



FIRST BANK

*The **one** who's here.*

Dear First Bank Customers,

By now, I would expect that everyone has heard the news about the failures of both Silicon Valley Bank and Signature Bank. The general conditions surrounding the failures of these institutions were largely the same – namely highly concentrated deposit bases in interconnected industries (tech startups, venture capitalists, crypto firms) combined with insufficient liquidity to meet rapid deposit withdrawal demands.

Since 1924, First Bank has served the communities of Southeast Alaska with the goal of being in business for the long term. It's that principle that drives each decision we make, which has put our bank in a very solid financial position.

Namely, our liquidity and capital positions are strong and we have ample access to cash to meet withdrawal requests. We have a diversified customer base (deposits are not concentrated in any one industry). Our asset quality (loans and investments) is excellent and our non-performing loan ratios are some of the best in the industry. We have no exposure to the crypto industry, venture capital firms or tech startups. And finally, the majority of our customer deposits are fully secured by the federal government through FDIC insurance.

As an FDIC-insured bank, deposits are automatically insured up to at least \$250,000 per depositor, per FDIC-insured bank, and per ownership category (e.g. single, joint, trust, business, employee benefit, and certain retirement accounts). The www.fdic.gov website provides information on insurance rules, limits, and coverage by account type. We are also here to help you assess, understand, and structure your deposit accounts to ensure maximum FDIC coverage.

Despite the unfortunate events, the national banking system is resilient, and community banks remain safe, sound, and secure. We are here for you, and I encourage you to reach out to our team if you have any additional questions.

Sincerely,
Todd MacManus
President and CEO