

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

High Country Bancorp, Inc. (OTC: HCBC.PK) (“the Company”) has announced its quarterly earnings for the period ended March 31, 2018. For the third quarter of fiscal 2018, the Company’s consolidated net income was \$779,000 or \$0.85 per share, compared to \$766,000 or \$0.84 per share for the quarter ended March 31, 2017. For the nine-month fiscal year-to-date period ended March 31, 2018, consolidated net income was \$1.8 million or \$1.96 per share, compared to \$2.3 million or \$2.57 per share for the nine months ended March 31, 2017. The Company’s earnings for the nine-month fiscal year-to-date period ended March 31, 2018 were impacted by a one-time charge to net provision for income taxes of approximately \$500,000 to reduce the Company’s recorded balance of deferred tax assets, resulting from changes to federal income tax rates enacted in December, 2017.

For the quarter ended March 31, 2018, the Company’s net interest income increased by \$253,000 or 9.35% compared to the prior year period primarily due to growth in loans. Noninterest income declined by \$5,000 or 1.37% during the quarter ended March 31, 2018 compared to the prior year period primarily due to a decline in income on loans sold. Noninterest expense increased by \$281,000 or 14.74% during the quarter ended March 31, 2018 compared to the prior year period due to increases in compensation and benefits expense and occupancy, equipment and data processing expense.

For the nine months ended March 31, 2018, the Company’s net interest income increased by \$1 million or 12.65% compared to the prior year period primarily due to growth in loans. Noninterest income declined by \$139,000 or 10.42% during the nine months ended March 31, 2018 compared to the prior year period primarily due to declines in income on loans sold and other noninterest income. Noninterest expense increased by \$807,000 or 13.88% during the nine months ended March 31, 2018 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 \$100,000 and \$175,000, respectively, for the quarter and fiscal year-to-date periods ended March 31, 2018 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 have increased by \$13.9 million or 5.6% from \$247.5 million at June 30, 2017 to \$261.4 million at March 31, 2018. Net loans held for investment increased by \$15.3 million during the first nine months of fiscal 2018. Total consolidated deposits increased by \$13.2 million or 6.0% from \$219.8 million at June 30, 2017 to \$233.0 million at March 31, 2018.

On April 19, 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 May 18, 2018, payable on or about May 31, 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.

“Our core earnings remain solid and improving, 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 March 31, 2018, 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>March 31, 2018</b>	<b>June 30, 2017</b>
<b><u>Assets</u></b>		
Cash and Equivalents	16,312,000	\$ 16,582,000
<i>Investment Securities</i>		
Mortgage Pool Securities	11,624,000	11,952,000
Other Investment Securities	27,409,000	28,572,000
<i>Total Investment Securities</i>	39,033,000	40,524,000
Loans Held for Sale	901,000	259,000
Loans Held for Investment, net of Allowance		
for Loan Losses of \$1,416 and \$1,221, respectively	190,823,000	175,532,000
FHLBank, FRB stock, at cost	457,000	454,000
Accrued Interest Receivable	920,000	982,000
Other Real Estate and Repossessed Assets, net	390,000	390,000
Office and Equipment, net	5,217,000	5,048,000
Deferred Income Taxes	777,000	1,431,000
Bank Owned Life Insurance	5,096,000	5,007,000
Prepaid Expenses and Other Assets	1,510,000	1,273,000
<b><i>Total Assets</i></b>	261,436,000	247,482,000
 <b><u>Liabilities</u></b>		
Deposits	233,025,000	219,817,000
FHLBank Advances	80,000	100,000
Accrued Interest Payable and Other Liabilities	2,203,000	1,977,000
<b><i>Total Liabilities</i></b>	235,308,000	221,894,000
<b><i>Total Equity Capital</i></b>	26,128,000	25,588,000
<b><i>Total Liabilities and Equity Capital</i></b>	261,436,000	\$ 247,482,000

**High Country Bancorp, Inc.**  
**Consolidated Statement of Operations**  
**Three and Nine Months Ending March 31, 2018 and 2017**

(Unaudited)

(In thousands, except share data)

	<u>Three Months Ending March 31,</u>		<u>Nine Months Ending March 31,</u>	
	2018	2017	2018	2017
<b>Interest Income</b>				
Interest-Earning Deposit Accounts	\$ 16,000	\$ 9,000	\$ 73,000	\$ 45,000
Mortgage Pool Securities	65,000	68,000	186,000	198,000
Other Investment Securities	140,000	141,000	410,000	426,000
Interest and Fees on Loans	2,846,000	2,604,000	8,637,000	7,642,000
<b>Total Interest Income</b>	<b>3,067,000</b>	<b>2,822,000</b>	<b>9,306,000</b>	<b>8,311,000</b>
<b>Interest Expense</b>				
Deposits	107,000	113,000	338,000	349,000
FHLBank Advances	1,000	4,000	7,000	7,000
<b>Total Interest Expense</b>	<b>108,000</b>	<b>117,000</b>	<b>345,000</b>	<b>356,000</b>
<b>Net Interest Income Before Provision for Losses on Interest-Earning Assets</b>	<b>2,958,000</b>	<b>2,705,000</b>	<b>8,961,000</b>	<b>7,955,000</b>
<b>Net Provision for Losses on Interest- Earning Assets</b>	<b>100,000</b>	<b>-</b>	<b>175,000</b>	<b>-</b>
<b>Net Interest Income After Provision for Losses on Interest-Earning Assets</b>	<b>2,858,000</b>	<b>2,705,000</b>	<b>8,786,000</b>	<b>7,955,000</b>
<b>Noninterest Income</b>				
Service Charges on Deposit Accounts	58,000	56,000	165,000	170,000
Income on Loans Sold	171,000	180,000	565,000	665,000
Other Noninterest Income	131,000	128,000	442,000	472,000
Gain on Sale of Property	-	1,000	23,000	27,000
<b>Total Noninterest Income</b>	<b>360,000</b>	<b>365,000</b>	<b>1,195,000</b>	<b>1,334,000</b>
<b>Noninterest Expense</b>				
Personnel Compensation and Benefits	1,541,000	1,333,000	4,719,000	4,080,000
Occupancy, Equipment & Data Processing Expense	434,000	373,000	1,266,000	1,141,000
Insurance and Professional Fees	84,000	81,000	237,000	237,000
Other	129,000	120,000	398,000	355,000
<b>Total Noninterest Expense</b>	<b>2,188,000</b>	<b>1,907,000</b>	<b>6,620,000</b>	<b>5,813,000</b>
<b>Net Income Before Provision for Income Taxes</b>	<b>1,030,000</b>	<b>1,163,000</b>	<b>3,361,000</b>	<b>3,476,000</b>
Net Provision for Income Taxes	251,000	397,000	1,557,000	1,161,000
<b>Net Income After Provision for Income Taxes</b>	<b>779,000</b>	<b>766,000</b>	<b>1,804,000</b>	<b>2,315,000</b>
Basic Earnings per Share	\$ 0.85	\$ 0.84	\$ 1.96	\$ 2.57
Fully Diluted Earnings per Share	\$ 0.85	\$ 0.84	\$ 1.96	\$ 2.57
<b>Weighted Average Common Shares Outstanding</b>				
Basic	920,034	909,034	921,169	899,968
Diluted	920,034	909,034	921,169	899,968