

KBRA Affirms Ratings for Alpine Banks of Colorado

New York (May 21, 2026)

KBRA affirms the senior unsecured debt rating of BBB, the subordinated debt rating of BBB-, and the short-term debt rating of K3 for Glenwood Springs, Colorado-based Alpine Banks of Colorado (OTC: ALPIB) ("Alpine" or "the company"). In addition, KBRA affirms the deposit and senior unsecured debt ratings of BBB+, the subordinated debt rating of BBB, and the short-term deposit and debt ratings of K2 for its main subsidiary, Alpine Bank. The Outlook for all long-term ratings is Stable.

Key Credit Considerations

Alpine's earnings profile has improved through 2025 and into 1Q26 following the margin compression experienced during the rise in interest rates, returning closer to the company's historical earnings capacity. The rebound in earnings reflects the benefit of the company's low-cost deposit franchise, reduction of wholesale funding utilization, the gradual remix of earning assets toward loans, and ongoing loan repricing, supporting nearly 50 bps of NIM expansion since YE24 to 3.69% for 1Q26. Looking ahead, the pace of margin expansion is likely to moderate absent additional rate cuts supporting further reductions in deposit costs; however, ongoing repricing of lower-yielding loans and new loan production should continue to support NIM and earnings. Additionally, earnings have been upheld by a respectable level of revenue diversity, with noninterest income (~20% of revenue) largely comprised of more stable and recurring sources. The ratings are also supported by Alpine's strong deposit market share across its Colorado footprint underpinning a durable, low-cost core deposit franchise. The company's funding base has been a defining characteristic of the balance sheet with core deposits generally comprising 90% or more of funding. Moreover, deposit costs have remained well below peer averages at 1.24% for 1Q26, compared to 1.81% for publicly traded KBRA rated banks, aided by a meaningful NIB component at 30% of deposits. In addition, the company maintains a solid liquidity position with a loan-to-deposit ratio of 73% as of 1Q26, offering a degree of funding flexibility to support organic loan growth.

Asset quality remains supported by the company's conservative credit culture, seasoned local market knowledge, and historically low loss content. NPAs remain manageable following the resolution of previously elevated OREO balances related to a sizable residential real estate property with related unsecured charge-offs tied to the borrower well contained. While past-due loans have ticked up slightly to 0.51% of loans, namely in 1-4 family and HELOC loans, management noted these are largely borrower specific rather than systemic in nature. We believe that Alpine is well situated to absorb potential challenges given solid loan loss reserves representing 1.12% of loans as of 1Q26 combined with a lower level of investor CRE (196% of total risk-based capital). Additionally, Alpine has continued to steadily build risk-based capital metrics with a CET1 ratio at 13.0% as of 1Q26 supported by strong internal capital generation and controlled balance sheet growth in recent years.

Rating Sensitivities

Continued market share gains and geographic expansion within the company's footprint paired with improved earnings capacity and credit quality outperformance, along with the preservation of healthy capital levels and a favorable funding profile, would be viewed positively. A downgrade is not expected, though asset quality deterioration, notably, elevated charge-off activity, weaker capital levels, or substantial degradation in the funding profile, could negatively impact ratings.

To access ratings and relevant documents, click [here](#).

Methodology

■ [Financial Institutions: Bank & Bank Holding Company Global Rating Methodology](#)



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Disclosures

A description of all substantially material sources that were used to prepare the credit rating and information on the methodology(ies) (inclusive of any material models and sensitivity analyses of the relevant key rating assumptions, as applicable) used in determining the credit rating is available in the Information Disclosure Form(s) located [here](#).

Information on the meaning of each rating category can be located [here](#).

Further disclosures relating to this rating action are available in the Information Disclosure Form(s) referenced above. Additional information regarding KBRA policies, methodologies, rating scales and disclosures are available at www.kbra.com.

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