



**LARGE BANK**

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## **PUBLIC DISCLOSURE**

January 28, 2008

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

First National Bank Alaska  
Charter Number: 12072

101 West 36<sup>th</sup> Avenue  
Anchorage, Alaska 99503

Office of the Comptroller of the Currency

San Francisco Field Office  
One Front Street, Suite 1000  
San Francisco, CA 94111

**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** with respect to the lending, investment, and service tests:

Performance Levels	(Name of Depository Institution) 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:

- An excellent distribution of Home Mortgage Disclosure Act (HMDA) lending by geography and borrower income in the Anchorage Metropolitan Statistical Area (MSA).
- An excellent distribution of small loans to businesses by borrower income.
- A high level of community development lending responsive to the needs of the bank’s assessment area.
- An excellent level of community development investment.
- An excellent distribution of branches and automated teller machines (ATMs) throughout the bank’s assessment areas.
- A high level of community development service.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout 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. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

**Census Tract (CT):** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Community Development:** 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 the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 C.F.R. § 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low- or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on:
  - a. Rates of poverty, unemployment, and population loss; or
  - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

**Community Reinvestment Act (CRA):** The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, 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, home equity 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 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 do 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 applications, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn). Beginning in 2004, the reports also include data on loan pricing, the lien status of the collateral, any requests for preapproval and loans for manufactured housing.

**Home Mortgage Loans:** Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

**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 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 income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

**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 MA/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development 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 it and half below it.

**Metropolitan Area (MA):** Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget and any other area designated as such by the appropriate federal financial supervisory agency.

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Metropolitan Statistical Area that contains a population of at least 2.5 million. A Metropolitan Division consists of one or more counties that represent an employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

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

**Other Products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

**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.

**Rated Area:** A rated area is a state or multi-state metropolitan 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 area, the institution will receive a rating for the multi-state metropolitan 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) and the Thrift Financial Reporting (TFR) 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 One 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.

## Description of Institution

First National Bank Alaska (FNBA) is the largest independently owned bank in Alaska. The bank has no holding company. It is an intrastate bank that has no affiliates. The bank is headquartered in Anchorage, with a significant amount of its business activity and facilities concentrated in that MSA.

The bank was founded in 1922 and operates as a full service bank, providing a variety of financial services within its nine assessment areas. These areas are spread throughout Alaska and include a substantial portion of the Anchorage MSA which includes the Anchorage Borough and Matanuska-Susitna Borough, as well as eight full or partial boroughs. These boroughs consist of Kodiak, Fairbanks, Haines, Juneau, Sitka, Kenai, Valdez Cordova, and Bethel. FNBA operates 29 branches and 31 ATMs in these boroughs.

Services offered by the bank include a variety of deposit account products, loan products, safe deposit boxes, night depositories, drive-up facilities, remote deposit capture and an Internet site. The bank also offers Trust and Private Banking services. FNBA continues to enhance its products and services to help meet the diverse needs of the communities it serves. There was no merger or acquisition that affected the scope of the bank's operations during the evaluation period. For a more detailed description of products and services, please refer to the Service Test part of this Performance Evaluation.

As of December 31, 2007, FNBA reported total assets of \$2.3 billion. Total loans were \$1.2 billion, total deposits were \$1.3 billion, and net Tier One Capital was \$448 million. It is important to note that FNBA's capital is more than twice the average for peer banks, and its earnings are significantly above peer group averages. These financial indicators show a good capacity for CRA performance. But the bank's extremely high amount of capital distorts any comparison of Community Development (CD) loans and investments to its net Tier One capital by making the percentage of loans and investments seem low in relation to other banks. There are no legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its assessment areas.

The primary focus of FNBA is to become the number one small business bank in Alaska. This focus on commercial lending is reflected in the breakdown of FNBA's loan portfolio. About 38% of gross loans are secured by commercial real estate; 20% are commercial and industrial loans; 24% are construction and development loans; 11% are secured by 1-4 family residential real estate; 3% are secured by multifamily; 2% are credit card, home equity, or individual loans and 1% is agricultural loans.

FNBA, along with other banking institutions operating in Alaska, face a major obstacle in serving its customers. This obstacle is with the state's geography. The unique geographic characteristic has contributed to high transportation and communication expenses, particularly in the more remote rural areas. Adding to this problem is the lack of infrastructure, fragmented population and weak economic conditions that rural Alaska faces. This situation presents FNBA with difficult challenges in its efforts to provide all of its customers with ready access to banking services. And it would be impractical to establish branches in most of the remote towns and villages scattered throughout the state.

FNBA was last examined under the CRA using performance information through December 6, 2004 and was rated "**Outstanding.**"



## Scope of the Evaluation

### Evaluation Period/Products Evaluated

This evaluation assesses the bank's performance from January 1, 2004 through December 31, 2007. HMDA and CRA reportable lending activity from January 1, 2004 through December 31, 2006 was evaluated. We considered all Community Development, Investment Test, and Service Test information from July 1, 2004 through December 31, 2007. Home purchase, home refinance, small business, and community development loans were reviewed in conjunction with the Lending Test. Additionally, any special loan programs offered by the bank were included in our analysis to the extent appropriate. The Investment Test focused on review of qualifying investments, grants, and donations. Community development services, retail banking locations, and retail banking services were reviewed in connection with the Service Test. The bank did not submit optional consumer loan information for consideration, so optional Table 13 was not included in Appendix D. For more information about the scope of this evaluation please refer to Appendix A.

### Data Integrity

We reviewed the bank's system of internal controls to ensure the integrity of its loan reporting process. The review found that FNBA's internal controls, which include extensive loan data testing procedures, are satisfactory. The bank's publicly reported HMDA and CRA loan data is accurate. The accuracy of FNBA's investment, service, and community development data was verified during this CRA examination.

### Selection of Areas for Full-Scope Review

FNBA operates primarily in nine assessment areas in Alaska. One assessment area is comprised of the Anchorage MSA which consists of the Municipality of Anchorage and the Matanuska-Susitna Borough. The other eight assessment areas are noncontiguous full or partial boroughs in rural Alaska. We selected the Anchorage MSA for a full-scope review and the eight non-MSA areas for a limited scope review. The Anchorage assessment area is the most important assessment area to the bank's operations. The majority of FNBA's loans and deposits are derived from the Anchorage assessment area. FNBA's CRA performance in Anchorage is substantially representative of its overall performance. See Appendix C for a complete description of the Anchorage MSA assessment area.

To provide a better understanding of the scope of FNBA's assessment area, please refer to the Market Profiles for the State of Alaska in Appendix C for detailed demographics and other performance context information for assessment areas that received full-scope reviews

In conjunction with this CRA examination, we conducted four community contact interviews with representatives from three housing organizations and one economic development organization. These representatives all commented that FNBA has positively impacted their organizations by financing affordable housing projects, providing technical assistance and funding various homebuyer education programs targeting low- and moderate-income families.

