



2023 STATEMENT OF FINANCIAL CONDITION

FIRST AMERICAN BANK

TABLE OF CONTENTS

Chairman’s Letter	3
Summary of Growth	5-6
Statement of Financial Condition	9-10
Board of Directors/Executive Team	12
First Artesia Bancshares, Inc.	
First American Bank	
Corporate Executive Team	
Officers	14-16
Locations	17

“...this past year, we reached a milestone not many organizations achieve as we celebrated 120 years of service to our communities.”

This year, we featured historical photos from our archives to commemorate our 120th anniversary.

GREG MARRS

CHIEF EXECUTIVE OFFICER, CHAIRMAN



While our nation grappled with economic uncertainty and high inflation, First American Bank completed its most financially successful year in the bank's history. It is natural to focus on immediate challenges such as inflation, liquidity issues, underwater bond portfolios and volatile economies in this current environment. Despite these uncertainties and challenges, First American Bank remains resilient, continually seeking ways to position our bank to maximize shareholder value and meet the needs of our communities.

This would not be possible without our proven leaders within the organization that deeply understand the mission of our bank. Our team epitomize the culture of service and excellence that we strive for every day that defines First American Bank. We speak of our culture and our team

often. We believe it is the cornerstone to our success and while we have had this focus for many years, it doesn't get easier. We have survived the period of the "great resignation" among many other challenges, yet we remain focused on our culture and our people and understand it is an everyday commitment. Ultimately, we couldn't be more proud of the way our management team stand out as leaders who have a positive impact on their customers and communities.

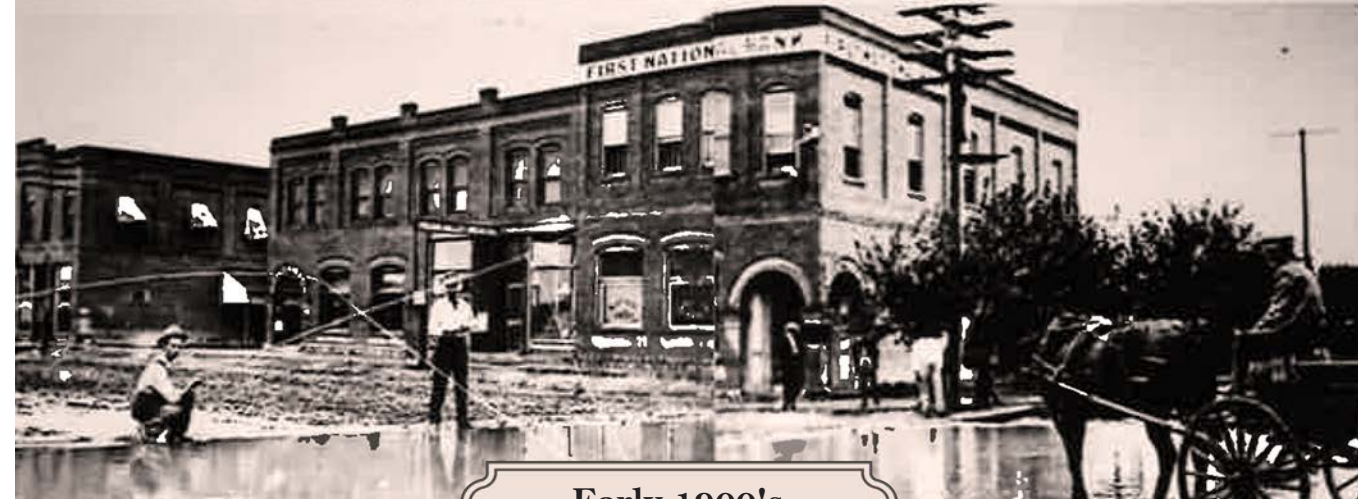
We closed the year with total assets of \$1.8 billion and net income of \$43.1 million. Net income increased \$6 million from the prior year. These earnings resulted in a Return on Assets (ROA) of 2.3% and a Return on Equity (ROE) of 36.64%. This places First American Bank in the top 12% of peer in terms of ROA and 7% of peer in ROE.

