

## HIGH COUNTRY BANCORP, INC. ANNOUNCES QUARTERLY EARNINGS

High Country Bancorp, Inc. (OTC: HCBC.PK) (“the Company”) has announced its quarterly earnings for the period ended December 31, 2017. As a result of changes to federal income tax rates enacted in December, 2017, the Company recorded a one-time charge to net provision for income taxes of approximately \$500,000 to reduce its recorded balance of deferred tax assets. For the second quarter of fiscal 2018, the Company’s consolidated net income was \$259,000 or \$0.28 per share, compared to \$787,000 or \$0.88 per share for the quarter ended December 31, 2016. For the six-month fiscal year-to-date period ended December 31, 2017, consolidated net income was \$1.0 million or \$1.11 per share, compared to \$1.5 million or \$1.73 per share for the six months ended December 31, 2016.

For the quarter ended December 31, 2017, the Company’s net interest income increased by \$435,000 or 14.16% compared to the prior year period primarily due to growth in loans. Noninterest income declined by \$114,000 or 29.61% during the quarter ended December 31, 2017 compared to the prior year period primarily due to declines in income on loans sold and other noninterest income. Noninterest expense increased by \$273,000 or 12.14% during the quarter ended December 31, 2017 compared to the prior year period due to increases in compensation and benefits expense and occupancy, equipment and data processing expense.

For the six months ended December 31, 2017, the Company’s net interest income increased by \$753,000 or 14.34% compared to the prior year period primarily due to growth in loans. Noninterest income declined by \$134,000 or 13.83% during the six months ended December 31, 2017 compared to the prior year period primarily due to declines in income on loans sold and other noninterest income. Noninterest expense increased by \$526,000 or 13.47% during the quarter ended December 31, 2017 compared to the prior year period due to increases in compensation and benefits expense, occupancy, equipment and data processing expense and other noninterest expense.

Credit quality and other factors, including loan growth, used to determine the level of the allowance for loan losses precipitated a provision for loan loss of \$75,000 for the quarter and fiscal year-to-date periods ended December 31, 2017 compared to \$0 for the prior year comparable periods. Management evaluates credit risk on an ongoing basis to determine an appropriate level for the allowance for loan losses.

Total consolidated assets increased by \$9.7 million or 3.9% from \$247.5 million at June 30, 2017 to \$257.2 million at December 31, 2017. Net loans held for investment and loans held for sale increased by \$14.4 million and \$1.4 million, respectively, during the first six months of fiscal 2018. Total consolidated deposits increased by \$9.7 million or 4.4% from \$219.8 million at June 30, 2017 to \$229.6 million at December 31, 2017.

“The one-time charge to our net provision for income taxes resulting from changes to federal income tax rates had a significant impact on our earnings; however, 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. “We remain focused on loan growth and 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 December 31, 2017, the Company had 920,034 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)

(In thousands, except share data)

	<b>December 31, 2017</b>	<b>June 30, 2017</b>
<b><u>Assets</u></b>		
Cash and Equivalents	\$ 9,096,000	\$ 16,582,000
<i>Investment Securities</i>		
Mortgage Pool Securities	12,187,000	11,952,000
Other Investment Securities	29,833,000	28,572,000
<i>Total Investment Securities</i>	42,020,000	40,524,000
Loans Held for Sale	1,698,000	259,000
Loans Held for Investment, net of Allowance		
for Loan Losses of \$1,299 and \$1,221, respectively	189,914,000	175,532,000
FHLBank, FRB stock, at cost	456,000	454,000
Accrued Interest Receivable	1,069,000	982,000
Other Real Estate and Repossessed Assets, net	390,000	390,000
Office and Equipment, net	5,183,000	5,048,000
Deferred Income Taxes	946,000	1,431,000
Bank Owned Life Insurance	5,068,000	5,007,000
Prepaid Expenses and Other Assets	1,385,000	1,273,000
<b><i>Total Assets</i></b>	257,225,000	247,482,000
 <b><u>Liabilities</u></b>		
Deposits	229,564,000	219,817,000
FHLBank Advances	80,000	100,000
Accrued Interest Payable and Other Liabilities	1,961,000	1,977,000
<b><i>Total Liabilities</i></b>	231,605,000	221,894,000
<b><i>Total Equity Capital</i></b>	25,620,000	25,588,000
<b><i>Total Liabilities and Equity Capital</i></b>	257,225,000	\$ 247,482,000