## **Ratings**

The bank's overall rating is based primarily on those areas that received full-scope reviews. In general, the performance in each assessment area is weighted according to the percentage of loans and deposits in that area. Therefore, FNBA's performance to the Anchorage assessment area carries the most weight in developing the overall conclusions for the bank.

## **Fair Lending or Other Illegal Credit Practices Review**

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

## LENDING TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test is rated Outstanding. Based on full-scope reviews, the bank's performance in the Anchorage MSA assessment area is excellent.

### Lending Activity

Refer to Table 1 Lending Volume in Appendix D for the facts and data used to evaluate the bank's lending activity.

Overall, FNBA's lending activity in HMDA and CRA reportable loans is considered good. Considering the large numbers of lenders operating in the market without a branch or deposit taking presence, the bank consistently ranks in lending equal to, or better than, its ranking in deposit share. In addition to its level of HMDA and small business loans, the bank has an exceptionally high volume of community development loans. This overall good level of lending activity had a positive effect upon our overall conclusion about the bank's performance under the Lending Test.

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

#### *Home Mortgage Loans*

Refer to Tables 2, 3, 4 and 5 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/purchases.

#### *Home Purchase*

Home purchase lending in the Anchorage assessment area is excellent. The percentage of FNBA's loans in low- and moderate-income census tracts each exceeded the demographics for those tracts. The bank's market share in low- and moderate-income census tracts is slightly below its overall market share.

#### *Home Improvement*

Home improvement lending in the Anchorage assessment area is good. Home improvement lending volumes in low-income census tracts were too low in the bank and among all lenders for analysis of market shares and lending versus demographics.

The percentage of FNBA's loans in moderate-income census tracts was less than demographics. FNBA's market share in these census tracts was stronger than its overall market share.

### ***Refinance***

Home Mortgage Refinance lending in the Anchorage assessment area is good. Home Mortgage Refinance lending in low-income census tracts was too low in the bank for analysis of market shares and lending versus demographics.

The percentage of FNBA's loans in moderate-income census tracts was slightly below the demographics. The market share in those tracts was slightly below its overall market share.

### ***Multifamily***

Multifamily mortgage lending in the Anchorage assessment area is good. The percentage of FNBA's multifamily loans in low-income census tracts exceeded the demographics of those tracts. The bank's market share in low-income census tracts was slightly below its overall market share.

The percentage of FNBA's multifamily loans in moderate-income census tracts was below the demographics of those tracts. FNBA had the second highest lending market share among deposit-taking lenders in moderate-income census tracts. The bank's market share in moderate-income census tracts was below its overall market share.

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

Refer to Table 6 in Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to business in the Anchorage assessment area is good. The bank's small loans to businesses in the low- and moderate-income census tracts were less than the area demographics of those tracts. However, the largest share of the bank's loans was in middle-income census tracts, where the largest percentage of businesses with revenues of less than \$1 million is located.

The bank's market share in low-, moderate- and middle-income census tracts exceeded its overall market share.

### ***Small Loans to Farms***

Refer to Table 7 in Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

The bank is not a significant lender of small loans to farms.

### ***Lending Gap Analysis***

Maps and reports detailing FNBA's lending activity over the evaluation period for small loans to businesses, home purchase loans, and home refinance loans were reviewed to identify gaps in the geographic distribution. No unexplained conspicuous gaps were identified. Two moderate-income geographies were not penetrated by small business, small farm and HMDA loans. Both of those geographies are comprised primarily of military bases with virtually no

owner-occupied housing, small businesses or farms, and therefore little demand for such loans. The absence of unexplained gaps in the bank's lending had a positive effect on our conclusion about the geographic distribution of FNBA's lending activity.

### ***Inside/Outside Ratio***

Virtually all of the applicable loans originated or purchased by FNBA during the evaluation period were within its assessment areas. The bank's excellent performance was positively factored into the overall analysis of the geographic distribution of lending by income level of geography. One hundred percent of the HMDA loans (home purchase, home improvement, refinance, and multifamily), 99% of the small loans to businesses and farms, and 100% of CD loans were made to borrowers within the bank's assessment areas, or within the State of Alaska.

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

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

Refer to Tables 8, 9 and 10 in Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

### ***Home Mortgage***

FNBA's distribution of home mortgage loans to borrowers of different income levels in the Anchorage assessment area is excellent. The bank's loans to low-income borrowers were slightly below the demographics for those borrowers. Loans to moderate-income borrowers were well above the demographics for those borrowers. FNBA's market share of loans to low- and moderate-income borrowers exceeded the bank's overall market share.

### ***Home Improvement***

Home improvement lending to borrowers of different income levels in the Anchorage assessment area is good. The bank's loans to low-income borrowers were below the demographics for those borrowers. Loans to moderate-income borrowers exceeded the demographics for those borrowers. FNBA's market share of loans to low-income borrowers exceeded the bank's overall market share. Its share of loans to moderate-income borrowers mirrored its overall market share.

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

FNBA's distribution of Home Mortgage Refinance Loans to borrowers of different income levels in the Anchorage assessment area is excellent. The bank's percentage of loans to low-income borrowers was less than the demographics. The bank's percentage of loans to moderate-income borrowers exceeded the demographics.

The bank's market share to low- and moderate-income borrowers was well above or mirrored its overall market share for each of these income levels.

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

Refer to Table 11 in 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.

FNBA's distribution of small loans to business by the income of the borrowers in the Anchorage assessment area is excellent. The bank's percentage of loans to businesses with revenues of less than \$1 million mirrored the percentage of those businesses in the assessment area.

The bank's market share of loans to businesses with revenues of less than \$1 million exceeded its overall market share.

### ***Small Loans to Farms***

Refer to Table 12 in Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The bank is not a significant lender of small loans to farms.

### **Community Development Lending**

Refer to Table 1 Lending Volume in Appendix D for the facts and data used to evaluate the bank's level of community development (CD) lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

FNBA made an excellent amount of CD loans during the evaluation period. The bank's total CD loans were over 39% of allocated net Tier One capital, indicating a significant commitment of funds to meet community needs, particularly in light of the bank's high capital levels. For perspective, it must be noted that FNBA's capital levels are more than twice the average level of its peer. The level of community development lending is very responsive to the needs of the community. This had a positive effect upon our conclusions about the bank's performance under the Lending Test.

The bank has risen to be a leader in community development lending with a total dollar volume of qualified loans during the evaluation period of over \$178 million. These 74 loans to 47 different organizations or projects represented nearly 40% of FNBA's Tier One Capital, and provided funds for community service projects, revitalization of low- and moderate-income geographies and numerous housing units for low- and moderate-income individuals. Forty-nine loans, totaling \$141 million, were originated in the Anchorage MatSu MSA. Four loans, totaling \$9 million, were originated in non-metropolitan assessment areas outside of the Anchorage MatSu MSA. The remaining 21 loans, totaling \$36 million, were for projects within the state of Alaska that are outside of the bank's delineated assessment area. Because the bank sought to identify assessment areas that were of a reasonable size, given the physical locations of their branches, there are huge sparsely populated geographical areas that are not

part of the bank's assessment area, but nevertheless are served by the bank. These loans are not included in the tables, but are given the same weight as loans within the assessment area.

