



## **PUBLIC DISCLOSURE**

January 2, 2024

### **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 Office  
101 Stewart Street., Suite 1010  
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	First National Bank 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 levels reflect excellent responsiveness to assessment area (AA) credit needs.
- The bank exhibits excellent distribution of loans among individuals of different income levels and business and farms of different sizes, and good geographical distribution of loans.
- The bank is a leader in making Community Development (CD) loans and innovative and flexible lending. CD lending and innovative and flexible lending had a significantly positive impact on the Lending Test rating.
- The institution has an excellent level of qualified CD investment and grants, often in a leadership position.
- Service delivery systems are readily accessible to geographies and individuals of different income levels. The institution is a leader in providing CD services.

### Lending in Assessment Area

A substantial majority of the bank's lending occurs in its AAs.

The bank originated and purchased 93.7 percent of its total reportable loans inside the bank's AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

<b>Lending Inside and Outside of the Assessment Areas (1/1/2020 through 12/31/2022)</b>										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	1,829	98.2	34	1.8	1,863	568,501	95.7	25,339	4.3	593,840
Small Business	4,880	94.0	311	6.0	5,191	693,695	93.8	45,736	6.2	739,431
Small Farm	1,104	86.0	180	14.0	1,284	45,690	83.9	8,782	16.1	54,472
<b>Total</b>	<b>7,813</b>	<b>93.7</b>	<b>525</b>	<b>6.3</b>	<b>8,338</b>	<b>1,307,886</b>	<b>94.2</b>	<b>79,857</b>	<b>5.8</b>	<b>1,387,743</b>

We considered the overall bank lending inside the AA, in the geographical distribution of lending. Lending inside and outside of the AA had a positive impact on the geographical distribution of loan ratings throughout the evaluation period in Alaska.

## **Description of Institution**

First National Bank Alaska (FNBA) is the largest independently owned bank in Alaska. In 2022, the bank celebrated 100 years of operating in Alaska, with its roots in Anchorage. The bank's over 100-year history includes providing services for frontier currency such as gold nuggets, various furs, and pelts. FNBA has one rating area, the state of Alaska. The bank does not have a holding company or affiliates. There was no merger or acquisition activity by FNBA during the evaluation period.

As of December 31, 2022, FNBA reported total assets of \$5.3 billion and tier one capital of \$553.8 million. Deposits totaled \$4.2 billion, which represents 79.2 percent of total assets. The bank's loan portfolio was \$2.2 billion, which represents 41.4 percent of total assets.

Throughout the bank's AAs in Alaska, FNBA has 27 full-service bank branches and 32 ATMs. The bank provides its commercial and retail customers with deposit and loan products. Deposit products include various checking account options for both businesses and consumers, investment vehicles, health savings accounts, certificates of deposits, and savings programs. Other bank services include mobile phone applications, bank by phone, remote deposit capture, wealth management and trust services, and internet banking. The bank's primary business focus is commercial lending directed toward small businesses. FNBA also offers various home mortgages, small farm lending, and consumer loan products.

There are no financial or legal impediments which restrict FNBA's ability to meet the credit needs of its AAs. The last CRA evaluation was dated October 12, 2020, and the bank was rated as "Outstanding".

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

FNBA's evaluation period is January 1, 2020, through December 31, 2022. We use this evaluation period to conduct analysis and form conclusions for the entirety of all performance tests associated with this evaluation. For the Home Mortgage Disclosure Act (HMDA) analysis and conclusions related to lending activity, geographical distribution of loans, and borrower distribution of loans, we consolidated the bank's home purchase, home refinance, home improvement, and multifamily lending. We concluded on all home mortgage, small loans to businesses, and small farm loan products that met the definition of a primary loan product. To be considered a primary loan product, there must have been, at minimum, 20 loan originations for a specific loan product within a respective AA, in an evaluation period.

### 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 assessment areas 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 the 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 solely upon performance in Alaska.

For the Lending Test, geographical and borrower distribution of HMDA and small loans to businesses, there were two evaluation periods. The evaluation periods are January 1, 2020, through December 31, 2021, and January 1, 2022, through December 31, 2022. The two evaluation periods were necessary due to the changes in demographics between the 2015 U.S. Census American Community Survey (ACS) and the 2020 U.S. Census. For the Lending Test, we placed more weight on the bank's performance during the January 1, 2020, through December 31, 2021, evaluation period. We placed more weight on this evaluation period due to the fact that the majority of the lending took place within this evaluation period. We did so as this evaluation period contained 84.7 percent of HMDA originations and 80.1 percent of HMDA volume, within the bank's AAs, throughout the evaluation period. The January 1, 2020, through December 31, 2021, evaluation period had 91.4 percent of small business loan originations and 81.8 percent of small business loan volume throughout the evaluation period, within the bank's AAs. The January 1, 2020, through December 31, 2021, evaluation period had 97.0 percent of small farm loan originations and 84.4 percent of small farm loan volume throughout the evaluation period, within the bank's AAs.

Due to the timing of this evaluation, geographical and borrower distribution of small loans to businesses and small farm loans in the 2022 evaluation period did not have peer aggregate lending data available. Therefore, in concluding, we placed all weight on performance compared to the demographics.

The state ratings are based on performance in all bank AAs. Refer to the “Scope” section under each State Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

## **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 assessment area 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 Consumer Financial Protection Bureau, 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 Alaska: 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:

- Lending levels reflect excellent responsiveness to AA credit needs.
- The bank exhibits excellent distribution of loans among individuals of different income levels and business and farms of different sizes, and good geographical distribution of loans.
- The bank is a leader in making CD loans and innovative and flexible lending. CD and innovative and flexible lending had a significantly positive impact on the Lending Test rating.
- The institution has an excellent level of qualified CD investment and grants, often in a leadership position.
- Service delivery systems are readily accessible to geographies and individuals of different income levels. The institution is a leader in providing CD services.

### **Description of Institution's Operations in Alaska**

The bank has three AAs in the state of Alaska. The AAs are the Anchorage-Mat-Su MSA (Anchorage MSA), Fairbanks MSA, and the Alaska non-MSA (see appendix A for information). Bank delineated non-MSA AAs within Alaska are combined, analyzed, and presented as one AA for purposes of this evaluation. The AA meets the requirement of the regulation and does not arbitrarily exclude low- to moderate-income (LMI) census tracts (CTs).

#### **Anchorage MSA**

According to the 2020 U.S. Census, the Anchorage MSA has a population of 398,328 people. The population saw modest increases since the 2015 ACS; overall the population increased by 0.8 percent. LMI families make up 19.3 and 19.1 percent of all families in the AA, respectively. The Anchorage MSA is made up of 85 CTs of which 2.4 percent are low-income and 23.5 percent are moderate-income. There are 6.1 percent of the families living below the poverty level in the AA.

As of June 30, 2022, the bank had \$2.3 billion in deposits in the AA. Bank deposits in Anchorage make up 55.7 percent of bank wide deposits. The bank has a 24.6 percent deposit market share, which ranks second out of four banks in the AA. The bank's main competition for deposits come from Wells Fargo Bank, National Association with 48.4 percent of the deposit market share. Other banks competing for deposits include Northrim Bank and Key Bank, National Association with deposit market shares of 18.3 percent and 8.7 percent, respectively. The bank operates 11 full-service branches. There is significant

competition for small business and home mortgage loans. The bank's AA has large national and state-chartered banks, as well as many other finance companies competing for loan market share.

### Economy and Employment

According to Moody's Analytics, the Anchorage MSA is experiencing a period of economic growth in the post-pandemic years. Employment growth rates exceed the national average. The economy benefits from a strong transportation/shipping sector, a vibrant tourism industry, resource extraction, healthcare, and large government facilities. The top employers in the AA are: Joint Base Elmendorf-Richardson, Providence Health Care and Services, Carrs/Safeway Inc., Alaska Airlines, and Trident Seafoods. According to U.S. Bureau of Labor Statistics (BLS), the unemployment rate in the Anchorage MSA in January 2020 was 5.1 percent. The unemployment rate peaked within the evaluation period in April of 2020 at 12.5 percent due to the challenging nature of the Covid-19 pandemic. The unemployment rate has dropped since April 2020 and as of December 2022 was 3.1 percent.

