,000	552,000
Unearned ESOP compensation	(53,000)	(106,000)
Retained earnings	25,400,000	24,504,000
Total Stockholders' Equity	35,895,000	34,867,000
Total Liabilities and Stockholders' Equity	358,814,000	331,751,000

High Country Bancorp, Inc.
Consolidated Statement of Operations
Three Months Ending September 30, 2020 and 2019

(Unaudited)

(Rounded to thousands, except share data)

	Three Months Ending September 30,	
	2020	2019
<i>Interest Income</i>		
Interest and fees on loans	\$ 3,966,000	\$ 3,530,000
Investment securities	131,000	168,000
Interest-earning time deposits	10,000	11,000
Interest-earning demand deposit accounts	7,000	17,000
<i>Total Interest Income</i>	4,114,000	3,726,000
<i>Interest Expense</i>		
Deposits	97,000	90,000
FHLBank Advances	49,000	1,000
Other Borrowings	-	2,000
<i>Total Interest Expense</i>	146,000	93,000
<i>Net Interest Income Before Provision for Losses on Interest-Earning Assets</i>	3,968,000	3,633,000
<i>Net Provision for Losses on Interest- Earning Assets</i>	300,000	100,000
<i>Net Interest Income After Provision for Losses on Interest-Earning Assets</i>	3,668,000	3,533,000
<i>Noninterest Income</i>		
Service Charges on Deposit Accounts	29,000	52,000
Income on Loans Sold	891,000	332,000
Debit Card Surcharge Income	201,000	192,000
Other Noninterest Income	229,000	157,000
<i>Total Noninterest Income</i>	1,350,000	733,000
<i>Noninterest Expense</i>		
Personnel Compensation and Benefits	2,105,000	1,933,000
Occupancy, Equipment & DP Expense	553,000	456,000
Insurance and Professional Fees	125,000	67,000
Other Noninterest Expenses	379,000	315,000
<i>Total Noninterest Expense</i>	3,162,000	2,771,000
<i>Net Income Before Provision for Income Taxes</i>	1,856,000	1,495,000
Net Provision for Income Taxes	473,000	367,000
<i>Net Income After Provision for Income Taxes</i>	1,383,000	1,128,000
Basic Earnings per Share	\$ 1.45	\$ 1.34
Fully Diluted Earnings per Share	\$ 1.33	\$ 1.23
<i>Weighted Average Common Shares Outstanding</i>		
<i>Basic</i>	952,779	838,984
<i>Diluted</i>	1,037,416	914,783