



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, 2018. For the first quarter of the Company’s fiscal 2019, consolidated net income was \$1.1 million or \$1.14 per share, compared to \$766,000 or \$0.83 per share for the quarter ending September 30, 2017.

The Company’s net interest income increased by \$415,000 or 14.16% during the quarter ended September 30, 2018 compared to the prior year period due to growth in loans. Noninterest income declined by \$25,000 or 5.56% during the quarter ended September 30, 2018 compared to the prior year period primarily due to a decline in investment commission fees included in other noninterest income and the prior year recognition of gains on sale of investment securities, partially offset by an increase in income on loans sold. Noninterest expense increased by \$213,000 or 9.75% during the quarter ended September 30, 2018 compared to the prior year period due to increases in compensation and benefits expense, insurance and professional fees and other noninterest expense. The Company’s provision for income taxes declined to \$320,000, or an effective tax rate of approximately 23.3%, during the quarter ended September 30, 2018 from \$431,000, or an effective rate of approximately 36.0% to \$320,000, in the prior year period. The decline was primarily a result of a reduction in federal income tax rates for periods following the December 2017 passage of the Tax Cuts and Jobs Act.

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, 2018 and 2017. 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 \$10.9 million or 4.1% from \$265.4 million at June 30, 2018 to \$276.2 million at September 30, 2018. Net loans held for investment have declined by \$2.4 million during the first quarter of fiscal 2019. Total consolidated deposits increased by \$10.4 million or 4.4% from \$236.6 million at June 30, 2018 to \$247.1 million at September 30, 2018.

On October 30, 2018, 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 9, 2018, payable on or about November 21, 2018. 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 remain solid, especially net interest income, due to loan growth” stated Larry Smith, Chairman of the Board and President of the Company. “Challenges persist in a more unstable 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, 2018, 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, 2018	June 30, 2018
<u>Assets</u>		
Cash and Equivalents	\$ 23,565,000	\$ 10,788,000
<i>Investment Securities</i>		
Mortgage Pool Securities	10,471,000	11,038,000
Other Investment Securities	27,281,000	26,325,000
<i>Total Investment Securities</i>	37,752,000	37,363,000
Loans Held for Sale	1,055,000	1,146,000
Loans Held for Investment, net of Allowance for Loan		
Losses of \$1,472,000 and \$1,467,000 respectively	199,302,000	201,661,000
FHLBank, FRB stock, at cost	460,000	459,000
Accrued Interest Receivable	935,000	932,000
Other Real Estate and Repossessed Assets, net	265,000	390,000
Office and Equipment, net	5,274,000	5,194,000
Deferred Income Taxes	966,000	868,000
Bank Owned Life Insurance	5,155,000	5,125,000
Prepaid Expenses and Other Assets	1,499,000	1,427,000
<i>Total Assets</i>	276,228,000	265,353,000
 <u>Liabilities</u>		
Deposits	247,076,000	236,634,000
FHLBank Advances	80,000	80,000
Accrued Interest Payable and Other Liabilities	1,821,000	2,434,000
<i>Total Liabilities</i>	248,977,000	239,148,000
<u>Total Equity Capital</u>	27,251,000	26,205,000
<u>Total Liabilities and Equity Capital</u>	276,228,000	\$ 265,353,000

High Country Bancorp, Inc.
Consolidated Statement of Operations
Three Months Ending September 30, 2018 and 2017

(Unaudited)

(Rounded to thousands, except share data)

	Three Months Ending September 30,	
	2018	2017
<i>Interest Income</i>		
Interest-Earning Deposit Accounts	\$ 41,000	\$ 27,000
Mortgage Pool Securities	56,000	57,000
Other Investment Securities	137,000	128,000
Interest and Fees on Loans	3,220,000	2,840,000
<i>Total Interest Income</i>	3,454,000	3,052,000
<i>Interest Expense</i>		
Deposits	107,000	117,000
FHLBank Advances	1,000	4,000
<i>Total Interest Expense</i>	108,000	121,000
<i>Net Interest Income Before Provision for Losses on Interest-Earning Assets</i>	3,346,000	2,931,000
<i>Net Provision for Losses on Interest- Earning Assets</i>	-	-
<i>Net Interest Income After Provision for Losses on Interest-Earning Assets</i>	3,346,000	2,931,000
<i>Noninterest Income</i>		
Service Charges on Deposit Accounts	58,000	54,000
Income on Loans Sold	233,000	205,000
Other Noninterest Income	134,000	168,000
Gain on Sale of Property	-	23,000
<i>Total Noninterest Income</i>	425,000	450,000
<i>Noninterest Expense</i>		
Personnel Compensation and Benefits	1,677,000	1,555,000
Occupancy, Equipment & Data Processing Expense	416,000	415,000
Insurance and Professional Fees	115,000	83,000
Other	189,000	131,000
<i>Total Noninterest Expense</i>	2,397,000	2,184,000
<i>Net Income Before Provision for Income Taxes</i>	1,374,000	1,197,000
Net Provision for Income Taxes	320,000	431,000
<i>Net Income After Provision for Income Taxes</i>	1,054,000	766,000
Basic Earnings per Share	\$ 1.14	\$ 0.83
Fully Diluted Earnings per Share	\$ 1.14	\$ 0.83
<i>Weighted Average Common Shares Outstanding</i>		
<i>Basic</i>	922,034	922,534
<i>Diluted</i>	922,034	922,534