



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 the Company’s quarterly and fiscal year-to-date earnings for the periods ended June 30, 2022. For the fourth quarter of fiscal 2022, the Company’s consolidated net income was \$746,000 or \$0.78 per share, compared to \$929,000 or \$0.97 per share for the quarter ended June 30, 2021. For the twelve-month fiscal year-to-date period ended June 30, 2022, consolidated net income was \$4.2 million or \$4.43 per share, compared to \$4.9 million or \$5.10 per share for the twelve months ended June 30, 2021.

The Company’s net interest income increased by \$384,000 or 9.6% during the quarter ended June 30, 2022 compared to the prior year period primarily due to growth in loans, partially offset by the impact of a decline in the average interest rate earned on loans. Noninterest income declined by \$601,000 or 48.4% during the quarter ended June 30, 2022 compared to the prior year period primarily due to the impact of declines in income on loans sold and other noninterest income. Lower market interest rates are generally more conducive to residential mortgage loan refinance and purchase activity, and the level of residential mortgage loans originated and sold by the Company has been adversely impacted by increases in market interest rates. Noninterest expense declined by \$354,000 or 8.0% during the quarter ended June 30, 2022 compared to the prior year period due to a decline in compensation and benefits expense, partially offset by increases in occupancy, equipment and data processing expense and other noninterest expenses. The Company’s provision for income taxes declined to \$212,000, or an effective tax rate of approximately 23%, during the quarter ended June 30, 2022 from \$292,000, or an effective rate of approximately 24% during the quarter ended June 30, 2021.

For the twelve months ended June 30, 2022, the Company’s net interest income increased by \$1.7 million or 10.6% compared to the prior year period primarily due to growth in loans and reduction to borrowing costs, partially offset by the impact of a decline in yield on loans. Noninterest income declined by \$2.3 million or 40.4% during the twelve months ended June 30, 2022 compared to the prior year period primarily due to declines in income on loans sold and other noninterest income. Similar to as stated above, the level of residential mortgage loans originated and sold by the Company has been adversely impacted by increases in market interest rates. Noninterest expense increased by \$426,000 or 2.9% during the twelve months ended June 30, 2022 compared to the prior year period due to increases in occupancy, equipment and data processing expense and insurance and professional fees, partially offset by declines in compensation and benefits expense and other noninterest expenses. The Company’s provision for income taxes declined to \$1.3 million, or an effective tax rate of approximately 24%, during the twelve months ended June 30, 2022 from \$1.6 million, or an effective tax rate of approximately 25% during the fiscal year ended June 30, 2021.

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 June 30, 2022, compared to a negative provision of \$400,000 recorded during the quarter ended June 30, 2021. No provision was recorded during the twelve months ended June 30, 2022, compared to a provision of \$150,000 recorded during the prior twelve-month period ended June 30, 2021. 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 \$51.1 million or 12.6% from \$404.3 million at June 30, 2021 to \$455.4 million at June 30, 2022. Net loans held for investment have increased by \$13.6 million or 4.8% during fiscal 2022. Total consolidated deposits increased by \$51.6 million or 14.1% from \$361.0 million at June 30, 2021 to \$413.0 million at June 30, 2022.

On July 21, 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 August 5, 2022, payable on or about August 19, 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 June 30, 2022, the Company had 1,032,190 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)

