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U.S. POSTAGE  
**PAID**  
ANCHORAGE, AK  
PERMIT NO. 175

**1**  
First National Bank  
A L A S K A  
MEMBER FDIC

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



## First National Bank A L A S K A

2024 | 2nd QUARTER | JUNE 30  
FINANCIAL OVERVIEW

Dear Shareholders,

The leadership team's strategies and tactics developed to support achievement of First National's 2024 financial plan helped meet anticipated first quarter challenges and are now generating notable performance improvement in the second.

The bank's net income improved 8.2% for the second quarter, reaching \$15.6 million from \$14.5 million during the same period in 2023. Total net interest and loan fee income surged, reaching \$39.9 million, \$2.3 million higher than the same period in 2023, driven by volume growth and improving yields on earning assets.

First National repaid \$180 million of scheduled Bank Term Funding Program advances during the second quarter of 2024, bringing the bank's total assets to \$5.1 billion at quarter end. Return on assets as of June 30 was 1.08%, seven basis points higher than 2023 on net income improvement.

Deposits increased \$77.2 million for the second quarter, returning to a more normal seasonal trend. Shareholders' equity on June 30 increased to \$485.2 million on retained net income and a decreasing unrealized loss position in the securities portfolio. Return on equity improved to 12.30%.

Another aspect of our strong performance is the recognition we continue to receive. For the ninth year in a row, *Alaska Business* magazine readers voted First National the Best Place to Work. We also earned Best Bank/Credit Union for the fourth consecutive year, and Best Customer Service.

This recognition is satisfying but not surprising. When more than 600 Alaskans work toward a common goal – helping their fellow Alaskans succeed – there's no limit to what can be accomplished. The bank provides an environment where employees can thrive. The employees provide the hard work, expertise and dedication that is the foundation of the success of our customers, our bank, and our shareholders.

Sincerely,

*Betsy Lawer*

Betsy Lawer  
BOARD CHAIR & CEO/PRESIDENT

*Michele Schuh*

Michele Schuh  
CHIEF FINANCIAL OFFICER

### DIRECTORS

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

Quarter Ended *(\$ in thousands)*

BALANCE SHEET	6/30/2024	3/31/2024	12/31/2023	9/30/2023	6/30/2023
Total Assets	\$ 5,116,066	\$ 5,212,976	\$ 5,730,835	\$ 5,559,883	\$ 5,505,931
Total Securities	\$ 2,197,788	\$ 2,404,078	\$ 2,384,951	\$ 2,331,129	\$ 2,413,791
Total Loans	\$ 2,391,593	\$ 2,369,282	\$ 2,273,311	\$ 2,318,454	\$ 2,294,558
Total Deposits	\$ 3,698,631	\$ 3,665,066	\$ 3,780,018	\$ 3,911,091	\$ 3,874,988
Repurchase Agreements	\$ 615,096	\$ 571,463	\$ 629,280	\$ 626,082	\$ 642,114
Total Deposits and Repurchase Agreements	\$ 4,313,727	\$ 4,236,529	\$ 4,409,298	\$ 4,537,173	\$ 4,517,102
Total Borrowing under the Federal Reserve Bank Term Funding Program	\$ 249,868	\$ 430,000	\$ 780,000	\$ 530,000	\$ 530,000
Unrealized gain (loss) on marketable securities, net of tax	\$ (86,857)	\$ (95,809)	\$ (98,378)	\$ (143,514)	\$ (137,198)
Total Shareholders' Equity	\$ 485,167	\$ 470,702	\$ 464,791	\$ 423,343	\$ 424,274

INCOME STATEMENT

Net Interest and Loan Fee Income	\$ 40,252	\$ 38,325	\$ 40,958	\$ 38,739	\$ 37,011
Provision for Loan losses	\$ 318	\$ 953	\$ (344)	\$ (387)	\$ (574)
Total Noninterest Income	\$ 7,389	\$ 6,540	\$ 6,522	\$ 6,774	\$ 6,646
Total Noninterest Expense	\$ 25,637	\$ 25,085	\$ 24,651	\$ 24,465	\$ 24,435
Provision for Income Taxes	\$ 6,039	\$ 5,351	\$ 6,593	\$ 5,916	\$ 5,339
Net Income	\$ 15,647	\$ 13,476	\$ 16,580	\$ 15,519	\$ 14,457
Earnings per common share	\$ 4.94	\$ 4.26	\$ 5.23	\$ 4.90	\$ 4.57
Dividend per common share	\$ 3.20	\$ 3.20	\$ 6.40	\$ 3.20	\$ 3.20

