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2020
FINANCIAL OVERVIEW
1ST QUARTER MARCH 31



1 First National Bank
ALASKA

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

1 First National Bank
ALASKA MEMBER FDIC

Dear shareholders,

Net income of \$14.1 million for first quarter 2020 compares to \$13.5 million during the same period of 2019. Higher income produced an improved return on assets of 1.49% compared to 1.45% for Q1 2019. Net interest and loan fee income increased 4.8% to \$34.5 million compared to \$32.9 million the same period last year primarily due to loan growth and lower interest expense. The bank's net interest margin increased to 3.76% from 3.65% for Q1 2019.

Noninterest income for the quarter increased 10.4% when compared to the same period 2019 due to higher gains on mortgage loan origination and on sale of investment securities. Noninterest expense for the quarter increased 6.9% when compared to the same period last year on increases in salaries and employee benefits, partially offset by lower overall operating expenses. The bank's measure of operating efficiency, the efficiency ratio, remains below peer averages at 52.3%.

The world, faced with the COVID-19 pandemic, has certainly changed since the end of the first quarter. These extraordinary times have led to an extraordinary response by all Alaskans in the face of rapid global change.

Over the past month, the team at First National Bank Alaska has responded quickly to provide essential banking service to Alaskans when they need them most. A shining example is how the team worked in shifts around the clock to obtain SBA Payroll Protection Plan loans before the allocated funding ran out.

With this amazing team and nearly a century of experience to guide us, we look forward to helping Alaskans as we all rise up to the challenges of moving forward in this new environment.

May you and your loved ones stay safe and healthy in the coming days.

Sincerely,

Betsy Lawer

Betsy Lawer
Board Chair & Chief Executive Officer

Michele Schuh

Michele Schuh
Executive Vice President
& Chief Financial Officer

DIRECTORS

Betsy Lawer
Chair & CEO

Lucy Mahan
Vice Chair

Doug Longacre
President

Tom Barrett
Perry Eaton

Margy K. Johnson

Jane Klopfer

Julie Taylor

Tom Tougas

Cheri Gillian

Executive Vice President & Board Secretary

BRANCHES

Cordova Branch Cordova

Dimond 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

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

Parkway Branch Anchorage

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	3/31/2020	12/31/2019	9/30/2019	6/30/2019	3/31/2019
Total Assets	\$3,859,319	\$3,808,254	\$3,845,102	\$3,762,718	\$3,706,753
Total Securities	\$1,501,474	\$1,588,721	\$1,610,877	\$1,526,280	\$1,559,797
Total Loans	\$2,003,829	\$2,011,611	\$2,017,627	\$2,000,235	\$1,986,105
Total Deposits	\$2,430,983	\$2,387,785	\$2,439,906	\$2,362,101	\$2,370,843
Repurchase Agreements	\$ 822,835	\$ 859,425	\$ 842,510	\$ 850,936	\$ 795,280
Total Deposits and Repurchase Agreements	\$3,253,818	\$3,247,210	\$3,282,416	\$3,213,037	\$3,166,123
Total Shareholders' Equity	\$ 575,774	\$ 547,682	\$ 545,743	\$ 534,655	\$ 518,721

INCOME STATEMENT

Net Interest and Loan Fee Income	\$ 34,520	\$ 35,579	\$ 34,773	\$ 33,544	\$ 32,945
Provision for Loan losses	\$ (36)	\$ (3)	\$ 179	\$ 111	\$ 11
Total Noninterest Income	\$ 5,757	\$ 5,917	\$ 6,284	\$ 5,898	\$ 5,213
Total Noninterest Expense	\$ 21,454	\$ 22,863	\$ 21,015	\$ 21,897	\$ 20,062
Provision for Income Taxes	\$ 4,711	\$ 4,406	\$ 5,035	\$ 4,379	\$ 4,553
Net Income	\$ 14,148	\$ 14,230	\$ 14,828	\$ 13,055	\$ 13,532
Earnings per common share	\$ 4.47	\$ 4.49	\$ 4.68	\$ 4.12	\$ 4.27
Dividend per common share	\$ 3.20	\$ 3.20	\$ 3.20	\$ 3.20	\$ 4.80

