

HIGH COUNTRY BANCORP, INC. ANNOUNCES QUARTERLY EARNINGS AND DECLARES DIVIDEND

The Board of Directors (“the Board”) of High Country Bancorp, Inc. (OTC: HCBC.PK) (“the Company”) has announced its quarterly earnings for the period ended September 30, 2017. For the first quarter of fiscal 2018, consolidated net income was \$766,000 or \$0.83 per share, compared to \$762,000 or \$0.85 per share for the quarter ending September 30, 2016.

The Company’s net interest income increased by \$318,000 or 12.17% during the quarter ended September 30, 2017 compared to the prior year period due to growth in loans. Noninterest income declined by \$21,000 or 4.46% during the quarter ended September 30, 2017 compared to the prior year period primarily due to a decline in income on loans sold. Noninterest expense increased by \$252,000 or 13.04% during the quarter ended September 30, 2017 compared to the prior year period due to increases in compensation and benefits expense, occupancy, equipment and data processing expense, insurance and professional fees and other noninterest expense.

Credit quality and other factors used to determine the level of the allowance for loan losses precipitated no provision for loan loss for the quarters ending September 30, 2017 and 2016. Management evaluates credit risk on an ongoing basis to determine an appropriate level for the allowance for loan losses.

Total consolidated assets increased by \$12.1 million or 4.9% from \$247.5 million at June 30, 2017 to \$259.6 million at September 30, 2017. Net loans held for investment and loans held for sale increased by \$6.6 million and \$1.8 million, respectively, during the first quarter of fiscal 2018. Total consolidated deposits increased by \$11.4 million or 5.2% from \$219.8 million at June 30, 2017 to \$231.2 million at September 30, 2017

On October 31, 2017, 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 13, 2017, payable on or about November 24, 2017. 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 92,253 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 repurchase shares if it has the ability and 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 remain solid, especially net interest income, due to loan growth and the continued low cost of funds” stated Larry Smith, Chairman of the Board and President of the Company. “Challenges persist as interest rates remain near historic lows 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, 2017, the Company had 922,534 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)

(In thousands, except share data)

	September 30, 2017	June 30, 2017
<u>Assets</u>		
Cash and Equivalents	\$ 19,612,000	\$ 16,582,000
<i>Investment Securities</i>	-	-
Mortgage Pool Securities	11,211,000	11,952,000
Other Investment Securities	29,920,000	28,572,000
<i>Total Investment Securities</i>	41,131,000	40,524,000
Loans Held for Sale	2,066,000	259,000
Loans Held for Investment, net of Allowance		
for Loan Losses of \$1,222 and \$1,221, respectively	182,104,000	175,532,000
FHLBank, FRB stock, at cost	455,000	454,000
Accrued Interest Receivable	933,000	982,000
Other Real Estate and Repossessed Assets, net	390,000	390,000
Office and Equipment, net	5,127,000	5,048,000
Deferred Income Taxes	1,362,000	1,431,000
Bank Owned Life Insurance	5,038,000	5,007,000
Prepaid Expenses and Other Assets	1,351,000	1,273,000
<i>Total Assets</i>	259,569,000	247,482,000
 <u>Liabilities</u>		
Deposits	231,183,000	219,817,000
FHLBank Advances	100,000	100,000
Accrued Interest Payable and Other Liabilities	1,856,000	1,977,000
<i>Total Liabilities</i>	233,139,000	221,894,000
<i>Total Equity Capital</i>	26,430,000	25,588,000
<i>Total Liabilities and Equity Capital</i>	259,569,000	\$ 247,482,000

High Country Bancorp, Inc.
Consolidated Statement of Operations
Three Months Ending September 30, 2017 and 2016

(Unaudited)

(In thousands, except share data)

	Three Months Ending September 30,	
	2017	2016
<i>Interest Income</i>		
Interest-Earning Deposit Accounts	\$ 27,000	\$ 20,000
Mortgage Pool Securities	57,000	64,000
Other Investment Securities	128,000	142,000
Interest and Fees on Loans	2,840,000	2,511,000
<i>Total Interest Income</i>	3,052,000	2,737,000
<i>Interest Expense</i>		
Deposits	117,000	122,000
FHLBank Advances	4,000	2,000
<i>Total Interest Expense</i>	121,000	124,000
<i>Net Interest Income Before Provision for Losses on Interest-Earning Assets</i>	2,931,000	2,613,000
<i>Net Provision for Losses on Interest- Earning Assets</i>	-	-
<i>Net Interest Income After Provision for Losses on Interest-Earning Assets</i>	2,931,000	2,613,000
<i>Noninterest Income</i>		
Service Charges on Deposit Accounts	54,000	57,000
Income on Loans Sold	205,000	222,000
Other Noninterest Income	168,000	167,000
Gain on Sale of Property	23,000	25,000
<i>Total Noninterest Income</i>	450,000	471,000
<i>Noninterest Expense</i>		
Personnel Compensation and Benefits	1,555,000	1,372,000
Occupancy, Equipment & Data Processing Expense	415,000	381,000
Insurance and Professional Fees	83,000	71,000
Other	131,000	108,000
<i>Total Noninterest Expense</i>	2,184,000	1,932,000
<i>Net Income Before Provision for Income Taxes</i>	1,197,000	1,152,000
Net Provision for Income Taxes	431,000	390,000
<i>Net Income After Provision for Income Taxes</i>	766,000	762,000
Basic Earnings per Share	\$ 0.83	\$ 0.85
Fully Diluted Earnings per Share	\$ 0.83	\$ 0.85
<i>Weighted Average Common Shares Outstanding</i>		
<i>Basic</i>	922,534	895,534
<i>Diluted</i>	922,534	895,534