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First National Bank
A L A S K A

2024 | 3rd QUARTER | SEPT 30
FINANCIAL OVERVIEW

Dear Shareholders,

First National Bank Alaska's mission to "furnish employees with competitive salaries and a pleasant working environment" recently helped put two more feathers in our cap. The bank was voted "Best of Alaska" in the *Anchorage Daily News* awards, ranking First National as one of the top three in the Bank/Financial category for the sixth year in a row. *American Banker* also recognized First National as a "Best Bank to Work For" for the seventh consecutive year.

Solid 2024 performance continued as third quarter net income improved 15.9%, reaching \$18.0 million from \$15.5 million during the same period in 2023. Total net interest and loan fee income reached \$43.3 million, \$4.6 million higher than the same period in 2023, driven by loan growth and improving yields on earning assets.

First National carried out \$340.0 million in tactical borrowing, which funded yield-improving securities during the third quarter 2024, bringing the bank's total assets to \$5.6 billion at quarter-end. Return on assets as of September 30 was 1.15%, eleven basis points higher than 2023 on strong net income performance.

Deposits and repos decreased \$161.9 million as pandemic-era deposit growth continues to be deployed into the economy. Shareholders' equity at September 30 increased to \$527.9 million on retained net income and a decreasing unrealized loss position in the securities portfolio. Return on equity improved to 12.90% for the quarter.

The consistent recognition of the bank and our 600-plus employees mentioned above underscores what executive management, employees and shareholders all know well. The respect and appreciation for our employees, an essential part of the bank's culture, is an indispensable contributor to First National's continued positive performance as we help Alaskans shape a brighter tomorrow.

Sincerely,

Betsy Lawer
Betsy Lawer
BOARD CHAIR & CEO/PRESIDENT

Michele Schuh
Michele Schuh
CHIEF FINANCIAL OFFICER

DIRECTORS

Betsy Lawer CHAIR & CEO/PRESIDENT	Jane Klopfer
Lucy Mahan VICE CHAIR	Doug Longacre
Tom Barrett	Pat Pitney
John Binkley	Kim Reitmeier
Perry Eaton	Lukas Stutzer
Darren Franz	Tom Tougas
	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)*

BALANCE SHEET

	9/30/2024	6/30/2024	3/31/2024	12/31/2023	9/30/2023
Total Assets	\$ 5,557,306	\$ 5,116,066	\$ 5,212,976	\$ 5,730,835	\$ 5,559,883
Total Securities	\$ 2,602,519	\$ 2,197,788	\$ 2,404,078	\$ 2,384,951	\$ 2,331,129
Total Loans	\$ 2,445,596	\$ 2,391,593	\$ 2,369,282	\$ 2,273,311	\$ 2,318,454
Total Deposits	\$ 3,728,181	\$ 3,698,631	\$ 3,665,066	\$ 3,780,018	\$ 3,911,091
Repurchase Agreements	\$ 647,043	\$ 615,096	\$ 571,463	\$ 629,280	\$ 626,082
Total Deposits and Repurchase Agreements	\$ 4,375,224	\$ 4,313,727	\$ 4,236,529	\$ 4,409,298	\$ 4,537,173
Total Borrowing under the Federal Reserve Bank Term Funding Program	\$ 249,868	\$ 249,868	\$ 430,000	\$ 780,000	\$ 530,000
Unrealized gain (loss) on marketable securities, net of tax	\$ (52,020)	\$ (86,857)	\$ (95,809)	\$ (98,378)	\$ (143,514)
Total Shareholders' Equity	\$ 527,864	\$ 485,167	\$ 470,702	\$ 464,791	\$ 423,343

INCOME STATEMENT

Net Interest and Loan Fee Income	\$ 43,296	\$ 40,252	\$ 38,325	\$ 40,958	\$ 38,739
Provision for Loan losses	\$ (432)	\$ 318	\$ 953	\$ (344)	\$ (387)
Total Noninterest Income	\$ 7,293	\$ 7,389	\$ 6,540	\$ 6,522	\$ 6,774
Total Noninterest Expense	\$ 25,928	\$ 25,637	\$ 25,085	\$ 24,651	\$ 24,465
Provision for Income Taxes	\$ 7,099	\$ 6,039	\$ 5,351	\$ 6,593	\$ 5,916
Net Income	\$ 17,994	\$ 15,647	\$ 13,476	\$ 16,580	\$ 15,519
Earnings per common share	\$ 5.68	\$ 4.94	\$ 4.26	\$ 5.23	\$ 4.90
Dividend per common share	\$ 3.20	\$ 3.20	\$ 3.20	\$ 6.40	\$ 3.20

