



PUBLIC DISCLOSURE

October 12, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First National Bank Alaska
Charter Number: 12072

101 West 36th Avenue
Anchorage, AK 99503

Office of the Comptroller of the Currency

Seattle Field Office
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Seattle, WA 98101

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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Overall CRA Rating

Institution’s CRA Rating: This institution is rated Outstanding.

The following table indicates the performance level of First National Bank Alaska (FNBA) with respect to the Lending, Investment, and Service Tests:

Performance Levels	FNB Alaska Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X	X	X
High Satisfactory			
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors that support this rating include:

Lending Test

- A substantial majority of lending within FNBA’s assessment areas (AAs).
- Lending levels that reflect an overall good responsiveness to AA needs.
- An overall excellent geographic distribution of home mortgage loans and small loans to businesses.
- An overall good distribution of loans among individuals of different income levels and businesses of different sizes.
- An overall very high level of community development (CD) loans, which positively impacted the Lending Test rating.

Investment Test

- An overall excellent level of qualified investments, driven by an excellent level in the Anchorage/Mat-Su metropolitan statistical area (MSA) and consistent levels in the non-MSA AAs.

Service Test

- Overall, service delivery systems that are readily accessible to geographies and individuals of different income levels in the bank’s AAs.
- An overall excellent level of CD services.

Lending in Assessment Area

A substantial majority of the bank's loans are in its AAs.

The bank originated and purchased 96.4 percent of its total loans inside the bank's AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level.

Table D - Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2016	659	95.2	33	4.8	692	177,083	82.4	37,775	17.6	214,858
2017	562	97.4	15	2.6	577	151,527	91.4	14,292	8.6	165,819
2018	463	98.9	5	1.1	468	123,475	99.0	1,199	1.0	124,675
2019	479	99.2	4	0.8	483	128,374	99.0	1,239	1.0	129,613
Subtotal	2,163	97.4	57	2.6	2,220	580,460	91.4	54,505	8.6	634,965
Small Business										
2016	785	95.2	40	4.8	825	151,383	94.5	8,881	5.5	160,264
2017	666	97.7	16	2.3	682	149,842	97.2	4,373	2.8	154,215
2018	639	95.9	27	4.1	666	146,282	95.2	7,450	4.8	153,732
2019	563	96.9	18	3.1	581	131,204	96.5	4,815	3.5	136,019
Subtotal	2,653	96.3	101	3.7	2,754	578,711	95.8	25,519	4.2	604,230
Small Farm										
2016	29	61.7	18	38.3	47	4,738	57.8	3,462	42.2	8,200
2017	38	90.5	4	9.5	42	6,280	88.8	791	11.2	7,071
2018	30	90.9	3	9.1	33	5,032	92.1	429	7.9	5,461
2019	37	97.4	1	2.6	38	5,446	98.5	83	1.5	5,529
Subtotal	134	83.8	26	16.2	160	21,496	81.9	4,765	18.1	26,261
Total	4,950	96.4	184	3.6	5,134	1,180,667	93.3	84,789	6.7	1,265,456
<i>Source: Bank Data</i>										
<i>Due to rounding, totals may not equal 100.0%</i>										

Description of Institution

First National Bank Alaska (FNBA) is the largest independently owned bank in Alaska. The federally chartered institution is an intrastate bank with no holding company or affiliates. The bank was founded in 1922 as the First National Bank of Anchorage and has been headquartered in Anchorage, Alaska since its inception. In 2001, the bank changed its name from the First National Bank of Anchorage to First National Bank Alaska, in order to more accurately reflect the statewide nature of the bank's commitments. The institution operates as a full-service bank, providing a variety of financial services within its AAs.

The bank currently operates 28 branches and 33 ATMs in 18 communities throughout the state. The bank has 10 designated AAs include the Municipality of Anchorage and the Matanuska-Susitna Metropolitan Statistical Area (Anchorage/Mat-Su MSA); the Fairbanks North Star MSA; and eight non-MSA AAs, which consists of nine non-metropolitan areas in Alaska. There are 12 branches and 15 ATMs located in the Anchorage/Mat-Su MSA; there are two branches and three ATMs located in the Fairbanks North Star MSA AA; and there are 14 branches and 15 ATMs located in non-MSA AAs.

The bank provides both commercial and retail deposit and loan products. Services include safe deposit boxes, night depositories, drive-up facilities, remote deposit capture, and internet banking. The bank also offers trust and private banking services. The bank's primary business focus is commercial lending directed toward small businesses. FNBA also offers residential real estate and consumer loan products. There were no mergers or acquisitions that affected the bank's operations during the evaluation period. For a more detailed description of products and services, please refer to the Service Test section of this evaluation.

Like other banking institutions operating in the state of Alaska, a major obstacle to FNBA in serving its customers is the state's geography. The large size of the state contributes to high transportation and communication expenses, particularly in the more remote rural areas. Adding to this problem is the lack of infrastructure, fragmented population, and weak economic conditions that rural Alaska faces. This situation presents FNBA with difficult challenges in its efforts to provide all its customers with ready access to banking services.

As of December 31, 2019, FNBA reported total assets of \$3.8 billion and net tier one capital of \$547.6 million. Since the last exam, the bank's assets have increased 5.5 percent while the bank's tier one capital has increased almost 11 percent. Tier 1 capital levels are relatively high compared to other similar sized institutions. The bank's deposits totaled \$2.4 billion, which represents 62.7 percent of total assets. The bank's loan portfolio was \$2.0 billion, which represents 52.8 percent of total assets. The bank's primary lending focus is commercial loans. Residential real estate and consumer lending represent secondary lines of business. However, with recent historically low rates and an increase in refinances, the bank has continued to see significant increase in residential loan products during the period. Agricultural lending is a small portion of FNBA's total lending.

There are no financial or legal impediments which restrict FNBA's ability to meet the credit needs of its AAs. The bank received an "Outstanding" rating at the prior Community Reinvestment Act (CRA) examination performed by the Office of the Comptroller of the Currency dated March 27, 2017.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This performance evaluation covers home mortgage, small business, and small farm loans originated or purchased between January 1, 2016, through December 31, 2019. Consumer lending was not evaluated as the volume did not meet the required level for evaluation. This evaluation also includes CD loans, qualified investments and CD services for the period beginning March 28, 2017, through December 31, 2019. For all products being evaluated, in instances where the bank has less than 20 loans, an analysis will not be performed. Less than 20 loans is deemed to be too small for a meaningful analysis.

For the lending test, an analysis was conducted for 2016 using the 2010 U.S. Census data. Lending data for the years 2017-2019 was analyzed separately using the 2015 American Community Survey (ACS) data.

With an evaluation period end date of December 31, 2019, qualifying activities performed in response to the coronavirus pandemic are not addressed in this evaluation. Bank qualifying activities related to the pandemic will be appropriately considered in the subsequent evaluation.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more AA(s) within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated AAs located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the “Scope” section under each State Rating section for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

Ratings

The bank’s overall rating is based fully on the Alaska state ratings, as it is the only rating area for the bank. Home mortgage and small business loans will carry primary weight as they account for 44 percent and 54 percent of lending, respectively. Small farm loans will carry relatively little weight, as small farm lending accounted for less than 3 percent of lending.

The state rating is based on performance in all bank AAs. Refer to the “Scope” section under the Alaska State Rating section for details regarding how the area was weighted in arriving at the rating.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. §25.28(c) or §195.28(c), respectively, in determining a national bank’s or federal savings association’s (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank’s lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution’s next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

State Rating

State of Alaska

CRA rating for the State of Alaska¹: Outstanding

The Lending Test is rated: Outstanding

The Investment Test is rated: Outstanding

The Service Test is rated: Outstanding

The major factors that support this rating include:

- Substantial majority of lending in the AA;
- Good level of lending activity;
- Excellent geographic of home mortgage loans and small loans to businesses;
- Good borrower distribution with excellent distribution of home mortgage loans and adequate distribution of small loans to businesses and small loans to farms;
- Very high level of CD loans which significantly positively impacted the overall Lending Test rating;
- Excellent level of qualified investments, driven by an excellent level in the Anchorage/Mat-Su MSA and consistent level in the non-MSA AAs;
- Service delivery systems that are readily accessible to geographies and individuals of different income levels in the bank's AAs; and
- An overall excellent level of CD services.

¹ This rating reflects performance within the multistate metropolitan statistical area. The statewide evaluations do not reflect performance in the parts of those states contained within the multistate metropolitan statistical area.