Many of the loans were considered complex due to the nature of the collateral and the structure of the financing. Projects were responsive to identified needs of the communities. Descriptions of projects representative of FNBA's community development lending follow:

- Eight loans to an organization providing housing and services to low-income individuals with special needs and mental illness. The projects funded construction and rehabilitation of affordable housing units.
- Several loans to a mixed-use Low Income Housing Tax Credit (LIHTC) housing project providing 20 affordable housing units for special needs individuals. The project developer is a local nonprofit community housing development organization (CHDO) focused on developing affordable housing for low- and moderate-income households. The bank provided interim construction financing, a revolving line of credit, as well as several loans to the project.
- Several loans to a nonprofit organization focused on developing affordable housing for low- and moderate-income households. The bank provided interim construction financing for two specific projects, which included a 4-plex for special needs households and a 9-unit supportive housing complex.
- Two loans to provide financing of the construction of an owner occupied office building to serve as headquarters for a nonprofit association that administers regional health and human service programs to predominantly low- and moderate-income households.
- A line of credit for a for-profit retailer which is the wholly owned subsidiary of a local nonprofit organization, whose mission is to protect and improve the quality of lives of low-income Alaskans. Proceeds benefit rural Alaskan villages across the state served by this Community Action Agency.
- A letter of credit, for the purchase of bulk fuel for energy generation, to a rural city serving as a regional hub that supplies local residents and several smaller communities in the area with heat, lights, and power.

It should be noted, that in addition to the loans mentioned and several other community development loans reported, FNBA continues to provide loans that support the spirit of community development but are reported within its small business lending numbers. These include loans for affordable housing, support of community services and revitalization of low- and moderate-income geographies.

## **Product Innovation and Flexibility**

FNBA uses numerous flexible-lending practices, in a safe and sound manner, to address the credit needs of low- and moderate-income persons and geographies. These practices enhance the bank's lending performance.

FNBA has developed a reputation within the state of Alaska and the nation as a bank who can provide housing in remote rural communities to low- and very low-income individuals. Several of the bank's reportable loans were focused on this program. Most of these projects were outside of the bank's designated assessment area. However, they still provide benefit to impoverished communities in a broader statewide or regional area that includes the bank's assessment areas. Many of these projects are considered in the Investment Test. Most of these loans focus on housing in rural Alaska, including housing for village public safety officers and teachers in remote villages inaccessible by roadways. Other loans support small native village organizations in providing community services, including energy, health services, and public welfare programs. FNBA received a national Community Partnership Award for their work in rural Alaska. The Bank also received the Community Impact Award from Fannie Mae, as well as recognition at the National CRA Conference and from the American Bankers Association for programs focused on bringing banking to unbanked, and/or underserved, populations.

FNBA made 367 loans, totaling over \$36.4 million, to low- and moderate-income families throughout Alaska during the period of August 1, 2004 through December 31, 2007, using a combination of affordable housing programs, which include AHFC Housing Choice Voucher Program, AHFC's Tax-Exempt First Time Homebuyer Program, AHFC's Rural Program, AHFC's Affordable Housing Enhanced Loan Program (AHELP), Cook Inlet 2<sup>nd</sup> Deed of Trust Program, RD Insured 1<sup>st</sup> Deed of Trust Program, AHFC's Interest Rate Reduction for Low Income Borrowers (IRRLIB), AnCHOR 2<sup>nd</sup> Deed of Trust, Fairbanks Neighborhood Housing Services (FNHS) 2<sup>nd</sup> Deed of Trust Program and many others.

The bank also participates in several business lending programs, which support small businesses in the state of Alaska. They include loans supported through the Small Business Administration, Bureau of Indian Affairs, Alaska Industrial Development and Export Authority, Rural Development Initiative Fund, Rural Development (USDA) and Title VI loan programs tied to NAHASDA. FNBA made 365 loans totaling over \$28 million from August 1, 2004 through December 31, 2007, using the following programs: AIDEA Participation Loans, AHFC Multifamily Loan Program, Bureau of Indian Affairs Guaranty Loan Program, Fannie Mae Multifamily Loan Program, Evergreen SBA 504 Loans, Rural Tax Exempt Loan Program, and the USDA Rural Development Loan program.

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

Based on limited-scope reviews, the bank's performance under the lending test in the Fairbanks MSA and the Bethel, Haines, Juneau, Kenai, Kodiak, Sitka and Valdez-Cordova nonmetropolitan assessment areas is not inconsistent with the bank's overall Outstanding rating. Refer to Tables 1 through 11 of Appendix D for the facts and data that support these conclusions.



## INVESTMENT TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the investment test is rated Outstanding. Based on full-scope reviews, the bank's performance in the Anchorage MSA is excellent. Refer to Table 14 in Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

FNBA's performance under the Investment Test is rated "Outstanding" with total prior period and current investments and donations in all assessment areas, and within the bank's trade area in the state of Alaska, totaling over \$40 million and representing over 9% of the bank's Tier One capital. The bank's performance in the Anchorage MSA is good based on the number and dollar volume of investments relative to available opportunities, community needs, and positive impact in the assessment area.

During the evaluation period, the bank has four qualifying investments, plus numerous grants and donations in the Anchorage MSA, totaling over \$12 million. In addition to current period investments, the bank had \$4.7 million in investments on the books that were made during prior CRA evaluation periods. Total current and prior period investments and donations represented 3.7% of Tier One capital.

In addition to investments in the Anchorage MSA, the bank made significant investments in areas that benefit residents throughout the state of Alaska. Because the bank sought to identify assessment areas that were of a reasonable size given the physical locations of their branches, there are huge sparsely populated geographical areas that are not part of the bank's assessment area, but nevertheless are served by the bank. Since investments in these areas directly impact their customers, we have included them in the investments for evaluation. The bank made 24 investments and numerous grants and donations totaling \$15 million in the areas outside of the assessment areas, but within the State of Alaska. The bank also had \$1.7 million in prior period investments on the books that, in addition to the current period investments and donations, represented 3.7% of Tier One capital.

FNBA's investments exhibit good responsiveness to the credit and community development needs of the assessment area, particularly the need for affordable housing. In the Anchorage MSA, more than \$10 million or 86% of these investments helped to finance affordable housing or provide affordable housing services for low- and moderate-income families. The remainder helped to revitalize or stabilize low- and moderate-income geographies in need of investment. Since affordable housing is an important need identified by government agencies and community groups, FNBA's investments are considered highly responsive to those needs. As such, they had a positive impact upon the community. Descriptions of projects representative of FNBA's community development investments follow:

- The bank invested in several tax-exempt bonds supporting the local municipality's revitalization efforts in a lower-income geography within the city. The project included construction of a new convention center, as well as a new parking garage, and rehabilitation and remodeling of the city's existing convention center. The local municipality created a 63-20 tax-exempt corporation which issued bonds to build a new convention center, as part of the comprehensive planned revitalization efforts for the downtown area.

