



January 9, 2024

Dear Denali Bancorporation, Inc. Shareholders,

I'm pleased to inform you that the Board of Directors declared a dividend during their December meeting in the amount of **\$0.80** per share, payable January 9, 2024. Accordingly, you will receive either a direct deposit or dividend check in the amount of \$0.80 multiplied by the number of shares owned as of the shareholder-of-record date, January 2, 2024. This is a \$0.05 per share increase over the prior year dividend amount.

The Bank will report another year of record earnings in 2023. Strong performance over several years has allowed the Bank to grow the dividend from \$0.15 per share in 2009 to \$0.80 per share currently, a current yield of over 6% per share based on 2023 projected FYE book value.

The strong deposit and asset growth immediately following the COVID pandemic has moderated over the last two years, and the bank will close 2023 at nearly a half-billion dollars in assets. The Bank strategy to use our deposit growth to fund loan volume throughout our variety of loan programs while closely managing asset duration served the Bank well in the rapidly rising rate environment we experienced last year. This strategy also served to mitigate rate risk and fueled higher earnings.

Although inflation is improving and there is speculation interest rates may decline by yearend 2024, many domestic and international economic and political challenges remain that present us with an uncertain rate environment. Locally, tourism has recovered, military missions continue to grow, and although high rates and building costs have slowed the local housing market, management remains cautiously optimistic about the future.

We are thankful for the opportunity to provide banking services to our shareholders and customers in Interior Alaska, and we wish you all a healthy and successful 2024.

Sincerely,

A handwritten signature in blue ink, appearing to read "Steve Lundgren", is positioned above the printed name.

Steve Lundgren
President and CEO