Description of Institution's Operations in Alaska

Anchorage/Mat-Su MSA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Anchorage/Mat-Su MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	79	2.5	26.6	53.2	17.7	0.0
Population by Geography	395,285	3.0	23.6	51.5	21.8	0.0
Housing Units by Geography	155,394	2.6	25.7	51.6	20.1	0.0
Owner-Occupied Units by Geography	86,653	1.0	15.9	55.1	27.9	0.0
Occupied Rental Units by Geography	49,620	5.6	38.4	45.2	10.8	0.0
Vacant Units by Geography	19,121	1.9	36.9	52.3	8.9	0.0
Businesses by Geography	34,711	3.4	26.4	49.5	20.7	0.0
Farms by Geography	732	1.6	18.0	60.8	19.5	0.0
Family Distribution by Income Level	91,970	19.8	18.0	22.5	39.7	0.0
Household Distribution by Income Level	136,273	21.8	17.1	20.0	41.1	0.0
Median Family Income MSA - 11260 Anchorage, AK MSA		\$89,267	Median Housing Value			\$259,483
			Median Gross Rent			\$1,238
			Families Below Poverty Level			5.9%
<i>Source: 2015 ACS and 2019 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

FNBA operates 12 branches and 15 full-service ATMs in the Anchorage/Mat-Su MSA AA. The Anchorage/Mat-Su MSA is the largest AA in the state and includes all the Anchorage Municipality and the entire Matanuska-Susitna Borough. The Anchorage/Mat-Su MSA is the most populous area in the state with over 395,000 inhabitants based on the 2015 ACS. Furthermore, the Anchorage Municipality is the most populous city in Alaska with over 291,000 residents; the city contains approximately 40 percent of the entire population of the state. Migration patterns show a trend of people moving into the Anchorage Municipality and away from other areas in the state. Based on the 2015 ACS data, the Anchorage/Mat-Su MSA AA consists of 79 census tracts; with two low-income and 21 moderate-income census tracts.

Employment and Economic Factors

A significant economic sector in the Anchorage Mat-Su MSA AA is air transportation. The Anchorage International Airport handles more cargo tonnage than any other airport in the United States and is the sixth busiest cargo airport in the world. Anchorage emerged as a leading cargo airport due to its central location between Asia and the lower 48 states. The local economy also benefits from a large military presence. Joint Base Elmendorf-Richardson is located between the Municipality of Anchorage and the Matanuska-Susitna Borough. Other significant economic sectors include health-care services,

government, tourism, and resource extraction. The key employers in the AA are the Anchorage International Airport, Providence Health Systems, Teleco Telephone, University of Alaska at Anchorage, Alyeska Pipeline Services, Conoco Phillips Alaska, Alaska Regional Hospital and both local and federal government agencies, including military personnel. The U.S. Bureau of Labor Statistics noted an annual 2019 average of 5.5 percent unemployment rate for the Anchorage/Mat-Su MSA AA, versus a 6.1 percent unemployment rate for the state of Alaska and 3.5 percent for the United States.

Housing and Opportunities for Home Mortgage Loans

There are 155,394 housing units in the Anchorage/Mat-Su MSA AA. The median home value based on the 2015 ACS was \$259,483. When compared to the adjusted 2019 Median Family Income (MFI), home affordability may impact low- and moderate-income borrowers' ability to purchase homes. The 2019 adjusted MFI showed low-income people made less than \$50,950, which results in a home affordability ratio of at least 5.1x for low-income borrowers. The 2019 adjusted moderate-income MFI range was \$50,950 to \$81,520, which results in a home affordability ratio of 5.1x to 3.2x. The housing demand is expected to decline in the Anchorage/Mat-Su MSA AA over the near future due to the economic impact of declining oil prices and population stagnation and decline. It is still unclear how the Covid-19 pandemic will impact population and housing demand, but it clearly is negatively impacting the economy.

Opportunities for Commercial Loans

Based on 2019 D&B data, there were 34,711 businesses, which is a small increase of 2.6 percent from the last exam. The state of Alaska is currently facing a budget deficit due to declining oil prices. Early in the decade, oil revenue was over 100 percent of the budget requirement, currently it makes up only roughly a quarter. Options to cover the budget shortfall include permanently lowering the annual payments from the oil wealth fund that go to every Alaskan or drawing down savings, which the state has depended on for the future. If annual payments are lowered, this could have significant impact on the low- or moderate-income communities going forward. Negative economic trends have impacted commercial lending opportunities and existing commercial loans.

Competition

Competition for deposits is limited in the Anchorage/Mat-Su MSA AA. Based on the June 2019 FDIC Deposit Market Share report, four financial institutions competed for over \$6.4 billion in deposits in the Anchorage/Mat-Su MSA AA. Wells Fargo Bank, N.A. leads the market with 51 percent market share and has captured \$3.3 billion of the deposit share in the AA. FNBA follows Wells Fargo with \$1.4 billion of the deposit share. The remaining competitors are KeyBank, N.A. and Northrim Bank.

There is more significant competition for loans in this AA. The financial institutions mentioned above, as well as several other financial institutions compete for loans in this AA. In addition, large national banks such as Bank of America, N.A., and American Express National Bank provided significant competition for small business loans through their credit card portfolios.

Community Contact

We conducted one community contact with the chief executive officer of a local economic development corporation. The contact noted that prior to the pandemic the greatest need for businesses was initial seed capital for small businesses. He stated that banks were more than willing to lend to business that had proven themselves or had strong collateral but were less willing to lend to higher risk customers.

He did note that his organization had positive relationships with many of the banks in Anchorage, including FNBA, prior to the coronavirus pandemic. But he did specifically note that the banking community had been very supportive during the recent coronavirus pandemic to help lessen the incredible impact the pandemic and subsequent economic crisis had on the community.

Fairbanks North Star MSA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Fairbanks North Star MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	19	0.0	26.3	52.6	21.1	0.0
Population by Geography	99,705	0.0	20.9	54.7	24.4	0.0
Housing Units by Geography	41,697	0.0	19.0	53.5	27.5	0.0
Owner-Occupied Units by Geography	20,677	0.0	6.3	61.0	32.7	0.0
Occupied Rental Units by Geography	14,905	0.0	37.2	45.6	17.2	0.0
Vacant Units by Geography	6,115	0.0	17.7	47.5	34.8	0.0
Businesses by Geography	7,567	0.0	21.0	48.1	31.0	0.0
Farms by Geography	202	0.0	7.4	50.5	42.1	0.0
Family Distribution by Income Level	22,810	18.4	18.0	23.8	39.8	0.0
Household Distribution by Income Level	35,582	21.4	17.6	20.8	40.1	0.0
Median Family Income MSA - 21820 Fairbanks, AK MSA		\$82,310	Median Housing Value			\$197,874
			Median Gross Rent			\$1,297
			Families Below Poverty Level			5.3%
<i>Source: 2015 ACS and 2019 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

FNBA operates two branches and three full-service ATMs in the Fairbanks North Star MSA AA. The Fairbanks North Star MSA includes all the Fairbanks North Star Borough. The Fairbanks North Star MSA has nearly 100,000 inhabitants based on the 2015 ACS. While the 2015 ACS shows the slight population growth from the 2010 Census, the migration patterns show a trend of people moving away from the Alaskan interior and into the Anchorage Municipality. Based on the 2015 ACS data, the Fairbanks North Star MSA consists of 19 census tracts, with no low-income and five moderate-income census tracts. For the 2016 analysis, we relied upon the 2010 Census data. Based on that data, the Fairbanks North Star MSA consisted of one low-income and five moderate-income census tracts.

Employment and Economic Factors

As Alaska's second largest city, Fairbanks is an important trading, transportation, military, and regional service and supply center. City, borough, state, and federal government services are located here. The government services sector, including the military, employs more than one-third of the region's workers. The city's international airport serves villages in the region, is a supply point for North Slope oil fields, and is a center for the transport of cargo by international carriers. Besides Fort Wainwright and Eielson Air Force Base, the largest employers in Fairbanks are Banner Health System, Alyeska Pipeline Service,

Tanana Chiefs Conference, Fairbanks Gold Mining, Petro Star, University of Alaska, and the Fairbanks North Star Borough School District. The U.S. Bureau of Labor Statistics noted an annual 2019 average of 5.4 percent unemployment rate for the Fairbanks North Star MSA AA, versus a 6.1 percent unemployment rate for the state of Alaska and 3.5 percent for the United States.

Housing and Opportunities for Home Mortgage Loans

There are 41,697 housing units in the Fairbanks North Star AA. The median home value based on the 2015 ACS was \$197,874. When compared to the adjusted 2019 Median Family Income, home affordability may impact low- and moderate-income borrowers' ability to purchase homes. The 2019 adjusted low-income MFI range was less than \$46,200, which results in a home affordability ratio of at least 4.3x for low-income borrowers. The 2019 adjusted moderate-income MFI range was \$46,200 to \$73,920, which results in a home affordability ratio of 4.3x to 2.7x. It is still unclear how the Covid-19 pandemic will impact population and housing demand, but it clearly is negatively impacting the economy.

Opportunities for Commercial Loans

Based on 2019 D&B data, there were 7,567 businesses. The state of Alaska is currently facing a budget deficit due to declining oil prices. Early in the decade, oil revenue was over 100 percent of the budget requirement, currently it makes up only roughly a quarter. Options to cover the budget shortfall include permanently lowering the annual payments from the oil wealth fund that go to every Alaskan or drawing down savings, which the state has depended on for the future. If annual payments are lowered, this could have significant impact on the low- or moderate-income communities going forward. Negative economic trends have impacted commercial lending opportunities and existing commercial loans.