### Housing

According to the 2020 U.S. Census there were 160,311 housing units in the AA, of which 1.9 percent and 23.2 percent were in LMI CTs, respectively. Total housing units increased by 3.2 percent since the 2015 ACS. When using the median family income and median housing value in both the 2020 U.S. Census and the 2015 ACS, we determined a low-income borrower would need to spend greater than 30.0 percent of their monthly income to afford a principal and interest payment on a home mortgage assuming a 5.0 percent interest rate. Based on this we concluded that the average home mortgage is not affordable to the average low-income person, throughout the evaluation period. When using the median family income and median housing value in both the 2020 U.S. Census and the 2015 ACS, we determined that some moderate-income borrowers would need to spend less than 30.0 percent of their monthly income to afford a principal and interest payment on a home mortgage assuming a 5.0 percent interest rate. Based on this we concluded the average home mortgage is affordable to the average moderate-income person.

### Community Contacts

Throughout the evaluation period, we utilized two community contacts to identify community needs in the Anchorage MSA. The first contact is a general manager for a Community Development Financial Institution (CDFI) that offers equitable access to affordable financial products and services in LMI communities to facilitate homeownership, strengthen local businesses, and build resilient neighborhoods. In addition, the organization pursues opportunities to financially empower Alaskan Native families, businesses, and communities. The community contact noted the need for offering affordable financing products to LMI communities and sharing resources such as expertise and financial literacy to small CDFIs.

The second community contact is an executive director for an organization that invests in strengthening neighborhoods through real estate programs, community organizing, neighborhood improvements, and other targeted programs. The organization's mission is to invest in commercial corridors to create jobs, promote local job growth, and provide economic opportunities to families. The community contact identified community service and economic development needs for financial literacy, coaching programs, and offering accessible small business loans.



<b>Table A – Demographic Information of the Assessment Area – 2020-2021 Anchorage MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
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	44,842	3.1	25.8	49.1	22.1	0.0
Farms by Geography	1,003	1.2	15.9	60.6	22.3	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 2021 D&amp;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>						

<b>Table A – Demographic Information of the Assessment Area – 2022 Anchorage MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	85	2.4	23.5	52.9	20.0	1.2
Population by Geography	398,328	2.0	18.9	57.1	22.0	0.0
Housing Units by Geography	160,311	1.9	23.2	54.7	20.2	0.0
Owner-Occupied Units by Geography	91,107	1.0	13.2	58.7	27.1	0.0
Occupied Rental Units by Geography	47,827	3.4	32.7	53.5	10.4	0.0
Vacant Units by Geography	21,377	2.1	44.5	40.6	12.7	0.0
Businesses by Geography	48,654	2.0	16.3	56.7	25.0	0.1
Farms by Geography	1,047	0.6	14.1	62.1	23.1	0.1
Family Distribution by Income Level	92,252	19.3	19.1	21.7	39.8	0.0
Household Distribution by Income Level	138,934	22.0	16.5	20.4	41.1	0.0
Median Family Income MSA - 11260 Anchorage, AK MSA		\$98,403	Median Housing Value			\$282,867
			Median Gross Rent			\$1,322
			Families Below Poverty Level			6.1%
<i>Source: 2020 U.S. Census and 2022 D&amp;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>						

**Alaska non-MSA**

According to the 2020 U.S. Census the total population of the Alaska non-MSA was 133,110. This represents a 0.3 percent decline in population from the 2015 ACS. The 2020 U.S. Census indicates that LMI families make up 32.0 percent of all families in the AA. The Alaska non-MSA is made up 33 CTs of which there are no low-income CTs and 1 moderate-income CT. The AA consists of seven non-contiguous counties or boroughs spread out end-to-end over 1,000 miles with several natural barriers to access.

As of June 30, 2022, the bank had \$1.6 billion in deposits in the Alaska non-MSA. FNBA had a 43.2 percent deposit market and ranked first out of five bank's servicing the AA. The bank main competition for deposit is Wells Fargo Bank, National Association with a 38.3 percent deposit market share, Northrim Bank with a 9.7 percent deposit market share, First Bank with a 4.6 percent deposit market share, and Key Bank, National Association with a 4.1 percent deposit market share. There is strong competition for all types of loan market share from large national banks, credit card lenders, finance companies, and state-chartered banks.

**Bethel Borough**

Bethel is in southwestern Alaska, 40 miles from the mouth of Kuskokwim River, and has 40,627.1 square miles of land area making it the 3rd largest county in Alaska by total area. Bethel has a population of 18,700 people. Bethel serves as the economic hub for surrounding villages. The outlying villages have no access through roadways.

**Employment and Economic Factors**

Based on Dunn and Bradstreet (D&B) Census of American Business, there were 602 businesses in the Bethel Borough, of which, 62.0 percent represent small businesses with revenues less than \$1 million. According to the U.S. Census Bureau, the largest employment industries are in services, with emphasis in health care, social assistance, and education, making up 34.4 percent of total businesses, and in public administration making up 14.6 percent of total businesses. The employment opportunities are primarily derived from government organizations. Based on the 2022 U.S. Census Data Bureau, about 43.1 percent of employment opportunities were centered in local, state, or federal government, 31.2 percent centered in private industry, and 20.3 percent in non-for-profits.

**Housing**

According to the 2020 U.S. Census Bureau, there were 6,029 housing units in the Bethel Borough, of which 59.5 percent and 10.6 percent of units were in LMI CTs, respectively. About 25.8 percent of households live below poverty level, a number which is higher than the national average of 11.5 percent. During the evaluation period, the median home value was \$169,400, while the average median family income was \$63,800. Assuming a 5.0 percent interest rate using the median housing value (MHV) and median family income (MFI), a low-income borrower would need to spend greater than 30.0 percent of their monthly income to afford a principal and interest payment on a home mortgage. Therefore, the average home mortgage is not easily affordable to the average low-income person. Using the same methodology, we concluded that the average home mortgage is affordable to the average moderate-income person.

**Denali Borough**

The Denali Borough is in central Alaska, and the majority of the borough residents reside in Healy. The borough has a population of 1,600 people. The borough is composed by one upper-income census tract,

the borough is home to Clear Space Force Station, the Usibelli Coal Mine, and Denali National Park and Preserve which have brought tourism, growth, and development to the area.

#### Employment and Economic Factors

Based on D&B Census of American Business, there were a total of 281 businesses, of which 83.6 percent represent small businesses with revenues less than \$1 million. The largest employment industries are services with emphasis in accommodation, transportation, food services, and recreation services, composing 37.4 percent of businesses. The second largest employment industry is in creative, art, and entertainment activities composing 22.1 percent of businesses. The unemployment rate is low at 2.7 percent.

#### Housing

According to the 2020 U.S. Census Bureau, there were 1,664 housing units. During the evaluation period, the median home value was \$233,700, and the median family income was \$116,600. Assuming a 5.0 percent interest rate using the MHV and MFI, we determined that the average home mortgage is affordable to the average low- and moderate-income person in this borough.

#### **Haines Borough/Hoonah-Angoon**

The Haines Borough is in the south-eastern coast of Alaska and is only 50 miles from the United States and Canadian border. Haines is one of the stops along the Alaska Marine Highway. Many people who travel in winter, travel to Haines by ferry to avoid traveling the Alaskan highway, which may be closed.

#### Employment and Economic Factors

Based on D&B Census of American Business, there were a total of 691 businesses, of which 86.8 represent small businesses. The largest employment industries are in services, composing 35.6 percent of businesses, followed by creative and entertainment activities composing 19.5 percent of businesses, and 10.8 percent in retail trade businesses. Based on data from the U.S. Census Bureau, the most common job groups are management occupations and health care and social assistance. Based on the 2020 U.S. Census Bureau, the unemployment rate was at 6.1 percent.

#### Housing

According to the 2020 U.S. Census Bureau, there were 3,315 housing units in the borough. During the evaluation period, the median home value was \$243,200, and the average median family income was \$79,000. Assuming a 5.0 percent interest rate, using the MHV and MFI we concluded that the average home mortgage is not affordable to the average low-income borrower. A low-income borrower would need to spend greater than 30.0 percent of their monthly income to afford a principal and interest payment on a home mortgage. Using the same methodology, we determined that a home mortgage is affordable to the average moderate-income person in this AA.

#### **Juneau Borough**

The Juneau Borough is located in Southern Alaska, along the Alaskan Panhandle. The borough has a population of 31,200 people, primarily residing in Juneau. Juneau is the third largest city in Alaska and the second largest city in the United States by land area, totaling 2,717 square miles. Juneau and the surrounding borough serve as the State's Capital. Juneau remains a popular tourist destination for cruise ships due to the established port and availability of outdoor recreational activities. Juneau's proximity to mountainous terrain and lack of roads connected to other state metropolitan areas and the rest of North America require goods to be imported and exported by airplane or boat.