In addition to our remarkable financial performance this past year, we reached a milestone not many organizations achieve as we celebrated 120 years of service to our communities. Originally chartered in 1903, for many generations our bank has been shaping the communities we serve by supporting small businesses, consumers, as well as many charities and non-profits. We are very proud of this organization and honored to be a part of it.

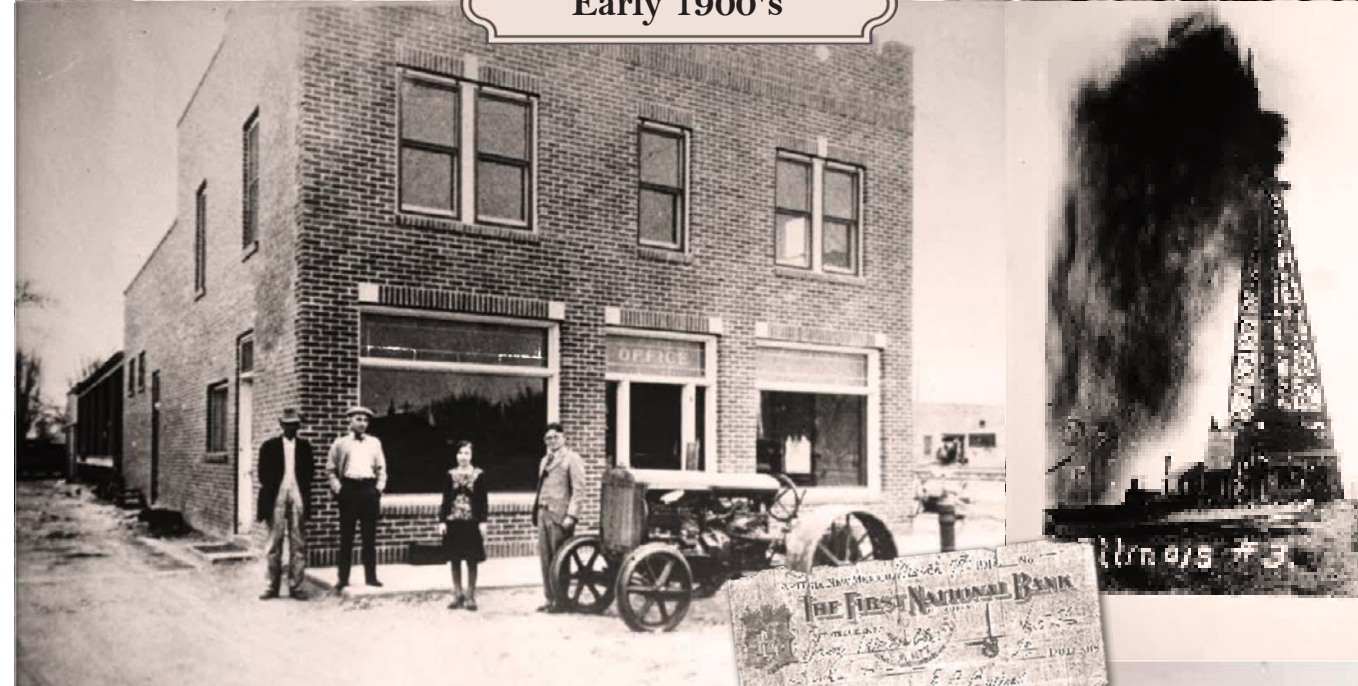
We have an outstanding team comprised of our board of directors and employees that are critical to our ongoing success. It is through the vision and support of our board and the implementation of that vision by our team that make FAB one of the strongest and well-respected community banks in New Mexico and West Texas. We are pleased to be able to present a very positive report for 2023 and are confident that the combined team of our employees, customers, and shareholders positions First American Bank for a bright future.