Competition

Competition for deposits is limited in the Fairbanks North Star MSA AA. Based on the June 2019 FDIC Deposit Market Share report, six financial institutions competed for nearly \$1.5 billion in deposits in the Fairbanks North Star MSA AA. Wells Fargo Bank, N.A. leads the market with 39 percent market share and has captured \$580 million of the deposit share in the AA. FNBA ranks fourth in the AA with \$148 million of the deposit share. The remaining competitors include Mt. McKinley Bank, Denali State Bank, KeyBank, N.A. and Northrim Bank.

There is more significant competition for loans in this AA. The financial institutions mentioned above, as well as several other financial institutions compete for loans in this AA. In addition, large national banks such as Bank of America, N.A. and American Express National Bank provided significant competition for small business loans through their credit card portfolios.

Community Contact

We obtained one community contact with the chief financial officer (CFO) of a regional housing authority. The CFO described the areas economic conditions and future outlook as troubled. The contact stated there is opportunity for banks to be more involved with increasing financial literacy and helping to build more affordable housing. The organization works with FNBA, and the CFO expressed great satisfaction with their current relationship. The contact described the bank's excellent servicing, providing technical expertise getting Title VI loans and investing the organizations funds. According to

our contact, First National Bank Alaska does a good job volunteering and being active in the community.

Scope of Evaluation in Alaska

Ratings in the state of Alaska are based primarily on the bank's performance in the full-scope AAs – the Anchorage/Mat-Su MSA and the Fairbanks North Star MSA. We selected the Anchorage/Mat-Su MSA for a full-scope review since the AA represented a significant portion of the deposits and loans. Anchorage/Mat-Su MSA represents nearly 61 percent of the deposits, 58 percent of home mortgage loans and 49 percent of small business loans. Although the Fairbanks North Star MSA represents only 6.3 percent of deposits, 7 percent of home mortgage loans, 12 percent of small business loans, and had no small farm loans, the AA was selected for a full-scope review in order to ensure that a qualitative and quantitative analysis of the AA is performed periodically. In addition, we also considered the bank's performance in the limited-scope non-MSA Alaska AAs. While the bank has designated eight separate AAs in the non-MSA, for our analysis purposes we have combined all non-MSA AAs into one assessment. The non-MSA Alaska AAs represents 33 percent of the bank's deposits in the state, 35 percent of the bank's home mortgage loans, 39 percent of the bank's small business loans and 96 percent of the bank's small farm loans.

In determining the state rating, we placed primary weight on the bank's performance in the Anchorage/Mat-Su MSA. The AA represents the highest portion of deposits, loans, and branches. However, we also considered that the bank has a significant deposit presence in all their AAs and there is a limited number of depository institutions in the bank's AAs. Therefore, while Fairbanks has a relatively small percentage of deposits, loans and branches, we did consider the significance of the bank to that AA, in determining our conclusions. Because the non-MSA Alaska AA did not receive a qualitative review, we compared performance in that AA to the performance in the other AAs to determine if the performance was consistent.

When evaluating the bank's performance under the lending test, home mortgage and small business loans will carry primary weight as they account for 44 percent and 54 percent of lending, respectively. Small farm loans will carry relatively little weight, as small farm lending accounted for less than 3 percent of lending. We also considered the volume of CD lending and other performance factors.

Finally, because we analyzed the 2016 data separate from the 2017-2019 data due to the demographic changes, we placed primary weight on the bank's performance during 2017-2019. This period represented the longest period of time, the majority of lending and is reflective of the most current activity.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ALASKA

LENDING TEST

The bank's performance under the Lending Test in Alaska is rated Outstanding. This was based on the excellent performance in both the Anchorage/Mat-Su MSA and the Fairbanks North Star MSA. In addition, the broader statewide CD lending had a positive impact on the rating. We also took into consideration the performance of the bank's activity within the Alaska Non-MSA AA which was consistent with the Outstanding rating.

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test is rated Outstanding. Based on Full-Scope Reviews, the bank's performance in both the Anchorage/Mat-Su MSA and the Fairbanks North Star MSA is excellent. This was based primarily on the excellent geographic distribution, good borrower distribution and CD lending which had a significant positive effect on the bank's overall performance of the Lending Test.

Lending Activity

Lending levels reflect good responsiveness to AA credit needs.

Number of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	% State Loans	% State Deposits
Anchorage/Mat-Su MSA	1,249	1,294	5	33	2,581	51.6	60.7
Fairbanks North Star MSA	148	318	0	2	468	9.3	6.3
Alaska Non-MSA	766	1,041	129	22	1,958	39.1	33.1

*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Dollar Volume of Loans (000)*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	% State*	% State Deposits
Anchorage/Mat-Su MSA	\$349,082	\$344,020	\$1,027	\$86,956	\$781,085	57.6	60.7
Fairbanks North Star MSA	\$34,821	\$65,547	\$0	\$22,750	\$123,118	9.08	6.3
Alaska Non-MSA	\$196,557	\$169,144	\$20,469	\$65,373	\$451,543	33.3	33.1

*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Anchorage/Mat-Su MSA AA

Lending levels reflect good responsiveness to the credit needs in the Anchorage/Mat-Su MSA AA. FNBA originated 1,249 home mortgage loans and 1,294 small loans to businesses and five small farm loans in this AA. Based on the 2019 FDIC Deposit Market Share data, the bank ranks second out of four banks for deposits in this AA, with a market share of 22.2 percent. In comparison to the 2019 aggregate lending, FNBA ranks 11th out of 168 for home purchase loans, with a market share of 1.8 percent; fifth out of 75 for small loans to businesses, with a market share of 4 percent. They did not originate any farm loans in 2019. It is important to note that there are substantially more competitors for loan products than deposits. Consequently, the lower market share is not indicative of a lack of FNBA's efforts or willingness to make loans in this AA, but rather a reflection of the competition. Despite the lower market shares, we also considered that the bank was in the 50th percentile for deposits, but in the top 7th percentile for both mortgage and small business loans, which was considered favorably for the bank.

The top five mortgage lenders were Residential Mortgage, LLC; Wells Fargo Bank, N.A.; Alaska USA Federal Credit Union; Alaska USA Mortgage Company, LLC; and Caliber Home Loans Inc. The top

five small business lenders were Bank of America, N.A.; Wells Fargo Bank, N.A.; American Express National Bank; Citibank, N.A.; and FNBA.

Fairbanks North Star MSA AA

Lending levels reflect good responsiveness to the credit needs in the Fairbanks-MSA AA. FNBA originated 148 home mortgage loans and 318 small loans to businesses in this AA. Based on the 2019 FDIC Deposit Market Share data, the bank ranks fourth out of six banks that take deposits in this AA, with a market share of 9.9 percent. In comparison to the 2019 Peer Mortgage, Small Business and Small Farm data, FNBA ranks 16th out of 93 for home purchase loans, with a market share of 1.2 percent, and fifth out of 46 for small loans to businesses, with a market share of 4.8 percent. They did not originate any farm loans in 2019. It is important to note that there are substantially more competitors for loan products than deposits. Consequently, the lower market share is not indicative of a lack of FNBA's efforts or willingness to make loans in this AA, but rather a reflection of the competition. Despite the lower market shares, we also considered that the bank was in the 67th percentile for deposits, but in the top 18th percentile for mortgage loans and in the top 11th percentile for small business loans, which was considered favorably for the bank.

The top five mortgage lenders were Alaska USA Federal Credit Union; Alaska USA Mortgage Company, LLC; Residential Mortgage, LLC; Wells Fargo Bank, N.A.; and Mt. McKinley Bank. The top five small business lenders were Bank of America, N.A.; Wells Fargo Bank, N.A.; American Express National Bank; Citibank, N.A.; and FNBA.

Distribution of Loans by Income Level of the Geography

The bank exhibits an excellent geographic distribution of loans in its AAs. This is based on excellent performance for both home mortgage and small business loans.

Home Mortgage Loans

The bank exhibited an excellent geographic distribution of home mortgage loans based on excellent performance in both the Anchorage/Mat-Su MSA and the Fairbanks North Star MSA.

Refer to Table O in the state of Alaska section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

Anchorage/Mat-Su MSA

The geographic distribution of home mortgage loans in the Anchorage/Mat-Su MSA is excellent. Performance in 2016 and 2017-2019 was excellent. We placed primary weight on the performance in 2017-2019 based on the higher volume of lending and that it reflects the most current performance.