Housing

According to the 2020 U.S. Census Bureau, there are 13,792 housing units in Juneau. The median home value for a single-family residence is \$360,700 with 60.3 percent of units are owner-occupied, with 6.7 percent of units vacant. Assuming a 5.0 percent interest rate, using the MHV, and the MFI the average home mortgage is not affordable to the average low-income person, based on monthly principal and interest payments, which would exceed 30.0 percent of the debt-to-income. Using the same methodology, we concluded that the average home mortgage is affordable to the average moderate-income person.

Employment and Economic Factors

Based on the D&B Census of American Business, there were 5,312 businesses in the Juneau Borough, of which 85.9 percent represent small businesses with revenues less than \$1 million and 66.7 percent employ one to four individuals. The largest employers in Juneau are state, federal, and municipal government. The tourism and fishing industries are significant contributors to Juneau's economy, with tourism revenue increasing substantially during the summer months.

**Kenai Peninsula Borough**

The Kenai Peninsula Borough is located on the Kenai Peninsula and is home to 58,800 people. The borough is composed by 14 CTs, of which one is a moderate-income CT, 11 are middle-income CTs, and two upper-income CTs.

Employment and Economic Factors

According to the Kenai Peninsula Economic Development District, the borough benefits from a diverse economy with top performing industries in healthcare, oil and gas, trade, and services. Based on D&B Census of American Business, there were a total of 9,400 businesses, of which 91.2 percent were small businesses. The top industry employment is in services which compose 36.7 percent of businesses in the area and is followed by creative and entertainment activities composing 22.2 percent of businesses. Based on the 2020 U.S. Census data, the most common employment sectors are in services, health care, and social assistance. The unemployment rate was at 4.6 percent.

Housing

According to the 2020 U.S. Census Bureau, there were 31,330 housing units in the borough. During the evaluation period, the median house value was \$249,500, and the average median family income was \$90,200. We determined that the average mortgage is not affordable to the average low-income person as they would need to spend greater than 30.0 percent of their monthly income to afford a principal and interest payment on a home mortgage assuming a 5.0 percent interest rate using the MHV and MFI. Using the same methodology, the average moderate-income borrower would be able to afford an average moderate-income borrower.

**Kodiak Island Borough**

The Kodiak Island Borough is located in the Kodiak Island Archipelago and is home to a population of 11,500 people. The city of Kodiak is 250 air miles southwest of Anchorage and is the seventh largest city in the state. The foremost economic drivers include commercial fishing, U.S. Coast Guard activities, and other government employment.

Employment and Economic Factors

Based on D&B Census of American Businesses, there were a total of 1,442 businesses, of which 84.7 percent are small businesses. The main employment industry is in services, composing 41.5 percent of businesses in the area and is followed by art and entertainment which compose 14.1 percent of the

businesses in the area. Based on the 2020 U.S. Census, the most common job groups are in production occupations, office and administrative support, and education services. The unemployment rate was at 3.5 percent.

### Housing

According to the 2020 U.S. Census Bureau, there were a total of 4,266 housing units. During the evaluation period, the median housing value was \$265,100, and the average median family income was \$96,500. We concluded that the average mortgage is not affordable to the average low-income person as they would need to spend greater than 30.0 percent of their monthly income to afford a principal and interest payment assuming a 5.0 percent interest rate, using the MHV and MFI. Using the same methodology, we concluded that the average mortgage is affordable for the average moderate-income borrower.

### **Sitka Borough**

The Sitka Borough is a city-borough located in Southern Alaska consisting of a series of islands. The borough has a population of 8,500, making it the fifth most populated city in the Alaska. The Sitka Borough is the largest city by total area in the U.S. totaling 4,811 square miles and consists of two census tracts. Sitka is situated on an island, requiring all goods to be shipped by airplane or boat. Employers are primarily centered in downtown Sitka.

### Housing

According to the 2020 U.S. Census Bureau, there are 4,229 housing units in Sitka. The median single family home value was \$375,600, with 51.3 percent of units owner-occupied. Assuming a 5.0 percent interest rate, using the MHV and MFI, the average home mortgage is not easily affordable to the average low-income person based on monthly principal and interest payments, which would exceed 30.0 percent debt-to-income. Using the same methodology, we concluded that the average home mortgage is affordable to the average moderate-income person.

### Employment and Economic Factors

Based on the D&B Census of American Business, there were 1,794 businesses in the Sitka Borough, of which 88.8 percent represent small businesses with revenues less than \$1 million and 68.7 percent employ one to four individuals. Sitka's two largest employers are the Southeast Alaska Regional Health Consortium and the Sitka School District. The seafood industry is a major contributor to Sitka's economy as approximately 18.8 percent of Sitka's residents earn a portion of their income from the industry. Sitka maintains the eleventh largest port by value of seafood harvest in the U.S.

### **Valdez-Cordova Borough**

The Valdez-Cordova Borough is an unorganized borough located in Southeastern Alaska. The borough has a population of 9,700 people, primarily residing in Valdez and Cordova, the two largest communities within the borough.

### Housing

According to the 2020 U.S. Census, there are 6,189 housing units in the borough. The median home value for a single-family residence was \$227,200, with 40.4 percent of units were owner occupied. Assuming a 5.0 percent interest rate, using the MHV and MFI, the monthly principal and interest payments for LMI borrowers would exceed 30.0 percent debt-to-income, which would make affording a mortgage loan challenging for LMI people.

Employment and Economic Factors

Based on the D&B Census of American Business, there were 1,322 businesses in the Valdez-Cordova borough, of which 82.2 percent represent small businesses with revenues less than \$1 million. Residents are employed by various blue- and white-collar industries to include administrative support and management occupations, installation and construction occupations, and agriculture.

Community Contacts

During the evaluation, we conducted two community contacts. The first was with the director of economic development of a small city within the AA. The department offers frequent financial literacy and small business workshops. The contact noted that banks could be more involved in supporting community activities and small business needs. The contact noted a lack of financial education and existing banking relationships among small business owners in the community. The contact noted that banks could support community needs by providing more access to working capital for small business owners, financial education resources, and investment in affordable housing.

The second community contact was the executive director of a food bank. The food bank collects, stores, and distributes donated food items to 33 non-profit agencies serving LMI people in southeast Alaska. The contact noted that the volume of clients served has increased, highlighting a need for additional food resources through donations and food drives. The contact also noted a lack of financial education resources for LMI people. The contact noted that banks could support community needs by being more active in community support services and utilizing their financial expertise to educate local communities.

**Table A – Demographic Information of the Assessment Area – 2020-2021 Alaska non-MSA**

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	33	3.0	9.1	57.6	30.3	0.0
Population by Geography	133,518	0.3	5.3	63.7	30.7	0.0
Housing Units by Geography	65,708	0.5	10.6	60.3	28.6	0.0
Owner-Occupied Units by Geography	32,588	0.2	6.7	60.9	32.2	0.0
Occupied Rental Units by Geography	16,112	0.2	3.5	67.1	29.2	0.0
Vacant Units by Geography	17,008	1.4	24.5	52.7	21.3	0.0
Businesses by Geography	14,630	0.0	3.7	65.5	30.8	0.0
Farms by Geography	523	0.0	2.9	64.8	32.3	0.0
Family Distribution by Income Level	31,797	17.2	14.8	22.3	45.7	0.0
Household Distribution by Income Level	48,700	21.5	13.9	19.2	45.3	0.0
Median Family Income non-MSA - AK		\$76,010	Median Housing Value			\$247,147
			Median Gross Rent			\$1,064
			Families Below Poverty Level			5.8%

Source: 2015 ACS and 2021 D&B Data

Due to rounding, totals may not equal 100.0%

(\*) The NA category consists of geographies that have not been assigned an income classification.

<b>Table A – Demographic Information of the Assessment Area – 2022 Alaska non-MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	33	0.0	3.0	72.7	24.2	0.0
Population by Geography	133,110	0.0	0.2	69.1	30.7	0.0
Housing Units by Geography	67,380	0.0	0.5	69.9	29.6	0.0
Owner-Occupied Units by Geography	33,441	0.0	0.3	69.0	30.7	0.0
Occupied Rental Units by Geography	16,144	0.0	0.2	70.3	29.4	0.0
Vacant Units by Geography	17,795	0.0	1.0	71.4	27.6	0.0
Businesses by Geography	15,751	0.0	0.0	74.8	25.1	0.0
Farms by Geography	584	0.0	0.0	71.6	28.4	0.0
Family Distribution by Income Level	30,746	16.0	16.0	23.2	44.9	0.0
Household Distribution by Income Level	49,585	20.7	14.4	19.7	45.2	0.0
Median Family Income non-MSA - AK		\$85,908	Median Housing Value			\$279,907
			Median Gross Rent			\$1,217
			Families Below Poverty Level			6.5%
<i>Source: 2020 U.S. Census and 2022 D&amp;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>						

## Scope of Evaluation in Alaska

We conducted a full-scope review on the Anchorage MSA and the Alaska non-MSA in Alaska.