	June 30,	June 30,
	2022	2021
<u>Assets</u>		
Cash and due from banks	6,931,000	4,867,000
Interest-earning demand deposits in banks	71,464,000	58,592,000
Cash and Equivalents	78,395,000	63,459,000
Interest-earning time deposits	1,244,000	1,493,000
Securities carried at fair value	61,254,000	36,821,000
Held-to-maturity securities	9,000	19,000
Loans held for sale	-	2,344,000
Loans held for investment, net of allowance for loan losses	296,840,000	283,258,000
Investment in nonmarketable equity securities	809,000	897,000
Accrued interest receivable	1,267,000	1,280,000
Office and equipment, net	7,327,000	7,904,000
Deferred income taxes	1,473,000	253,000
Bank Owned Life Insurance	5,897,000	5,770,000
Prepaid expenses and other assets	872,000	766,000
Total Assets	455,387,000	404,264,000
 <u>Liabilities and Stockholders' Equity</u>		
<u>Liabilities</u>		
Deposits		
Non-interest-bearing demand deposits	145,055,000	125,553,000
Savings, interest-bearing demand and money market	234,397,000	200,877,000
Time	33,439,000	34,587,000
Total deposits	412,891,000	361,017,000
Escrow accounts	173,000	203,000
FHLBank term advances	-	-
Accrued interest payable	1,000	1,000
Accrued income taxes and other liabilities	5,305,000	5,587,000
Total Liabilities	418,370,000	366,808,000
 <u>Stockholders' Equity</u>		
Common stock, par	10,000	10,000
Paid-in capital	11,227,000	11,007,000
Company common stock held in subsidiary trust	(1,251,000)	(1,251,000)
Accumulated other comprehensive income	(2,692,000)	271,000
Unearned ESOP compensation	-	-
Retained earnings	29,723,000	27,419,000
Total Stockholders' Equity	37,017,000	37,456,000
Total Liabilities and Stockholders' Equity	455,387,000	404,264,000

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

(Unaudited)

(Rounded to thousands, except share data)

	<u>Three Months Ending June 30,</u>		<u>Twelve Months Ending June 30,</u>	
	2022	2021	2022	2021
Interest Income				
Interest and fees on loans	\$ 4,129,000	\$ 3,958,000	\$ 17,059,000	\$ 15,953,000
Investment securities	237,000	120,000	629,000	491,000
Interest-earning time deposits	8,000	10,000	32,000	40,000
Interest-earning demand deposit accounts	102,000	11,000	191,000	41,000
Total Interest Income	4,476,000	4,099,000	17,911,000	16,525,000
Interest Expense				
Deposits	93,000	100,000	402,000	393,000
FHLBank term advances	-	-	-	295,000
Other borrowings	-	-	-	-
Total Interest Expense	93,000	100,000	402,000	688,000
Net Interest Income Before Provision for Losses on Interest-Earning Assets	4,383,000	3,999,000	17,509,000	15,837,000
Net Provision for Losses on Interest-Earning Assets	-	(400,000)	-	150,000
Net Interest Income After Provision for Losses on Interest-Earning Assets	4,383,000	4,399,000	17,509,000	15,687,000
Noninterest Income				
Service Charges on Deposit Accounts	58,000	44,000	167,000	142,000
Income on Loans Sold	205,000	751,000	1,690,000	3,864,000
Debit Card Surcharge Income	231,000	213,000	876,000	775,000
Other Noninterest Income	148,000	235,000	682,000	948,000
Total Noninterest Income	642,000	1,243,000	3,415,000	5,729,000
Noninterest Expense				
Personnel Compensation and Benefits	2,737,000	3,200,000	10,273,000	10,375,000
Occupancy, Equipment & DP Expense	755,000	679,000	2,941,000	2,460,000
Insurance and Professional Fees	163,000	166,000	732,000	535,000
Other Noninterest Expenses	412,000	376,000	1,414,000	1,564,000
Total Noninterest Expense	4,067,000	4,421,000	15,360,000	14,934,000
Net Income Before Provision for Income Taxes	958,000	1,221,000	5,564,000	6,482,000
Net Provision for Income Taxes	212,000	292,000	1,321,000	1,611,000
Net Income After Provision for Income Taxes	746,000	929,000	4,243,000	4,871,000
Basic Earnings per Share	\$ 0.78	\$ 0.97	\$ 4.43	\$ 5.10
Fully Diluted Earnings per Share	\$ 0.72	\$ 0.90	\$ 4.11	\$ 4.68
Weighted Average Common Shares Outstanding				
Basic	962,640	953,943	957,192	954,491
Diluted	1,032,194	1,033,897	1,033,073	1,040,533