2016

The geographic distribution of home mortgage loans in the Anchorage/Mat-Su MSA is excellent. The performance in low- and moderate-income tracts was excellent. The distribution of loans in low-income census tracts was equal to the percentage of owner-occupied units and slightly below aggregate lending performance in the low-income census tracts. We also considered the minimal number of owner-occupied housing in the low-income census tracts. The Anchorage/Mat-Su MSA contains only one low-income tract and there are only 438 owner-occupied units in that tract. This represents only 0.5 percent of all owner-occupied units in the AA. This limited the bank's ability to penetrate the low-income

census tracts and as a result we placed primary weight on the performance in the moderate-income census tracts.

The distribution of loans in moderate-income census tracts exceeds both the percentage of owner-occupied units and the aggregate lending performances in moderate-income census tracts.

2017-2019

The geographic distribution of home mortgage loans in the Anchorage/Mat-Su MSA is excellent. The performance in low- and moderate-income tracts was excellent. The distribution of loans in low-income census tracts exceeds both the percentage of owner-occupied units and the aggregate lending performance in the low-income census tracts. We also considered the minimal number of owner-occupied housing in the low-income census tracts. The Anchorage/Mat-Su MSA contained only two low-income tracts during this period and there were only 866 owner-occupied units in those tracts. This represents only 1 percent of all owner-occupied units in the AA. This limited the bank's ability to penetrate the low-income census tracts and as a result we placed primary weight on the performance in the moderate-income census tracts.

The distribution of loans in moderate-income census tracts is slightly below the percentage of owner-occupied units but exceeds the aggregate lending performances in moderate-income census tracts.

Fairbanks North Star MSA AA

The geographic distribution of home mortgage loans in the Fairbanks North Star MSA is excellent. Performance in 2016 and 2017-2019 was excellent. We placed primary weight on the performance in 2017-2019 based on the higher volume of lending and that it reflected the most current performance.

2016

The geographic distribution of home mortgage loans in the Fairbanks North Star MSA is excellent. The performance in low and moderate-income tracts was excellent. The distribution of loans in low-income census tracts significantly exceeds both the percentage of owner-occupied units and aggregate lending performance in the low-income census tracts.

The distribution of loans in moderate-income census tracts significantly exceeds both the percentage of owner-occupied units and the aggregate lending performances in moderate-income census tracts. We did note that this was based on the origination of only 20 loans.

2017-2019

The geographic distribution of home mortgage loans in the Fairbanks North Star MSA is excellent. Based on demographic changes from the 2015 ACS, there were no low census tracts in the AA during this period. Therefore, we placed primary weight on the performance within the moderate-income census tract.

The distribution of loans in moderate-income census tracts significantly exceeds both the percentage of owner-occupied units and the aggregate lending performances in moderate-income census tracts. The bank's performance was more than double that of other institutions in the AA.

Small Loans to Businesses

The bank exhibited an excellent geographic distribution of small business loans based on excellent performance in the Anchorage/Mat-Su MSA and adequate performance in the Fairbanks North Star

MSA. Anchorage/Mat-Su MSA carried the primary weight based on the volume of lending in the Anchorage/Mat-Su MSA. In addition, we considered that there are a limited number of low- and moderate-income census tracts in the Fairbanks North Star MSA.

Refer to Table Q in the state of Alaska section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

Anchorage/Mat-Su MSA

The geographic distribution of small business loans in the Anchorage/Mat-Su MSA is excellent. Performance in 2016 and 2017-2019 was excellent. We placed primary weight on the performance in 2017-2019 based on the higher volume of lending and that it reflected the most current performance.

2016

The geographic distribution of small business loans in the Anchorage/Mat-Su MSA is excellent. The performance in low-income tracts was good and moderate-income tracts was excellent. The distribution of loans in low-income census tracts was equal to aggregate lending performance and slightly below the percentage of businesses in the low-income census tracts. We also considered the minimal number of small businesses in the low-income census tracts. Only 1.4 percent of business were in the one low-income tract which is approximately 431 businesses total. This limited the bank's ability to penetrate the low-income census tracks and as a result we placed primary weight on the performance in the moderate-income census tracts which contained over 8,300 or 27.1 percent of businesses in the AA.

The distribution of loans in moderate-income census tracts exceeds aggregate lending performance and was slightly below the demographic.

2017-2019

The geographic distribution of business loans in the Anchorage/Mat-Su MSA is excellent. The performance in low- and moderate-income tracts was excellent. The distribution of loans in low-income census tracts exceeds both the percentage of small businesses and the aggregate lending performance in the low-income census tracts. We also considered the minimal number of small businesses in the low-income census tracts. Only 3.4 percent of businesses were in the low-income tracts which is approximately 1,180 businesses total. This somewhat limited the bank's ability to penetrate the low-income census tracks.

The distribution of small business loans in moderate-income census tracts is slightly below the percentage of small business units but exceeds the aggregate lending performances in moderate-income census tracts.

Fairbanks North Star MSA AA

The geographic distribution of small business loans in the Fairbanks North Star MSA is adequate. Performance in 2016 was good and performance in 2017-2019 was adequate. We placed primary weight on the performance in 2017-2019 based on the higher volume of lending and that it reflected the most current performance.

2016

The geographic distribution of small business loans in the Fairbanks North Star MSA is good. The performance in low-income tracts was poor while performance in moderate-income tracts was excellent. The bank did not originate any loans in the one low-income census tract in 2016. This is reflective of

poor performance; however, we did consider that this was only one year worth of performance and that the opportunity to penetrate the low-income census tract was limited by the low percentage of businesses. Only 3.8 percent or 273 businesses were in the low-income tract. This limited the bank's ability to penetrate the low-income census tracts and as a result we placed primary weight on the performance in the moderate-income census tracts

The distribution of loans in moderate-income census tracts exceeds both aggregate lending performance and demographic.

2017-2019

The geographic distribution of business loans in the Fairbanks North Star MSA is adequate. There are no low-income census tracts. The distribution of small business loans in moderate-income census tracts is significantly below both the percentage of small business units and aggregate lending performances in moderate-income census tracts. However, we determined the performance to be adequate based on additional considerations. In 2016, the bank's two branches in the Fairbanks North Star MSA were right next to the moderate-income census tracts. During that time period they appropriately penetrated those census tracts. However, based on changes from the 2015 ACS, moderate-income tracts shifted significantly. One moderate-income tract (Tract 0010.00) that the bank did significant business in switched from a moderate-income tract to an upper-income tract after 2016. In addition, one tract (Tract 0018.00) that is significantly further from the branches switched from a middle-income to a moderate-income tract after 2016. Tract 0018.00 is primarily a military base which also made it more difficult to penetrate. We also considered that Fairbanks North Star MSA has a relatively small number of businesses, so while 21 percent of businesses are located in moderate-income tracts, that is less than 1,600 businesses, which may have limited the bank's ability to penetrate moderate-income tracts, especially those further from the physical branches.

Small Loans to Farms

The bank exhibited an adequate geographic distribution of farm loans based on adequate performance in Alaska non-MSA AAs. We did not have meaningful samples in the two full-scope AAs. We performed a quantitative assessment on the Alaska non-MSA data; however, we did not perform a qualitative assessment. This rating is primarily based on the bank's performance in 2017-2019, as that accounts for most of the farm lending. The bank was below demographics and well below peer. This rating will carry little weight in the overall conclusion, as it is not reflective of a primary business line for the bank.

Refer to Table S in the state of Alaska section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to farms.

Anchorage/Mat-Su MSA AA

Small loans to farms was not a significant product in this AA.

Fairbanks North Star MSA AA

Small loans to farms was not a significant product in this AA.

Lending Gap Analysis

We reviewed summary reports and maps and analyzed FNBA's home mortgage and small business lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. We did not identify any unexplained or conspicuous gaps. The bank's AA consists of whole geographies, meets the requirements of the CRA regulation, and does not arbitrarily exclude low- or

moderate-income areas. We did note some gaps in certain areas; however, those were military bases which explained the lack of lending.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a good distribution of loans among individuals of different income levels and businesses and farms of different sizes, given the product lines offered by the institution. This is based on excellent performance for home mortgage loans and adequate performance for small business loans.

Home Mortgage Loans

The bank exhibited an excellent borrower distribution of home mortgage loans based on excellent performance in both the Anchorage/Mat-Su MSA and the Fairbanks North Star MSA.

Refer to Table P in the state of Alaska section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Anchorage/Mat-Su MSA AA

The borrower distribution of home mortgage loans in the Anchorage/Mat-Su MSA is excellent. Performance in 2016 and 2017-2019 was excellent. We placed primary weight on the performance in 2017-2019 based on the high volume of lending and that it reflected the most current performance.

2016

The borrower distribution of home mortgage loans in the Anchorage/Mat-Su MSA is excellent. The distribution of home mortgage loans to low-income borrowers is good and moderate-income borrowers is excellent. We placed equal weight on the performance with low- and moderate-income borrowers because the percentage of families was similar. For low-income borrowers, based on the performance context presented below, we placed primary weight on the comparison to aggregate.

