



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 June 30, 2024. For the fourth quarter of fiscal 2024, the Company’s consolidated net income was \$375,000 or \$0.40 per share, compared to \$689,000 or \$0.73 per share for the quarter ended June 30, 2023. For the twelve-month fiscal year-to-date period ended June 30, 2024, consolidated net income was \$3.3 million or \$3.45 per share, compared to \$4.6 million or \$4.77 per share for the nine months ended June 30, 2023.

The Company’s net interest income increased by \$165,000 or 3.5% during the quarter ended June 30, 2024 compared to the prior year period primarily due to the impact of growth in earning assets and the rate earned thereon, partially offset by an increase in interest expense resulting from increases in deposit rates and other funding costs. Noninterest income increased by \$48,000 or 9.9% during the quarter ended June 30, 2024 compared to the prior year period primarily due to the impact of increases in income on loans sold and other noninterest income. Noninterest expense increased by \$18,000 or 0.4% during the quarter ended June 30, 2024 compared to the prior year period primarily due to an increase in occupancy, equipment and data processing expense, net of declines in compensation and benefits expense and other noninterest expense. The Company’s income tax expense declined to \$102,000, or an effective tax rate of approximately 21.4%, during the quarter ended June 30, 2024 from \$193,000, or an effective rate of approximately 21.9% compared to the prior year period.

For the twelve months ended June 30, 2024, the Company’s net interest income declined by \$75,000 or 0.4% compared to the prior year period primarily due to an increase in interest expense resulting from increases in deposit rates and other funding costs, partially offset by the impact of growth in earning assets and the rate earned thereon. Noninterest income declined by \$79,000 or 3.9% during the twelve months ended June 30, 2024 compared to the prior year period primarily due to a decline in income on loans sold, partially offset by an increase in other noninterest income. Noninterest expense increased by \$853,000 or 5.7% during the twelve months ended June 30, 2024 compared to the prior year period due to increases in occupancy, equipment and data processing expense, insurance and professional fees and other noninterest expense. The Company’s income tax expense declined to \$949,000, or an effective tax rate of approximately 22.6%, during the twelve months ended June 30, 2024 from \$1.4 million, or an effective rate of approximately 22.9%, 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. A quarter-to-date provision for credit loss of \$650,000 and a year-to-date provision for credit loss of \$1.0 million were recorded during the periods ending June 30, 2024, while provisions for credit loss of \$50,000 and \$300,000, respectively, were recorded during the quarter- and year-to-date periods ended June 30, 2023. 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 \$40.5 million or 9.2% from \$439.9 million at June 30, 2023 to \$480.4 million at June 30, 2024. Net loans held for investment have increased by \$45.7 million or 13.2% during fiscal 2024. Total consolidated deposits have increased by \$15.7 million or 4.2% from \$374.4 million at June 30, 2023 to \$390.1 million at June 30, 2024.

On July 30, 2024, 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 12, 2024, payable on or about August 26,

2024. 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, 2024, the Company had 1,020,311 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, 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 of 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, 2024	June 30, 2023
<u>Assets</u>		
Cash and equivalents, non-interest earning	6,931,000	4,602,000
Cash and equivalents, interest earning	3,628,000	4,013,000
Cash and Equivalents	10,559,000	8,615,000
Interest-earning time deposits	497,000	1,244,000
Available-for-sale securities	58,242,000	66,060,000
Held-to-maturity securities	-	4,000
Loans held for sale	10,000	110,000
Loans held for investment, net of allowance for credit losses	391,681,000	346,007,000
Nonmarketable equity securities, carried at cost	2,833,000	1,461,000
Accrued interest receivable	1,940,000	1,580,000
Foreclosed assets held for sale	10,000	-
Property and equipment, net	6,208,000	6,626,000
Deferred income taxes	1,536,000	1,433,000
Bank owned life insurance	6,181,000	6,032,000
Prepaid expenses and other assets	735,000	756,000
Total Assets	480,432,000	439,928,000
 <u>Liabilities and Stockholders' Equity</u>		
<u>Liabilities</u>		
Deposits		
Non-interest-bearing demand deposits	96,331,000	112,393,000
Savings, interest-bearing demand and money market	241,118,000	220,055,000
Time deposits	52,624,000	41,936,000
Total deposits	390,073,000	374,384,000
Escrow accounts	278,000	188,000
FHLBank term advances	20,000,000	-
FHLBank line of credit borrowing	25,400,000	22,700,000
Accrued interest payable	23,000	2,000
Accrued income taxes and other liabilities	5,283,000	4,363,000
Total Liabilities	441,057,000	401,637,000
 <u>Stockholders' Equity</u>		
Common stock, par	10,000	10,000
Additional paid-in capital	10,252,000	10,417,000
Company stock held in subsidiary trust	(958,000)	(1,251,000)
Accumulated other comprehensive gain (loss)	(2,777,000)	(3,246,000)
Note receivable from ESOP	-	-
Retained earnings	32,848,000	32,361,000
Total Stockholders' Equity	39,375,000	38,291,000
Total Liabilities and Stockholders' Equity	480,432,000	439,928,000

