Quarterly Financial Overview Q2 2026

First National Bank Alaska's (OTCQX:FBAK) net income for the second quarter of 2026 was $20.8 million, or $6.58 per share. This compares to a net income of $18.4 million, or $5.80 per share, for the same period in 2025. Return on assets increased to 1.65%, an improvement of 19 basis points over June 30, 2025, driven by strong net income performance.

"Our second quarter results reinforce we're executing the right strategies for long-term success," said First National Board Chair and CEO/President Betsy Lawer. "Year-over-year improvements in return on assets along with continued growth in loans, deposits and net income reflect our focus on sound financial stewardship. Through the clear vision of the bank's Board of Directors, management team and efforts of more than 600 employees, we remain focused on creating lasting value for our shareholders while strengthening the communities we proudly serve."

Assets totaled $5.1 billion as of June 30, 2026, an increase of $200.0 million from June 30, 2025, driven by strong deposit growth over the past year.

Loans totaled $2.8 billion as of June 30, 2026, an increase of $11.7 million during the second quarter of 2026, an increase of $110.5 year-to-date, and an increase of $230.8 million compared to June 30, 2025. Asset quality remained strong, with nonperforming loans at $13.2 million, or 0.47% of outstanding loans as of June 30, 2026. The provision for credit losses in the second quarter of $1.2 million provided reserves for portfolio growth and individually evaluated loans. The allowance for credit losses as of June 30, 2026, totaled $22.4 million, or 0.79% of total loans, compared to 0.79% and 0.77% as of December 31, 2025, and June 30, 2025.

Interest and fees on loans in the second quarter totaled $46.4 million, an increase of $3.2 million, or 7.4%, from $43.2 million in the second quarter of 2025. Interest income on investment securities increased $2.4 million for the quarter ending June 30, 2026, compared to June 30, 2025. Interest income as a percentage of average earning assets increased to 4.91% compared to 4.67% as of June 30, 2025.

Deposits and repurchase agreements totaled $4.5 billion, an increase of $152.1 million from June 30, 2025. Corresponding interest expense decreased $0.4 million for the second quarter of 2026, compared to the same period in 2025. Interest expense as a percentage of average earning assets decreased to 90 basis points for the quarter, compared to 98 basis points as of June 30, 2025.

Net interest margin increased to 4.01% as of June 30, 2026, compared to 3.69% from June 30, 2025, driven by improvement in yield on earning assets and loan growth driving improvement on earning asset mix.

The efficiency ratio for June 30, 2026, was 49.48%, a decrease compared to the 50.58% ratio for June 30, 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.

Noninterest operating income for the second quarter of 2026 was $7.4 million, a $0.1 million increase compared to the second quarter of 2025.

Noninterest expenses for the second quarter of 2026 rose by $1.5 million, or 5.5%, primarily due to higher salaries and increased employee headcount.

Shareholders' equity was $585.2 million as of June 30, 2026, compared to $550.1 million as of June 30, 2025. Shareholders' equity increased by $16.0 million year to date, driven by net income retained in excess of dividends paid. Return on equity increased to 14.56% as of June 30, 2026, compared to 13.53% as of June 30, 2025. Book value per share increased to $184.79, compared to $173.71 as of June 30, 2025. The bank's Tier 1 leverage capital ratio of 11.95% as of June 30, 2026, remains above well-capitalized standards.