Sincerely,

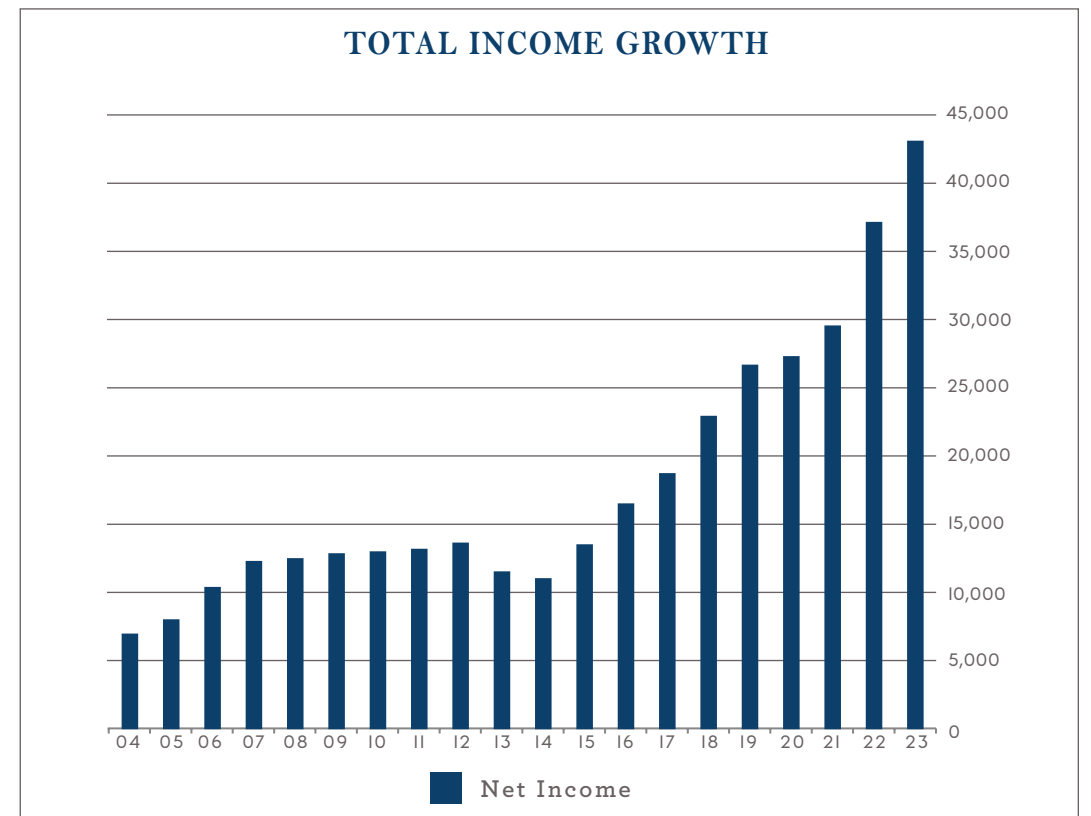
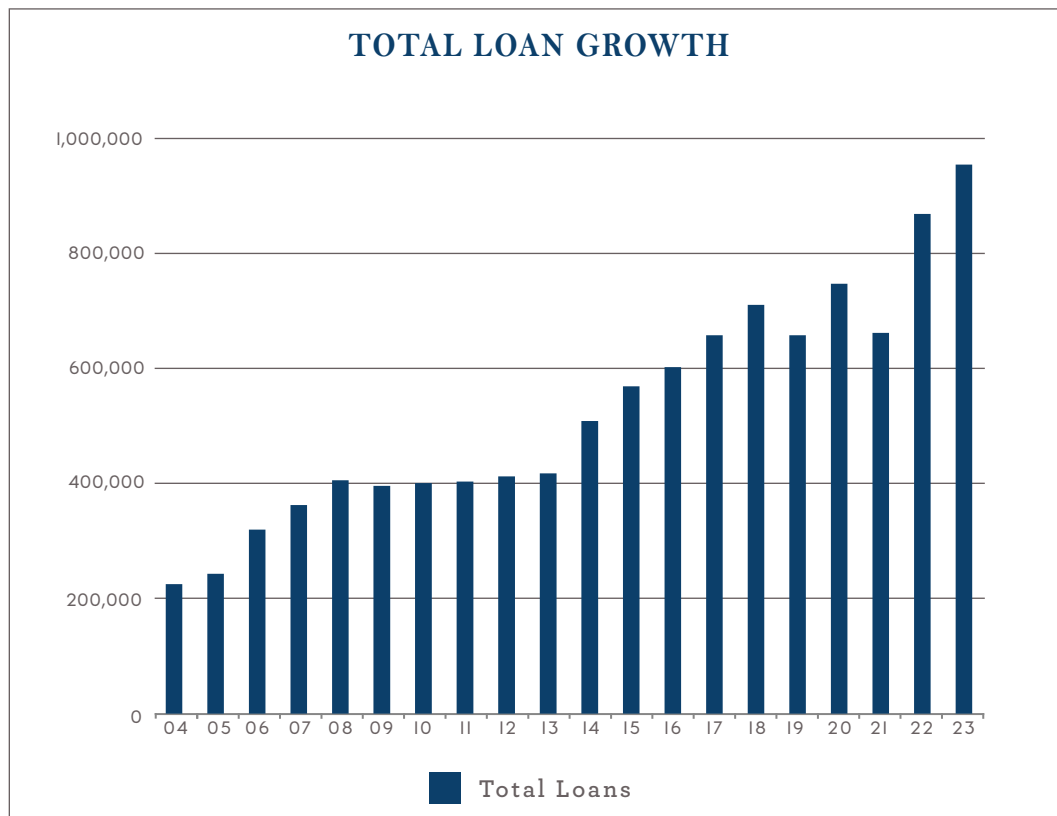
