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2022
3RD QUARTER
SEPTEMBER 30
FINANCIAL
OVERVIEW

1 First National Bank
ALASKA
MEMBER FDIC

P.O. Box 100720
Anchorage, AK 99510-0720



Dear Shareholders,

As we approach the end of our Centennial year, First National reports another quarter of strong performance. Net income for the third quarter of 2022 grew 9% to \$15.7 million from \$14.4 million during the same period in 2021.

All earning asset classes contributed to total interest and loan fee income of \$41.5 million, or 18% growth as compared to the third quarter of 2021. Interest expense is higher on market rate increases, resulting in lower net interest margin of 2.63%.

Total assets remain strong at \$5.5 billion and customer deposits total \$5.1 billion. Earning asset quality remains high. Shareholders' equity at September 30 was \$389.1 million, a decrease of \$165.4 million year to date reflecting the unrealized loss on our security portfolio when marked to market with 375 basis points of external interest rate increase this year. Market value adjustments are excluded from regulatory capital ratios and the bank remains well-capitalized.

First National has enjoyed a grand celebration of its 100th year as Alaska's community bank. Now, it's time to fully focus on the road ahead. Heading into our second century, we feel a renewed sense of optimism and commitment to our incredible employees, the diverse communities we serve and our shareholders. First National will continue to help shape tomorrow for a brighter future for all Alaskans.

Part of that bright future is the upcoming holiday season. May it be a joyous and peaceful one for you, your family and those you hold most dear.

Sincerely,

Betsy Lawer
Betsy Lawer
BOARD CHAIR & CEO/PRESIDENT

Michele Schuh
Michele Schuh
EXECUTIVE VICE PRESIDENT
CHIEF FINANCIAL OFFICER

DIRECTORS

Betsy Lawer <i>Chair & CEO/President</i>	Margy K. Johnson Jane Klopfer
Lucy Mahan <i>Vice Chair</i>	Doug Longacre Pat Pitney
Tom Barrett	Tara Sweeney
John Binkley	Tom Tougas
Perry Eaton	Janet Weiss

Cheri Gillian

*Senior Executive Officer, Chief Administrative Officer
Central Administration Division, Board Secretary*

LOCATIONS

Cordova Branch	Cordova
Diamond Branch	Anchorage
Eagle River Branch	Eagle River
Eastchester Branch	Anchorage
Glennallen Branch	Glennallen
Golden Valley Branch	Fairbanks
Haines Branch	Haines
Healy Branch	Healy
Homer Branch	Homer
Johansen Branch	Fairbanks
Juneau Regional Branch	Juneau
Loan Production Office	Ketchikan
Kenai Branch	Kenai
Kodiak Branch	Kodiak
Kuskokwim Branch	Bethel
Metro Branch	Anchorage
Muldoon Branch	Anchorage
North Star Branch	JBER
Northern Lights Branch	Anchorage
Palmer Branch	Palmer
Seward Branch	Seward
Sitka Branch	Sitka
Soldotna Branch	Soldotna
South Center Branch	Anchorage
U-Med Branch	Anchorage
Valdez Branch	Valdez
Valley Centre Branch	Juneau
Wasilla Branch	Wasilla

Financial Overview (Unaudited)

Quarter Ended (\$ in thousands)

BALANCE SHEET	9/30/2022	6/30/2022	3/31/2022	12/31/2021	9/30/2021
Total Assets	\$ 5,502,968	\$ 5,373,051	\$ 5,393,217	\$ 5,581,340	\$ 5,521,126
Total Securities	\$ 2,863,905	\$ 2,817,076	\$ 2,878,295	\$ 2,842,950	\$ 2,670,064
Total Loans	\$ 2,169,670	\$ 2,172,230	\$ 2,107,885	\$ 2,127,271	\$ 2,245,532
Total Deposits	\$ 4,383,798	\$ 4,161,642	\$ 4,135,870	\$ 4,216,924	\$ 4,102,624
Repurchase Agreements	\$ 696,779	\$ 748,316	\$ 758,052	\$ 781,700	\$ 826,611
Total Deposits and Repurchase Agreements	\$ 5,080,577	\$ 4,909,958	\$ 4,893,922	\$ 4,998,624	\$ 4,929,235
Unrealized gain (loss) on marketable securities, net of tax	\$ (170,608)	\$ (109,987)	\$ (75,947)	\$ 8,266	\$ 25,014
Total Shareholders' Equity	\$ 389,118	\$ 444,218	\$ 474,019	\$ 554,530	\$ 565,069

