



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, 2021. For the third quarter of fiscal 2021, the Company’s consolidated net income was \$1.2 million or \$1.24 per share, compared to \$1.0 million or \$1.22 per share for the quarter ended March 31, 2020. For the nine-month fiscal year-to-date period ended March 31, 2021, consolidated net income was \$3.9 million or \$4.13 per share, compared to \$3.3 million or \$3.97 per share for the nine months ended March 31, 2020.

The Company’s net interest income increased by \$3,000 or 0.08% during the quarter ended March 31, 2021 compared to the prior year period primarily due to the cost recognized upon prepayment of an FHLBank advance as well as the impact of a decline in yield on loans substantially offsetting the impact of loan growth. Noninterest income increased by \$697,000 or 102.95% during the quarter ended March 31, 2021 compared to the prior year period primarily due to increases in income on loans sold and other noninterest income. Noninterest expense increased by \$906,000 or 33.58% during the quarter ended March 31, 2021 compared to the prior year period primarily due to increases in compensation and benefits expense and occupancy, equipment and data processing expense. The Company’s provision for income taxes increased to \$374,000, or an effective tax rate of approximately 23.93%, during the quarter ended March 31, 2021 from \$350,000, or an effective rate of approximately 25.57% during the prior year period.

For the nine months ended March 31, 2021, the Company’s net interest income increased by \$670,000 or 6.00% compared to the prior year period primarily due to growth in loans, partially offset by the impact of a decline in yield on loans as well as the cost recognized upon prepayment of FHLBank advances. Noninterest income increased by \$2.3 million or 107.97% during the nine months ended March 31, 2021 compared to the prior year period primarily due to increases in income on loans sold and other noninterest income. Noninterest expense increased by \$2.2 million or 26.46% during the nine months ended March 31, 2021 compared to the prior year period due to increases in compensation and benefits expense, occupancy, equipment and data processing expense, insurance and professional fees expense and other noninterest expenses. The Company’s provision for income taxes increased to \$1.3 million, or an effective tax rate of approximately 25.06%, during the nine months ended March 31, 2021 from \$1.1 million, or an effective rate of approximately 25.43%, 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. No provision for loan loss was recorded during the quarter ended March 31, 2021 compared to \$400,000 during the prior year period. Provisions of \$550,000 were recorded during both of the nine-month periods ended March 31, 2021 and 2020, respectively. 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 \$46.2 million or 13.93% from \$331.8 million at June 30, 2020 to \$378.0 million at March 31, 2021. Net loans held for investment have increased by \$7.8 million, or 3.0%, during the first nine months of fiscal 2021. Total consolidated deposits increased by \$54.9 million or 19.5% from \$281.3 million at June 30, 2020 to \$336.1 million at March 31, 2021.

On April 22, 2021, 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 3, 2021, payable on or about May 17, 2021. 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 has grown 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 banking 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, Canon City and Longmont, Colorado. At March 31, 2021, the Company had 1,033,897 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)

	March 31,	June 30,
	2021	2020
<u>Assets</u>		
Cash and due from banks	5,885,000	4,018,000
Interest-earning demand deposits in banks	51,348,000	17,654,000
Cash and Equivalents	57,233,000	21,672,000
Interest-earning time deposits	1,493,000	1,493,000
Securities carried at fair value	33,742,000	29,573,000
Held-to-maturity securities	21,000	529,000
Loans held for sale	1,548,000	2,709,000
Loans held for investment, net of allowance for loan losses	267,466,000	259,625,000
Investment in nonmarketable equity securities	1,038,000	1,002,000
Accrued interest receivable	1,295,000	1,571,000
Office and equipment, net	7,815,000	7,204,000
Deferred income taxes	28,000	432,000
Bank Owned Life Insurance	5,739,000	5,644,000
Prepaid expenses and other assets	562,000	297,000
Total Assets	377,980,000	331,751,000
 <u>Liabilities and Stockholders' Equity</u>		
<u>Liabilities</u>		
Deposits		
Non-interest-bearing demand deposits	111,488,000	90,935,000
Savings, interest-bearing demand and money market	190,519,000	159,927,000
Time	34,125,000	30,411,000
Total deposits	336,132,000	281,273,000
Escrow accounts	239,000	131,000
FHLBank term advances	-	10,500,000
Accrued interest payable	1,000	1,000
Accrued income taxes and other liabilities	4,651,000	4,979,000
Total Liabilities	341,023,000	296,884,000
 <u>Stockholders' Equity</u>		
Common stock, par	10,000	10,000
Paid-in capital	10,933,000	11,153,000
Company common stock held in subsidiary trust	(1,251,000)	(1,246,000)
Accumulated other comprehensive income	289,000	552,000
Unearned ESOP compensation	-	(106,000)
Retained earnings	26,976,000	24,504,000
Total Stockholders' Equity	36,957,000	34,867,000
Total Liabilities and Stockholders' Equity	377,980,000	331,751,000