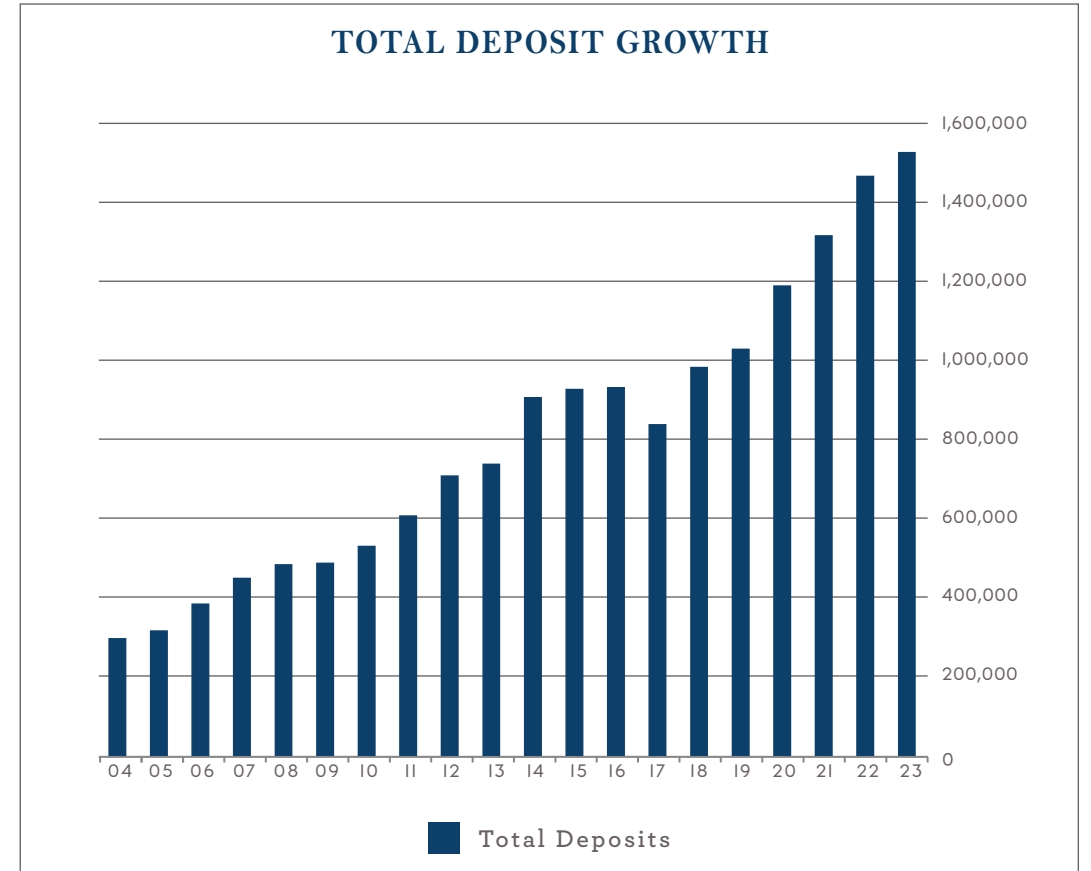