- The bank participated in one LIHTC project where proceeds of the tax credit facilities were used towards construction of 56 housing units targeting low- and moderate-income households, with the project's remaining 24 units at market rate, in 22 apartment buildings. The project also includes construction of a community building. This project is part of a larger collaborative effort to develop the first "town center", providing affordable housing for mixed incomes, community services, jobs, recreation, and other essentials for community members within close proximity and walking distances.

### **Conclusions for Area Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the investment test in the Fairbanks MSA and the Bethel, Haines, Juneau, Kenai, Kodiak, Sitka and Valdez-Cordova non-metropolitan assessment areas is not inconsistent with the bank's overall Outstanding rating. Refer to Table 14 of Appendix D for the facts and data that support this conclusion.

## **SERVICE TEST**

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

FNBA's performance under the Service Test is rated "Outstanding." Based on a full-scope review, the bank's performance in the Anchorage MSA assessment area is excellent.

### **Retail Banking Services**

Refer to Table 15 in Appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

FNBA has an excellent distribution of branches that are located throughout the Anchorage MSA. FNBA's distribution of branches in low- and moderate-income census tracts exceeds the percentage of the population living in both low- and moderate-income tracts, thus providing convenient accessibility to most residents in those tracts. No branches were opened or closed in Anchorage during the evaluation period. Lobby hours are reasonable, and there are no significant differences in hours or services for branches in low- and moderate-income geographies compared to those in middle- and upper-income geographies. The bank's business hours are structured to accommodate customers' needs. Twelve of the branches have Saturday hours, and rural branches accommodate clients by appointment traveling to hub areas for service.

FNBA provides bilingual services at several offices and via phone. These languages include Samoan, Sign Language, Tagalog, Spanish, Bengali, Hindi, German, Spanish, Chinese, French, Dutch, Ilocano and Yup'ik. The bank advertises in some communities in one form or another of these languages to address specific community needs.

## **Alternative Delivery Systems**

Providing banking services throughout the state of Alaska offers unique challenges for banks in the state. Populations are spread out over vast areas that encompass many towns and villages. FNBA has made strides to serve these areas by providing postage paid, Bank by Mail service, BusinessLink, Direct Deposit services, Bank on Line and an extensive ATM network. In addition, many of FNBA's staff fly or boat to villages to provide services, particularly in the Bethel area. Every effort is made to accommodate clients who are in hub cities infrequently, including extended hours on appointment, if necessary. It is not unusual for bank managers to use boats, planes and snowmobiles to meet with clients in the greater Alaska service area.

FNBA also provides 17 ATMs throughout the state of Alaska. In the previous evaluation period, the bank provided an additional 14 ATMs in rural villages. During the evaluation period, a Canadian company servicing the bank's ATMs abruptly canceled its contract with the bank and replaced the bank's ATMs with its own. The result of this contract cancellation was that the Alaska citizens that depended on these services were forced to pay higher fees for their ATM transactions. The service was provided in partnership with the United States Department of the Treasury. The bank is working with the Treasury to address the needs of these customers. However, the bank continues to offer bank by mail, internet and telephone to these isolated customers.

Because the towns and villages outside of the Anchorage MSA serve as hubs for a widely dispersed population, the branches and ATMs in the middle- and even upper-income census tracts are considered accessible to the population. Because of the concentration of income in the villages and towns, the only areas suitable for a branch and ATM location may be the middle- or upper-income census tracts.

The incomes of customers using these alternative delivery systems are not tracked; therefore we could not place significant weight on the alternative delivery systems when drawing conclusions about the Service Test.

## **Community Development Services**

FNBA offers a very high level of services that are specific to a majority of people and organizations within the assessment area. They have focused their community development services on building the capacity and infrastructure necessary to support economic development and affordable housing throughout its assessment areas and the state as a whole.

The community relations officer and a loan officer travel frequently to villages to assist in providing services as part of the bank's investment focus, as well. Assistance can be in the form of advice on provision of government documents to meet NAHASDA guidelines, or the provision of grant writing assistance to support housing construction and sale. FNBA's mortgage staff travels to these villages as well, to assist future homeowners in developing application packets. These services were designed specifically to assist low- and moderate-income geographies, and people throughout the state of Alaska.

Affordable Housing Program (AHP) Grants are used to help fund specific affordable housing developments. Lenders apply for these grants on behalf of nonprofit or for-profit housing developers, or governments which use the funds to purchase, construct or rehabilitate housing for families or individuals earning up to 80% of the area's annual median income. The program has helped first-time homebuyers, homeless individuals, the physically or developmentally disabled, and the elderly. The Federal Home Loan Bank of Seattle established the Advanced Community Capital for Economic Stimulus and Sustainability (ACCESS) Fund to encourage member financial institutions, working in partnership with community-based organizations, to contribute to economic development projects in rural or distressed areas.

FNBA has taken a leadership role in its use of FHLB funds within the state. FNBA provided 190 hours of community service administering AHP and ACCESS grants to organizations in Anchorage. The bank provided an additional 1435 hours of community service in administering AHP and ACCESS grants to the rest of the state.

In addition to the work with FHLB of Seattle, FNBA completed 1178 hours of community development services throughout its assessment area. The following are some of the organizations FNBA provided community development services to:

- Anchorage Neighborhood Housing Services, a program designed to assist low- and moderate-income homebuyers find funds, and prepare for the process of applying for, and maintaining the home they intend to purchase.
- AASC Housing Inc., a housing program designed for low-income individuals experiencing disabilities.
- Assets, Inc., a program designed to integrate people experiencing developmental disabilities, or mental illnesses, that need substantial support in the community via work programs, housing, and community services.

In addition to these community development services, bank employees, representing the bank, provide credit counseling, credit education and homebuyer counseling through seminars at community centers throughout the assessment areas. Employees also serve as board members and financial advisors on non-profit, tribal and government organizations that serve low- and moderate-income geographies and people, promote economic revitalization, provide affordable housing and provide business education.

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

Based on limited-scope reviews, the bank's performance under the service test in the Fairbanks MSA and the Bethel, Haines, Juneau, Kenai, Kodiak, Sitka and Valdez-Cordova nonmetropolitan assessment areas is not inconsistent with the bank's overall Outstanding. Refer to Table 15 in Appendix D for the facts and data that support these conclusions.

## Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and nonmetropolitan areas 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>	<b>Lending Test (excludes CD Loans): (01/01/04 to 12/31/06)</b> <b>Investment and Service Tests and CD Loans: (07/01/04 to 12/31/07)</b>	
<b>Financial Institution</b>		<b>Products Reviewed</b>
First National Bank Alaska (FNBA) Anchorage, Alaska		HMDA, Small Loans to Business and Farms, Community Development Loans, Services and Investments
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
None	None	None
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Anchorage MSA  Bethel Fairbanks Haines Juneau Kenai Kodiak Sitka Valdez Cordova	Full Scope  Limited Scope	

## Appendix B: Summary of 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 Rating
First National Bank Alaska	Outstanding	Outstanding	Outstanding	Outstanding

(\*) The lending test is weighted more heavily than the investment and service tests in the overall rating.

