CAPITAL PURCHASE PROGRAM (CPP) LENDING REPORT

Name of institution: Alaska Pacific Bank
Person to be contacted about this report: John E. Robertson
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RSSD (for Bank Holding Companies):
Holding Company Docket Number (for Thrift Holding Companies):
FDIC Certificate Number (for depository institutions):

LENDING ACTIVITY (Thousands $)	2009 FEB	2009 MAR	Key	Comments
1. Loan Balances				
a. Average Consumer Loans	$62,541	$61,919	Includes loans for personal, family, and household uses including residential mortgages, home equity loans and lines of credit, auto, boat, lot, and other consumer loans.	**Decline in activity reflects normal runoff of 1-4 family portfolio mortgage loans, a slowness in the home equity market, and the usual seasonal slowdown in the winter.**
b. Average Commercial Loans	$107,086	$105,716	Includes loans for commercial and industrial purposes to sole proprietorships, partnerships, and corporations, and other business enterprises, whether secured or unsecured, single-payment or installment. Also includes construction and land loans for commercial and residential development by builders and developers.	**Decline in activity reflects higher number in January (averaged in with February) because of chargeoffs taken, which reduced commercial loan outstandings, particularly in construction and land development loans.**
c. Total Loans (sum of lines a and b)	$169,627	$167,635		

2. General Market Commentary (optional)

In the markets in Southeast Alaska in which the bank operates, lending conditions have been somewhat unfavorable, largely due to consumer and commercial lack of confidence in the year ahead, but the commercial pipeline has picked up in March. Construction has slowed significantly, with very few new projects for either residential or commercial construction. Home equity lending is just starting to pick up going into April, while mortgage loan activity in both purchases and refinancings is experiencing good origination growth because of lower rates. Alaska Pacific Bank is not retaining most mortgages, but rather selling them to FHLMC and, less typically, to correspondent investors. Thus 1-4 mortgage family balances will continue to decline.