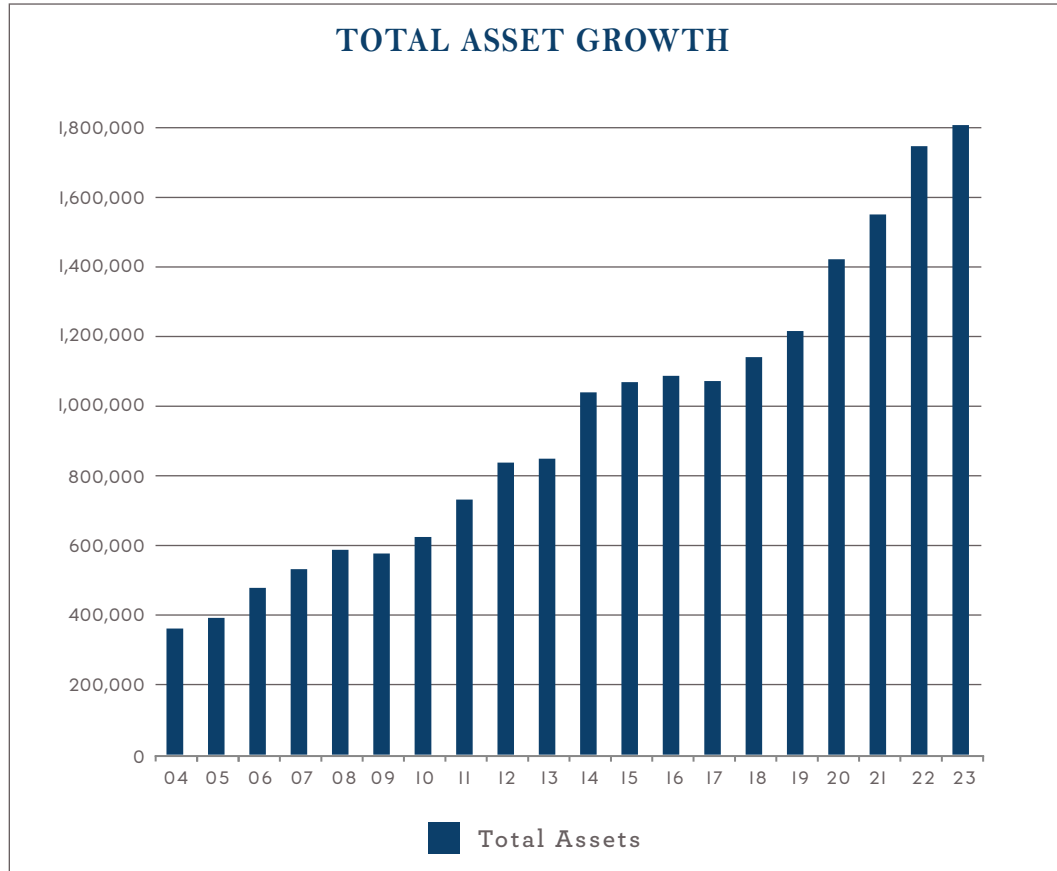
Greg Marrs
Chief Executive Officer, Chairman