## Appendix C: Market Profiles for Full-Scope Areas

### State of Alaska Full-Scope Areas

#### Anchorage MSA

Demographic Information for Full-Scope Area: FNBA Anchorage						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	65	1.54%	24.62%	52.31%	21.54%	0.00%
Population by Geography	312,570	1.09%	21.27%	54.73%	22.91%	0.00%
Owner-Occupied Housing by Geography	70,861	.41%	11.58%	58.54%	29.47%	0.00%
Businesses by Geography	27,637	2.20%	27.28%	50.05%	20.47%	0.00%
Farms by Geography	400	.25%	16.00%	55.25%	28.50%	0.00%
Family Distribution by Income Level	78,245	.77%	18.79%	55.31%	25.13%	0.00%
Distribution of Low- and Moderate-Income Families throughout AA Geographies	28,979	1.57%	31.51%	55.50%	11.41%	0.00%
Median Family Income	= \$64,521		Median Housing Value		= \$138,111	
HUD Adjusted Median Family Income for Anchorage	= \$76,900		Unemployment Rate		= 3.70%	
Households Below the Poverty Level	= 6.77%					

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 2000 U.S. Census and 2006 HUD updated MFI.

The bank has defined its Anchorage assessment area as essentially all of the Municipality of Anchorage and the Matanuska-Susitna Borough comprising of 65 census tracts. The assessment area complies with regulatory guidelines and does not arbitrarily exclude any low- or moderate-income areas.

Anchorage is located in south-central Alaska, nestled between the Chugach Mountains to the east, and the shoreline of the Cook Inlet to the west. The town was originally settled in 1915 at the mouth of Ship Creek to support railroad construction. More than half of Alaska's population resides in the adjoining south-central areas encompassed by the Municipality of Anchorage (020) and the Matanuska Susitna Borough (170). Their population centers are physically separated by two military bases (Elmendorf Air Force Base and Fort Richardson Army Base) and flats of the Matanuska and Knik Rivers.

Anchorage is a diverse, vibrant community with a healthy economy located in an area of the state which boasts unparalleled beauty and has grown steadily to become the

business, cultural and distribution center of Alaska. As the state's largest city, Anchorage serves as the "hub" for communication, transportation, healthcare, finance, and trade industries that serve the vital needs of the private and public sector. The educated workforce of the city combines with Anchorage's infrastructure to make the city an ideal place to do business. With a population of 282,813 (2006), Anchorage is the 65<sup>th</sup> largest city in the nation.

The Anchorage MSA is the largest assessment area that the bank serves. As demonstrated by the data in the tables in Appendix D, this assessment contains a significant concentration of the bank's facilities, and it generates a high percentage of the bank's loans and deposits. The financial services sector is highly competitive, with local and national financial service providers active in the market. Aggregate reported loan data for 2006 in the Anchorage MSA showed that 190 lenders made HMDA loans. Aggregate reported loan data for 2005 in the Anchorage MSA showed that 22 lenders made small business loans. As of June 30, 2007, five FDIC-insured institutions held a total of \$3.6 billion in deposits, with FNBA ranking second.

The challenge now facing the community is meeting future demands for housing, commercial development, public open space and public facilities with a dwindling land supply and limited public funds. The future development of Anchorage will increasingly depend on the more efficient use of existing infrastructure, remaining vacant land, and underdeveloped land. This is especially important as the supply of developable land is rapidly diminishing in the Anchorage Bowl (does not include Eagle River, Chugiak, or Alyeska/Girdwood).



## Appendix D: Tables of Performance Data

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### Content of Standardized 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 as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12. Tables without data are not included in this PE.

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration.
- Table 2. Geographic Distribution of Home Purchase Loans** - 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 market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses 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) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business 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 7. Geographic Distribution of Small Loans to Farms** - 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. The table also presents market share information based on the most recent aggregate market data available. Because 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 8. Borrower Distribution of Home Purchase Loans** - 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 MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less, to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.

- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less, to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.
- Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table 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 of households by income level in each MA/assessment area.
- Table 14. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MA/assessment area. The table separately presents investments made during prior evaluation periods that are still outstanding, and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system. A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area.
- Table 15. Distribution of Branch Delivery System and Branch Openings/Closings** - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/assessment area. The table also presents data on branch openings and closings in each MA/assessment area.

Institution ID: FIRST NATIONAL BANK ALASKA 12072

Table 1. Lending Volume

LENDING VOLUME		Geography: FNB ALASKA						Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2006				
MA/Assessment Area (2006):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>												
FNBA - Anchorage	57.46	1,801	334,738	3,508	531,222	14	1,653	49	141,166	5,372	1,008,779	62.69
<b>Limited Review:</b>												
FNBA - Bethel	1.27	59	8,604	59	5,773	0	0	1	3	119	14,380	1.80
FNBA - Fairbanks	14.76	314	51,832	1,065	126,316	1	97	0	0	1,380	178,245	6.15
FNBA - Haines	1.66	64	6,976	73	2,568	18	213	0	0	155	9,757	1.98
FNBA - Juneau	2.29	111	20,923	102	12,351	1	230	0	0	214	33,504	7.92
FNBA - Kenai	16.80	567	82,844	968	96,664	33	3,073	3	874	1,571	183,455	12.29
FNBA - Kodiak	1.28	35	6,668	59	9,551	26	3,389	0	0	120	19,608	2.30
FNBA - Sitka	1.68	82	14,751	67	11,976	8	374	0	0	157	27,101	1.87
FNBA - Valdez Cordova	2.79	99	14,652	133	12,879	29	633	0	0	261	28,164	3.01

\* Loan Data as of December 31, 2006. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from January 01, 2007 to December 31, 2007.

