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**PAID**  
ANCHORAGE, AK  
PERMIT NO. 175

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First National Bank  
A L A S K A  
MEMBER FDIC

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

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## First National Bank A L A S K A

2024 | 1st QUARTER | MARCH 31  
FINANCIAL OVERVIEW

Dear Shareholders,

First quarter 2024 net income of \$13.5 million was comparable to first quarter 2023, supported by securities portfolio and loan growth, along with improving yields on these earning assets. Total net interest and loan fee income grew to \$38.3 million, \$0.6 million higher than the same period in 2023.

Total average assets in 2024 were \$224 million higher than March 31, 2023, a result of Bank Term Funding Program (BTFP) borrowing in May and December of 2023, held in cash at a blended interest spread of .80 percent. First National repaid the first BTFP tranche of \$350 million late in first quarter 2024, bringing the bank's total assets to \$5.2 billion at quarter end.

First National's elevated deposits continued to flow back into the economy or toward higher yielding alternatives, resulting in a decrease of \$172.8 million during the first quarter. The bank estimates some 55% of the pandemic deposit growth remains in the bank. Shareholders' equity at March 31 increased to \$470.7 million on retained net income and a decreasing unrealized loss position in the securities portfolio. As per the return on equity (ROE) formula, stable net income on increasing equity reduced the quarterly ROE.

Our recently published 2023 Annual Highlights, titled "Resilience," recognizes our team's exceptional efforts to meet the many challenges thrown our way last year. First quarter of this year has presented its own complexities and we are prepared to meet those challenges.

For First National, resilience is not just about meeting challenges; it's also about growing from them. As we look ahead to opportunities, rest assured your bank will adapt and transform, with purpose and vision, to help shape a brighter tomorrow for employees, customers, community and shareholders.

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	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	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023
Total Assets	\$ 5,212,976	\$ 5,730,835	\$ 5,559,883	\$ 5,505,931	\$ 5,473,245
Total Securities	\$ 2,404,078	\$ 2,384,951	\$ 2,331,129	\$ 2,413,791	\$ 2,606,018
Total Loans	\$ 2,369,282	\$ 2,273,311	\$ 2,318,454	\$ 2,294,558	\$ 2,283,553
Total Deposits	\$ 3,665,066	\$ 3,780,018	\$ 3,911,091	\$ 3,874,988	\$ 3,989,843
Repurchase Agreements	\$ 571,463	\$ 629,280	\$ 626,082	\$ 642,114	\$ 671,532
Total Deposits and Repurchase Agreements	\$ 4,236,529	\$ 4,409,298	\$ 4,537,173	\$ 4,517,102	\$ 4,661,375
Total Borrowing under the Federal Reserve Bank Term Funding Program	\$ 430,000	\$ 780,000	\$ 530,000	\$ 530,000	\$ 350,000
Unrealized gain (loss) on marketable securities, net of tax	\$ (95,809)	\$ (98,378)	\$ (143,514)	\$ (137,198)	\$ (128,594)
Total Shareholders' Equity	\$ 470,702	\$ 464,791	\$ 423,343	\$ 424,274	\$ 428,555

**INCOME STATEMENT**

Net Interest and Loan Fee Income	\$ 38,325	\$ 40,958	\$ 38,739	\$ 37,011	\$ 37,771
Provision for Loan Losses	\$ 953	\$ (344)	\$ (387)	\$ (574)	\$ 375
Total Noninterest Income	\$ 6,540	\$ 6,522	\$ 6,774	\$ 6,646	\$ 5,484
Total Noninterest Expense	\$ 25,085	\$ 24,651	\$ 24,465	\$ 24,435	\$ 24,617
Provision for Income Taxes	\$ 5,351	\$ 6,593	\$ 5,916	\$ 5,339	\$ 4,809
Net Income	\$ 13,476	\$ 16,580	\$ 15,519	\$ 14,457	\$ 13,454
Earnings per Common Share	\$ 4.26	\$ 5.23	\$ 4.90	\$ 4.57	\$ 4.25
Dividend per Common Share	\$ 3.20	\$ 6.40	\$ 3.20	\$ 3.20	\$ 3.20

**FINANCIAL MEASURES**

Return on Assets	0.95%	1.07%	1.04%	1.01%	0.98%
Return on Equity	11.52%	13.97%	13.76%	13.29%	12.87%
Net Interest Margin	2.76%	2.82%	2.78%	2.77%	2.84%
Yield on Loans	6.40%	6.25%	6.08%	5.95%	5.81%
Yield on Securities	2.36%	1.66%	1.65%	1.67%	1.72%
Cost of Interest Bearing Deposits	1.55%	1.02%	0.92%	0.79%	0.65%
Efficiency Ratio	56.00%	54.28%	55.16%	55.45%	55.66%

