



Quarterly Financial Overview Q1 2026

First National Bank Alaska's (OTCQX:FBAK) net income for the first quarter of 2026 was \$21.2 million, or \$6.68 per share. This compares to a net income of \$17.7 million, or \$5.60 per share, for the same period in 2025. Return on assets increased to 1.67%, an improvement of 25 basis points over March 31, 2025, driven by higher net income.

“First National’s strong financial performance in the first quarter reflects continued growth, supported by outstanding financial management and improving core earnings from a stronger asset mix and expanding margins,” said First National Board Chair and CEO/President Betsy Lawer. “This success was reflected in the equity market, as our stock reached new highs and surpassed \$1 billion for the first time. I’m proud to work alongside more than 600 Alaskans guided by an exceptionally skilled Board of Directors and leadership team who remain focused on delivering trusted financial services to support communities across Alaska.”

Assets totaled \$5.1 billion as of March 31, 2026, an increase of \$193.9 million from March 31, 2025, driven by strong deposit growth and retained earnings.

Loans totaled \$2.8 billion as of March 31, 2026, an increase of \$98.8 million during the first quarter of 2026, and an increase of \$203.7 million compared to March 31, 2025. Asset quality remained strong, with nonperforming loans at \$12.2 million, or 0.43% of outstanding loans. The provision for credit losses in the first quarter was a benefit of \$0.3 million, compared to an expense of \$1.5 million in the same period of 2025. The allowance for credit losses as of March 31, 2026, totaled \$21.4 million, or 0.76% of total loans.

Interest and fees on loans in the first quarter totaled \$45.1 million, an increase of \$4.0 million, or 9.6%, from \$41.1 million in the first quarter of 2025. Interest income on investment securities increased \$1.7 million for the quarter ending March 31, 2026, compared to March 31, 2025. Interest income as a percentage of average earning assets increased to 4.87% compared to 4.61% as of March 31, 2025.

Deposits and repurchase agreements totaled \$4.4 billion, an increase of \$152.1 million from March 31, 2025. Corresponding interest expense declined by \$1 million for the first quarter of 2026, compared to the same period in 2025. Interest expense as a percentage of average earning assets decreased to 89 basis points for the quarter, down from 98 basis points as of March 31, 2025.

Net interest margin increased to 3.98% as of March 31, 2026, up from 3.63% from March 31, 2025, driven by improvements in both yield on earning assets and cost of funds management.

Noninterest operating income for the first quarter of 2026 was \$7.0 million, a \$0.1 million increase compared to the first quarter of 2025.

Noninterest expenses for the first quarter of 2026 rose by \$2.5 million, or 10.1%, primarily due to higher salaries, increased employee headcount, and rising healthcare costs.

The efficiency ratio for March 31, 2026, was 49.81%, comparable to the ratio for March 31, 2025. First National's management team remained committed to maintaining operating expenses as a percentage of revenue, despite inflation, while enhancing customer systems, business processes, and facilities.

Shareholders' equity was \$576.4 million as of March 31, 2026, compared to \$535.1 million as of March 31, 2025. Shareholders' equity increased by \$41.3 million year to date, driven by a reduction in the net unrealized loss position of the securities portfolio and net income retained in excess of dividends paid. Return on equity as of March 31, 2026, was 14.78%, up from 13.49% as of March 31, 2025. Book value per share increased to \$182.02, compared to \$168.98 as of March 31, 2025. The bank's Tier 1 leverage capital ratio of 11.90% as of March 31, 2026, remains above well-capitalized standards.