\*\*\* Deposit Data as of February 26, 2008. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Institution ID: FIRST NATIONAL BANK ALASKA 12072

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: FNB ALASKA								Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2006					
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% Owner Occ***	% BANK Loans**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
FNBA - Anchorage	991	56.82	0.41	0.50	11.58	12.41	58.54	63.98	29.47	23.11	1.70	1.63	1.67	1.83	1.41
<b>Limited Review:</b>															
FNBA - Bethel	34	1.95	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	14.71	0.00	0.00	14.71	0.00
FNBA - Fairbanks	191	10.95	0.00	0.00	2.86	4.71	67.77	63.87	29.37	31.41	2.14	0.00	1.56	1.63	3.38
FNBA - Haines	40	2.29	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	32.35	0.00	0.00	32.35	0.00
FNBA - Juneau	68	3.90	0.00	0.00	0.00	0.00	27.92	35.29	72.08	64.71	2.97	0.00	0.00	3.94	2.58
FNBA - Kenai	295	16.92	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	13.34	0.00	0.00	13.34	0.00
FNBA - Kodiak	23	1.32	0.00	0.00	0.00	0.00	28.03	26.09	71.97	73.91	2.41	0.00	0.00	5.00	1.59
FNBA - Sitka	36	2.06	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	8.33	0.00	0.00	8.33	0.00
FNBA - Valdez Cordova	66	3.78	0.00	0.00	34.23	18.18	0.00	0.00	65.77	81.82	17.69	0.00	21.43	0.00	16.67

\* Based on 2006 Peer Mortgage Data (Western)

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: FIRST NATIONAL BANK ALASKA 12072

**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT		Geography: FNB ALASKA								Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2006					
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% Owner Occ***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
FNBA - Anchorage	149	55.81	0.41	0.67	11.58	10.07	58.54	60.40	29.47	28.86	7.04	25.00	11.43	6.19	7.50
<b>Limited Review:</b>															
FNBA - Bethel	3	1.12	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	18.18	0.00	0.00	18.18	0.00
FNBA - Fairbanks	27	10.11	0.00	0.00	2.86	3.70	67.77	48.15	29.37	48.15	2.04	0.00	0.00	1.44	4.05
FNBA - Haines	9	3.37	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	66.67	0.00	0.00	66.67	0.00
FNBA - Juneau	4	1.50	0.00	0.00	0.00	0.00	27.92	25.00	72.08	75.00	2.35	0.00	0.00	5.26	1.52
FNBA - Kenai	56	20.97	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	24.48	0.00	0.00	24.48	0.00
FNBA - Kodiak	2	0.75	0.00	0.00	0.00	0.00	28.03	0.00	71.97	100.00	11.11	0.00	0.00	0.00	20.00
FNBA - Sitka	12	4.49	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	17.65	0.00	0.00	17.65	0.00
FNBA - Valdez Cordova	5	1.87	0.00	0.00	34.23	0.00	0.00	0.00	65.77	100.00	4.17	0.00	0.00	0.00	5.88

\* Based on 2006 Peer Mortgage Data (Western)

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: FIRST NATIONAL BANK ALASKA 12072

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE												Geography: FNB ALASKA				Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2006				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography									
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp					
<b>Full Review:</b>																				
FNBA - Anchorage	593	57.46	0.41	0.17	11.58	10.79	58.54	60.03	29.47	29.01	1.13	0.00	0.99	1.25	0.92					
<b>Limited Review:</b>																				
FNBA - Bethel	22	2.13	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	17.65	0.00	0.00	17.65	0.00					
FNBA - Fairbanks	84	8.14	0.00	0.00	2.86	4.76	67.77	66.67	29.37	28.57	0.79	0.00	3.51	0.63	0.81					
FNBA - Haines	14	1.36	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	12.00	0.00	0.00	12.00	0.00					
FNBA - Juneau	37	3.59	0.00	0.00	0.00	0.00	27.92	35.14	72.08	64.86	0.33	0.00	0.00	0.54	0.24					
FNBA - Kenai	211	20.45	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	4.51	0.00	0.00	4.51	0.00					
FNBA - Kodiak	10	0.97	0.00	0.00	0.00	0.00	28.03	30.00	71.97	70.00	4.40	0.00	0.00	10.00	2.82					
FNBA - Sitka	33	3.20	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	5.93	0.00	0.00	5.93	0.00					
FNBA - Valdez Cordova	28	2.71	0.00	0.00	34.23	7.14	0.00	0.00	65.77	92.86	8.33	0.00	0.00	0.00	12.50					

\* Based on 2006 Peer Mortgage Data (Western)

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

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**Table 5. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY		Geography: FNB ALASKA						Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2006							
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overa II	Low	Mod	Mid	Upp
<b>Full Review:</b>															
FNBA - Anchorage	68	76.40	5.61	8.82	44.56	35.29	43.34	52.94	6.49	2.94	26.42	25.00	13.64	38.46	0.00
<b>Limited Review:</b>															
FNBA - Bethel	0	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FNBA - Fairbanks	12	13.48	0.00	0.00	13.33	16.67	72.84	50.00	13.83	33.33	33.33	0.00	0.00	25.00	66.67
FNBA - Haines	1	1.12	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FNBA - Juneau	2	2.25	0.00	0.00	0.00	0.00	20.04	50.00	79.96	50.00	0.00	0.00	0.00	0.00	0.00
FNBA - Kenai	5	5.62	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FNBA - Kodiak	0	0.00	0.00	0.00	0.00	0.00	46.22	0.00	53.78	0.00	0.00	0.00	0.00	0.00	0.00
FNBA - Sitka	1	1.12	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FNBA - Valdez Cordova	0	0.00	0.00	0.00	12.29	0.00	0.00	0.00	87.71	0.00	0.00	0.00	0.00	0.00	0.00

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\* Based on 2006 Peer Mortgage Data (Western)

\*\* Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

\*\*\* Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 2000 Census information.

\*\*\*\* Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.



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**Table 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES												Geography: FNB ALASKA				Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2006				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*									
	#	% of Total**	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	Overall	Low	Mod	Mid	Upp					
<b>Full Review:</b>																				
FNBA - Anchorage	3,508	58.14	2.20	1.80	27.28	23.60	50.05	53.93	20.47	20.67	10.77	12.82	11.29	11.48	11.79					
<b>Limited Review:</b>																				
FNBA - Bethel	59	0.98	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	12.95	0.00	4.94	26.88	0.00					
FNBA - Fairbanks	1,065	17.65	0.00	0.00	5.20	3.38	73.53	78.87	21.27	17.75	11.91	0.00	9.43	12.76	13.82					
FNBA - Haines	73	1.21	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	21.21	0.00	0.00	26.42	0.00					
FNBA - Juneau	102	1.69	0.00	0.00	0.00	0.00	28.79	38.24	71.21	61.76	4.70	0.00	0.00	6.50	4.32					
FNBA - Kenai	968	16.04	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	12.69	0.00	0.00	15.75	0.00					
FNBA - Kodiak	59	0.98	0.00	0.00	0.00	0.00	47.27	45.76	52.73	54.24	4.42	0.00	0.00	5.45	4.90					
FNBA - Sitka	67	1.11	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	7.81	0.00	0.00	8.67	0.00					
FNBA - Valdez Cordova	133	2.20	0.00	0.00	29.60	21.80	0.00	0.00	70.40	78.20	9.38	0.00	7.14	0.00	18.63					

\* Based on 2005 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2006).

