

## **HIGH COUNTRY BANCORP, INC. ANNOUNCES FINAL ANNUAL FINANCIAL RESULTS**

The Board of Directors (“the Board”) of High Country Bancorp, Inc. (OTC: HCBC. PK)(“the Company”) announced the Company’s quarterly and audited fiscal year earnings for the period ended June 30, 2009. For the quarter, consolidated net income was \$231,000, or \$0.15 per share. This compares to \$321,000 or \$0.37 per share, for the three months ending June 30, 2008. For the fiscal year ended June 30, 2009, net income was \$685,000 or \$0.80 per share compared to \$1,354,000 or \$1.57 in the previous fiscal year. The Company’s prior annual fiscal results of operations were significantly impacted by a \$1,325,000 provision for loan losses recorded during the period. Total consolidated assets increased approximately \$3.8 million from \$195.9 million at June 30, 2008 to \$199.7 million at June 30, 2009.

The Company’s net interest income before provision for loan losses increased 1.1% and 4.7% for the three and twelve month periods, respectively, ending June 30, 2009, compared to the prior year periods. A \$325,000 for loan loss was recorded during the current quarter. The Company recorded a provision of \$1,325,000 during the current fiscal year, compared to \$100,000 recorded during the previous fiscal year. Noninterest income increased 21.65% and 8.55% for the three and twelve periods, respectively, ending June 30, 2009, compared to the prior year periods. For the three and twelve month periods ending June 30, 2009, noninterest expense decreased 6.5% and increased 3.4%, respectively, compared to the prior year periods.

“Despite the unprecedented problems in the economy and the real estate markets, High Country Bank has continued to be profitable and maintain strong capital,” stated Larry Smith, Chairman of Board and President of the Company. “Although the strain of the economy has been felt in the locations we serve, we continue to have good core earnings. We also have been fortunate to maintain a loyal customer base with good core deposits. We have focused on improving asset quality, with conservative underwriting, divesting of credit concentrations, adding to provision for loan losses, and recognizing the losses associated with the disposition of problem assets.”

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 June 30, 2009, the Company had 860,501 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 anticipates 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 no 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.**  
**Audited Consolidated Statements of Financial Condition**  
**June 30, 2009 and 2008**

	<u>June 30,</u> <u>2009</u>	<u>June 30,</u> <u>2008</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 20,840,958	\$ 10,212,381
Mortgage-backed securities held to maturity	5,568,055	3,919,457
Other securities held to maturity	10,739,161	10,488,049
Loans held for sale	160,000	-
Loans receivable, net	145,715,619	155,745,161
FHLBank stock, at cost	2,017,600	2,976,500
Federal Reserve Bank stock, at cost	598,800	-
Accrued interest receivable	1,079,299	1,181,590
Foreclosed assets – net	3,511,268	2,280,176
Property and equipment, net	7,406,428	7,956,507
Deferred income taxes	874,900	239,900
Prepaid expenses and other assets	1,232,941	870,730
<b>Total Assets</b>	<u>\$ 199,745,029</u>	<u>\$ 195,870,451</u>
<b>Liabilities and Stockholders' Equity</b>		
<b>Liabilities</b>		
Deposits	\$ 159,011,298	\$ 150,119,035
Escrow accounts	51,547	329,677
FHLBank advances	18,760,000	24,855,000
Accrued interest payable and other Liabilities	2,107,645	920,427
<b>Total Liabilities</b>	<u>\$ 179,930,490</u>	<u>\$ 176,224,139</u>
<b>Stockholders' Equity</b>		
Preferred stock - \$0.01 par value; authorized 1,000,000 shares; no shares issued and outstanding	\$ -	\$ -
Common stock - \$0.01 par value; authorized 3,000,000 shares; issued and outstanding 860,501 and 857,721 (June 30, 2009 and 2008, respectively) shares	8,605	8,577
Additional paid-in capital	5,476,340	5,476,365
Retained earnings – substantially restricted	14,329,594	14,161,370
<b>Total Stockholders' Equity</b>	<u>\$ 19,814,539</u>	<u>\$ 19,646,312</u>
<b>Total Liabilities and Stockholders' Equity</b>	<u>\$ 199,745,029</u>	<u>\$ 195,870,451</u>

**High Country Bancorp, Inc.**  
**Consolidated Statements of Income**  
**Three and Audited Twelve Months Ended June 30, 2009 and 2008**

	<u>Three Months Ended</u> <u>June 30,</u>		<u>Audited Twelve</u> <u>Months Ended June</u> <u>30,</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
<b>Interest Income</b>				
Interest and fees on loans	\$ 2,695,000	\$ 2,980,000	\$ 11,188,930	\$ 12,206,992
Securities held to maturity	237,000	176,000	896,908	676,232
Other interest-earning assets	3,000	20,000	49,632	262,333
<b>Total interest income</b>	<u>2,935,000</u>	<u>3,176,000</u>	<u>12,135,470</u>	<u>13,145,557</u>
<b>Interest Expense</b>				
Deposits	783,000	962,000	3,421,005	4,492,665
FHLBank advances	259,000	341,000	1,172,513	1,450,662
<b>Total interest expense</b>	<u>1,042,000</u>	<u>1,303,000</u>	<u>4,593,518</u>	<u>5,943,327</u>
<b>Net interest income before provision for loan losses</b>	1,893,000	1,873,000	7,541,952	7,202,230
Provision for loan losses	<u>325,000</u>	<u>-</u>	<u>1,325,000</u>	<u>100,000</u>
<b>Net interest income after provision for loan losses</b>	<u>1,568,000</u>	<u>1,873,000</u>	<u>6,216,952</u>	<u>7,102,230</u>
<b>Non-interest income</b>				
Service charges on deposits	93,000	82,000	335,448	338,621
Income from loans sold	295,000	112,000	951,003	500,836
Title and escrow fees	-	25,000	23,719	123,552
Other	135,000	132,000	517,763	569,968
Gain on sale of property, net	-	79,000	-	150,925
<b>Total non-interest income</b>	<u>523,000</u>	<u>430,000</u>	<u>1,827,933</u>	<u>1,683,902</u>
<b>Non-interest expense</b>				
Compensation and benefits	848,000	1,003,000	3,603,181	3,802,077
Occupancy, equipment and data processing	377,000	381,000	1,567,723	1,544,616
Insurance and professional fees	212,000	113,000	545,880	406,723
Expense on noninterest earning assets	102,000	139,000	519,452	237,331
Other	180,000	202,000	687,137	706,251
<b>Total non-interest expense</b>	<u>1,719,000</u>	<u>1,838,000</u>	<u>6,923,373</u>	<u>6,696,998</u>
<b>Net income before provision for income taxes</b>	372,000	465,000	1,121,512	2,089,134
Provision for income taxes	<u>142,000</u>	<u>144,000</u>	<u>436,987</u>	<u>735,487</u>
<b>Net income after provision for income taxes</b>	<u>\$ 230,000</u>	<u>\$ 321,000</u>	<u>\$ 684,525</u>	<u>\$ 1,353,647</u>
Basic earnings per common share	\$ 0.15	\$ 0.37	\$ 0.80	\$ 1.57
Diluted earnings per common share	\$ 0.15	\$ 0.37	\$ 0.80	\$ 1.57
Weighted average common shares outstanding				
Basic	860,501	857,721	859,526	861,119
Diluted	860,501	860,446	859,526	863,844