High Country Bancorp, Inc.
Consolidated Statement of Operations
Three and Nine Months Ending March 31, 2021 and 2020

(Unaudited)

(Rounded to thousands, except share data)

	<u>Three Months Ending March 31,</u>		<u>Nine Months Ending March 31,</u>	
	2021	2020	2021	2020
Interest Income				
Interest and fees on loans	\$ 3,876,000	\$ 3,786,000	\$ 11,995,000	\$ 10,990,000
Investment securities	120,000	145,000	371,000	470,000
Interest-earning time deposits	10,000	10,000	30,000	32,000
Interest-earning demand deposit accounts	13,000	11,000	29,000	44,000
Total Interest Income	<u>4,019,000</u>	<u>3,952,000</u>	<u>12,425,000</u>	<u>11,536,000</u>
Interest Expense				
Deposits	98,000	107,000	293,000	303,000
FHLBank term advances	128,000	37,000	295,000	40,000
Other borrowings	-	18,000	-	26,000
Total Interest Expense	<u>226,000</u>	<u>162,000</u>	<u>588,000</u>	<u>369,000</u>
Net Interest Income Before Provision for Losses on Interest-Earning Assets	<u>3,793,000</u>	<u>3,790,000</u>	<u>11,837,000</u>	<u>11,167,000</u>
Net Provision for Losses on Interest-Earning Assets	<u>-</u>	<u>400,000</u>	<u>550,000</u>	<u>550,000</u>
Net Interest Income After Provision for Losses on Interest-Earning Assets	<u>3,793,000</u>	<u>3,390,000</u>	<u>11,287,000</u>	<u>10,617,000</u>
Noninterest Income				
Service Charges on Deposit Accounts	34,000	44,000	98,000	142,000
Income on Loans Sold	926,000	332,000	3,113,000	1,034,000
Debit Card Surcharge Income	180,000	160,000	562,000	527,000
Other Noninterest Income	234,000	141,000	713,000	454,000
Total Noninterest Income	<u>1,374,000</u>	<u>677,000</u>	<u>4,486,000</u>	<u>2,157,000</u>
Noninterest Expense				
Personnel Compensation and Benefits	2,467,000	1,709,000	7,174,000	5,546,000
Occupancy, Equipment & DP Expense	643,000	487,000	1,779,000	1,404,000
Insurance and Professional Fees	121,000	113,000	369,000	272,000
Other Noninterest Expenses	373,000	389,000	1,188,000	1,089,000
Total Noninterest Expense	<u>3,604,000</u>	<u>2,698,000</u>	<u>10,510,000</u>	<u>8,311,000</u>
Net Income Before Provision for Income Taxes	<u>1,563,000</u>	<u>1,369,000</u>	<u>5,263,000</u>	<u>4,463,000</u>
Net Provision for Income Taxes	<u>374,000</u>	<u>350,000</u>	<u>1,319,000</u>	<u>1,135,000</u>
Net Income After Provision for Income Taxes	<u>1,189,000</u>	<u>1,019,000</u>	<u>3,944,000</u>	<u>3,328,000</u>
Basic Earnings per Share	\$ 1.24	\$ 1.22	\$ 4.13	\$ 3.97
Fully Diluted Earnings per Share	\$ 1.15	\$ 1.11	\$ 3.80	\$ 3.63
Weighted Average Common Shares Outstanding				
Basic	956,743	835,693	954,673	838,253
Diluted	1,036,037	917,034	1,037,369	915,929