High Country Bancorp, Inc.
Consolidated Statement of Operations
Three and Twelve Months Ending June 30, 2024 and 2023

(Unaudited)

(Rounded to thousands, except share data)

	<u>Three Months Ending June 30,</u>		<u>Twelve Months Ending June 30,</u>	
	2024	2023	2024	2023
Interest Income				
Interest and fees on loans	\$ 6,099,000	\$ 4,824,000	\$ 22,589,000	\$ 17,695,000
Investment securities	412,000	445,000	1,685,000	1,662,000
Interest-earning time deposits	3,000	8,000	18,000	31,000
Interest on other interest-earning assets	31,000	32,000	112,000	1,020,000
Total Interest Income	<u>6,545,000</u>	<u>5,309,000</u>	<u>24,404,000</u>	<u>20,408,000</u>
Interest Expense				
Deposits	1,060,000	420,000	3,591,000	1,125,000
FHLBank term advances	242,000	-	557,000	-
FHLBank and other borrowings	414,000	225,000	1,276,000	228,000
Total Interest Expense	<u>1,716,000</u>	<u>645,000</u>	<u>5,424,000</u>	<u>1,353,000</u>
Net Interest Income	<u>4,829,000</u>	<u>4,664,000</u>	<u>18,980,000</u>	<u>19,055,000</u>
Provision for Credit Losses	<u>650,000</u>	<u>50,000</u>	<u>1,000,000</u>	<u>300,000</u>
Net Interest Income After Provision for Credit Losses	<u>4,179,000</u>	<u>4,614,000</u>	<u>17,980,000</u>	<u>18,755,000</u>
Noninterest Income				
Service charges on deposit accounts	57,000	66,000	216,000	222,000
Income on loans sold	71,000	34,000	237,000	337,000
Debit card surcharge income	225,000	237,000	894,000	908,000
Other noninterest income	178,000	146,000	617,000	576,000
Total Noninterest Income	<u>531,000</u>	<u>483,000</u>	<u>1,964,000</u>	<u>2,043,000</u>
Noninterest Expense				
Compensation and benefits	2,432,000	2,531,000	9,091,000	9,101,000
Occupancy, equipment & data processing expense	841,000	711,000	3,355,000	2,980,000
Insurance and professional fees	281,000	274,000	1,010,000	855,000
Other noninterest expenses	679,000	699,000	2,286,000	1,953,000
Total Noninterest Expense	<u>4,233,000</u>	<u>4,215,000</u>	<u>15,742,000</u>	<u>14,889,000</u>
Net Income Before Income Taxes	<u>477,000</u>	<u>882,000</u>	<u>4,202,000</u>	<u>5,909,000</u>
Income tax expense	102,000	193,000	949,000	1,352,000
Net Income	<u>375,000</u>	<u>689,000</u>	<u>3,253,000</u>	<u>4,557,000</u>
Basic Earnings per Share	\$ 0.40	\$ 0.73	\$ 3.45	\$ 4.77
Fully Diluted Earnings per Share	\$ 0.37	\$ 0.68	\$ 3.17	\$ 4.45
Weighted Average Common Shares Outstanding				
Basic	943,532	946,431	942,316	954,523
Diluted	1,020,312	1,017,357	1,025,778	1,024,091