



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, 2019. For the first quarter of the Company’s fiscal 2020, consolidated net income was \$1.13 million or \$1.34 per share, compared to \$1.06 million or \$1.26 per share for the quarter ending September 30, 2018.

The Company’s net interest income increased by \$287,000 or 8.6% during the quarter ended September 30, 2019 compared to the prior year period primarily due to growth in loans. Noninterest income increased by \$144,000 or 24.5% during the quarter ended September 30, 2019 compared to the prior year period primarily due to increases in income on loans sold, debit card surcharge income and other interest income. Noninterest expense increased by \$214,000 or 8.4% during the quarter ended September 30, 2019 compared to the prior year period due to increases in compensation and benefits expense and occupancy, equipment and DP expense, partially offset by declines in insurance and professional fees and other noninterest expense. The Company’s provision for income taxes increased by \$47,000 during the quarter ended September 30, 2019 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 growth in the Company’s loan portfolio precipitated a provision for loan loss of \$100,000 for the quarter ending September 30, 2019 compared to no provision in the prior year period. 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 \$10.0 million or 3.6% from \$275.4 million at June 30, 2019 to \$285.3 million at September 30, 2019. Net loans held for investment have increased by \$14.2 million during the first quarter of fiscal 2020. Total consolidated deposits increased by \$8.3 million or 3.4% from \$244.2 million at June 30, 2019 to \$252.5 million at September 30, 2019.

On October 22, 2019, the Board declared a cash dividend in the amount of \$1.00 per share to the shareholders of record at the close of business on November 8, 2019, payable on or about November 22, 2019. 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.

In addition, the Board approved a stock repurchase program (“the program”) to acquire up to 92,203 shares of the Company’s common stock over the next year, which represents approximately 10% of the outstanding common stock. Although the Company is not currently repurchasing its stock, the program allows the Company to make discretionary repurchase shares if it has sufficient liquidity to do so. The program will be dependent upon market conditions and there is no guarantee as to the exact number of shares to be repurchased by the Company or the timing of their repurchase. The repurchase generally will be effected through open-market purchases, though the possibility of unsolicited negotiated transactions or other types of repurchases do exist. It is expected that a reduction in the amount of the Company’s outstanding stock would have the effect of increasing the Company’s per share earnings and return on equity.

“Core earnings for the Company continues to grow, due to loan growth and the resulting growth in interest income” stated Larry Smith, Chairman of the Board and President of the Company. “We face an uncertain interest rate environment as well as the regulatory burden of our industry; however, 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, 2019, the Company had 922,034 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, 2019	June 30, 2019
<u>Assets</u>		
Cash and due from banks	4,150,000	5,201,000
Interest-earning demand deposits in banks	5,671,000	3,008,000
Cash and Equivalents	9,821,000	8,209,000
Interest-earning time deposits	1,742,000	2,137,000
Securities carried at fair value	30,650,000	33,684,000
Held-to-maturity securities	541,000	545,000
Loans held for sale	890,000	3,650,000
Loans held for investment, net of allowance for loan losses	227,416,000	213,217,000
Investment in nonmarketable equity securities	520,000	520,000
Accrued interest receivable	959,000	1,035,000
Foreclosed assets held for sale	72,000	82,000
Office and equipment, net	5,970,000	5,675,000
Deferred income taxes	787,000	890,000
Bank Owned Life Insurance	5,551,000	5,518,000
Prepaid expenses and other assets	399,000	200,000
Total Assets	285,318,000	275,362,000
 <u>Liabilities and Stockholders' Equity</u>		
<u>Liabilities</u>		
Deposits		
Non-interest-bearing demand deposits	78,137,000	67,311,000
Savings, interest-bearing demand and money market	144,224,000	145,173,000
Time	30,108,000	31,724,000
Total deposits	252,469,000	244,208,000
Escrow accounts	142,000	113,000
FHLBank advances	60,000	60,000
Accrued interest payable	1,000	2,000
Accrued income taxes and other liabilities	4,600,000	4,215,000
Total Liabilities	257,272,000	248,598,000
 <u>Stockholders' Equity</u>		
Common stock, par	9,000	9,000
Paid-in capital	6,645,000	6,610,000
Company common stock held in subsidiary trust	(1,118,000)	(1,118,000)
Accumulated other comprehensive income	132,000	67,000
Unearned ESOP compensation	(266,000)	(319,000)
Retained earnings	22,644,000	21,515,000
Total Stockholders' Equity	28,046,000	26,764,000
Total Liabilities and Stockholders' Equity	285,318,000	275,362,000

High Country Bancorp, Inc.
Consolidated Statement of Operations
Three Months Ending September 30, 2019 and 2018

(Unaudited)

(Rounded to thousands, except share data)

	<u>Three Months Ending September 30,</u>	
	<u>2019</u>	<u>2018</u>
<i>Interest Income</i>		
Interest and fees on loans	\$ 3,530,000	\$ 3,220,000
Investment securities	168,000	181,000
Interest-earning time deposits	11,000	12,000
Interest-earning demand deposit accounts	17,000	41,000
<i>Total Interest Income</i>	<u>3,726,000</u>	<u>3,454,000</u>
<i>Interest Expense</i>		
Deposits	90,000	107,000
FHLBank Advances	1,000	1,000
Other Borrowings	2,000	-
<i>Total Interest Expense</i>	<u>93,000</u>	<u>108,000</u>
<i>Net Interest Income Before Provision for Losses on Interest-Earning Assets</i>	<u>3,633,000</u>	<u>3,346,000</u>
<i>Net Provision for Losses on Interest- Earning Assets</i>	<u>100,000</u>	<u>-</u>
<i>Net Interest Income After Provision for Losses on Interest-Earning Assets</i>	<u>3,533,000</u>	<u>3,346,000</u>
<i>Noninterest Income</i>		
Service Charges on Deposit Accounts	52,000	57,000
Income on Loans Sold	332,000	233,000
Debit Card Surcharge Income	192,000	162,000
Other Noninterest Income	157,000	137,000
<i>Total Noninterest Income</i>	<u>733,000</u>	<u>589,000</u>
<i>Noninterest Expense</i>		
Personnel Compensation and Benefits	1,933,000	1,675,000
Occupancy, Equipment & DP Expense	455,000	416,000
Insurance and Professional Fees	68,000	115,000
Other Noninterest Expenses	315,000	351,000
<i>Total Noninterest Expense</i>	<u>2,771,000</u>	<u>2,557,000</u>
<i>Net Income Before Provision for Income Taxes</i>	<u>1,495,000</u>	<u>1,378,000</u>
Net Provision for Income Taxes	<u>367,000</u>	<u>320,000</u>
<i>Net Income After Provision for Income Taxes</i>	<u>1,128,000</u>	<u>1,058,000</u>
Basic Earnings per Share	\$ 1.34	\$ 1.26
Fully Diluted Earnings per Share	\$ 1.23	\$ 1.15
<i>Weighted Average Common Shares Outstanding</i>		
<i>Basic</i>	838,984	840,436
<i>Diluted</i>	914,783	920,900