

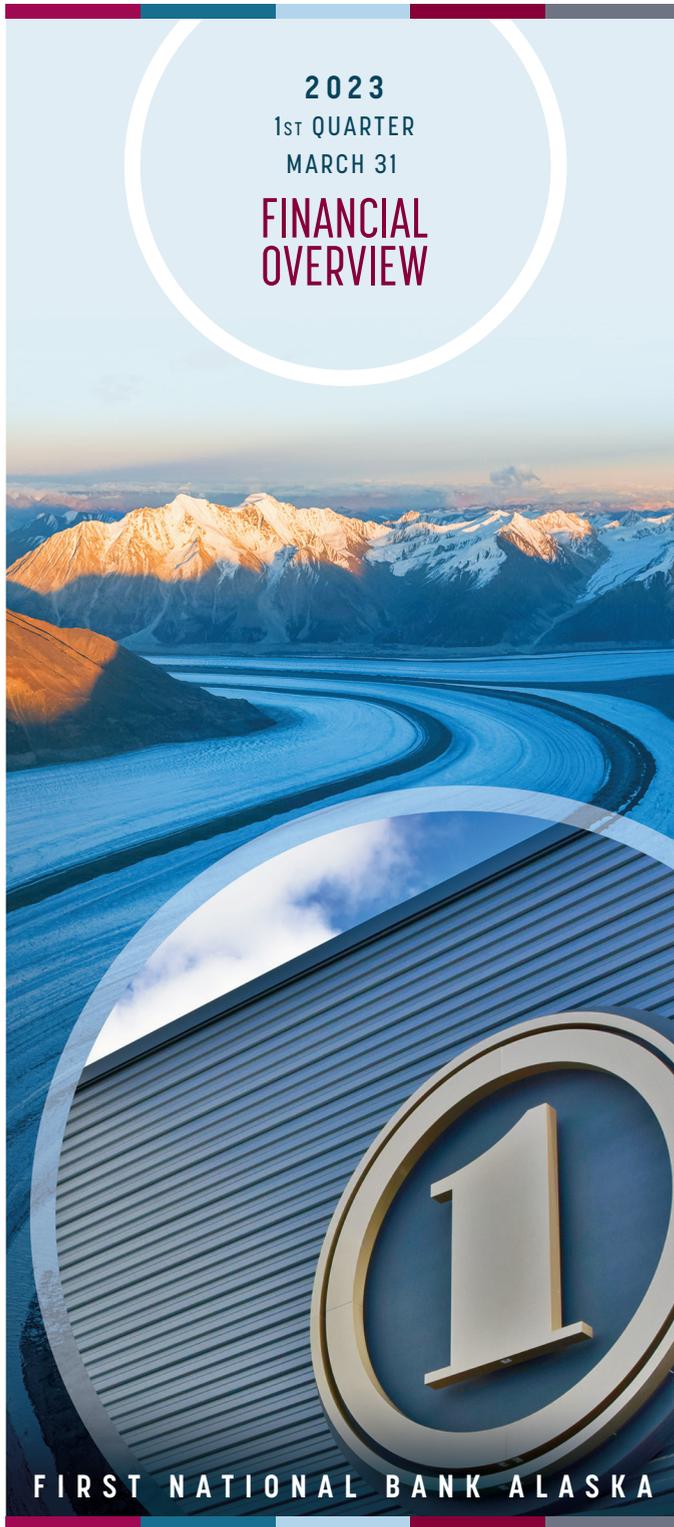
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PERMIT NO. 175



MEMBER FDIC

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

2023
1ST QUARTER
MARCH 31
**FINANCIAL
OVERVIEW**



FIRST NATIONAL BANK ALASKA

Dear Shareholders,

As we enter the bank's second century of operation, you can count on First National Bank Alaska's experienced leadership team to bring clarity to what lies ahead for your bank in the ever-evolving financial environment.

First quarter net income was \$13.5 million, compared to first quarter 2022 net income of \$13.8 million. On rising interest rates, total net interest and loan fee income grew to \$37.2 million, \$2.2 million higher than in 2022.