We gave slightly more weight to the Anchorage MSA when determining overall ratings. We gave more weight to the Anchorage MSA due to the fact it accounts for 55.7 percent of statewide deposits, 51.3 percent of statewide loans, and 40.7 percent of all FNBA branches in Alaska.

When determining our conclusions for the Lending Test for lending activity, borrower, and geographical distribution of loans, we gave more weight to performance of small business loans as compared to home mortgage and small farm loans. We gave more weight to small business loan performance due to the fact that small business loan originations accounted for 62.5 percent of all small business, home mortgage, and small farm loan originations, throughout the evaluation period. Additionally, small business loan volume accounted for 53.0 percent of all small business, home mortgage, and small farm loan volume, throughout the evaluation period. We also gave more weight to home mortgage lending as compared to small farm lending, due to bank home mortgage lending having a significantly larger number of loan originations and loan volume as compared to small farm lending, throughout the evaluation period.

When determining our conclusions for the Service Test branch distribution in the Alaska non-MSA, we considered several factors that affects the bank's ability to open a branch in an LMI CT. The Alaska non-MSA is characterized by a limited number of LMI tracts, low population density, and significant geographic and natural barriers to service. This AA is made up of seven non-contiguous counties or boroughs. Six of the seven counties/boroughs do not have a LMI CT within their boundaries. The entire AA has no low-income CTs and one moderate-income CT. The moderate-income CT is comprised of a

low-density population spread out over a large geographical area with no highways. Additionally, within the Alaska non-MSA, FNBA has more branches than any other bank.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ALASKA

### LENDING TEST

The bank's performance under the Lending Test in Alaska is rated Outstanding.

### Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Anchorage MSA and Alaska non-MSA is excellent.

### Lending Activity

Lending levels reflect excellent responsiveness to AA credit needs.

Number of Loans*						2020 - 2022	
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	% State Loans	% State Deposits**
Anchorage MSA	1,035	2,870	101	57	4,063	51.3	55.7
Fairbanks MSA	91	259	6	1	357	4.5	5.8
Alaska non-MSA	703	1,751	997	52	3,503	44.2	38.5

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

\*\*As of June 30, 2022

Dollar Volume of Loans*						2020- 2022	
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	% State*	% State Deposits**
Anchorage MSA	323,324	480,291	4,404	108,273	916,292	60.3	55.7
Fairbanks MSA	27,548	43,056	520	8,000	79,124	5.2	5.8
Alaska non-MSA	217,630	170,348	40,766	94,258	523,002	34.4	38.5

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

\*\*As of June 30, 2022

### Anchorage MSA

The bank exhibits excellent responsiveness to community credit needs. According to the June 30, 2021, FDIC Summary of Deposit report FNBA had \$2.2 billion in deposits, which was equivalent to a 23.6 percent deposit market share in the AA. The bank's deposit market share ranked second out of four deposit taking institutions in the AA.



According to 2021 Peer Mortgage Data, the bank made 327 home mortgage loans totaling \$98.2 million. The bank had a 1.3 percent market share of home mortgage lending in the AA. The bank market share of home mortgage loans was weaker than its deposit market share. The bank ranked 17 out of 205 home mortgage lenders in the AA. The bank's market share was in the 9th percentile of all home mortgage lenders in the AA. The bank's market share ranking of home mortgage loans was stronger than its deposit market share ranking.

According to 2021 Peer Small Business Data, FNBA made 1,315 small business loans totaling \$183.8 million. The bank had an 11.1 percent market share of small business loan originations. The bank's market share of small business loan originations was weaker than its deposit market share. The bank ranked third out of 93 lenders in the AA. The bank's market share of small business loans ranked in the fourth percentile of all lenders in the AA. The bank's market share ranking of small business loan originations was stronger than their deposit market share ranking. The bank had a 32.2 percent market share of total small business loan by volume in the AA. The bank's market share of small business loan volume was stronger than its deposit market share. The bank's small business loan volume ranked second out of 93 small business lenders, ranking in the third percentile of all small business lenders by dollar volume of loans. The bank's small business loans volume ranking was stronger than its deposit market share ranking.

According to the 2021 Peer Small Business Data, the bank made 51 farm loans totaling \$2.4 million. The bank had a 34.7 percent market share of farm lending in the AA. The bank's market share of farm loans was stronger than its deposit market share. The bank ranked second out of 11 farm lenders in the AA. The bank's market share was in the top 18.2 percent of all farm lenders in the AA. The bank's market share ranking of farms was stronger than its deposit market share ranking.

#### Alaska non-MSA

The bank exhibit excellent responsiveness to community credit needs. According to the June 30, 2021, FDIC Summary of Deposit report, FNBA had \$1.5 billion in deposits in the Alaska non-MSA. FNBA had a 41.3 percent deposit market share in the AA. The bank's deposit market share ranked first out of five deposit taking institutions in the AA, making it the leader among all deposit taking institutions.

According to 2021 Peer Mortgage Data, the bank made 227 home mortgage loans totaling \$84.8 million. The bank had a 3.7 percent market share of home mortgage originations in the AA. The bank market share of home mortgage loan originations was weaker than its deposit market share. The bank's market share of home mortgage originations ranked seventh out of 138 home mortgage lenders. The bank's market share of home mortgage originations was in the sixth percentile of all home mortgage lenders. The bank's market share ranking of home mortgage originations was stronger than its deposit market share ranking.

According to 2021 Peer Small Business Data, the bank originated 1,030 small business loans totaling \$75.7 million. The bank had an 18.7 percent market share of small business loan originations in the AA. The bank market share of small business loan originations was weaker than their deposit market share. The bank ranked second out of 69 small business lenders in the AA. The bank's market share ranking of small business loan originations was in the third percentile of all small business lenders in the AA. The bank's market share ranking of small business loan originations was stronger than their deposit market share ranking. The bank had a 33.7 percent market share of total small business loan volume in the AA. The bank's market share of small business loan volume was stronger than their deposit market share. The bank ranked second out of 69 small business lenders, which ranks in the third percentile of all small

business lenders. The bank's ranking of small business loan volume was stronger than its deposit market share ranking.

According to the 2021 Peer Small Business Data, the bank made 704 farm loans totaling \$25.2 million. The bank had a 72.7 percent market share of farm lending in the AA. The bank's market share of farm loans was stronger than its deposit market share. The bank ranked first out of 10 small farm lenders in the AA. The bank's market share ranking of farms was stronger than its deposit market share ranking.

### **Distribution of Loans by Income Level of the Geography**

The bank exhibits good geographic distribution of loans in its AAs.

#### ***Home Mortgage Loans***

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 MSA**

The bank exhibited adequate geographical distribution of home mortgage loans in the Anchorage MSA. Throughout 2020 and 2021, the proportion of bank home mortgage loans in low-income CTs was somewhat below the percentage of owner-occupied housing and exceeds the aggregate industry distribution of home mortgage loans to those geographies. The proportion of bank home mortgage loans in moderate-income CTs was below the percentage of owner-occupied housing and the aggregate industry distribution of home mortgage loan to those geographies. The bank's geographical distribution of home mortgage loans in 2022 was stronger than performance in 2020 through 2021. Stronger performance in 2022 was due to the bank exceeding the demographic and aggregate comparisons for LMI geographies. Stronger performance in 2022 had a neutral impact on the geographical distribution conclusion in the Anchorage MSA.

#### **Alaska non-MSA**

The bank exhibited good geographical distribution of home mortgage loans in the Alaska non-MSA. Throughout 2020 and 2021, the bank did not make any home mortgage loans in low-income CTs. The proportion of bank home mortgage loans in moderate-income CTs approximates the percentage of owner-occupied housing and exceeds the aggregate industry distribution of home mortgage loan to those geographies. The bank's geographical distribution of home mortgage loans in 2022 was weaker than performance in 2020 through 2021. Weaker performance in 2022 was due to the bank not making any home mortgage loans in LMI CTs. Weaker performance in 2022 had a neutral impact on the geographical distribution conclusion in the Anchorage MSA.