The distribution of loans to low-income borrowers was well below the percentage of families; however, the distribution exceeds aggregate lending performance. We examined external factors that were impacting FNBA and other institutions' ability to meet the demographic comparator. We considered the poverty rate of 5.9 percent, unemployment of 5.3 percent, and housing affordability. The median housing value is 5.3 times the median family income for a low-income family; however, that is only applicable for the top end of the range. In the AA, there is a significant portion of low-income families that housing is unaffordable for.

The distribution of home mortgage loans to moderate-income borrowers exceeds the percentage of families and is slightly below the aggregate lending performances in moderate-income census tracts.

2017-2019

The borrower distribution of home mortgage loans in the Anchorage/Mat-Su MSA is excellent. The distribution of home mortgage loans to low-income borrowers is good and moderate-income borrowers is excellent. We placed equal weight on the performance with low- and moderate-income borrowers because the percentage of families was similar. For low-income borrowers, based on the performance context presented below, we placed primary weight on the comparison to aggregate.

The distribution of loans to low-income borrowers was well below the percentage of families; however, the distribution exceeds aggregate lending performance. We examined external factors that were impacting FNBA and other institutions' ability to meet the demographic comparator. We considered the poverty rate of 5.9 percent, unemployment of 5.5 percent and housing affordability. The median housing value is 5.0 times the median family income for a low-income family; however, that is only applicable for the top end of the range. In the AA, there is a significant portion of low-income families that housing is unaffordable for.

The distribution of home mortgage loans to moderate-income borrowers exceeds the percentage of families and is slightly below the aggregate lending performances in moderate-income census tracts. In addition, we considered housing affordability when analyzing the bank's performance.

Fairbanks North Star MSA AA

The borrower distribution of home mortgage loans in the Fairbanks North Star MSA is excellent. Performance in 2016 was good and in 2017-2019 was excellent. We placed primary weight on the performance in 2017-2019 based on the high volume of lending and that it reflected the most current performance.

2016

The borrower distribution of home mortgage loans in the Fairbanks North Star MSA is good. The distribution of home mortgage loans to low-income borrowers is good and moderate-income borrowers is adequate. We placed equal weight on the performance with low- and moderate-income borrowers because the percentage of families was similar. For low-income borrowers, based on the performance context presented below, we placed primary weight on the comparison to aggregate.

The distribution of loans to low-income borrowers was well below the percentage of families; however, the distribution exceeds aggregate lending performance. We examined external factors that were impacting FNBA and other institutions' ability to meet the demographic comparator. We considered the poverty rate of 4.5 percent, unemployment of 5.4 percent and housing affordability. The median housing value is 4.1 times the median family income for a low-income family; however, that is only applicable for the top end of the range. In the AA, there is a significant portion of low-income families that housing is unaffordable for.

The distribution of home mortgage loans to moderate-income borrowers was below the percentage of families and is well below the aggregate lending performances in moderate-income census tracts. Given the high level of aggregate lending, we determined there were no significant external factors impacting the bank's ability to lend to moderate-income borrowers.

2017-2019

The borrower distribution of home mortgage loans in the Fairbanks North Star MSA is excellent. The distribution of home mortgage loans to low-income borrowers is good while distribution to moderate-income borrowers is excellent. We placed equal weight on the performance with low- and moderate-income borrowers because the percentage of families was similar. The distribution of loans to low-income borrowers was well below the percentage of families; however, the distribution exceeds aggregate lending performance. We examined external factors that were impacting FNBA and other institutions ability to meet the demographic comparator. We considered the poverty rate of 5.3 percent, unemployment of 5.4 percent and housing affordability. The median housing value is 4.1 times the

median family income for a low-income family; however, that is only applicable for the top end of the range. In the AA, there is a significant portion of low-income families that housing is unaffordable for.

The distribution of home mortgage loans to moderate-income borrowers well exceeds both the percentage of families and the aggregate lending performances in moderate-income census tracts. The bank's performance was nearly twice that of the percentage of moderate-income families.

Small Loans to Businesses

The bank exhibited an adequate borrower distribution of small loans to businesses based on adequate performance in the Anchorage/Mat-Su MSA and good performance in the Fairbanks North Star MSA.

Refer to Table R in the state of Alaska section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

Anchorage/Mat-Su MSA AA

The borrower distribution of small business loans in the Anchorage/Mat-Su MSA is adequate. Performance in 2016 was good and 2017-2019 was adequate.

2016

The borrower distribution of loans to businesses that are small businesses in the Anchorage/Mat-Su MSA is good. The percentage of loans to small businesses was well below the demographic but exceeds the aggregate. In discussion with management, we covered challenges in penetrating small businesses. One challenge is a tendency for small businesses to rely on credit cards and personal debt in financing their business. With the bank's focus on commercial credit, these customers do not always qualify for traditional business loans based on the bank's risk tolerance. However, the bank sought to meet this need through their community development activity.

2017-2019

The borrower distribution of loans to small businesses in the Anchorage/Mat-Su MSA is adequate. The percentage of loans to small businesses was well below the demographic and slightly below the aggregate. As discussed above, this can partially be attributed to the needs of small businesses compared to the product offerings of FNBA. We found that FNBA ranks first in total dollar market share within small business lending. They have a 26.4 percent total dollar market share with the largest average small business loan size. While they may not be meeting the demographic or aggregate lending comparators by number, it is evident that they are originating large dollar loans to these small businesses, meeting a business need within the community. The bank recognizes there are other business needs for smaller dollar lending and sought to meet this need through their community development activity.

Fairbanks North Star MSA AA

The borrower distribution of small business loans in the Fairbanks North Star MSA is good. Performance in both 2016 and 2017-2019 was good.

2016

The borrower distribution of loans to small businesses in the Fairbanks North Star MSA is good. The percentage of loans to small businesses was well below the demographic but exceeds the aggregate. In discussion with management, we covered challenges in penetrating small businesses. One challenge is a tendency for small businesses to rely on credit cards and personal debt in financing their business. With the bank's focus on commercial credit, these customers do not always qualify for traditional business

loans based on the bank's risk tolerance. However, the bank sought to meet this need through their community development activity.

2017-2019

The borrower distribution of loans to small businesses in the Fairbanks North Star MSA is good. The percentage of loans to small businesses was well below the demographic but exceeds the aggregate. Just as in Anchorage/Mat-Su MSA, FNBA ranks first in total dollar market share within small business lending. They have a 29.2 percent total dollar market share with the largest average small business loan size. While they may not be meeting the demographic comparator by number, it is evident that they are originating large dollar loans to these small businesses meeting a business need within the community. The bank recognizes there are other business needs for smaller dollar lending and sought to meet this need through their community development activity.

Small Loans to Farms

The bank exhibited an excellent borrower distribution of farm loans based on excellent performance in Alaska non-MSA AAs. We did not have meaningful samples in the two full-scope AAs. We performed a quantitative assessment on the Alaska non-MSA data; however, we did not perform a qualitative assessment. This rating is primarily based on the bank's performance in 2017-2019, as that accounts for most of the farm lending. The bank was nearly equal to demographics and significantly exceeds peer. This rating will carry little weight in the overall conclusion, as it is not reflective of a primary business line for the bank.

Refer to Table T in the state of Alaska section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

Anchorage/Mat-Su MSA AA

Small loans to farms was not a significant product in this AA.

Fairbanks North Star MSA AA

Small loans to farms was not a significant product in this AA.

Community Development Lending

The institution is a leader in making CD loans. CD lending performance is in the Anchorage/Mat-Su MSA and the Fairbanks North Star MSA was Excellent. In addition, the broader statewide CD lending had a positive impact in the overall rating.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

Anchorage/Mat-Su MSA AA

CD Lending performance is excellent. During the review period, FNBA originated 33 qualified CD loans totaling nearly \$86.9 million in the Anchorage/Mat-Su MSA AA. This represents 27.3 percent of allocated tier one capital and is a very high level of CD lending.

- Seventeen CD loans totaling \$42.3 million providing economic development financing through the Alaska Industrial Development and Export Authority.

- Two CD loans totaling \$2.3 million providing affordable housing for low- or moderate-income individuals.

Fairbanks North Star MSA AA

CD Lending performance is excellent. During the review period, FNBA originated two qualified CD loans totaling nearly \$22.8 million in the Fairbanks North Star MSA AA. This represents 68.9 percent of allocated tier one capital and is a very high level of CD lending.

- A CD loan totaling \$250 thousand to support affordable housing.
- A CD loan totaling \$22.5 million to support utility services in moderate income census tracts.

Alaska Broader Statewide CD Lending

CD Loans that are in the broader statewide or regional area that do not have a purpose, mandate, or function to serve the bank's AAs may receive consideration if the bank has been responsive to the needs and opportunities of its AAs. Because the level of CD lending in the AAs is very high, the CD loans with broader statewide impact receive consideration. FNBA invested a total of \$50.9 million to help meet the community development needs identified in the Alaskan communities outside of its AAs. This has a positive effect on the bank's overall performance under the Lending Test.