During the pandemic, deposit levels surged by \$1.75 billion. Customers are now deploying those funds for business activity and investment. Bank deposits decreased \$235 million during the first quarter to \$4.7 billion. Total assets are \$5.5 billion, and credit asset quality remains strong. Shareholders' equity at March 31, 2023, grew to \$428.6 million, an increase of \$21.0 million year to date, on a reduction of unrealized losses in the securities portfolio.

Recent events in the banking industry have raised concerns about the safety and soundness of financial institutions. The bank's long history of safe, secure banking decisions is one of the many reasons First National is not at risk from the challenges facing banks recently in the news.

For more than a century, First National has weathered the booms and busts of Alaska, our country, and the world, safeguarding deposits, ensuring a good working environment for employees, and giving back to the communities where we live and work. As we adapt to changing economic conditions, First National will continue to make well-reasoned business decisions to overcome challenges and take advantage of opportunities. We appreciate your continued confidence in our bank.

Betsy Lawer
Betsy Lawer
BOARD CHAIR & CEO/PRESIDENT

Michele Schuh
Michele Schuh
EXECUTIVE VICE PRESIDENT
CHIEF FINANCIAL OFFICER

DIRECTORS

Betsy Lawer CHAIR & CEO/PRESIDENT	Margy K. Johnson Jane Klopfer
Lucy Mahan VICE CHAIR	Doug Longacre
Tom Barrett	Pat Pitney
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
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
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	3/31/2023	12/31/2022	9/30/2022	6/30/2022	3/31/2022
Total Assets	\$ 5,473,245	\$ 5,337,737	\$ 5,502,968	\$ 5,373,051	\$ 5,393,217
Total Securities	\$ 2,606,018	\$ 2,815,357	\$ 2,863,905	\$ 2,817,076	\$ 2,878,295
Total Loans	\$ 2,283,553	\$ 2,227,047	\$ 2,169,670	\$ 2,172,230	\$ 2,107,885
Total Deposits	\$ 3,989,843	\$ 4,224,857	\$ 4,383,798	\$ 4,161,642	\$ 4,135,870
Repurchase Agreements	\$ 671,532	\$ 670,974	\$ 696,779	\$ 748,316	\$ 758,052
Total Deposits and Repurchase Agreements	\$ 4,661,375	\$ 4,895,831	\$ 5,080,577	\$ 4,909,958	\$ 4,893,922
Total Borrowing	\$ 350,000	\$	\$	\$	\$
Unrealized gain (loss) on marketable securities, net of tax	\$ (128,594)	\$ (146,279)	\$ (170,608)	\$ (109,987)	\$ (75,947)
Total Shareholders' Equity	\$ 428,555	\$ 407,550	\$ 389,118	\$ 444,218	\$ 474,019

INCOME STATEMENT

Net Interest and Loan Fee Income	\$ 37,771	\$ 38,194	\$ 36,987	\$ 35,489	\$ 34,700
Provision for Loan losses	\$ 600	\$ (276)	\$ (1,129)	\$ 472	\$ (316)
Total Noninterest Income	\$ 5,484	\$ 5,916	\$ 6,335	\$ 6,736	\$ 5,620
Total Noninterest Expense	\$ 24,392	\$ 24,952	\$ 23,306	\$ 22,554	\$ 22,262
Provision for Income Taxes	\$ 4,809	\$ 5,063	\$ 5,490	\$ 4,826	\$ 4,538
Net Income	\$ 13,454	\$ 14,371	\$ 15,655	\$ 14,373	\$ 13,836
Earnings per common share	\$ 4.25	\$ 4.54	\$ 4.94	\$ 4.54	\$ 4.37
Dividend per common share	\$ 3.20	\$ 6.40	\$ 3.20	\$ 3.20	\$ 3.20

FINANCIAL MEASURES

Return on Assets	0.98%	1.04%	1.05%	1.03%	1.01%
Return on Equity	12.87%	12.83%	12.56%	11.49%	10.76%
Net Interest Margin	2.84%	2.66%	2.63%	2.62%	2.60%
Yield on Loans	5.81%	5.22%	5.09%	4.97%	4.91%
Yield on Securities	1.72%	1.40%	1.33%	1.29%	1.27%
Cost of Interest Bearing Deposits	0.65%	0.21%	0.13%	0.09%	0.07%
Efficiency Ratio	55.66%	54.34%	53.76%	53.91%	54.78%