#### ***Small Loans to Businesses***

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 MSA*

The bank exhibited excellent geographical distribution of small business loans in the Anchorage MSA. Throughout 2020 and 2021, the proportion of bank small business loans in LMI CTs exceeds the percentage of owner-occupied housing and the aggregate industry distribution of small business loans to those geographies. The bank's geographical distribution of small business loans in 2022 was consistent with the distribution of small loans to businesses in 2020 and 2021.

*Alaska non-MSA*

The bank exhibited excellent geographical distribution of small business loans in the Alaska non-MSA. Throughout 2020 and 2021, the bank did not make any loans in low-income CTs. The proportion of bank small business loans in moderate-income CTs exceeds both the percentage of owner-occupied housing and the aggregate industry distribution of small business loans to those geographies. The bank did not make any small business loans in 2022 in LMI CTs. Performance in 2022 had a neutral impact on the geographical distribution conclusion.

***Small Loans to Farms***

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 MSA*

The bank exhibited an excellent geographic distribution of farm loans. Throughout 2020 and 2021, the proportion of bank loans to farms in low-income CTs was somewhat below the percentage of farms and approximates the aggregate industry distribution of farm loans to those geographies. The proportion of bank farm loans in moderate-income CTs was somewhat below the percentage of farms and exceeded aggregate industry distribution of farm loans. In 2022, the bank did not originate enough loans to conduct meaningful analysis, and did not have an impact on the geographical distribution conclusion in the Anchorage MSA.

*Alaska non-MSA*

The bank exhibited adequate geographic distribution of farm loans. In 2020 and 2021, the proportion of bank loans to farms in moderate-income census tracts was below the percentage of farms and aggregate industry distribution of farms. In 2022, the bank did not originate any loans in LMI CTs. Small farm lending in 2022 had a neutral impact on the geographical distribution of small farms.

***Lending Gap Analysis***

We reviewed summary reports and maps, and analyzed home mortgage and small business lending data. We did not identify any unexplained conspicuous gaps.

**Distribution of Loans by Income Level of the Borrower**

The bank exhibits excellent distribution of loans among individuals of different income levels and business and farms of different sizes, given the product lines offered by the institution.

### ***Home Mortgage Loans***

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 MSA**

The bank exhibited excellent borrower distribution of home mortgage loans. Throughout 2020 and 2021, the proportion of bank home mortgage loans to low-income borrowers was significantly below the percentage of low-income families and exceeded the aggregate industry distribution of home mortgage loans to those borrowers. The proportion of home mortgage loans to moderate-income borrowers exceeded the percentage of moderate-income families and the aggregate industry distribution of home mortgage loans to those borrowers. The borrower distribution of home mortgage loans in 2022 was weaker than performance in 2020 through 2021. Weaker performance is due to a lesser percentage of home mortgage loans to both moderate-income families and the aggregate industry distribution of loans to those families. Performance in 2022 had a neutral impact on the borrower distribution conclusion in the Anchorage MSA.

#### **Alaska non-MSA**

The bank exhibited excellent borrower distribution of home mortgage loans. Throughout 2020 and 2021, the proportion of bank home mortgage loans to low-income borrowers was significantly below the percentage of low-income families and exceeded the aggregate industry distribution of home mortgage loans to those borrowers. The proportion of home mortgage loans to moderate-income borrowers exceeded the percentage of moderate-income families and the aggregate industry distribution of home mortgage loans to those borrowers. The borrower distribution of home mortgage loans in 2022 was consistent with performance in 2020 through 2021.

### ***Small Loans to Businesses***

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 origination and purchase of small loans to businesses.

#### **Anchorage MSA**

The bank exhibited excellent borrower distribution. The proportion of bank small loans to businesses was below the percentage of businesses with revenue less than \$1 million dollars and exceeded the aggregate industry distribution loans to those businesses. The borrower distribution of small loans to businesses in 2022 was consistent with performance in 2020 through 2021.

#### **Alaska non-MSA**

The bank exhibited excellent borrower distribution. The proportion of bank small loans to businesses was somewhat below the percentage of businesses with revenue less than \$1 million dollars and exceeded the aggregate industry distribution loans to those businesses. The borrower distribution of small loans to businesses in 2022 was consistent with performance in 2020 through 2021.

***Small Loans to Farms***

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 MSA**

The bank exhibited excellent borrower distribution. Throughout 2020 and 2021, the proportion of bank small loans to farms approximates the percentage of small farms and exceeded the industry distribution of loans to those farms. The bank did not originate enough loans for a meaningful analysis in 2022.

**Alaska Non MSA**

The bank exhibited excellent borrower distribution. Throughout 2020 and 2021, the proportion of bank small loans to farm exceeded the percentage of small farms and the aggregate industry distribution of loans to those farms. In 2022, the borrower distribution of small loans to farms was consistent with performance in 2020 through 2021.

**Community Development Lending**

The institution is a leader in making CD loans. CD loans had a positive impact on the Lending Test rating in Alaska.

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 MSA**

The institution is a leader in making CD loans. Throughout the evaluation period the bank made 57 CD loans for \$108.3 million. CD lending was equivalent to 35.1 percent of allocated tier 1 capital. The bank CD loans were responsive to economic development needs in the AA. The bank's CD loans dedicated for economic development equaled 47.0 percent of their CD lending in the AA. In addition, the bank's CD lending supported affordable housing and community services with 26.6 percent dedicated to affordable housing and 24.4 percent of benefitting community services. The bank demonstrated complexity in their CD loan originations.

- In 2021, the bank made a \$24.5 million loan for economic development. The bank originated this loan within a moderate-income CT, which is also part of an opportunity zone. The opportunity zone's purpose is to encourage long-term investments in rural and low-income communities. The bank loan proceeds include the financing for construction and development of the land, and financing of the ongoing business.
- The bank made a \$4.4 million loan that benefitted affordable housing needs. The bank financed the construction of a 20-unit low-income senior housing facility. The project qualifies for Low-Income Housing Tax Credits (LIHTCs). The project has three units dedicated to households at or below the poverty level, nine additional units of low-income housing, and eight units restricted to households earning less than 60.0 percent of the Area Median Income (AMI).

- The bank made a \$2.7 million loan to benefit community services. The loan was to purchase a commercial property for a non-profit healthcare provider specializing in mental healthcare. The property is located in a moderate-income CT. The organization is heavily funded through grants and Medicaid payments. The majority of the those being served by this organization are LMI people who qualify for government assistance based on income qualifications.
- The bank made a \$6.7 million loan that provided affordable housing. The bank made a loan for the construction of 30-units of affordable housing. The project qualifies for LIHTCs. All thirty units will be for those with income below 60.0 percent of the AMI, with eight units reserved for households below the poverty level, and an additional 10 units of low-income housing.
- The bank made a \$2.2 million participation loan in a state of Alaska loan fund with the purpose to promote economic development.

### Alaska non-MSA

The institution is a leader in making CD loans. Throughout the evaluation period, the bank made 52 CD loans for \$94.3 million. CD lending is equivalent to 44.2 percent of allocated tier 1 capital. Bank CD loans were responsive to CD needs related to economic development. The bank's CD loans that benefitted economic development equaled 81.6 percent of their CD lending in the AA. In addition, the bank's CD lending benefitting community service and affordable housing totaled 11.8 percent and 6.6 percent of allocated tier 1 capital, respectively. The bank demonstrated complexity in their CD loan origination. The following are a few examples of CD loans:

- On October 9, 2020, the bank originated a CD loan of \$13.0 million that benefitted economic development. The loan was used to construct and term finance a campus area that included new shops, dental office, therapy clinic, and 48 room dormitory and a large classroom space. The organization is a nonprofit that was formed to create, organize, operate, and maintain vocational education for LMI youth and adults in the AA.
- The bank originated a CD loan of \$8.8 million that benefitted economic development. The loan was a long-term participation fund that was created to provide financing to Alaskan businesses to expand the economy and provide jobs for LMI individuals in the AA.
- The bank originated a CD loan of \$6.5 million that benefitted economic development. The loan was a Paycheck Protection Program (PPP) loan to a nonprofit general community hospital medical center. The hospital provided funding needs for continued operations during the pandemic. The non-profit hospital is the area's largest employer and operates in a distressed and underserved middle-income census tract in the AA.
- The bank made a \$675,000 loan for a LIHTC that benefitted affordable housing. The subject property is a 20-unt building that provides housing for low-income individuals. The property will have rent restrictions on 16 units will be for households earning between 30 percent to 60 percent of the AMI.