Financial Overview (Unaudited)

Quarter Ended (\$ in thousands)

Balance Sheet

	9/30/2025	6/30/2025	3/31/2025	12/31/2024	9/30/2024
Total Assets	\$5,083,974	\$5,099,945	\$5,243,993	\$4,923,803	\$4,890,081
Total Securities	\$1,861,127	\$1,989,022	\$2,002,118	\$1,859,645	\$1,882,332
Total Loans	\$2,810,797	\$2,711,964	\$2,590,699	\$2,591,713	\$2,607,081
Total Deposits	\$3,710,395	\$3,734,714	\$3,808,022	\$3,586,204	\$3,580,147
Repurchase Agreements	\$738,789	\$739,103	\$804,589	\$731,808	\$716,908
Total Deposits and Repurchase Agreements	\$4,449,184	\$4,473,817	\$4,612,611	\$4,318,012	\$4,297,055
Total Borrowing under Federal Bank Credit Facilities	\$(25,812)	\$(24,502)	\$(31,296)	\$(40,193)	\$(49,465)
Unrealized Gain (Loss) on Marketable Securities, Net of Tax	\$576,437	\$569,246	\$567,724	\$550,135	\$535,148
Total Shareholders' Equity	\$5,083,974	\$5,099,945	\$5,243,993	\$4,923,803	\$4,890,081

Income Statement

	9/30/2025	6/30/2025	3/31/2025	12/31/2024	9/30/2024
Interest and Fees on Loans	\$45,111	\$44,730	\$44,116	\$43,212	\$41,150
Interest and Dividends on Investment Securities	\$12,882	\$14,451	\$12,229	\$10,818	\$11,150
Interest on Cash and Cash Equivalents	\$1,937	\$3,828	\$4,381	\$2,969	\$3,563
Total Interest and Loan Fee Income	\$59,930	\$63,009	\$60,726	\$56,999	\$55,863
Total Interest Expense	\$10,948	\$11,853	\$12,155	\$11,842	\$11,956
Provision for Credit Losses	\$(274)	\$2,209	\$436	\$631	\$1,535
Total Noninterest Operating Income	\$6,981	\$7,203	\$7,596	\$7,363	\$6,910
Net Gains (Loss) on Investment Securities	\$(48)	\$-	\$-	\$-	\$-
Total Noninterest Expense	\$27,883	\$29,725	\$26,802	\$27,083	\$25,334
Provision for Income Taxes	\$7,137	\$6,362	\$7,570	\$6,423	\$6,214
Net Income	\$21,169	\$20,063	\$21,359	\$18,383	\$17,734
Earnings per Common Share	\$6.68	\$6.33	\$6.75	\$5.80	\$5.60
Dividend per Common Share	\$4.00	\$8.00	\$4.00	\$4.00	\$4.00

Financial Measures

	9/30/2025	6/30/2025	3/31/2025	12/31/2024	9/30/2024
Return on Assets	1.67%	1.53%	1.53%	1.46%	1.42%
Return on Equity	14.78%	14.16%	14.13%	13.53%	13.49%
Net Interest Margin	3.98%	3.82%	3.76%	3.69%	3.63%
Interest Income to Average Earning Assets	4.87%	4.78%	4.74%	4.67%	4.61%
Interest Expense to Average Earning Assets	0.89%	0.96%	0.98%	0.98%	0.98%
Efficiency Ratio	49.81%	49.86%	49.52%	50.58%	49.70%

Capital

	9/30/2025	6/30/2025	3/31/2025	12/31/2024	9/30/2024
Shareholders' Equity/Total Assets	11.34%	11.16%	10.83%	11.17%	10.94%
Tier 1 Leverage Ratio	11.90%	11.27%	11.70%	11.95%	11.72%
Regulatory Well Capitalized Minimum Ratio - Tier 1 Leverage Ratio	5.00%	5.00%	5.00%	5.00%	5.00%
Tier 1 (Core) Capital	\$602,249	\$593,748	\$599,020	\$590,328	\$584,613