Product Innovation and Flexibility

The institution makes extensive use of innovative and/or flexible lending practices in order to serve AA credit needs. FNBA has originated loans using numerous flexible loan programs that benefit low- or moderate-income individuals and small businesses. Use of these flexible loan products positively impacted the bank's Lending Test rating. Throughout the years, the bank has received several awards and recognition for using these programs to reach the unbanked and/or underserved populations. Some of the programs, primarily benefited the bank's AAs, while others also benefited areas outside the bank's AAs. During the evaluation period, FNBA originated over \$31 million in mortgage loans to low and moderate-income families. Examples of the number and dollar volume of loans that benefited low- or moderate-income individuals in the bank's AAs during the evaluation period, using these flexible loan programs are noted below:

- Alaska Housing Finance Corporation (AHFC) Tax-Exempt First Time Homebuyer's program: The bank originated 32 loans totaling over \$5.8 million to low- or moderate-income borrowers.
- AHFC Rural Owner-Occupied Program: The bank originated 68 loans totaling \$15.4 million to low- or moderate-income borrowers.
- United States Department of Agriculture Rural Development (USDA RD) Insured First Deed of Trust Program: The bank originated 16 loans totaling \$3.2 million to low- or moderate-income borrowers.
- AHFC Interest Rate Reduction for Low-Income Borrowers: The bank originated four loans totaling \$552 thousand to low-income borrowers.

- Office of Native American Programs – HUD 184 loan program: The bank originated six loans totaling \$1.6 million to low- or moderate-income borrowers.

In addition, the bank participates in several programs which support small businesses in the bank's AAs and the state of Alaska in general. These include loans supported through the Small Business Administration, the Bureau of Indian Affairs, Alaska Industrial Development and Export Authority, and Title VI Loan programs tied to the Native American Housing Assistance and Self Determination Act (NAHASDA) program. During the review period, the bank originated 83 commercial loans totaling over \$135 million through these programs.

- Title VI NAHASDA Loan Program: The bank originated seven loans totaling \$10.2 million to support affordable housing and essential community services in rural, remote villages. FNBA is the leader in this program providing the majority of Title VI loans originated in Alaska.
- Rural and Tax-Exempt Loan Program: The bank originated 11 loans totaling \$31.2 million to remote and low-income housing projects.

Conclusions for Area Receiving a Limited-Scope Review

Based on a Limited-Scope Review, the bank's performance under the Lending Test in the Alaska Non-MSA AA is consistent with the bank's overall outstanding performance under the Lending Test in the full-scope areas, including having a very high level of CD lending.

Refer to Tables O through V in the state of Alaska section of appendix D for the facts and data that support these conclusions.

INVESTMENT TEST

The bank's performance under the Investment Test in Alaska is Outstanding given the performance context. Performance in the Anchorage/Mat-Su MSA is excellent and performance in the Fairbanks North Star MSA is adequate. In addition, investments outside the AAs had a positive effect on the bank's overall performance under the Investment Test. We also considered the performance of the bank's activity within the Alaska Non-MSA AA which was consistent with the Outstanding rating.

Conclusions for Areas Receiving Full-Scope Reviews

Based on a Full-Scope Review, the bank's performance in the Anchorage/Mat-Su MSA is excellent. Based on a Full-Scope Review, the bank's performance in the Fairbanks North Star MSA is adequate.

The institution has an excellent level of qualified CD investments and grants, often in a leadership position, particularly those that are not routinely provided by private investors.

The institution exhibits excellent responsiveness to credit and community economic development needs. The institution makes extensive use of innovative and/or complex investments to support CD initiatives.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Anchorage/Mat-Su MSA	2	2,401	120	13,330	122	53.8	15,731	56.0	0	0
Fairbanks North Star MSA	0	0	25	133	25	11.0	133	0.5	0	0
Alaska Non-MSA	4	3,711	76	8,522	80	35.2	12,233	43.5	0	0
Total	6	6,112	221	21,985	227	100.0	28,097	100.0	0	0
Outside	8	3,637	67	10,849	75		14,486		0	0

* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

** Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Anchorage/Mat-Su MSA

Performance in the Anchorage/Mat-Su MSA is overall excellent when considering the volume of deposits in the AA and the impact of the investments made by the bank to benefit its communities. During the evaluation period, investments totaled \$15.7 million. Investments consisted of two prior period investments and 120 current period investments. FNBA's total investments represented 5 percent of the bank's tier 1 capital allocated to the AA. We also considered that FNBA has relatively high levels of capital compared to peer. Considering this information, the volume of qualifying investments continues to support an overall excellent rating.

Examples of investments made during the evaluation period include:

- A Low-Income Housing Tax Credit (LIHTC) bond for \$7.6 million to finance the acquisition and rehabilitation of an 88-unit multifamily development providing the Anchorage community with affordable housing. These types of bonds are typically considered to be complex and require specialized knowledge and expertise to execute.
- Two bonds totaling \$5.2 million to assist an Alaska native tribal entity recover from the damage caused by a 7.1 magnitude earthquake, the area was declared as a FEMA disaster area. The organization receiving assistance provides essential services to Alaska natives and other low-income community members in the AA.
- Four donations to a non-profit organization totaling \$165,000 to provide rent and utility assistance and financial education to eligible low- or moderate-income individuals in the AA. The donations also support other organizations in the area that provide various CD services.
- Four donations to a homeless youth program totaling \$33,000, providing shelter, workforce development, and other community services to low- or moderate-income individuals in the AA.
- A donation for \$25,000 to a homeless collaborative partnership that provides rapid rehousing for the homeless in the AA.

Fairbanks North Star MSA

Performance in the Fairbanks North Star MSA is adequate, when considering the performance context. During the evaluation period, investments totaled \$133,000, which consisted of 25 current period donations. This investment is 0.4 percent of the bank's allocated tier 1 capital for the AA. Fairbanks North Star MSA had limited opportunities for the bank to make impactful investments in the area with

only one LIHTC bond and two eligible general obligation (GO) bonds offered by state agencies for investment during the evaluation period. Other types of bonds that were available for purchase either imposed higher investment risk to the bank, did not support the bank's overall investment strategy, or did not meet a community development purpose. In addition to the limited opportunity, we also considered the high levels of capital in our assessment.

Examples of investments made during the evaluation period include:

- Scholarships donated to a university totaling \$90,000 to specifically assist qualified low- to moderate-income students in the AA.
- Three donations totaling \$23,000 to a non-profit organization that provides financial support to other organizations in the area that meet various identified CD service needs in the AA.
- Five donations totaling \$6,500 to a non-profit organization to help provide emergency food and shelter assistance restricted to qualified low- or moderate-income households in the AA.
- Six donations totaling \$9,000 to an organization that supports a Head Start program and several other supportive service non-profits targeting low-income families in the AA.
- A donation for \$1,000 to a food pantry that provides resources to low- or moderate-income individuals in the AA.

Alaska Broader Statewide Investments

Qualified investments that are in the broader statewide or regional area that do not have a purpose, mandate, or function to serve the bank's AAs may receive consideration if the bank has been responsive to the needs and opportunities of its AAs. Because the level of qualified investments in the AAs is significant, the investments with broader statewide impact receive consideration. FNBA invested a total of \$14.5 million to help meet the community development needs identified in the Alaskan communities outside of its AAs. This has a positive effect on the bank's overall performance under the Investment Test.

Conclusions for Area Receiving a Limited-Scope Review

Based on a Limited-Scope Review, the bank's performance under the Investment Test in the Alaska Non-MSA AA is consistent with the bank's overall Outstanding performance under the Investment Test in the full-scope areas. This has a significant impact on the bank's overall performance under the Investment Test, given over 33 percent of the bank's deposits were made in this AA. The bank made \$12.2 million or 7.1 percent of allocated tier 1 capital in investments and donations in the AA.

SERVICE TEST

The bank's performance under the Service Test in Alaska is rated Outstanding given the performance context. Performance in the Anchorage/Mat-Su MSA is excellent and performance in the Fairbanks North Star MSA is good. We also considered the performance of the bank's activity within the Alaska Non-MSA AA which was consistent with the Outstanding rating.

Conclusions for Areas Receiving Full-Scope Reviews

Based on a Full-Scope Review, the bank's performance in the Anchorage/Mat-Su MSAAA is excellent. Based on a Full-Scope Review, the bank's performance in the Fairbanks North Star MSA AA is good.

Retail Banking Services

Service delivery systems are readily accessible to geographies and individuals of different income levels in the Anchorage/Mat-Su MSA and are reasonably accessible to geographies and individuals of different income levels in the Fairbanks North Star MSA.