### Statewide

The bank made 41 CD loans totaling \$102.5 million benefitting areas outside of the bank's AA, within Alaska. In total, 21 of these loans consist of PPP lending to qualified CD organizations and non-profits

throughout the most rural parts of Alaska, primarily benefitting community service and economic development. These CD loans demonstrate leadership and the bank's commitment to serving the needs of the entire people of Alaska. Other statewide CD loans include Small Business Administration 504 loans, loans through state run organizations, and LIHTCs. Statewide CD lending had a positive impact on 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. Innovative and flexible lending had a positive impact on the Lending Test Rating

### Home Mortgage

FNBA utilizes several either innovative or flexible loan product in order to serve AA credit needs. During the evaluation period, the bank originated 282 mortgage loans, totaling over \$59.1 million. Of these, 213 loans, totaling over \$40.2 million, were booked to LMI families using a combination of affordable housing programs. The following are some examples of the bank's use of innovative and flexible home mortgage products:

- Alaska Housing Finance Corporation (AHFC) Tax-Exempt First Time Homebuyer's program: This program is flexible by offering lower interest rate home loans to income qualified borrowers. The program is eligible to first-time home buyers. Throughout the evaluation period, FNBA originated 32 loans, totaling \$6.3 million to low- or moderate-income borrowers via this program.
- AHFC Rural Owner-Occupied Program: In total, the bank originated 72 loans totaling \$18.0 million through this program. This program provides financing to qualified borrowers of properties located in designated small communities in Alaska. Throughout the evaluation period, FNBA originated 15 loans totaling, \$3.1 million to low- or moderate-income borrowers through this program.
- Office of Native American Programs - HUD 184 loan program: The bank originated eight loans for \$2.8 million through this program. This is a loan guarantee program designed specifically for Alaskan Native families, Alaskan Villages, Tribes, or Tribally Designated Housing Entities. Loans can be made on or off native land, and can be for a variety of home mortgage financing needs.
- AHFC Affordable Housing Enhanced Loan Program (AHELP): In total, the bank originated four home mortgage loans for \$752,300 through AHELP. AHELP offers flexibility by providing down payment assistance for LMI borrowers.
- Fannie Mae HomeReady Mortgage: These loans offer flexibility to borrowers by offering flexible terms or other options. Borrower must meet income or property requirements to qualify. The bank originated seven loans totaling \$1.3 million to low- or moderate-income borrowers.

### Small Business Loans

The bank utilizes several innovative or flexible lending programs to support small business needs within the State of Alaska. These programs include loans supported through the Small Business Administration

(SBA), the Alaska Industrial Development and Export Authority, the Bureau of Indian Affairs, Title VI loan programs associated with the Native American Housing Assistance and Self Determination Act (NAHASDA), and the U.S. Department of Agriculture (USDA). During the review period, the bank originated 3,582 commercial loans totaling \$490.4 million through these programs.

- **SBA Loan Guaranty Program:** The bank originated 3,500 loans totaling \$295.0 million to support small businesses, to include pandemic-related PPP loans.
- **Bureau of Indian Affairs:** The bank originated one loan totaling \$13.0 million to support native businesses and economic development. This program offers business loans and lines of credit to Native American or Alaskan Natives.
- **Rural and Tax-Exempt Loan Program:** The bank originated four loans totaling \$11.3 million to support remote LMI communities. These loans are designed to promote investment in remote areas of Alaska. These loans go primarily to LMI communities.
- **Title VI NAHASDA Loan Program:** The bank originated two loans totaling \$1.8 million to support LMI housing and community services in LMI native tribes. The bank is a leader in Title VI loans, originating the majority of Title VI loans within the State of Alaska.

### **Conclusions for Area Receiving a Limited-Scope Review**

Based on a limited-scope review, the bank’s performance under the Lending Test in the Fairbanks MSA is consistent with the bank’s overall performance under the Lending Test in the full-scope areas.

Refer to Tables O through T 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 rated Outstanding.

### **Conclusions for Areas Receiving Full-Scope Reviews**

Based on full-scope reviews, the bank’s performance in the Anchorage MSA is excellent and Alaska non-MSA is good.

The institution has an excellent level of qualified CD investment 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 2020-2022										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Anchorage MSA	2	\$4,891	72	\$15,060	74	50.3	\$19,951	53.1	0	\$0
Fairbanks MSA	0	0	12	\$13,057	12	8.2	\$13,057	34.7	0	\$0
Alaska non-MSA	5	\$4,393	56	\$186	61	41.5	\$4,579	12.2	0	\$0
<b>Total in AAs</b>	<b>7</b>	<b>\$9,284</b>	<b>140</b>	<b>\$28,303</b>	<b>147</b>	<b>100.0</b>	<b>\$37,587</b>	<b>100.0</b>	<b>0</b>	<b>\$0</b>
Statewide	12	\$5,750	60	\$2,613	72	N/A	\$8,363	N/A	0	\$0

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

### Anchorage MSA

The bank had an excellent level of CD investments in the Anchorage MSA. In total the bank had 74 CD investments and grants totaling \$20.0 million. CD investments were equivalent to 3.6 percent of allocated tier 1 capital. The bank made 72 current period CD investments and grants totaling \$15.1 million. Additionally, the AA benefitted from the ongoing impact of two prior period CD investments totaling \$4.9 million. The bank's current period CD investments benefitted affordable housing needs in the AA. The bank's CD investments demonstrated complexity and consisted of LIHTC. The following are a few examples of CD investments:

- The bank made a \$9.5 million CD investment in a LIHTC. The investment was part of a revenue bond that financed the acquisition and rehabilitation of 82 units of affordable housing.
- The bank made a 15.0 million CD investment in a LIHTC. This investment was part of an equity fund with 5.0 million of the investment dedicated to a 20-unit project providing affordable housing to people make between 30.0 percent and 60.0 percent of the AMI.
- The bank made a \$100,000 donation to Tribal Council for economic development. The purpose of the investment was for workforce development targeting LMI disadvantaged neighborhoods in an Anchorage Renaissance Zone.

### Alaska non-MSA

Based on the full-scope review, the bank's performance in the Alaska non-MSA is adequate. The bank had an adequate level of qualified CD investments and grants. In total, the bank had 61 CD investments and grants totaling \$4.6 million. CD investments were equivalent to 0.9 percent of allocated tier 1 capital. The bank made 56 current period CD investments and grants totaling \$186 thousand. Additionally, the AA benefitted from the ongoing impact of five prior period CD investments totaling \$4.4 million. The bank's current period CD investments benefitted affordable housing within the Alaska non-MSA. The following are a few examples of CD investments:

- In December 2020, the bank made a \$20,000 donation to an Alaskan community service organization that focused on the Kenai Peninsula. The organization provides direct services to individuals requiring specialized assistance, such as: services to seniors, resources for families, emergency food or shelter, crisis intervention, rehabilitative options, or youth programs.

- In December 2022, the bank made a \$12,000 donation to an Alaskan community service organization that focused on collaborating with communities and agencies across Southeast Alaska. The focus of the organization was to strengthen and improve the health, education, and financial stability of LMI individuals.

### 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. The bank invested a total of \$8.4 million to help meet the community development needs identified in 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 Fairbanks MSA is consistent with the bank’s overall performance under the Investment Test in the full-scope areas. Performance in the limited-scope AA had a positive impact on Investment Test rating.

### SERVICE TEST

The bank’s performance under the Service Test in Alaska is rated Outstanding.

### Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank’s performance in the Anchorage MSA and Alaska non-MSA is excellent.

### Retail Banking Services

Service delivery systems are readily accessible to geographies and individuals of different income levels in the institution’s AA.

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 MSA	55.7	11	40.7	0.0	36.4	54.5	9.1	2.0	18.9	57.1	22.0
Fairbanks MSA	5.8	2	7.4	0.0	50.0	50.0	0.0	0.0	23.4	49.1	27.5
Alaska non-MSA	38.5	14	51.9	0.0	0.0	78.6	21.4	0.3	5.3	63.7	30.7

Anchorage MSA

Service delivery systems are readily accessible to geographies and individuals of different income levels. When determining our conclusions for branch distribution in low-income CTs we considered the low percentage of low-income CTs in the AA, which limits the bank's opportunities have a branch in those geographies. The bank has 11 full-service branches in the AA. The bank does not have any branches in low-income geographies. The proportion of bank branches in low-income CTs was well below the percentage of the population living in those geographies. The bank has four branches located in moderate-income CTs. The proportion of bank branches in moderate-income CTs exceeded the percentage of the population in those geographies. In addition to ATMs at bank branches, the bank has one ATM located in a moderate-income CT.