FINANCIAL MEASURES

Return on Assets	1.15%	1.08%	0.95%	1.07%	1.04%
Return on Equity	12.90%	12.30%	11.52%	13.97%	13.76%
Net Interest Margin	3.04%	2.98%	2.76%	2.82%	2.78%
Yield on Loans	6.65%	6.55%	6.40%	6.25%	6.08%
Yield on Securities	2.49%	2.33%	2.36%	1.66%	1.65%
Cost of Interest Bearing Deposits	1.62%	1.60%	1.55%	1.02%	0.92%
Efficiency Ratio	53.59%	54.94%	56.00%	54.28%	55.16%

CAPITAL

Shareholders' Equity/Total Assets	9.50%	9.48%	9.03%	8.11%	7.61%
Tier 1 Leverage Ratio	10.39%	11.12%	9.96%	9.85%	9.98%
Regulatory Well Capitalized Minimum Ratio – Tier 1 Leverage Ratio	5.00%	5.00%	5.00%	5.00%	5.00%
Tier 1 (Core) Capital	\$579,884	\$572,024	\$566,511	\$563,169	\$566,857

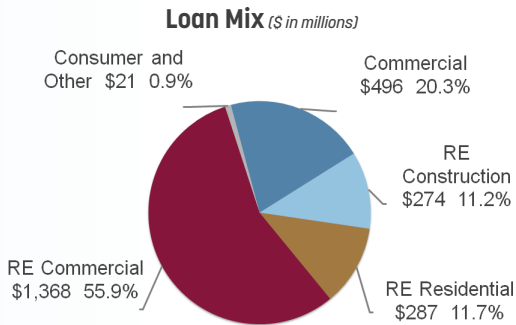
CREDIT QUALITY

Noncurrent Loans and OREO	\$ 4,186	\$ 4,731	\$ 28,634	\$ 4,659	\$ 5,227
Noncurrent Loans and OREO/Total Assets	0.08%	0.09%	0.55%	0.08%	0.09%
Noncurrent Loans and OREO/Tier 1 Capital	0.72%	0.83%	5.05%	0.83%	0.92%
Allowance for Loan Losses	\$ 18,550	\$ 19,000	\$ 18,800	\$ 17,750	\$ 18,475
Allowance for Loan Losses/Total Loans	0.76%	0.79%	0.79%	0.78%	0.80%

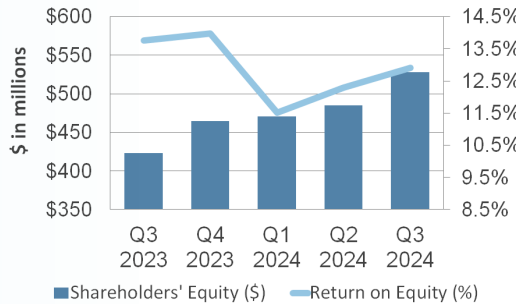
Quarter Ended *(\$ in thousands)*

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

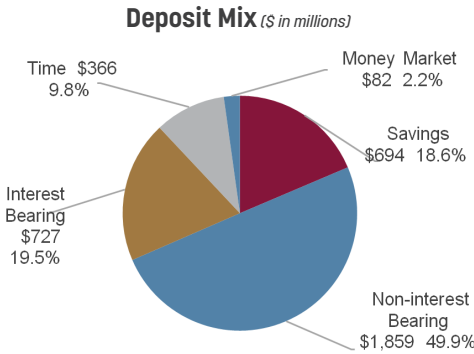
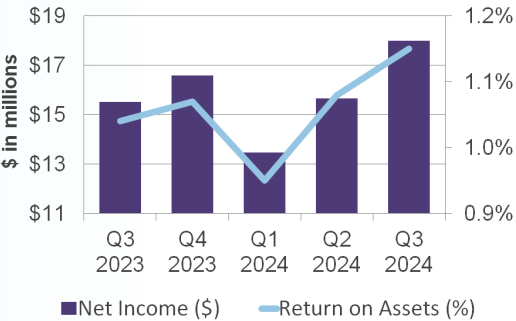
Shape Your Tomorrow



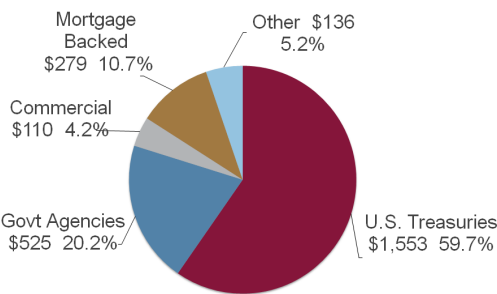
Shareholders' Equity and Return on Equity



Net Income and Return on Assets



Securities Mix *(\$ in millions)*



Dividend Share and Payout