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Anchorage/Mat-Su MSA	60.7	12	42.9	0.0	58.3	41.7	0.0	3.0	23.6	51.5	21.8
Fairbanks North Star MSA	6.3	2	7.1	0.0	0.0	50.0	50.0	0.0	20.9	54.7	24.4
Alaska Non-MSA	33.1	14	50.0	0.0	7.1	64.3	28.6	0.3	5.4	63.1	31.2

Anchorage/Mat-Su MSA

The bank's service delivery systems are readily accessible to geographies and individuals of different income levels throughout the Anchorage/Mat-Su MSA. The bank has 12 full-service branches in the AA, including the bank's main office. There are only two low-income geographies but 21 moderate-income geographies in the AA. The bank does not have any branches in low-income areas but does have seven branches in moderate-income areas. Additionally, the bank offers eight of their 13 ATMs in moderate-income census tracts. Other alternative banking delivery services are also available to customers regardless of geography or income level, including online banking, mobile banking, and remote deposit capture. Due to the higher population and increased opportunities to provide banking services in this area, especially in low- or moderate-income geographies, we placed more weight on the branch accessibility in this AA.

Fairbanks North Star MSA

The bank's service delivery systems are reasonably accessible to geographies and individuals of different income levels throughout the Fairbanks North Star MSA given the performance context. The bank has two full-service branches in the AA. There are no low-income geographies and only five moderate-income geographies in the AA. The bank no longer has any branches in moderate-income areas as well, due to a recent branch closure. Although the bank does not have any branches in low- or moderate-income geographies, there are two branches within a mile of moderate-income census tracts which provides accessibility to those tracts. The bank also has three ATMs, but none are in low- or moderate-income census tracts. The bank does offer alternative banking delivery services to customers regardless of geography or income level, including online banking, mobile banking, and remote deposit capture.

Distribution of Branch Openings/Closings						
	Branch Openings/Closings					
Assessment Area	# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upp
Anchorage/ Mat-Su MSA	0	1	0	0	-1	0
Fairbanks North Star MSA	0	1	0	-1	0	0
Alaska Non-MSA	0	0	0	0	0	0

To the extent changes have been made, the institution's opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- or moderate-income geographies and/or to low- or moderate-income individuals given the performance context.

Anchorage/Mat-Su MSA

FNBA closed one branch location in a middle-income census tract (CT) in the AA, and no branches were opened during the evaluation period. Overall, this change did not adversely affect the accessibility of its delivery systems, particularly in low- or moderate-income geographies. In addition to this, the available branch business hours do not vary in a way that inconveniences its AA. Most branches have hours that extend to 6:00 pm on weekdays. In addition, some branches have weekend hours, including some branches in moderate-income assessment areas.

FNBA offers a wide range of loan and deposit products, security services, investment products, and other miscellaneous services to its customers. Products and services include various commercial real estate and non-real estate loans and revolving lines of credit, consumer non-real estate and real-estate loans, various checking and savings accounts, safe deposit boxes, merchant services, bill pay, and certificates of deposits.

Fairbanks North Star MSA

To the extent changes have been made, the institution's opening and closing of branches has generally not adversely affected accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. FNBA closed one branch location in a moderate-income CT in the AA, and no branches were opened during the evaluation period. While FNBA did close one branch in a moderate-income census tract, there are two branches in proximity to the closed branch and within a mile of moderate-income census tracts, which provides accessibility to those tracts. In addition, the available branch business hours do not vary in a way that inconveniences its AA. Most branches have hours that extend to 6:00 pm on weekdays and some branches have weekend hours.

FNBA continues to offer a wide range of loan and deposit products, security services, investment products, and other miscellaneous services to its customers in this AA. Products and services also include various commercial real estate and non-real estate loans and revolving lines of credit, consumer non-real estate and real-estate loans, various checking and savings accounts, safe deposit boxes, merchant services, bill pay, and certificates of deposits.

Community Development Services

The institution is a leader in providing CD services.

Anchorage/Mat-Su MSA

The bank provided an excellent level of CD services in the Anchorage/Mat-Su MSA. Bank employees from various lines of business provided a total of 2,505 hours of CD services to 28 organizations in the AA. CD services were provided to 16 community organizations that target community services to low- or moderate-income individuals, and to nine organizations that support affordable housing to low- or moderate-income individuals as well. Due to this AA having a much higher population and more opportunities to provide CD services compared to the Fairbanks North Star MSA, we placed more weight on the performance in this AA.

Examples of these services include:

- Three bank employees provided 183 hours as board members of a non-profit organization that provides affordable housing to the community.
- Two bank employees provided 710 total hours of their financial expertise services to assist a non-profit organization that is an affordable housing provider in the AA.
- One bank employee provided 84 hours as a board member for a non-profit low- or moderate-income community services provider that coordinates the only food pantry in one of Anchorage's low-income CT.
- One bank employee provided 72 hours as a board member of an organization that provides health services to low- or moderate-income individuals in the AA.
- One bank employee provided 54 hours as a board member of an organization that provides English as a Second Language classes to low- or moderate-income refugees and immigrants.

Fairbanks North Star MSA

The bank provided an excellent level of CD services in the Fairbanks North Star MSA. Bank employees provided a total of 231 hours of CD services to three organizations in the AA. CD services were provided to two organizations that support affordable housing to low- or moderate-income individuals as well as one community organization that targets community services to low- or moderate-income individuals in the AA.

Examples of these services include:

- Two bank employees provided 121 hours to an organization that provides affordable housing to the community.
- One bank employee provided 20 hours as a board member of a non-profit organization that is an affordable housing provider in the AA.

- One bank employee provided 90 hours as a board member for a non-profit low- or moderate-income community services provider, of which one service offered to low- or moderate-income families is the Headstart Program.

Conclusions for Area Receiving a Limited-Scope Review

Based on a Limited-Scope Review, the bank's performance under the Service Test in the Alaska Non-MSA AA is consistent with the bank's overall excellent performance under the Service Test in the full-scope areas. Bank employees provided a total of 988 hours of CD services to 12 organizations in the AA. This is appropriate based on the remote and rural characteristics of the communities within the AA and the available opportunities in comparison to the ones available in the larger metropolitan areas in the bank's AAs.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSAs and non-MSAs that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

Time Period Reviewed:	01/01/16 to 12/31/19	
Bank Products Reviewed:	Home mortgage, small business, and small farm Community development loans, qualified investments, community development services (Review period 3/28/17 to 12/31/19)	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Alaska		
Anchorage/Mat-Su MSA	Full-Scope	Anchorage County and Matanuska-Susitna Borough
Fairbanks North Star MSA	Full-Scope	Fairbanks North Star Borough
Alaska Non-MSA AA	Limited-Scope	Bethel Census Area (partial), Denali Borough, Haines Borough, Hoonah-Angoon (partial), Juneau Borough, Kenai Peninsula Borough, Kodiak Island Borough (partial), Sitka Borough, and Valdez-Cordova Census Area

Appendix B: Summary of MMSA and State Ratings

RATINGS: First National Bank Alaska				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
FNB Alaska	Outstanding	Outstanding	Outstanding	Outstanding
MMSA or State:				
Alaska	Outstanding	Outstanding	Outstanding	Outstanding

(*) The Lending Test is weighted more heavily than the Investment and Service Tests in the overall rating.

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including low- or moderate-income areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always

equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

Full-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under §1003.2 of this title, and that is not an excluded transaction under §1003.3(c)(1) through (10) and (13) of this title.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income Individual: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A census tract with a median family income that is less than 50 percent.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an

employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

MMSA (state): Any multistate metropolitan statistical area or multistate combined statistical area, as defined by the Office of Management and Budget.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rating Area: A rated area is a state or multi-state metropolitan statistical area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

Small Loan(s) to Farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland or are classified as loans to finance agricultural production and other loans to farmers.

Tier 1 Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Upper-Income: Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased loans are treated the same as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.
- Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-,

and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues -** Compares the percentage distribution of the number of small loans (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography –** Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households in those geographies.
- Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower -** Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/assessment area.

Table O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography 2016

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Alaska NonMSA	213	55,305	32.3	4,212	0.0	0.0	0.0	0.7	0.5	0.6	77.0	83.1	74.0	22.3	16.4	25.4	0.0	0.0	0.0
Anchorage AK MSA	426	117,601	64.6	17,163	0.5	0.5	0.6	16.0	16.4	15.9	58.3	62.7	59.6	25.2	20.4	23.9	0.0	0.0	0.0
Fairbanks AK MSA	20	4,177	3.0	2,797	2.4	5.0	2.1	7.7	20.0	6.8	59.9	45.0	62.7	30.0	30.0	28.4	0.0	0.0	0.0
Total	659	177,083	100.0	24,172	0.6	0.5	0.7	11.3	11.4	12.2	62.8	68.7	62.4	25.3	19.4	24.7	0.0	0.0	0.0

Source: 2010 U.S Census; 01/01/2016 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

FIRST NATIONAL BANK ALASKA (10000012072) excluded from Aggregate

Table O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography **2017-19**

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Alaska NonMSA	553	141,252	36.8	3,668	0.2	0.0	0.0	6.8	5.6	4.0	60.2	68.9	62.5	32.8	25.5	33.6	0.0	0.0	0.0
Anchorage AK MSA	823	231,481	54.7	13,908	1.0	1.1	0.9	15.9	15.6	14.1	55.1	64.9	58.4	27.9	18.5	26.6	0.0	0.0	0.0
Fairbanks AK MSA	128	30,644	8.5	2,801	0.0	0.0	0.0	6.3	14.8	5.7	61.0	56.3	69.6	32.7	28.9	24.6	0.0	0.0	0.0
Total	1,504	403,377	100.0	20,377	0.7	0.6	0.6	12.4	11.8	11.1	57.2	65.6	60.7	29.8	21.9	27.6	0.0	0.0	0.0