Early 1900's



SUMMARY OF GROWTH





"We Want To Be Your Bank"

THE FIRST NATIONAL BANK OF ARTESIA
SERVING THE COMMUNITY SINCE 1912

GROWING WITH ARTESIA

Ground Breaking Ceremony-August 1979

1960	\$10,457,109
1970	\$11,985,274
1975	\$43,340,105
1976	\$50,455,538
1977	\$60,063,754
1978	\$67,874,446
1979	\$91,008,986
1980	\$108,317,071

Thanks To You We Have Grown!



Artesia's New Financial Center

The First National Bank
411 Artesia, New Mexico

"We Want To Be Your Bank"

Grand Opening
January 21-24
Open House
Saturday, Jan. 24

The First National Bank Of Artesia
303 W. Main - (505) 746-3511
Artesia, New Mexico



1950's - 1980's

“...for many generations our bank has been shaping the communities we serve by supporting small businesses, consumers, as well as many charities and non-profits.”



Statement of
FINANCIAL CONDITION

Year Ended December 31

Assets	2023	2022
Cash and Cash Equivalents		
Cash and due from banks	19,050,748	19,484,462
Interest bearing deposits	65,211,645	30,198,624
Securities		
Available for sale, at fair value	617,684,313	671,820,580
Restricted stock	3,086,315	2,867,516
Held to maturity net of allowance for credit losses of \$404,800 for 2023 and \$0 for 2022	62,992,356	72,328,231
Loans held for sale	1,542,660	692,623
Loans, net of allowance for credit losses of \$16,940,664 for 2023 and \$15,033,243 for 2022	937,417,858	853,522,383
Bank premises & equipment, net	29,654,270	30,803,194
Accrued interest receivable	7,164,555	6,087,299
Goodwill & intangible assets	21,879,381	25,114,939
Other assets	41,452,846	33,548,838
TOTAL ASSETS	1,807,136,947	1,746,468,689
Liabilities & Stockholder's Equity		
Liabilities		
Deposits		
Demand	609,316,351	634,865,382
Interest bearing		
Savings, NOW and Money Market deposits	721,006,672	747,280,739
Certificates of deposit	195,084,474	82,769,659
Total deposits	1,525,407,497	1,464,915,780
Federal funds purchased and securities sold under agreement to repurchase	63,429,793	122,413,706
Other borrowed funds	55,000,000	20,000,000
Accrued interest payable and other liabilities	25,362,702	25,335,598
Total liabilities	1,669,199,992	1,632,665,084
Commitments and Contingencies		
Stockholder's Equity		
Common stock: \$188.44 stated value; 20,000 shares authorized, issued and outstanding	3,768,750	3,768,750
Capital surplus	101,759,604	101,759,604
Retained earnings	112,604,449	90,684,220
Accumulated other comprehensive loss	(80,195,848)	(82,408,969)
Total stockholder's equity	137,936,955	113,803,605
TOTAL LIABILITIES & STOCKHOLDER'S EQUITY	1,807,136,947	1,746,468,689