Alaska non-MSA

Service delivery systems are accessible to geographies and individuals of different income levels. When determining the conclusion for branch distribution in the Alaska non-MSA, we considered the vast area the bank branches serviced and the limited number of low- or moderate-income CTs in the AA. Within this AA, there are 33 CTs and there is just one moderate-income CT. We also considered that FNBA has more bank branches in this combined AA than any other financial institution, providing the most access to branches. The bank has 14 full-service branches in the AA. The bank does not have any branches or ATMs in LMI CTs within this geography.

Distribution of Branch Openings/Closings						
	Branch Openings/Closings					
Assessment Area	# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)			
			Low	Moderate	Middle	Upper
Anchorage MSA	0	1	0	-1	0	0
Fairbanks MSA	0	0	0	0	0	0
Alaska non-MSA	0	0	0	0	0	0

Anchorage MSA

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 LMI geographies and/or to LMI individuals. Although the bank closed one branch in a moderate-income CT, it did not adversely affect the bank's ability to serve its customers. The bank closed the branch due to an analysis of usage of the bank's branches in the area. The bank analysis noted underuse of this branch and determined the customers of this branch could be served by nearby FNBA branches. Additionally, the bank's percentage of branches in moderate-income CTs still exceeds the percentage of the population in those geographies.

Alaska non-MSA

To the extent changes have been made, the institution's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and/or to LMI individuals. The bank did not open or close any branches in this AA.

Anchorage MSA

Services, including where appropriate, business hours, do not vary in a way that inconveniences, its AAs, particularly LMI geographies and/or individuals. The bank's services and hours do not vary by income designation of the geography.

Alaska non-MSA

Services, including where appropriate, business hours, do not vary in a way that inconveniences, its AAs, particularly LMI geographies and/or individuals. The bank's services and hours do not vary by income designation of the geography.

**Community Development Services**

The institution is a leader in providing CD services. CD services had a positive impact on the Service Test rating.

Anchorage MSA

The institution provides a relatively high level of CD services in the Anchorage MSA. Bank employees provided a total of 2,126 hours of CD services to 12 organizations in the AA. CD services were provided to seven community organizations targeting community services to LMI individuals, and five organizations supporting affordable housing to LMI individuals.

Examples of some of these services include:

- Seven bank employees provided 944 hours of service as board members of non-profit and other community organizations to support community services for LMI individuals and households. Two bank employees provided 323 hours as board members of a non-profit organization providing affordable housing to the community. Providing board service hours demonstrates leadership and aligns with the bank's CRA planning.
- The loan servicing department provided 810 hours of service using their financial technical expertise to provide financial technical assistance to two non-profit organizations supporting affordable housing in LMI communities.
- One employee provided 48 hours of technical assistance which supported affordable housing in the AA. The employee provided technical expertise in support in drafting a grant application for consideration of a LIHTC project by a native tribe.

Alaska non-MSA

The bank provided excellent level of CD services in the Alaska non-MSA. Bank employees provided a total of 552 hours of CD services to multiple organizations in the AA. Bank employees provided 522 hours of CD services to organizations targeting community services to LMI individuals. In addition, the bank provided 12 hours of CD services to organizations that support affordable housing and 18 hours to economic development organizations.

Examples of some of these services include:

- In total, three bank employees provided 522 hours as board members of five non-profit organizations. The organizations primarily benefit LMI people. The non-profits are dedicated improving the lives of the disabled, helping domestic violence survivors transition from homelessness, providing a pathway from welfare-to-work, and providing support for mental health.
- The bank had two employees who supported affordable housing with their technical expertise. The two employees provided a total of 30 hours of service, acting on either a loan committee or providing loan servicing.

**Conclusions for Area Receiving a Limited-Scope Review**

Based on a limited-scope review, the bank's performance under the Service Test in the Fairbank MSA is consistent with the bank's overall performance under the Service Test in the full-scope areas. Performance in the limited-scope AA had a positive impact on the Service Test rating.

## Appendix A: Scope of Examination

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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”.

<b>Time Period Reviewed:</b>	01/01/2020 to 12/31/2022	
<b>Bank Products Reviewed:</b>	(Home mortgage, small business, small farm loans) (CD loans, investments, and services)	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
None		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>Alaska</b>		
Anchorage-Mat-Su MSA AA	Full-scope	Anchorage Municipality and Matanuska-Susitna Borough
Fairbanks MSA	Limited-scope	Fairbanks North Star Borough
Alaska non-MSA AA	Full-scope	Bethel Census Area (partial), Denali Borough, Haines Borough, Hoonah-Angoon Census Area, Juneau Borough, Kenai Peninsula Borough, Kodiak Island Borough (partial), Sitka Borough, Valdez-Cordova Census Area, Chugach Census Area, Copper River Census Area

## Appendix B: Summary of MMSA and State Ratings

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

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### 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 30<sup>th</sup> 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.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

**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.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

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
Anchorage MSA	876	259,245	56.6	25,458	1.0	0.8	0.7	15.9	10.6	13.8	55.1	61.2	57.4	27.9	27.4	28.1	0.0	0.0	0.0
Fairbanks MSA	74	18,460	4.8	4,107	0.0	0.0	0.0	6.3	9.5	6.6	61.0	47.3	68.9	32.7	43.2	24.5	0.0	0.0	0.0
Alaska non-MSA	599	177,543	38.7	5,883	0.2	0.0	0.0	6.7	6.3	4.4	60.9	65.1	62.6	32.2	28.5	33.0	0.0	0.0	0.0
<b>Total</b>	<b>1,549</b>	<b>455,247</b>	<b>100.0</b>	<b>35,448</b>	<b>0.7</b>	<b>0.5</b>	<b>0.5</b>	<b>12.4</b>	<b>8.9</b>	<b>11.4</b>	<b>57.3</b>	<b>62.0</b>	<b>59.6</b>	<b>29.6</b>	<b>28.6</b>	<b>28.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

*Source: 2015 ACS; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%*

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
Anchorage MSA	159	64,079	56.8	12,414	1.0	1.3	0.8	13.2	18.2	12.5	58.7	61.0	61.1	27.1	19.5	25.6	0.0	0.0	0.0
Fairbanks MSA	17	9,088	6.1	2,658	0.0	0.0	0.0	11.8	5.9	15.2	51.0	64.7	52.7	37.2	29.4	32.2	0.0	0.0	0.0
Alaska non-MSA	104	40,087	37.1	3,115	0.0	0.0	0.0	0.3	0.0	0.1	69.0	71.2	66.6	30.7	28.8	33.3	0.0	0.0	0.0
<b>Total</b>	<b>280</b>	<b>113,254</b>	<b>100.0</b>	<b>18,187</b>	<b>0.6</b>	<b>0.7</b>	<b>0.6</b>	<b>10.1</b>	<b>10.7</b>	<b>10.7</b>	<b>59.9</b>	<b>65.0</b>	<b>60.8</b>	<b>29.4</b>	<b>23.6</b>	<b>27.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

*Source: 2020 U.S. Census; 01/01/2022 - 12/31/2022 Bank Data, 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%*

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

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
Anchorage MSA	876	259,245	56.6	25,458	19.8	7.1	6.7	18.0	20.8	19.6	22.5	25.3	21.7	39.7	35.4	24.3	0.0	11.4	27.7
Fairbanks MSA	74	18,460	4.8	4,107	18.4	8.1	4.0	18.0	24.3	19.7	23.8	31.1	26.1	39.8	31.1	24.7	0.0	5.4	25.4
Alaska non-MSA	599	177,543	38.7	5,883	17.2	8.0	4.5	14.8	18.5	14.2	22.3	25.2	23.7	45.7	40.4	39.7	0.0	7.8	18.0
<b>Total</b>	<b>1,549</b>	<b>455,247</b>	<b>100.0</b>	<b>35,448</b>	<b>19.1</b>	<b>7.5</b>	<b>6.0</b>	<b>17.3</b>	<b>20.1</b>	<b>18.7</b>	<b>22.6</b>	<b>25.6</b>	<b>22.6</b>	<b>41.0</b>	<b>37.1</b>	<b>26.9</b>	<b>0.0</b>	<b>9.7</b>	<b>25.8</b>

*Source: 2015 ACS ; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, Due to rounding, totals may not equal 100.0%*