Financial Overview (Unaudited)

Quarter Ended ($ in thousands)

Balance Sheet

	6/30/2026	3/31/2026	12/31/2025	9/30/2025	6/30/2025
Total Assets	$5,123,849	$5,083,974	$5,099,945	$5,243,993	$4,923,803
Total Securities	$1,826,916	$1,861,127	$1,989,022	$2,002,118	$1,859,645
Total Loans	$2,822,468	$2,810,797	$2,711,964	$2,590,699	$2,591,713
Total Deposits	$3,685,246	$3,710,395	$3,734,714	$3,808,022	$3,586,204
Repurchase Agreements	$784,819	$738,789	$739,103	$804,589	$731,808
Total Deposits and Repurchase Agreements	$4,470,065	$4,449,184	$4,473,817	$4,612,611	$4,318,012
Total Borrowing under Federal Bank Credit Facilities	$(25,191)	$(25,812)	$(24,502)	$(31,296)	$(40,193)
Unrealized Gain (Loss) on Marketable Securities, Net of Tax	$585,216	$576,437	$569,246	$567,724	$550,135
Total Shareholders' Equity	$5,123,849	$5,083,974	$5,099,945	$5,243,993	$4,923,803

Income Statement

	6/30/2026	3/31/2026	12/31/2025	9/30/2025	6/30/2025
Interest and Fees on Loans	$46,407	$45,111	$44,730	$44,116	$43,212
Interest and Dividends on Investment Securities	$13,259	$12,882	$14,451	$12,229	$10,818
Interest on Cash and Cash Equivalents	$2,059	$1,937	$3,828	$4,381	$2,969
Total Interest and Loan Fee Income	$61,725	$59,930	$63,009	$60,726	$56,999
Total Interest Expense	$11,469	$10,948	$11,853	$12,155	$11,842
Provision for Credit Losses	$1,203	$(274)	$2,209	$436	$631
Total Noninterest Operating Income	$7,432	$6,981	$7,203	$7,596	$7,363
Net Gains (Loss) on Investment Securities	$-	$(48)	$-	$-	$-
Total Noninterest Expense	$28,568	$27,883	$29,725	$26,802	$27,083
Provision for Income Taxes	$7,092	$7,137	$6,362	$7,570	$6,423
Net Income	$20,825	$21,169	$20,063	$21,359	$18,383
Earnings per Common Share	$6.58	$6.68	$6.33	$6.75	$5.80
Dividend per Common Share	$4.00	$4.00	$8.00	$4.00	$4.00

Financial Measures

	6/30/2026	3/31/2026	12/31/2025	9/30/2025	6/30/2025
Return on Assets	1.65%	1.67%	1.53%	1.53%	1.46%
Return on Equity	14.56%	14.78%	14.16%	14.13%	13.53%
Net Interest Margin	4.01%	3.98%	3.82%	3.76%	3.69%
Interest Income to Average Earning Assets	4.91%	4.87%	4.78%	4.74%	4.67%
Interest Expense to Average Earning Assets	0.90%	0.89%	0.96%	0.98%	0.98%
Efficiency Ratio	49.48%	49.81%	49.86%	49.52%	50.58%

Capital

	6/30/2026	3/31/2026	12/31/2025	9/30/2025	6/30/2025
Shareholders' Equity/Total Assets	11.42%	11.34%	11.16%	10.83%	11.17%
Tier 1 Leverage Ratio	11.95%	11.90%	11.27%	11.70%	11.95%
Regulatory Well Capitalized Minimum Ratio - Tier 1 Leverage Ratio	5.00%	5.00%	5.00%	5.00%	5.00%
Tier 1 (Core) Capital	$ 610,407	$ 602,249	$ 593,748	$ 599,020	$ 590,328

Credit Quality

	6/30/2026	3/31/2026	12/31/2025	9/30/2025	6/30/2025
Nonperforming Loans and OREO	$ 13,175	$ 12,209	$ 10,636	$ 10,847	$ 9,802
Nonperforming Loans and OREO/Total Loans	0.47%	0.43%	0.39%	0.42%	0.38%
Nonperforming Loans and OREO/Tier 1 Capital	2.16%	2.03%	1.79%	1.81%	1.66%
Allowance for Loan Losses	$ 22,400	$ 21,400	$ 21,450	$ 20,100	$ 20,025
Allowance for Loan Losses/Total Loans	0.79%	0.76%	0.79%	0.78%	0.77%

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