**High Country Bancorp, Inc.**  
**Consolidated Statement of Operations**  
**Three and Six Months Ending December 31, 2017 and 2016**  
*(Unaudited)*  
*(In thousands, except share data)*

	<u>Three Months Ending December 31,</u>		<u>Six Months Ending December 31,</u>	
	2017	2016	2017	2016
<b>Interest Income</b>				
Interest-Earning Deposit Accounts	\$ 29,000	\$ 16,000	\$ 56,000	\$ 36,000
Mortgage Pool Securities	64,000	67,000	122,000	131,000
Other Investment Securities	142,000	143,000	270,000	285,000
Interest and Fees on Loans	2,951,000	2,527,000	5,791,000	5,038,000
<b>Total Interest Income</b>	<b>3,186,000</b>	<b>2,753,000</b>	<b>6,239,000</b>	<b>5,490,000</b>
<b>Interest Expense</b>				
Deposits	113,000	115,000	231,000	237,000
FHLBank Advances	1,000	1,000	5,000	3,000
<b>Total Interest Expense</b>	<b>114,000</b>	<b>116,000</b>	<b>236,000</b>	<b>240,000</b>
<b>Net Interest Income Before Provision for Losses on Interest-Earning Assets</b>	<b>3,072,000</b>	<b>2,637,000</b>	<b>6,003,000</b>	<b>5,250,000</b>
<b>Net Provision for Losses on Interest- Earning Assets</b>	<b>75,000</b>	<b>-</b>	<b>75,000</b>	<b>-</b>
<b>Net Interest Income After Provision for Losses on Interest-Earning Assets</b>	<b>2,997,000</b>	<b>2,637,000</b>	<b>5,928,000</b>	<b>5,250,000</b>
<b>Noninterest Income</b>				
Service Charges on Deposit Accounts	53,000	57,000	107,000	114,000
Income on Loans Sold	189,000	264,000	394,000	485,000
Other Noninterest Income	143,000	178,000	311,000	345,000
Gain on Sale of Property	-	-	23,000	25,000
<b>Total Noninterest Income</b>	<b>385,000</b>	<b>499,000</b>	<b>835,000</b>	<b>969,000</b>
<b>Noninterest Expense</b>				
Personnel Compensation and Benefits	1,623,000	1,376,000	3,178,000	2,747,000
Occupancy, Equipment & Data Processing Expense	417,000	387,000	831,000	768,000
Insurance and Professional Fees	69,000	85,000	153,000	156,000
Other	139,000	127,000	270,000	235,000
<b>Total Noninterest Expense</b>	<b>2,248,000</b>	<b>1,975,000</b>	<b>4,432,000</b>	<b>3,906,000</b>
<b>Net Income Before Provision for Income Taxes</b>	<b>1,134,000</b>	<b>1,161,000</b>	<b>2,331,000</b>	<b>2,313,000</b>
Net Provision for Income Taxes	875,000	374,000	1,306,000	764,000
<b>Net Income After Provision for Income Taxes</b>	<b>259,000</b>	<b>787,000</b>	<b>1,025,000</b>	<b>1,549,000</b>
Basic Earnings per Share	\$ 0.28	\$ 0.88	\$ 1.11	\$ 1.73
Fully Diluted Earnings per Share	\$ 0.28	\$ 0.88	\$ 1.11	\$ 1.73
<b>Weighted Average Common Shares Outstanding</b>				
Basic	922,534	895,534	922,534	895,534
Diluted	922,534	895,534	922,534	895,534