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
Anchorage MSA	159	64,079	56.8	12,414	19.3	8.8	6.9	19.1	18.9	21.7	21.7	22.6	22.3	39.8	32.1	22.6	0.0	17.6	26.5
Fairbanks MSA	17	9,088	6.1	2,658	16.9	11.8	4.0	22.0	5.9	20.7	20.6	41.2	28.2	40.6	11.8	25.1	0.0	29.4	22.1
Alaska non-MSA	104	40,087	37.1	3,115	16.0	6.7	5.2	16.0	18.3	15.5	23.2	18.3	21.1	44.9	42.3	34.8	0.0	14.4	23.5
<b>Total</b>	<b>280</b>	<b>113,254</b>	<b>100.0</b>	<b>18,187</b>	<b>18.2</b>	<b>8.2</b>	<b>6.2</b>	<b>18.9</b>	<b>17.9</b>	<b>20.5</b>	<b>21.8</b>	<b>22.1</b>	<b>23.0</b>	<b>41.0</b>	<b>34.6</b>	<b>25.1</b>	<b>0.0</b>	<b>17.1</b>	<b>25.3</b>

*Source: 2020 U.S. Census; 01/01/2022 - 12/31/2022 Bank Data, 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%*

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

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
Anchorage MSA	2,607	394,744	58.4	11,686	3.1	4.9	3.0	25.8	26.6	21.8	49.1	54.5	51.8	22.1	14.0	21.6	0.0	0.0	1.7
Fairbanks MSA	231	33,238	5.2	2,053	0.0	0.0	0.0	20.2	14.7	15.8	48.5	45.0	48.4	31.3	40.3	33.4	0.0	0.0	2.4
Alaska non-MSA	1,626	139,429	36.4	5,098	0.0	0.0	0.1	3.7	4.9	4.2	65.5	62.4	61.3	30.8	32.7	27.9	0.0	0.0	6.6
<b>Total</b>	<b>4,464</b>	<b>567,411</b>	<b>100.0</b>	<b>18,837</b>	<b>2.0</b>	<b>2.9</b>	<b>1.9</b>	<b>20.3</b>	<b>18.1</b>	<b>16.5</b>	<b>52.5</b>	<b>56.9</b>	<b>53.9</b>	<b>25.2</b>	<b>22.1</b>	<b>24.6</b>	<b>0.0</b>	<b>0.0</b>	<b>3.1</b>

*Source: 2021 D&B Data; 01/01/2020 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%*

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	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Anchorage MSA	263	85,547	63.2	2.0	5.7	16.3	17.9	56.7	57.0	25.0	19.4	0.1	0.0
Fairbanks MSA	28	9,818	6.7	0.0	0.0	17.4	25.0	62.5	64.3	20.1	10.7	0.0	0.0
Alaska non-MSA	125	30,919	30.0	0.0	0.0	0.0	0.0	74.8	80.0	25.1	20.0	0.0	0.0
<b>Total</b>	<b>416</b>	<b>126,284</b>	<b>100.0</b>	<b>1.3</b>	<b>3.6</b>	<b>13.0</b>	<b>13.0</b>	<b>61.3</b>	<b>64.4</b>	<b>24.4</b>	<b>19.0</b>	<b>0.1</b>	<b>0.0</b>

*Source: 2022 D&B Data; 01/01/2022 - 12/31/2022 Bank Data; Due to rounding, totals may not equal 100.0%*

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.



Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2020-21
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
Anchorage MSA	2,607	394,744	58.4	11,686	88.0	63.8	41.9	4.4	30.7	7.6	5.6
Fairbanks MSA	231	33,238	5.2	2,053	85.9	66.2	45.3	4.1	31.2	10.0	2.6
Alaska non-MSA	1,626	139,429	36.4	5,098	84.9	75.4	40.8	3.6	19.8	11.5	4.8
<b>Total</b>	<b>4,464</b>	<b>567,411</b>	<b>100.0</b>	<b>18,837</b>	<b>87.1</b>	<b>68.1</b>	<b>42.0</b>	<b>4.2</b>	<b>26.7</b>	<b>8.8</b>	<b>5.1</b>

Source: 2021 D&B Data; 01/01/2020 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, Due to rounding, totals may not equal 100.0%

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2022
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
Anchorage MSA	263	85,547	63.2	--	88.8	41.1	--	3.9	54.8	7.2	4.2
Fairbanks MSA	28	9,818	6.7	--	86.6	42.9	--	3.8	57.1	9.6	0.0
Alaska non-MSA	125	30,919	30.0	--	85.5	59.2	--	3.3	36.8	11.2	4.0
<b>Total</b>	<b>416</b>	<b>126,284</b>	<b>100.0</b>	<b>--</b>	<b>87.8</b>	<b>46.6</b>	<b>--</b>	<b>3.8</b>	<b>49.5</b>	<b>8.4</b>	<b>3.8</b>

Source: 2022 D&B Data; 01/01/2022 - 12/31/2022 Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

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
Anchorage MSA	98	3,913	9.2	144	1.2	1.0	1.0	15.9	12.2	4.2	60.6	52.0	66.7	22.3	34.7	25.0	0.0	0.0	3.1
Fairbanks MSA	6	520	0.6	29	0.0	0.0	0.0	8.4	16.7	3.8	49.4	50.0	23.1	42.2	33.3	73.1	0.0	0.0	0.0
Alaska non-MSA	967	34,116	90.3	893	0.0	0.0	0.0	2.9	1.8	2.6	64.8	39.8	53.2	32.3	58.4	37.4	0.0	0.0	6.8
<b>Total</b>	<b>1,071</b>	<b>38,549</b>	<b>100.0</b>	<b>1,066</b>	<b>0.7</b>	<b>0.1</b>	<b>0.3</b>	<b>11.0</b>	<b>2.8</b>	<b>3.1</b>	<b>60.2</b>	<b>41.0</b>	<b>54.5</b>	<b>28.2</b>	<b>56.1</b>	<b>36.7</b>	<b>0.0</b>	<b>0.0</b>	<b>5.4</b>

*Source: 2021 D&B Data; 01/01/2020 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, Due to rounding, totals may not equal 100.0%*

Assessment Area:	Total Loans to Farms			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts	
	#	\$	% of Total	% Farms	% Bank Loans	% Farms	% Bank Loans	% Farms	% Bank Loans	% Farms	% Bank Loans	% Farms	% Bank Loans
Anchorage MSA	3	491	9.1	0.6	0.0	14.1	0.0	62.1	33.3	23.1	66.7	0.1	0.0
Fairbank MSA	0	0	0.0	0.0	0.0	13.4	0.0	56.2	0.0	30.4	0.0	0.0	0.0
Alaska non-MSA	30	6,650	90.9	0.0	0.0	0.0	0.0	71.6	76.7	28.4	23.3	0.0	0.0
<b>Total</b>	<b>33</b>	<b>7,141</b>	<b>100.0</b>	<b>0.3</b>	<b>0.0</b>	<b>9.7</b>	<b>0.0</b>	<b>64.1</b>	<b>72.7</b>	<b>25.8</b>	<b>27.3</b>	<b>0.1</b>	<b>0.0</b>

*Source: 2022 D&B Data; 01/01/2022 - 12/31/2022 Bank Data; Due to rounding, totals may not equal 100.0%*

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues											2020-21
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
Anchorage MSA	98	3,913	9.2	144	96.9	95.9	53.1	1.5	3.1	1.6	1.0
Fairbanks MSA	6	520	0.6	29	98.9	100.0	73.1	1.1	0.0	0.0	0.0
Alaska non-MSA	967	34,116	90.3	893	95.0	96.7	55.1	2.9	2.0	2.1	1.3
<b>Total</b>	<b>1,071</b>	<b>38,549</b>	<b>100.0</b>	<b>1,066</b>	<b>96.6</b>	<b>96.6</b>	<b>55.8</b>	<b>1.8</b>	<b>2.1</b>	<b>1.5</b>	<b>1.3</b>
<i>Source: 2021 D&amp;B Data; 01/01/2020 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, Due to rounding, totals may not equal 100.0%</i>											

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues											2022
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
Anchorage MSA	3	491	9.1	--	97.1	100.0	--	1.4	0.0	1.4	0.0
Fairbanks MSA	--	--	--	--	99.3	--	--	0.7	--	0.0	--
Alaska non-MSA	30	6,650	90.9	--	95.0	90.0	--	2.6	10.0	2.4	0.0
<b>Total</b>	<b>33</b>	<b>7,141</b>	<b>100.0</b>	<b>--</b>	<b>96.8</b>	<b>90.9</b>	<b>--</b>	<b>1.7</b>	<b>9.1</b>	<b>1.5</b>	<b>0.0</b>
<i>Source: 2022 D&amp;B Data; 01/01/2022 - 12/31/2022 Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>											

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.