Institution ID: FIRST NATIONAL BANK ALASKA 12072

**Table 7. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS DECEMBER 31, 2006		Geography: FNB ALASKA								Evaluation Period: JANUARY 1, 2004 TO					
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms*	% BANK Loans	% of Farms*	% BANK Loans	% of Farms*	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
FNBA - Anchorage	14	10.77	0.25	0.00	16.00	21.43	55.25	57.14	28.50	21.43	3.01	0.00	3.13	4.08	3.13
<b>Limited Review:</b>															
FNBA - Bethel	0	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FNBA - Fairbanks	1	0.77	0.00	0.00	2.38	0.00	67.86	100.00	29.76	0.00	0.00	0.00	0.00	0.00	0.00
FNBA - Haines	18	13.85	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	66.67	0.00	0.00	72.73	0.00
FNBA - Juneau	1	0.77	0.00	0.00	0.00	0.00	27.87	0.00	72.13	100.00	0.00	0.00	0.00	0.00	0.00
FNBA - Kenai	33	25.38	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	11.88	0.00	0.00	15.79	0.00
FNBA - Kodiak	26	20.00	0.00	0.00	0.00	0.00	32.50	19.23	67.50	80.77	17.50	0.00	0.00	26.09	18.18
FNBA - Sitka	8	6.15	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	8.33	0.00	0.00	9.09	0.00
FNBA - Valdez Cordova	29	22.31	0.00	0.00	17.07	3.45	0.00	0.00	82.93	96.55	18.75	0.00	0.00	0.00	31.58

\* Based on 2005 Peer Small Business Data -- US and PR

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2006).

Institution ID: FIRST NATIONAL BANK ALASKA 12072

**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE		Geography: FNB ALASKA								Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2006					
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share <sup>*</sup>				
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>1</sup>	% BANK Loans <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>**</sup>	% BANK Loans <sup>****</sup>	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
FNBA - Anchorage	991	56.82	19.38	16.15	17.65	28.98	24.19	23.67	38.77	31.19	1.72	4.32	2.04	1.20	1.60
<b>Limited Review:</b>															
FNBA - Bethel	34	1.95	21.99	6.06	15.58	9.09	16.02	36.36	46.41	48.48	16.39	100.00	0.00	16.67	14.29
FNBA - Fairbanks	191	10.95	16.30	10.50	15.32	28.73	23.17	25.97	45.22	34.81	2.32	4.88	1.70	2.09	2.62
FNBA - Haines	40	2.29	27.12	23.08	17.10	30.77	22.96	25.64	32.82	20.51	32.26	50.00	22.22	18.18	57.14
FNBA - Juneau	68	3.90	11.74	1.59	12.94	25.40	20.22	38.10	55.11	34.92	3.11	0.00	6.00	3.94	1.97
FNBA - Kenai	295	16.92	21.22	8.13	17.29	25.09	22.76	31.80	38.74	34.98	14.31	21.88	14.18	14.01	13.75
FNBA - Kodiak	23	1.32	14.84	9.09	14.10	18.18	20.28	18.18	50.78	54.55	2.54	0.00	0.00	2.60	3.60
FNBA - Sitka	36	2.06	12.65	3.03	15.86	27.27	24.41	18.18	47.08	51.52	7.45	0.00	18.75	3.45	6.25
FNBA - Valdez Cordova	66	3.78	18.57	4.92	16.01	21.31	19.97	27.87	45.44	45.90	18.18	0.00	12.50	15.69	22.64

<sup>\*</sup> Based on 2006 Peer Mortgage Data (Western)

<sup>\*\*</sup> As a percentage of loans with borrower income information available. No information was available for 7.2% of loans originated and purchased by bank.

<sup>\*\*\*</sup> Percentage of Families is based on the 2000 Census information.

<sup>\*\*\*\*</sup> Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

<sup>1</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

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**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT DECEMBER 31, 2006		Geography: FNB ALASKA								Evaluation Period: JANUARY 1, 2004 TO					
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total**	% Families***	% BANK Loans****	% Families <sup>2</sup>	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
FNBA - Anchorage	149	55.81	19.38	12.68	17.65	23.94	24.19	24.65	38.77	38.73	7.14	13.21	7.25	6.35	6.85
<b>Limited Review:</b>															
FNBA - Bethel	3	1.12	21.99	0.00	15.58	0.00	16.02	66.67	46.41	33.33	18.18	0.00	0.00	25.00	20.00
FNBA - Fairbanks	27	10.11	16.30	4.00	15.32	32.00	23.17	12.00	45.22	52.00	2.14	0.00	0.00	2.15	3.31
FNBA - Haines	9	3.37	27.12	33.33	17.10	22.22	22.96	22.22	32.82	22.22	66.67	100.00	50.00	50.00	100.00
FNBA - Juneau	4	1.50	11.74	33.33	12.94	33.33	20.22	33.33	55.11	0.00	1.23	0.00	14.29	0.00	0.00
FNBA - Kenai	56	20.97	21.22	19.61	17.29	27.45	22.76	29.41	38.74	23.53	23.19	42.86	29.41	19.15	16.28
FNBA - Kodiak	2	0.75	14.84	0.00	14.10	0.00	20.28	0.00	50.78	100.00	12.50	0.00	0.00	0.00	33.33
FNBA - Sitka	12	4.49	12.65	16.67	15.86	25.00	24.41	33.33	47.08	25.00	17.65	100.00	33.33	0.00	0.00
FNBA - Valdez Cordova	5	1.87	18.57	0.00	16.01	20.00	19.97	60.00	45.44	20.00	4.35	0.00	0.00	11.11	0.00

\* Based on 2006 Peer Mortgage Data (Western)

\*\* As a percentage of loans with borrower income information available. No information was available for 5.6% of loans originated and purchased by bank.

\*\*\* Percentage of Families is based on the 2000 Census information.

\*\*\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

<sup>2</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

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**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE DECEMBER 31, 2006		Geography: FNB ALASKA								Evaluation Period: JANUARY 1, 2004 TO					
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total**	% Families***	% BANK Loans****	% Families <sup>3</sup>	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans**	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
FNBA - Anchorage	593	57.46	19.38	13.18	17.65	22.74	24.19	29.96	38.77	34.12	1.27	3.51	1.35	1.42	0.84
<b>Limited Review:</b>															
FNBA - Bethel	22	2.13	21.99	9.52	15.58	23.81	16.02	14.29	46.41	52.38	21.43	100.00	0.00	33.33	11.76
FNBA - Fairbanks	84	8.14	16.30	6.25	15.32	22.50	23.17	27.50	45.22	43.75	0.96	1.37	0.51	1.24	0.84
FNBA - Haines	14	1.36	27.12	23.08	17.10	23.08	22.96	15.38	32.82	38.46	16.67	33.33	0.00	0.00	40.00
FNBA - Juneau	37	3.59	11.74	8.57	12.94	25.71	20.22	25.71	55.11	40.00	0.38	0.00	1.33	0.00	0.37
FNBA - Kenai	211	20.45	21.22	19.61	17.29	24.51	22.76	25.00	38.74	30.88	4.85	13.04	6.11	5.29	2.70
FNBA - Kodiak	10	0.97	14.84	11.11	14.10	44.44	20.28	33.33	50.78	11.11	4.17	33.33	7.14	0.00	2.94
FNBA - Sitka	33	3.20	12.65	6.90	15.86	24.14	24.41	27.59	47.08	41.38	5.88	0.00	9.09	8.57	4.35
FNBA - Valdez Cordova	28	2.71	18.57	7.14	16.01	21.43	19.97	32.14	45.44	39.29	10.81	0.00	20.00	10.00	9.52

\* Based on 2006 Peer Mortgage Data (Western)

\*\* As a percentage of loans with borrower income information available. No information was available for 5.7% of loans originated and purchased by bank.

