



Alpine Banks of Colorado

ALPINE BANKS OF COLORADO 2020 CLASS B COMMON STOCK SPLIT FREQUENTLY ASKED QUESTIONS & ANSWERS

Summary

On November 12, 2020, Alpine Banks of Colorado (“Alpine”), announced that shareholders had approved a 150-for-1 stock split on its Class B nonvoting common stock (the “Class B stock”). The stock split will be effected in the form of a stock dividend payable on December 1, 2020 to holders of record as of November 23, 2020.

Why did Alpine decide to split the Class B stock?

The decision to split the Class B stock was made by Alpine’s Board of Directors, based primarily upon a desire to place the market price of our Class B stock in a more attractive price range for a more diverse group of investors which may encourage interest and trading volume. The stock split is consistent with the Board’s and management’s continued confidence in Alpine’s long-term growth.

How does a 150-for-1 stock split work and what does it mean for me?

Each shareholder of record of Class B stock as of November 23, 2020 will receive a stock dividend of 149 additional shares of Class B stock for each one share of Class B stock held. The stock dividend will be paid on December 1, 2020.

Additionally, immediately after the Class B stock split, each one share of Class B stock will have a value that is one-one hundred and fiftieth (1/150th) of the value per share prior to the stock split. The overall market value of each shareholder’s holdings will initially remain the same until the stock price changes. Here is an example:

Assuming you own 10 shares of Alpine Class B stock on the record date and the market price is \$3,600 per share, the total value of your holdings is \$36,000. After the stock split, you would own 1,500 shares of Alpine Class B stock initially trading at a market price of \$24 per share with the value of your shares initially remaining at \$36,000 until the stock price moves up or down.

Does the Class B stock split dilute the value of my Alpine Class B stock by increasing the number of shares?

No. The stock split will not dilute the value of Alpine Class B stock. Each investor will have the same proportionate interest in Alpine Class B stock before and after the stock split.

Do I need to pay anything for the additional shares?

No.

Is this Class B stock split a taxable transaction for me?

While individual shareholders should consult with their own tax advisor regarding their own specific tax circumstances, we have been advised, under current federal law, that a stock split in the form of a stock dividend is generally not a taxable event for U.S. taxpayers.



How does the stock split affect my cost basis in Alpine Class B stock?

We have been advised, under current federal law, that the tax cost basis for each share of Class B stock owned immediately after the stock split will be equal to one-one hundred and fiftieth (1/150th) of the value immediately before the stock split. For example, if you owned 10 shares of Class B stock before the stock split with a cost basis of \$1,500 per share for a total cost basis of \$15,000, after the stock split you would own 1,500 shares of Class B stock with a cost basis of \$10 per share for a total cost basis of \$15,000. *This summary of stock split tax consequences is not intended to be complete – please consult with your tax advisor for any questions you may have regarding the stock split or your shares.*

How will the new Class B shares be issued?

In an effort to aid our shareholders in the safekeeping of their shares and to improve the timeliness of any transfer requests, the additional shares of Class B stock issued as a result of this stock split will be issued in “book entry” form without stock certificates. Your new shares will be registered on the books of American Stock Transfer & Trust Company, LLC (“AST”), our transfer agent. After the stock split payment date of December 1, 2020, you will receive in the mail a “book entry” statement from AST showing the activity in your account as a result of the stock split. AST will mail the statements to registered stockholders at the addresses that AST has on file. To verify your address, you can contact AST as set forth below.

If you hold shares in a brokerage account, the additional shares will automatically be deposited to your brokerage account. Please contact your broker with any questions you may have.

What do I do with any Class B stock certificates that I may hold?

To simplify the exchange process, Alpine determined that shareholders do not need to exchange their existing stock certificates to receive the shares of Class B stock payable in connection with the stock split. Any Class B stock certificates you may currently hold are still valid and should NOT be destroyed. Such certificates will continue to represent the same number of shares as shown on their face and should continue to be kept in a secure place.

May I convert my current stock Class B stock certificates into book-entry form?

If you wish to convert any Class B stock certificates that you may hold into “book entry” form, you may deposit them with AST at any time. Simply return to AST either by registered or certified mail, return receipt requested and insured, your stock certificates and a Letter of Instruction requesting AST to deposit your certificated shares into “book entry” form. It is not necessary to endorse your certificates. Since the method of delivery of all documents and certificates is at your risk, we strongly recommend that you insure your package for five percent (5%) of the current market value of the shares, which is the cost of a bond to have your certificates replaced if they are lost or stolen. You may also be subject to a processing fee assessed by AST. A “book entry” statement will be mailed to you upon receipt and processing of your stock certificates.

Will future declared cash dividends apply to my new shares of Class B stock?

In the future, any cash dividends will apply to both old (pre-split) and new (post-split) shares of Class B stock. However, the per share amount of any future quarterly cash dividend will be approximately one-one hundred and fiftieth (1/150th) of the most recent past quarterly cash dividend level, assuming the Board of Directors maintains the current level of quarterly dividends.



For example, the last dividend paid on the Class B stock on October 26, 2020 was for \$18.00 per share. In the future, if a dividend is declared and there is no change to the quarterly dividend level, the dividend payment adjusted for the stock split would be \$0.12 per share.

How will the Class B stock split affect the number of shares outstanding and the future calculation of earnings per share?

At the effective time of the stock split, the number of Class B shares outstanding will be multiplied by 150 and the earnings per Class B share will be divided by 150.

How will the stock split affect trading of the Class B stock?

It is currently expected that the Class B stock will begin trading on a split-adjusted basis on the OTCQX® Best Market on December 2, 2020. In addition, the Class B stock will trade under the symbol "ALPIBD" for 20 business days after effectiveness of the stock split.

How will the Class B stock split affect the Class A common stock?

The 150-for-1 stock split of the Class B shares will have no impact on Alpine's Class A voting common stock.

How do I contact AST?

E-mail: help@astfinancial.com

Phone: 800-937-5449

Mail: American Stock Transfer & Trust Company, LLC
Attn: Transfer Department
6201 15th Avenue
Brooklyn, NY 11219

Online: Through your personal shareholder portal at www.astfinancial.com