Statement of
INCOME

Year Ended December 31

	2023	2022
Interest Income		
Loans	72,033,645	45,689,260
Securities available for sale	19,577,405	15,263,127
Securities held to maturity	1,349,299	1,501,181
Federal funds sold and deposits	243,735	1,860,209
Total interest income	93,204,084	64,313,777
Interest Expense		
Deposits	8,834,470	1,531,650
Federal funds purchased and securities sold under agreement to repurchase	2,443,507	62,218
Other borrowed funds	2,595,280	96,157
Total interest expense	13,873,257	1,690,025
Net Interest Income	79,330,827	62,623,752
Provision for credit losses	9,399,224	190,020
Net interest income after provision for credit losses	69,931,603	62,433,732
Non Interest Income		
Service charges & fees on deposit accounts	5,136,411	5,178,481
Income from fiduciary activities	3,929,338	3,779,653
Other service charges and fees	411,241	227,743
Net gain on sale of securities	-	188,118
Other	1,132,428	1,084,500
Total non interest income	10,609,418	10,458,495
Non Interest Expense		
Salaries and employee benefits	17,667,451	19,079,328
Occupancy and equipment expense	4,363,111	3,807,073
Data processing	4,144,110	3,941,268
Professional services	3,643,222	1,530,174
Advertising and promotional	659,283	538,249
FDIC assessment	682,380	376,504
Net amortization of intangible assets	3,235,558	1,910,947
Net (gain) loss on sale of other real estate owned	(2,028,641)	424
Other	5,080,329	4,550,426
Total non interest expense	37,446,803	35,734,393
Net income	43,094,218	37,157,834

Business

First National celebrates 100 years

Bankers honor Sivley for 50 years as bank director

Thomas James "T.J." Sivley was awarded by the New Mexico Bankers Association, recognizing his 50 years of service to the banking industry.

Sivley, a member of the Board of Directors at First National Bank of Artesia, has served on the board since 1945. It is the longest a person has served on a bank board in the state's history.

The award was made at the 84th annual convention of the New Mexico Bankers Association in Albuquerque.

Sivley has a distinguished career in business and record of involvement in the community.

He's been a member of First United Methodist Church of Artesia since 1942 and a member of the Masonic Lodge since 1944.

In January 1939, Sivley and R.M. "Bob" Richey founded Union Supply Company, now one



RICHARD THOUT
NHO-5A

With a continuing emphasis on community banking, small business and local decision-making, First National Bank is celebrating its 100th year in New Mexico.

The Artesia-based bank received its charter on Nov. 24, 1903, and opened a branch office — its first ever — in Hobbs in September 1968. First National later opened branches in Roswell, Las Cruces and, recently, Alamogordo.

Chartered with \$25,000 in stock, the Artesia bank opened with two employees in the city's first brick structure. At the close of the first business day the bank had \$6,127.25 in deposits.

The bank's first president, R.M. Ross, was also the town physician.

Greg Marrs, who started the Hobbs branch, is now in Artesia working as First National's president and chief credit officer.

"The vision that we had was for our bank to be the premier, independent community bank in southwestern New Mexico," Marrs said. "And part of that vision included branching into Hobbs, Roswell and Las Cruces."

For a community to prosper, it has to have progressive banks, and First National in Las Cruces is a particularly good example of this, Marrs noted.

"Today it's actually the highest performing bank in our system," he said.

1990's - 2003

Newlon named board chairman

For 27 years, President of the First National Bank . . .

CHARLES K. JOHNSON

The president and chairman of the board of directors of the First National Bank of Artesia is Mr. Charles K. Johnson. He graduated from the University of New Mexico with a Bachelor's degree in Business Administration. Mr. Johnson attended school there and later was graduated from Lexington High School. He started with Las County State Bank in his graduation year and remained with them until he became the president of the bank in 1968. At that point he returned to banking, was vice president of Las County State Bank in Hobbs, 1969 and the year Mr. Johnson came to Artesia as president of the First National Bank and in 1991 he was also named president of the board of directors.

To fit the many honors, associations and accomplishments Mr. Johnson has received would require a volume, there are just a few past president of the New Mexico Bankers Association, chairman New Mexico Bankers Association Commission, vice president Commodity Council of Rio Grande, two terms as president of Artesia, Chairman of Commerce, past trustee of First Presbyterian Church, president of North Valley County United Farm past advisory member of Artesia school board and past director of New Mexico Boy's Ranch. He presently serves as chairman of the board and director of American Home Security Life Insurance Company and is a member of the Government Securities Council of the American Bankers Association for a 19-year term.

These achievements represent only a fraction of the activities and services Mr. Johnson has contributed to his profession and his community.