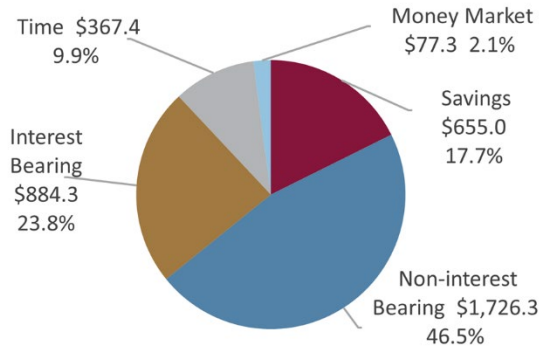
Credit Quality

	9/30/2025	6/30/2025	3/31/2025	12/31/2024	9/30/2024
Nonperforming Loans and OREO	\$12,209	\$10,636	\$10,847	\$9,802	\$4,243
Nonperforming Loans and OREO/Total Loans	0.43%	0.39%	0.42%	0.38%	0.16%
Nonperforming Loans and OREO/Tier 1 Capital	2.03%	1.79%	1.81%	1.66%	0.73%
Allowance for Loan Losses	\$21,400	\$21,450	\$20,100	\$20,025	\$19,500
Allowance for Loan Losses/Total Loans	0.76%	0.79%	0.78%	0.77%	0.75%

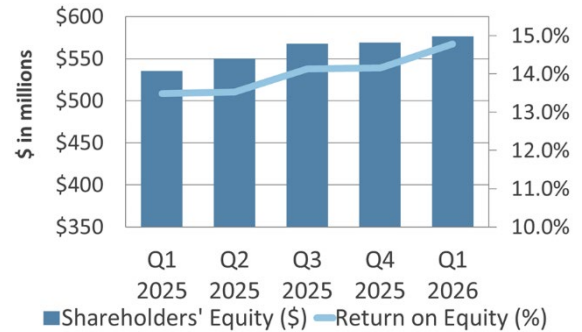
Net interest margin, yields, and efficiency ratios are tax effected. Financial measures are year-to-date. Per common share amounts are not in thousands.

Financial Graphs

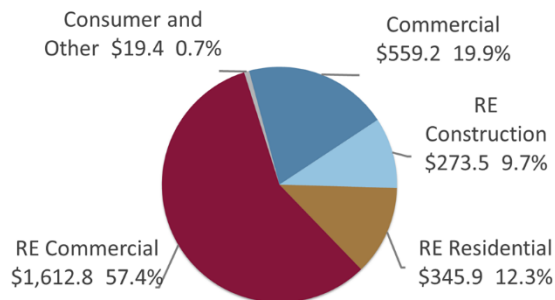
Deposit Mix (\$ in millions)



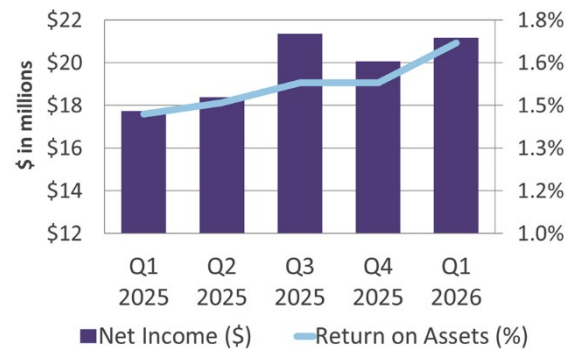
Shareholders' Equity and Return on Equity



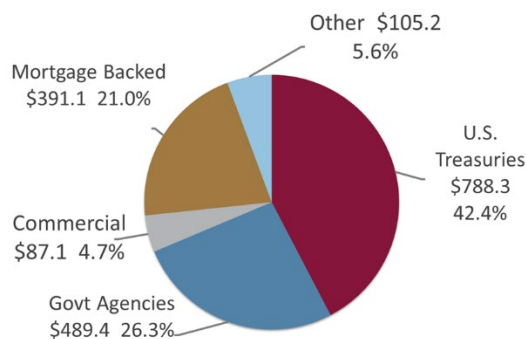
Loan Mix (\$ in millions)



Net Income and Return on Assets



Securities Mix (\$ in millions)



Dividend Per Share and Payout