FINANCIAL MEASURES

Return on Assets	1.49%	1.47%	1.47%	1.43%	1.45%
Return on Equity	10.07%	10.48%	10.49%	10.22%	10.56%
Net Interest Margin	3.76%	3.74%	3.72%	3.69%	3.65%
Efficiency Ratio	52.98%	53.26%	52.77%	53.71%	52.17%

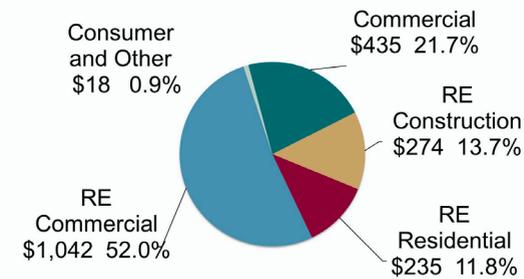
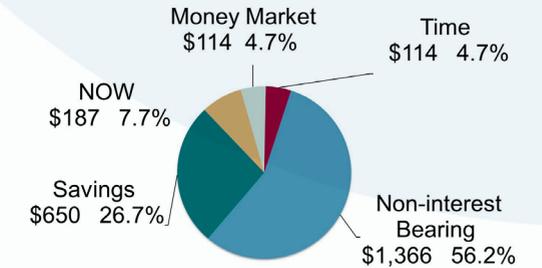
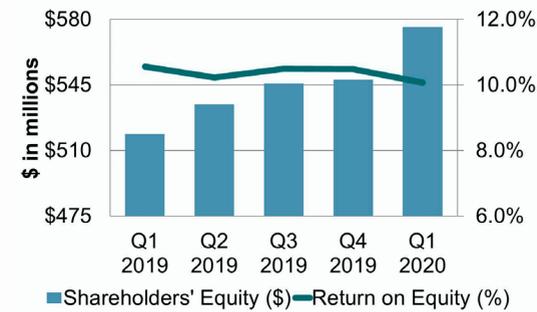
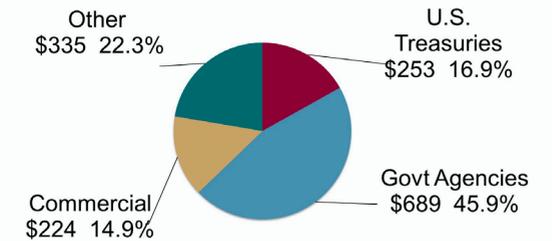
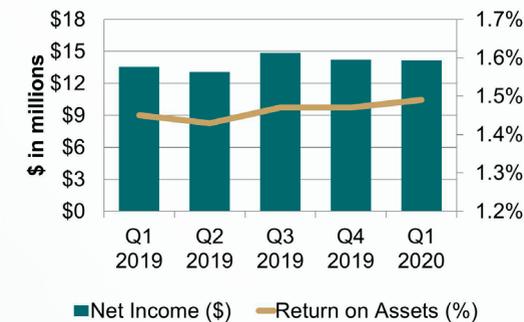
CAPITAL

Shareholders' Equity/Total Assets	14.92%	14.38%	14.19%	14.21%	13.99%
Tier 1 Leverage Ratio	14.14%	13.76%	13.87%	14.10%	13.98%
Regulatory Well Capitalized Minimum Ratio - Tier 1					
Leverage Ratio	5.00%	5.00%	5.00%	5.00%	5.00%
Tier 1 (Core) Capital	\$ 535,669	\$ 531,807	\$ 527,965	\$ 523,297	\$ 520,382

CREDIT QUALITY

Noncurrent Loans and OREO	\$ 11,653	\$ 8,235	\$ 9,265	\$ 9,083	\$ 9,540
Noncurrent Loans and OREO/Total Assets	0.30%	0.22%	0.24%	0.24%	0.26%
Noncurrent Loans and OREO/Tier 1 Capital	2.18%	1.55%	1.75%	1.74%	1.83%
Allowance for Loan Losses	\$ 19,500	\$ 19,500	\$ 19,500	\$ 19,500	\$ 19,500
Allowance for Loan Losses/Total Loans	0.97%	0.97%	0.97%	0.97%	0.98%

*Net interest margin and efficiency ratios are tax effected.
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