**CAPITAL**

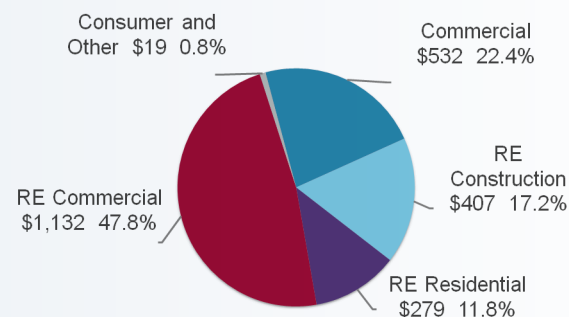
Shareholders' Equity/Total Assets	9.03%	8.11%	7.61%	7.71%	7.83%
Tier 1 Leverage Ratio	9.96%	9.85%	9.98%	10.01%	10.20%
Regulatory Well Capitalized Minimum Ratio – Tier 1 Leverage Ratio	5.00%	5.00%	5.00%	5.00%	5.00%
Tier 1 (Core) Capital	\$ 566,511	\$ 563,169	\$ 566,857	\$ 561,472	\$ 557,149

**CREDIT QUALITY**

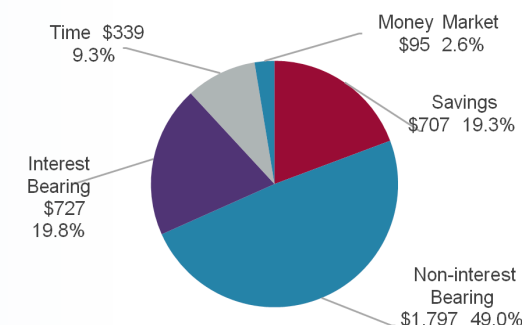
Noncurrent Loans and OREO	\$ 28,634	\$ 4,659	\$ 5,227	\$ 4,843	\$ 4,984
Noncurrent Loans and OREO/Total Assets	0.55%	0.08%	0.09%	0.09%	0.09%
Noncurrent Loans and OREO/Tier 1 Capital	5.05%	0.83%	0.92%	0.86%	0.89%
Allowance for Loan Losses	\$ 18,800	\$ 17,750	\$ 18,475	\$ 18,850	\$ 19,050
Allowance for Loan Losses/Total Loans	0.79%	0.78%	0.80%	0.82%	0.83%

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

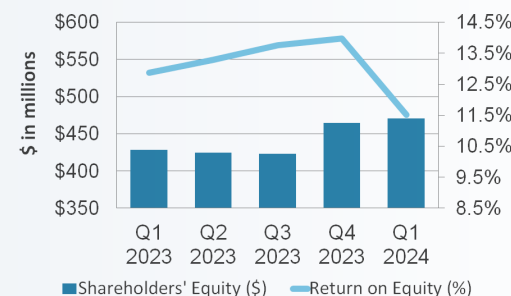
**Loan Mix (\$ in millions)**



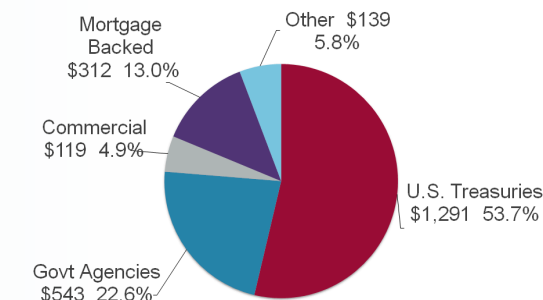
**Deposit Mix (\$ in millions)**



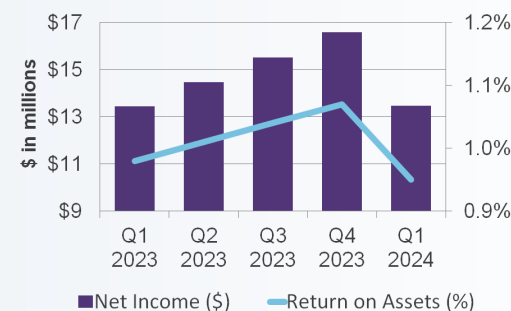
**Shareholders' Equity and Return on Equity**



**Securities Mix (\$ in millions)**



**Net Income and Return on Assets**



**Dividend Per Share and Payout**