FINANCIAL MEASURES

Return on Assets	1.08%	0.95%	1.07%	1.04%	1.01%
Return on Equity	12.30%	11.52%	13.97%	13.76%	13.29%
Net Interest Margin	2.98%	2.76%	2.82%	2.78%	2.77%
Yield on Loans	6.55%	6.40%	6.25%	6.08%	5.95%
Yield on Securities	2.33%	2.36%	1.66%	1.65%	1.67%
Cost of Interest Bearing Deposits	1.60%	1.55%	1.02%	0.92%	0.79%
Efficiency Ratio	54.94%	56.00%	54.28%	55.16%	55.45%

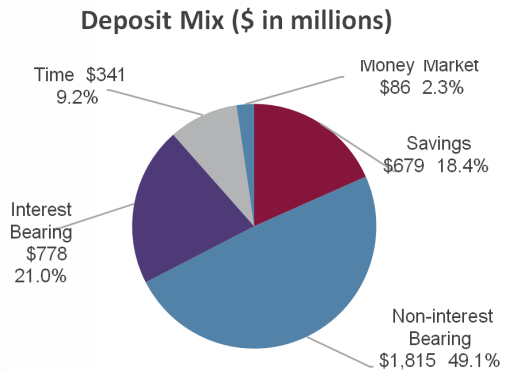
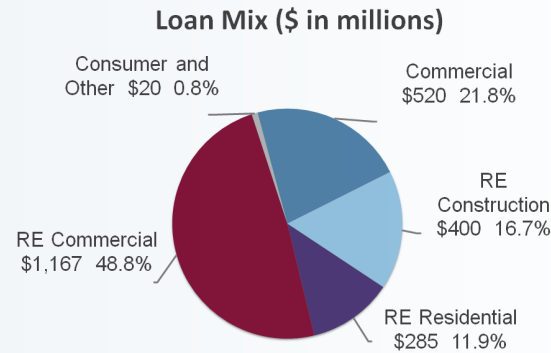
CAPITAL

Shareholders' Equity/Total Assets	9.48%	9.03%	8.11%	7.61%	7.71%
Tier 1 Leverage Ratio	11.12%	9.96%	9.85%	9.98%	10.01%
Regulatory Well Capitalized Minimum Ratio – Tier 1 Leverage Ratio	5.00%	5.00%	5.00%	5.00%	5.00%
Tier 1 (Core) Capital	\$ 572,024	\$ 566,511	\$ 563,169	\$ 566,857	\$ 561,472

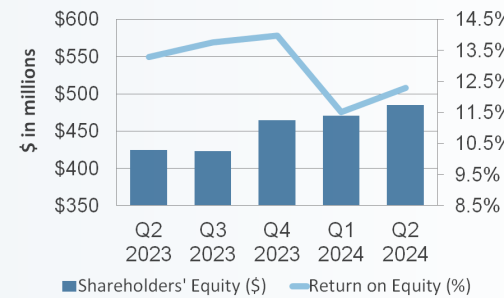
CREDIT QUALITY

Noncurrent Loans and OREO	\$ 4,731	\$ 28,634	\$ 4,659	\$ 5,227	\$ 4,843
Noncurrent Loans and OREO/Total Assets	0.09%	0.55%	0.08%	0.09%	0.09%
Noncurrent Loans and OREO/Tier 1 Capital	0.83%	5.05%	0.83%	0.92%	0.86%
Allowance for Loan Losses	\$ 19,000	\$ 18,800	\$ 17,750	\$ 18,475	\$ 18,850
Allowance for Loan Losses/Total Loans	0.79%	0.79%	0.78%	0.80%	0.82%

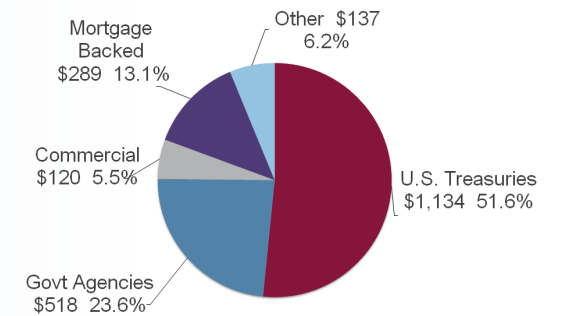
Net interest margin, yields, and efficiency ratios are tax effected.  
Financial measures are year-to-date.  
Per common share amounts are not in thousands.



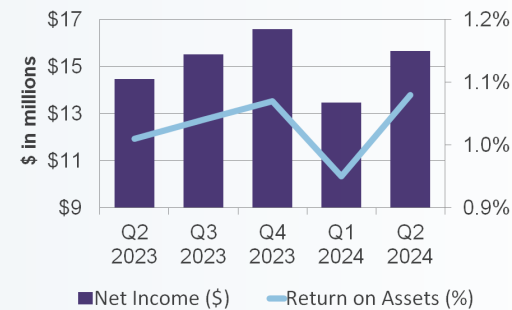
Shareholders' Equity and Return on Equity



Securities Mix (\$ in millions)



Net Income and Return on Assets



Dividend Per Share and Payout

