



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 December 31, 2021. For the second quarter of fiscal 2022, the Company’s consolidated net income was \$1.1 million or \$1.15 per share, compared to \$1.4 million or \$1.43 per share for the quarter ended December 31, 2020. For the six-month fiscal year-to-date period ended December 31, 2021, consolidated net income was \$2.6 million or \$2.77 per share, compared to \$2.8 million or \$2.89 per share for the six months ended December 31, 2020.

The Company’s net interest income increased by \$202,000 or 4.95% during the quarter ended December 31, 2021 compared to the prior year period primarily due to growth in loans and reduction to borrowing costs. Noninterest income declined by \$861,000 or 48.84% during the quarter ended December 31, 2021 compared to the prior year period primarily due to declines in income on loans sold and other noninterest income. Noninterest expense was materially unchanged during the quarter ended December 31, 2021 compared to the prior year period as declines in compensation and benefits expense and other noninterest expenses were offset by increases in occupancy, equipment and data processing expense and insurance and professional fees. The Company’s provision for income taxes declined to \$349,000, or an effective tax rate of approximately 24.27%, during the quarter ended December 31, 2021 from \$472,000, or an effective rate of approximately 25.64% compared to the prior year period.

For the six months ended December 31, 2021, the Company’s net interest income increased by \$908,000 or 11.29% compared to the prior year period primarily due to growth in loans as well as recognition of origination fee income and reduction to borrowing costs. Noninterest income declined by \$1.1 million or 35.79% during the six months ended December 31, 2021 compared to the prior year period primarily due to declines in income on loans sold and other noninterest income. Noninterest expense increased by \$564,000 or 8.16% during the six months ended December 31, 2021 compared to the prior year period due to increases in compensation and benefits expense, occupancy, equipment and data processing expense and insurance and professional fees, partially offset by a decline in other noninterest expenses. The Company’s provision for income taxes declined to \$841,000, or an effective tax rate of approximately 24.27%, during the six months ended December 31, 2021 from \$945,000, or an effective rate of approximately 25.54%, 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 provisions for loan loss the provisions for loan loss were recorded during the quarter- and year-to-date periods ending December 31, 2021 while the provisions for loan loss recorded during the quarter- and year-to-date periods ended December 31, 2020 were 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 \$48.6 million or 12.02% from \$404.3 million at June 30, 2021 to \$452.8 million at December 31, 2021. Net loans held for investment have increased by \$16.0 million or 5.6% during the first six months of fiscal 2022. Total consolidated deposits have increased by \$47.0 million or 13.0% from \$361.0 million at June 30, 2021 to \$408.0 million at December 31, 2021.

On January 20, 2022, 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 February 4, 2022, payable on or about February 18, 2022. 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 December 31, 2021, the Company had 1,032,477 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)

	December 31, 2021	June 30, 2021
<u>Assets</u>		
Cash and due from banks	1,418,000	4,867,000
Interest-earning demand deposits in banks	<u>90,327,000</u>	<u>58,592,000</u>
Cash and Equivalents	91,745,000	63,459,000
Interest-earning time deposits	1,244,000	1,493,000
Securities carried at fair value	41,661,000	36,821,000
Held-to-maturity securities	14,000	19,000
Loans held for sale	2,078,000	2,344,000
Loans held for investment, net of allowance for loan losses	299,219,000	283,258,000
Investment in nonmarketable equity securities	807,000	897,000
Accrued interest receivable	1,180,000	1,280,000
Office and equipment, net	7,713,000	7,904,000
Deferred income taxes	578,000	253,000
Bank Owned Life Insurance	5,834,000	5,770,000
Prepaid expenses and other assets	<u>767,000</u>	<u>766,000</u>
Total Assets	<u>452,840,000</u>	<u>404,264,000</u>