CAPITAL

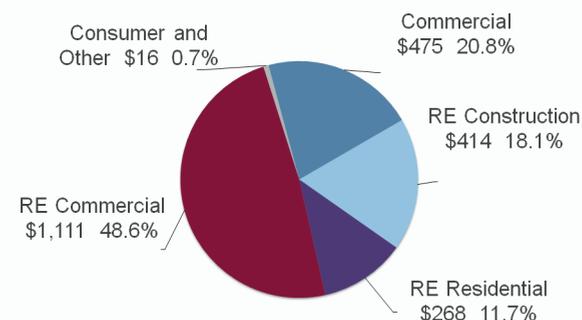
Shareholders' Equity/Total Assets	7.83%	7.64%	7.07%	8.27%	8.79%
Tier 1 Leverage Ratio	10.20%	9.64%	9.83%	10.03%	10.05%
Regulatory Well Capitalized Minimum Ratio - Tier 1 Leverage Ratio	5.00%	5.00%	5.00%	5.00%	5.00%
Tier 1 (Core) Capital	\$ 557,149	\$ 553,829	\$ 559,726	\$ 554,205	\$ 549,966

CREDIT QUALITY

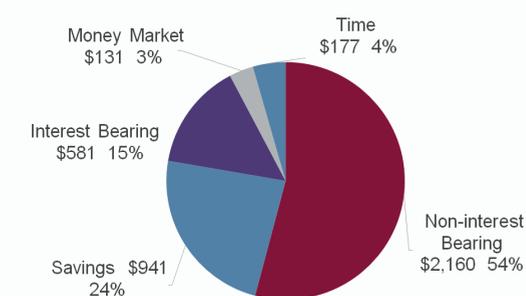
Noncurrent Loans and OREO	\$ 4,984	\$ 5,899	\$ 5,864	\$ 6,454	\$ 16,58
Noncurrent Loans and OREO/Total Assets	0.09%	0.11%	0.11%	0.12%	0.31%
Noncurrent Loans and OREO/Tier 1 Capital	0.89%	1.07%	1.05%	1.16%	3.02%
Allowance for Loan Losses	\$ 19,050	\$ 18,800	\$ 19,000	\$ 19,500	\$ 22,600
Allowance for Loan Losses/Total Loans	0.83%	0.84%	0.88%	0.90%	1.07%

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

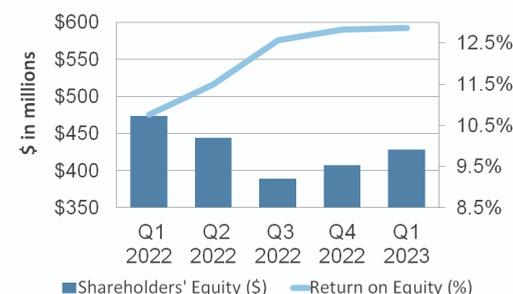
Loan Mix (\$ in millions)



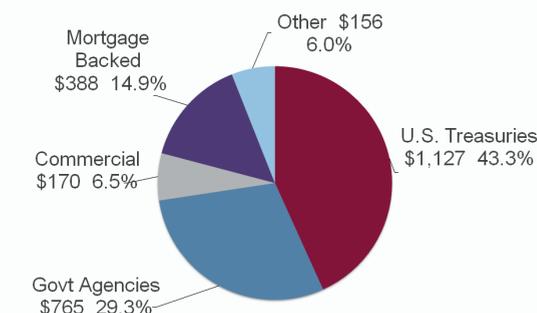
Deposit Mix (\$ in millions)



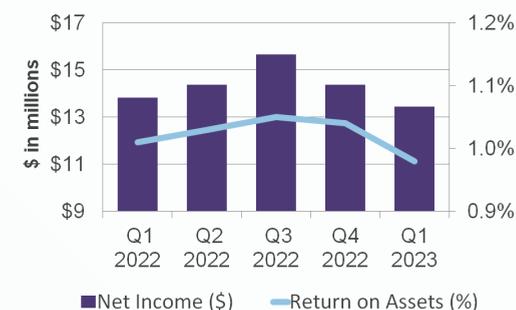
Shareholders' Equity and Return on Equity



Securities Mix (\$ in millions)



Net Income and Return on Assets



Dividend Per Share and Payout