\*\*\* Percentage of Families is based on the 2000 Census information.

\*\*\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

<sup>3</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

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Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES 31, 2006				Geography: FNB ALASKA			Evaluation Period: JANUARY 1, 2004 TO DECEMBER		
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
FNBA - Anchorage	3,508	58.14	56.91	57.24	60.83	21.72	17.45	10.77	10.78
<b>Limited Review:</b>									
FNBA - Bethel	59	0.98	38.79	88.14	71.19	20.34	8.47	12.95	20.00
FNBA - Fairbanks	1,065	17.65	52.29	48.92	69.48	17.09	13.43	11.91	10.94
FNBA - Haines	73	1.21	67.73	82.19	91.78	6.85	1.37	21.21	20.65
FNBA - Juneau	102	1.69	57.41	68.63	68.63	18.63	12.75	4.70	5.06
FNBA - Kenai	968	16.04	59.97	66.32	69.01	22.83	8.16	12.69	14.84
FNBA - Kodiak	59	0.98	63.93	77.97	40.68	47.46	11.86	4.42	5.15
FNBA - Sitka	67	1.11	50.17	58.21	50.75	29.85	19.40	7.81	6.13
FNBA - Valdez Cordova	133	2.20	57.18	81.95	72.93	19.55	7.52	9.38	11.85

\* Based on 2005 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&amp;B - 2006).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 1.69% of small loans to businesses originated and purchased by the bank.

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Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS 31, 2006			Geography: FNB ALASKA				Evaluation Period: JANUARY 1, 2004 TO DECEMBER			
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share		
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less	
<b>Full Review:</b>										
FNBA - Anchorage	14	10.77	88.25	71.43	57.14	21.43	21.43	3.01	2.75	
<b>Limited Review:</b>										
FNBA - Bethel	0	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	
FNBA - Fairbanks	1	0.77	90.48	100.00	100.00	0.00	0.00	0.00	0.00	
FNBA - Haines	18	13.85	88.89	100.00	100.00	0.00	0.00	66.67	66.67	
FNBA - Juneau	1	0.77	83.61	100.00	0.00	100.00	0.00	0.00	0.00	
FNBA - Kenai	33	25.38	80.00	93.94	72.73	18.18	9.09	11.88	12.90	
FNBA - Kodiak	26	20.00	77.50	57.69	46.15	38.46	15.38	17.50	10.77	
FNBA - Sitka	8	6.15	97.06	100.00	75.00	25.00	0.00	8.33	9.68	
FNBA - Valdez Cordova	29	22.31	90.24	100.00	96.55	3.45	0.00	18.75	19.35	

\* Based on 2005 Peer Small Business Data -- US and PR

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2006).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.00% of small loans to farms originated and purchased by the bank.

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**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: FNB ALASKA				Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2006			
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
FNBA - Anchorage	1	4,713	223	12,046	224	16,759	66.85	0	0
<b>Limited Review:</b>									
FNBA - Bethel	0	0	4	4	4	4	0.02	0	0
FNBA - Fairbanks	1	5,421	49	28	50	5,449	21.74	0	0
FNBA - Haines	0	0	3	3	3	3	0.01	0	0
FNBA - Juneau	1	1,312	20	1,410	21	2,722	10.86	0	0
FNBA - Kenai	0	0	33	43	33	43	0.17	0	0
FNBA - Kodiak	0	0	4	10	4	10	0.04	0	0
FNBA - Sitka	0	0	13	73	13	73	0.29	0	0
FNBA - Valdez Cordova	0	0	5	5	5	5	0.02	0	0

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

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



Institution ID: FIRST NATIONAL BANK ALASKA 12072

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS								Geography: FNB ALASKA				Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2006					
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
FNBA - Anchorage	62.69	12	41.38	8.33	50.00	41.67	0.00	0	0	0	0	0	0	1.09	21.27	54.73	22.91
<b>Limited Review:</b>																	
FNBA - Bethel	1.80	1	3.45	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	0.00	100.00	0.00
FNBA - Fairbanks	6.15	3	10.34	0.00	0.00	100.00	0.00	1	0	0	0	1	0	0.00	6.23	67.22	26.55
FNBA - Haines	1.98	1	3.45	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	0.00	100.00	0.00
FNBA - Juneau	7.92	3	10.34	0.00	0.00	33.33	66.67	0	0	0	0	0	0	0.00	0.00	32.10	67.90
FNBA - Kenai	12.29	4	13.79	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	0.00	100.00	0.00
FNBA - Kodiak	2.30	1	3.45	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	0.00	34.25	65.75
FNBA - Sitka	1.87	1	3.45	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	0.00	100.00	0.00
FNBA - Valdez Cordova	3.01	3	10.34	0.00	33.33	0.00	66.67	1	0	0	1	0	0	0.00	31.69	0.00	68.31

Institution ID: FIRST NATIONAL BANK ALASKA 12072

**Distribution of Branch and ATM Delivery System**

Distribution of Branch and ATM Delivery System				Geography: FNB ALASKA				Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2006									
MA/Assessment Area:	Deposits	Branches						ATMs				Population					
	% of Total Bank Deposits	# of Bank Branches	% of Total Bank Branches	Location of Branches by Income of Geographies (%)				# of Bank ATMs	% of Total Bank ATMs	Location of ATMs by Income of Geographies				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
FNBA - Anchorage	62.69	12	41.38	8	50	42	0	14	45.16	1	7	6	0	1.09	21.27	54.73	22.91
<b>Limited Review:</b>																	
FNBA - Bethel	1.80	1	3.45	0	0	100	0	0	0.00	0	0	0	0	0.00	0.00	100.00	0.00
FNBA - Fairbanks	6.15	3	10.34	0	0	100	0	4	12.90	0	0	4	0	0.00	6.23	67.22	26.55
FNBA - Haines	1.98	1	3.45	0	0	100	0	1	3.23	0	0	1	0	0.00	0.00	100.00	0.00
FNBA - Juneau	7.92	3	10.34	0	0	33	67	3	9.68	0	0	1	2	0.00	0.00	32.10	67.90
FNBA - Kenai	12.29	4	13.79	0	0	100	0	4	12.90	0	0	4	0	0.00	0.00	100.00	0.00
FNBA - Kodiak	2.30	1	3.45	0	0	100	0	1	3.23	0	0	1	0	0.00	0.00	34.25	65.75
FNBA - Sitka	1.87	1	3.45	0	0	100	0	1	3.23	0	0	1	0	0.00	0.00	100.00	0.00
FNBA - Valdez Cordova	3.01	3	10.34	0	33	0	67	3	9.68	0	1	0	2	0.00	31.69	0.00	68.31