Liabilities and Stockholders' Equity

Liabilities

Deposits		
Non-interest-bearing demand deposits	140,235,000	125,553,000
Savings, interest-bearing demand and money market	232,599,000	200,877,000
Time	<u>35,175,000</u>	<u>34,587,000</u>
Total deposits	<u>408,009,000</u>	<u>361,017,000</u>
Escrow accounts	367,000	203,000
Accrued interest payable	1,000	1,000
Accrued income taxes and other liabilities	<u>5,385,000</u>	<u>5,587,000</u>
Total Liabilities	<u>413,762,000</u>	<u>366,808,000</u>

Stockholders' Equity

Common stock, par	10,000	10,000
Paid-in capital	11,162,000	11,007,000
Company common stock held in subsidiary trust	(1,251,000)	(1,251,000)
Accumulated other comprehensive income	69,000	271,000
Retained earnings	<u>29,088,000</u>	<u>27,419,000</u>
Total Stockholders' Equity	<u>39,078,000</u>	<u>37,456,000</u>
 Total Liabilities and Stockholders' Equity	 <u>452,840,000</u>	 <u>404,264,000</u>

High Country Bancorp, Inc.
Consolidated Statement of Operations
Three and Six Months Ending December 31, 2021 and 2020
(Unaudited)
(Rounded to thousands, except share data)

	<u>Three Months Ending December 31,</u>		<u>Six Months Ending December 31,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Interest Income				
Interest and fees on loans	\$ 4,214,000	\$ 4,154,000	\$ 8,826,000	\$ 8,120,000
Investment securities	132,000	120,000	258,000	251,000
Interest-earning time deposits	8,000	10,000	17,000	20,000
Interest-earning demand deposit accounts	30,000	9,000	57,000	16,000
Total Interest Income	4,384,000	4,293,000	9,158,000	8,407,000
Interest Expense				
Deposits	105,000	98,000	205,000	195,000
FHLBank Advances	-	118,000	-	167,000
Other Borrowings	-	-	-	-
Total Interest Expense	105,000	216,000	205,000	362,000
Net Interest Income Before Provision for Losses on Interest-Earning Assets	4,279,000	4,077,000	8,953,000	8,045,000
Net Provision for Losses on Interest- Earning Assets	-	250,000	-	550,000
Net Interest Income After Provision for Losses on Interest-Earning Assets	4,279,000	3,827,000	8,953,000	7,495,000
Noninterest Income				
Service Charges on Deposit Accounts	37,000	35,000	72,000	65,000
Income on Loans Sold	468,000	1,296,000	1,107,000	2,187,000
Debit Card Surcharge Income	219,000	181,000	440,000	382,000
Other Noninterest Income	178,000	251,000	380,000	479,000
Total Noninterest Income	902,000	1,763,000	1,999,000	3,113,000
Noninterest Expense				
Personnel Compensation and Benefits	2,503,000	2,602,000	5,049,000	4,707,000
Occupancy, Equipment & DP Expense	734,000	585,000	1,420,000	1,136,000
Insurance and Professional Fees	178,000	123,000	362,000	248,000
Other Noninterest Expenses	320,000	439,000	641,000	817,000
Total Noninterest Expense	3,735,000	3,749,000	7,472,000	6,908,000
Net Income Before Provision for Income Taxes	1,446,000	1,841,000	3,480,000	3,700,000
Net Provision for Income Taxes	349,000	472,000	841,000	945,000
Net Income After Provision for Income Taxes	1,097,000	1,369,000	2,639,000	2,755,000
Basic Earnings per Share	\$ 1.15	\$ 1.43	\$ 2.77	\$ 2.89
Fully Diluted Earnings per Share	\$ 1.06	\$ 1.32	\$ 2.55	\$ 2.64
<i>Weighted Average Common Shares Outstanding</i>				
<i>Basic</i>	<i>953,965</i>	<i>954,543</i>	<i>953,954</i>	<i>953,661</i>
<i>Diluted</i>	<i>1,033,743</i>	<i>1,038,626</i>	<i>1,033,820</i>	<i>1,042,973</i>