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

FIRST NATIONAL BANK ALASKA (10000012072) excluded from Aggregate

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower **2016**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Alaska Non-MSA	213	55,305	32.3	4,212	17.3	6.6	5.2	16.4	14.1	17.6	20.8	24.4	26.6	45.6	46.0	37.2	0.0	8.9	13.4
Anchorage/Mat-Su MSA	426	117,601	64.6	17,163	19.6	7.0	6.4	18.0	20.0	21.0	23.6	26.5	26.1	38.8	39.0	29.5	0.0	7.5	17.1
Fairbanks North Star MSA	20	4,177	3.0	2,797	20.0	10.0	7.5	18.1	15.0	27.4	24.3	30.0	27.0	37.6	35.0	21.3	0.0	10.0	16.9
Total	659	177,083	100.0	24,172	19.2	7.0	6.3	17.7	17.9	21.1	23.1	25.9	26.3	40.1	41.1	29.9	0.0	8.0	16.4

Source: 2010 U.S Census ; 01/01/2016 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

FIRST NATIONAL BANK ALASKA (10000012072) excluded from Aggregate

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower **2017-19**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Alaska Non-MSA	553	141,252	36.8	3,668	17.1	6.7	6.4	14.7	19.7	17.3	22.4	25.3	28.3	45.9	37.4	36.8	0.0	10.9	11.2
Anchorage/Mat-Su MSA	823	231,481	54.7	13,908	19.8	8.9	8.4	18.0	21.8	23.8	22.5	24.4	24.3	39.7	32.8	25.2	0.0	12.2	18.2
Fairbanks North Star MSA	128	30,644	8.5	2,801	18.4	7.0	5.5	18.0	30.5	22.7	23.8	22.7	27.4	39.8	22.7	27.3	0.0	17.2	17.0
Total	1,504	403,377	100.0	20,377	19.0	7.9	7.7	17.3	21.7	22.5	22.6	24.6	25.5	41.0	33.6	27.6	0.0	12.1	16.8

Source: 2015 ACS Census ; 01/01/2017 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

FIRST NATIONAL BANK ALASKA (10000012072) excluded from Aggregate

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography **2016**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Alaska Non-MSA	306	45,277	39.0	3,734	0.0	0.0	0.0	3.3	4.9	2.9	72.5	84.6	57.3	24.2	10.5	18.7	0.0	0.0	21.1
Anchorage AK MSA	386	89,281	49.2	10,579	1.4	1.0	1.0	27.1	26.7	20.4	52.5	58.0	49.5	19.0	14.2	22.3	0.0	0.0	6.8
Fairbanks AK MSA	93	16,825	11.8	1,614	3.8	0.0	2.7	35.5	36.6	27.6	40.3	45.2	42.3	20.4	18.3	23.2	0.0	0.0	4.2
Total	785	151,383	100.0	15,927	1.4	0.5	0.9	22.5	19.4	16.4	55.6	66.9	50.9	20.5	13.2	21.4	0.0	0.0	10.3

Source: 2016 D&B Data; 01/01/2016 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

FIRST NATIONAL BANK ALASKA (10000012072) excluded from Aggregate

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography **2017-19**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Alaska Non-MSA	735	123,867	39.3	2,865	0.0	0.1	0.0	4.0	8.6	4.8	64.8	60.7	56.3	31.2	30.6	25.1	0.0	0.0	13.7
Anchorage AK SA	908	254,739	48.6	7,413	3.4	5.1	3.6	26.4	23.7	21.4	49.5	56.8	50.4	20.7	14.4	21.0	0.0	0.0	3.6
Fairbanks AK MSA	225	48,722	12.0	1,527	0.0	0.0	0.0	21.0	7.1	16.1	48.1	46.7	47.1	31.0	46.2	33.2	0.0	0.0	3.7
Total	1,868	427,328	100.0	11,805	2.1	2.5	2.2	20.6	15.7	16.4	52.8	57.1	51.5	24.5	24.6	23.6	0.0	0.0	6.3

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

FIRST NATIONAL BANK ALASKA (10000012072) excluded from Aggregate

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues **2016**

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Alaska Non-MSA	306	45,277	39.0	3,734	83.6	60.5	44.4	4.0	39.2	12.4	0.3
Anchorage/Mat-Su MSA	386	89,281	49.2	10,579	85.0	46.6	41.1	6.1	49.2	8.9	4.1
Fairbanks North Star MSA	93	16,825	11.8	1,614	83.3	65.6	44.4	5.5	34.4	11.3	0.0
Total	785	151,383	100.0	15,927	84.4	54.3	42.3	5.5	43.6	10.1	2.2

*Source: 2016 D&B Data; 01/01/2016 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

FIRST NATIONAL BANK ALASKA (10000012072) excluded from Aggregate

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues **2017-19**

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Alaska Non-MSA	735	123,867	39.3	2,865	83.2	57.0	50.1	4.1	42.2	12.6	0.8
Anchorage/Mat-Su MSA	908	254,739	48.6	7,413	85.7	42.5	46.0	5.7	53.2	8.6	4.3
Fairbanks North Star MSA	225	48,722	12.1	1,527	83.9	60.9	43.4	5.0	38.2	11.1	0.9
Total	1,868	427,328	100.0	11,805	84.9	50.4	46.8	5.2	47.1	9.9	2.5

*Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

FIRST NATIONAL BANK ALASKA (10000012072) excluded from Aggregate

Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography **2016**

Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Alaska Non-MSA	27	4,583	93.1	206	0.0	0.0	0.0	4.5	0.0	3.9	76.7	63.0	63.5	18.8	37.0	18.3	0.0	0.0	14.3
Anchorage/Mat-Su MSA	2	155	6.9	68	0.8	0.0	0.0	19.2	0.0	20.0	61.5	50.0	45.7	18.5	50.0	28.6	0.0	0.0	5.7
Fairbanks North Star MSA	0	0	0.0	17	1.4	0.0	0.0	15.5	0.0	0.0	52.8	0.0	77.8	30.3	0.0	16.7	0.0	0.0	5.6
Total	29	4,738	100.0	291	0.7	0.0	0.0	14.1	0.0	7.2	65.0	62.1	60.4	20.2	37.9	20.4	0.0	0.0	12.0

Source: 2016 D&B Data; 01/01/2016 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

FIRST NATIONAL BANK ALASKA (10000012072) excluded from Aggregate

Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography **2017-19**

Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Alaska Non-MSA	102	15,886	97.1	186	0.0	0.0	0.0	3.1	2.9	6.3	65.6	54.9	44.7	31.3	42.2	30.8	0.0	0.0	18.3
Anchorage/Mat-Su MSA	3	872	2.9	82	1.6	0.0	0.0	18.0	0.0	17.9	60.8	66.7	63.1	19.5	33.3	16.7	0.0	0.0	2.4
Fairbanks North Star MSA	0	0	0.0	17	0.0	0.0	0.0	7.4	0.0	11.1	50.5	0.0	44.4	42.1	0.0	38.9	0.0	0.0	5.6
Total	105	16,758	100.0	285	0.9	0.0	0.0	11.9	2.9	9.7	60.7	55.2	49.7	26.5	41.9	27.4	0.0	0.0	13.2

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

FIRST NATIONAL BANK ALASKA (10000012072) excluded from Aggregate

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues **2016**

Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Alaska Non-MSA	27	4,583	93.1	206	92.7	74.1	60.4	4.5	25.9	2.7	0.0
Anchorage/Mat-Su MSA	2	155	6.9	68	94.7	100.0	44.3	3.4	0.0	1.9	0.0
Fairbanks North Star MSA	--	--	--	17	98.6	--	61.1	1.4	--	0.0	--
Total	29	4,738	100.0	291	94.6	75.9	56.9	3.5	24.1	1.9	0.0

Source: 2016 D&B Data; 01/01/2016 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

FIRST NATIONAL BANK ALASKA (10000012072) excluded from Aggregate

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues **2017-19**

Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Alaska Non-MSA	102	15,886	97.1	186	94.5	94.1	57.2	3.6	5.9	1.9	0.0
Anchorage/Mat-Su MSA	3	872	2.9	82	95.5	66.7	46.4	2.3	33.3	2.2	0.0
Fairbanks North Star MSA	--	--	--	17	98.5	--	72.2	1.5	--	0.0	--
Total	105	16,758	100.0	285	95.6	93.3	55.2	2.6	6.7	1.8	0.0

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

FIRST NATIONAL BANK ALASKA (10000012072) excluded from Aggregate