INCOME STATEMENT

Net Interest and Loan Fee Income	\$ 36,987	\$ 35,489	\$ 34,700	\$ 38,758	\$ 34,669
Provision for Loan losses	\$ (1,129)	\$ 472	\$ (316)	\$ (660)	\$ 357
Total Noninterest Income	\$ 6,335	\$ 6,736	\$ 5,620	\$ 6,183	\$ 6,322
Total Noninterest Expense	\$ 23,306	\$ 22,554	\$ 22,262	\$ 23,811	\$ 21,432
Provision for Income Taxes	\$ 5,490	\$ 4,826	\$ 4,538	\$ 5,447	\$ 4,807
Net Income	\$ 15,655	\$ 14,373	\$ 13,836	\$ 16,343	\$ 14,395
Earnings per common share	\$ 4.94	\$ 4.54	\$ 4.37	\$ 5.16	\$ 4.55
Dividend per common share	\$ 3.20	\$ 3.20	\$ 3.20	\$ 3.20	\$ 6.40

FINANCIAL MEASURES

Return on Assets	1.05%	1.03%	1.01%	1.12%	1.11%
Return on Equity	12.56%	11.49%	10.76%	10.23%	9.76%
Net Interest Margin	2.63%	2.62%	2.60%	2.88%	2.89%
Yield on Loans	5.09%	4.97%	4.91%	5.12%	4.99%
Yield on Securities	1.33%	1.29%	1.27%	1.40%	1.45%
Cost of Interest Bearing Deposits	0.13%	0.09%	0.07%	0.05%	0.05%
Efficiency Ratio	53.76%	53.91%	54.78%	53.06%	53.23%

CAPITAL

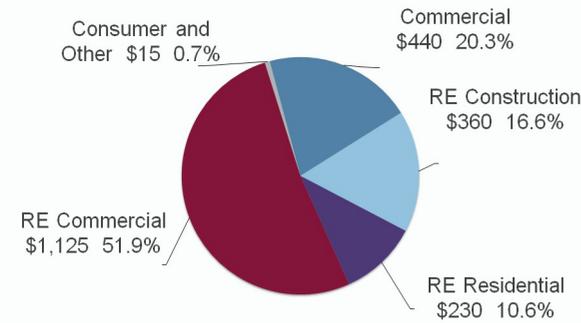
Shareholders' Equity/Total Assets	7.07%	8.27%	8.79%	9.94%	10.23%
Tier 1 Leverage Ratio	9.83%	10.03%	10.05%	9.81%	9.97%
Regulatory Well Capitalized Minimum Ratio - Tier 1 Leverage Ratio	5.00%	5.00%	5.00%	5.00%	5.00%
Tier 1 (Core) Capital	\$ 559,726	\$ 554,205	\$ 549,966	\$ 546,264	\$ 540,055

CREDIT QUALITY

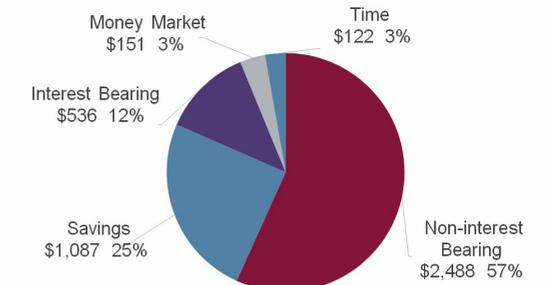
Noncurrent Loans and OREO	\$ 5,864	\$ 6,454	\$ 16,585	\$ 18,217	\$ 17,611
Noncurrent Loans and OREO/Total Assets	0.11%	0.12%	0.31%	0.33%	0.32%
Noncurrent Loans and OREO/Tier 1 Capital	1.05%	1.16%	3.02%	3.33%	3.26%
Allowance for Loan Losses	\$ 19,000	\$ 19,500	\$ 22,600	\$ 22,900	\$ 23,500
Allowance for Loan Losses/Total Loans	0.88%	0.90%	1.07%	1.08%	1.05%

Net interest margin, yields, and efficiency ratios are tax effected.
Financial measures are year-to-date.
Per common share amounts are not in thousands.

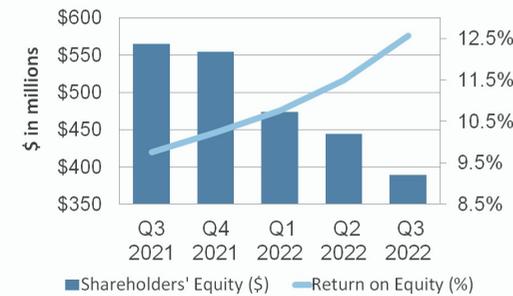
Loan Mix (\$ in millions)



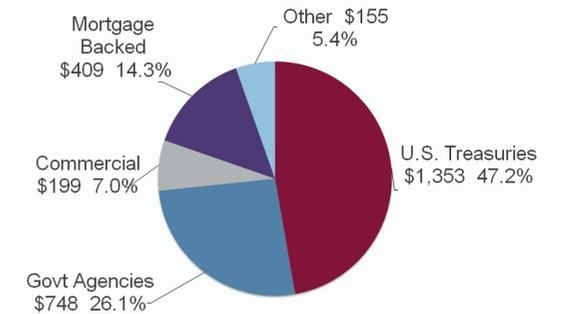
Deposit Mix (\$ in millions)



Shareholders' Equity and Return on Equity



Securities Mix (\$ in millions)



Net Income and Return on Assets



Dividend Per Share and Payout

