



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, 2021. For the first quarter of the Company’s fiscal 2022, consolidated net income was \$1.5 million or \$1.61 per share, compared to \$1.4 million or \$1.45 per share for the quarter ending September 30, 2020.

The Company’s net interest income increased by \$660,000 or 16.0% during the quarter ended September 30, 2021 compared to the prior year period primarily due to growth in loans as well as recognition of fee income. Noninterest income declined by \$253,000 or 18.8% during the quarter ended September 30, 2021 compared to the prior year period primarily due to a decline in income on loans sold. Noninterest expense increased by \$582,000 or 18.4% during the quarter ended September 30, 2021 compared to the prior year period due to increases in compensation and benefits expense, occupancy, equipment and DP expense, and insurance and professional fees, partially offset by a decline in other noninterest expense. The Company’s provision for income taxes increased by \$19,000 during the quarter ended September 30, 2021 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, 2021, while the provision for loan loss of \$300,000 during the quarter ended September 30, 2020 was primarily attributable to credit quality considerations. 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 \$30.5 million or 7.5% from 404.3 million at June 30, 2021 to \$434.7 million at September 30, 2021. Net loans held for investment have increased by \$11.3 million during the first quarter of fiscal 2022. Total consolidated deposits increased by \$29.2 million or 8.1% from \$361.0 million at June 30, 2021 to \$390.2 million at September 30, 2021.

On October 21, 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 November 5, 2021, payable on or about November 15, 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 remains strong” stated Larry Smith, Chairman of the Board and President of the Company. “We continue to monitor and conservatively evaluate evolving economic conditions and trends and their possible impact on 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 September 30, 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)

	September 30, 2021	June 30, 2021
<u>Assets</u>		
Cash and due from banks	4,770,000	4,867,000
Interest-earning demand deposits in banks	76,584,000	58,592,000
Cash and Equivalents	81,354,000	63,459,000
Interest-earning time deposits	1,244,000	1,493,000
Securities carried at fair value	39,486,000	36,821,000
Held-to-maturity securities	16,000	19,000
Loans held for sale	1,512,000	2,344,000
Loans held for investment, net of allowance for loan losses	294,538,000	283,258,000
Investment in nonmarketable equity securities	807,000	897,000
Accrued interest receivable	1,165,000	1,280,000
Foreclosed assets held for sale	-	-
Office and equipment, net	7,837,000	7,904,000
Deferred income taxes	195,000	253,000
Bank Owned Life Insurance	5,802,000	5,770,000
Prepaid expenses and other assets	784,000	766,000
Total Assets	434,740,000	404,264,000
 <u>Liabilities and Stockholders' Equity</u>		
<u>Liabilities</u>		
Deposits		
Non-interest-bearing demand deposits	135,927,000	125,553,000
Savings, interest-bearing demand and money market	219,950,000	200,877,000
Time	34,370,000	34,587,000
Total deposits	390,247,000	361,017,000
Escrow accounts	228,000	203,000
FHLBank term advances	-	-
Accrued interest payable	1,000	1,000
Accrued income taxes and other liabilities	5,658,000	5,587,000
Total Liabilities	396,134,000	366,808,000
 <u>Stockholders' Equity</u>		
Common stock, par	10,000	10,000
Paid-in capital	11,056,000	11,007,000
Company common stock held in subsidiary trust	(1,251,000)	(1,251,000)
Accumulated other comprehensive income	314,000	271,000
Unearned ESOP compensation	-	-
Retained earnings	28,477,000	27,419,000
Total Stockholders' Equity	38,606,000	37,456,000
Total Liabilities and Stockholders' Equity	434,740,000	404,264,000

High Country Bancorp, Inc.
Consolidated Statement of Operations
Three Months Ending September 30, 2021 and 2020

(Unaudited)

(Rounded to thousands, except share data)

	Three Months Ending September 30,	
	2021	2020
<i>Interest Income</i>		
Interest and fees on loans	\$ 4,612,000	\$ 3,966,000
Investment securities	126,000	131,000
Interest-earning time deposits	9,000	10,000
Interest-earning demand deposit accounts	27,000	7,000
<i>Total Interest Income</i>	4,774,000	4,114,000
<i>Interest Expense</i>		
Deposits	100,000	97,000
FHLBank Advances	-	49,000
Other Borrowings	-	-
<i>Total Interest Expense</i>	100,000	146,000
<i>Net Interest Income Before Provision for Losses on Interest-Earning Assets</i>	4,674,000	3,968,000
<i>Net Provision for Losses on Interest- Earning Assets</i>	-	300,000
<i>Net Interest Income After Provision for Losses on Interest-Earning Assets</i>	4,674,000	3,668,000
<i>Noninterest Income</i>		
Service Charges on Deposit Accounts	35,000	29,000
Income on Loans Sold	639,000	891,000
Debit Card Surcharge Income	221,000	201,000
Other Noninterest Income	202,000	229,000
<i>Total Noninterest Income</i>	1,097,000	1,350,000
<i>Noninterest Expense</i>		
Personnel Compensation and Benefits	2,546,000	2,105,000
Occupancy, Equipment & DP Expense	686,000	553,000
Insurance and Professional Fees	185,000	125,000
Other Noninterest Expenses	327,000	379,000
<i>Total Noninterest Expense</i>	3,744,000	3,162,000
<i>Net Income Before Provision for Income Taxes</i>	2,027,000	1,856,000
Net Provision for Income Taxes	492,000	473,000
<i>Net Income After Provision for Income Taxes</i>	1,535,000	1,383,000
Basic Earnings per Share	\$ 1.61	\$ 1.45
Fully Diluted Earnings per Share	\$ 1.48	\$ 1.33
<i>Weighted Average Common Shares Outstanding</i>		
<i>Basic</i>	953,943	952,779
<i>Diluted</i>	1,033,897	1,040,520