

STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
DIVISION OF BANKING AND SECURITIES
P.O. BOX 110807
JUNEAU, ALASKA 99811-0807

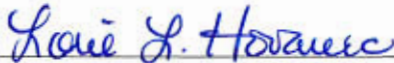
In the Matter of:)
DENALI STATE BANK) ALASKA ORDER #12-B-5
_____)

ORDER

Pursuant to AS 06.01.020, the Department of Commerce, Community, and Economic Development, Division of Banking and Securities finds that the exercise of the power conferred below and the limitation imposed below (1) serve the public convenience and advantage and (2) equalize and maintain the quality of competition between state financial institutions and federally chartered financial institutions.

NOW THEREFORE IT IS ORDERED that, effective June 21, 2012, notwithstanding AS 06.05.260, Denali State Bank may pledge assets to counterparties as collateral to secure the counterparties' exposure in interest rate swap transactions, under the same terms and conditions as national banks doing business in the state may pledge assets in swap transactions. Denali State Bank may pledge assets to enter into interest rate swap transactions for the sole purpose of managing interest rate risk, not for speculative purposes.

Issued at Anchorage, Alaska on the 21st day of June, 2012.



Lorie L. Hovanec, Director
Division of Banking and Securities