Mr. Johnson and his wife, Frances, are parents of C. Neal Johnson, president assistant of the First National Bank of Artesia, and Patricia Gene Brown of Artesia who also has been involved. The officers and directors and entire staff of the First National Bank can be justly proud of their president—Truly a "Banker's Banker."



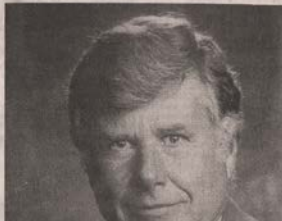
The Board of Directors of The First National Bank of Artesia has elected Harry W. Newlon as Chairman of the Board.

The election took place during the board's Dec. 16 meeting. Newlon will replace Charles K. Johnson, deceased.

Newlon joined the bank as President and Chief Executive Officer in February 1987. Prior to association with the bank, he was Chairman, President and Chief Executive Officer of First National Bank of Roswell, Mont., for 13 years.

On being elected chairman, Newlon stated that Charles K. Johnson, who served as chairman for 14 years and president for 41 years, would be long remembered for his personal commitment and dedication to serving the Artesia community.

He was the perfect example of the "old-time banker" who loaned people money because he believed in them as individuals rather than their material net worth, Newlon said.



THE FIRST NATIONAL BANK

THE FIRST NATIONAL BANK

"We have an outstanding team comprised of our board of directors and employees that are critical to our ongoing success."

BOARD OF DIRECTORS/EXECUTIVE TEAM

FIRST ARTESIA BANCSHARES, INC.

- | | | |
|-----------------------------------|-----------------------------------|--|
| RAYE MILLER
Chairman | DANIEL JOHNCOX
Director | RUSTY SMITH
Director |
| MIKE CASABONNE
Director | GREG MARRS
Director | BRETT deMILLIANO
Advisory Director |

FIRST AMERICAN BANK

- | | | |
|--|-----------------------------------|---|
| GREG MARRS
Chairman | MIKE CASABONNE
Director | JOEL MILLER
Director |
| BRYAN BARTLETT
Director | AMY HUMMER
Director | RUSTY SMITH
Director |
| ALARIC "BUCK" BUCKNER
Director | DANIEL JOHNCOX
Director | CRAWFORD CULP
Director Emeritus |

CORPORATE EXECUTIVE TEAM

- | | | |
|---|--|---|
| GREG MARRS
President, Chairman
Chief Executive Officer | BRETT deMILLIANO
Executive Vice President
Chief Financial Officer | PAULINE LOPEZ-LUTZ
Executive Vice President
Chief Operations Officer |
| ZANE BERGMAN
Executive Vice President
Chief Credit Officer | | |

THE FIRST NATIONAL BANK

FNB promotes Marrs to senior vice president

ARTESIA — Harry W. Newlon, president and chief executive officer of First National Bank of Artesia, has announced the promotion of Greg Marrs to senior vice president and manager of the Commercial/Agricultural Lending Division.

Marrs joined the bank in 1989 as an agricultural loan officer. In 1992, he was promoted to vice president. He has 10 years experience in commercial and agricultural lending.

Prior to joining First National Bank, he was associated with Farm Credit Services in Roswell and Las Cruces.

Born in Carlsbad, he grew up on a ranch in southern Eddy County. He graduated from Carlsbad High School and attended college at New Mexico State University in Las Cruces, majoring in business finance. He



Business

Hudson, Casabonne join FNB board

ARTESIA — First National Bank announced the recent election of Roetta B. Hudson and Mike G. Casabonne to the bank's Board of Directors.

Roetta B. Hudson — who recently retired as Senior Vice President, has served The First National Bank over the past 15 years and has served as Secretary of the Board of Directors since February, 1990, she has a total of 30 years of association with the financial services industry in Artesia.

A native of Batesville, Ark., Hudson has two adult children and two grandchildren. She is a 1964 graduate of New Mexico School of Banking and currently represents New Mexico on the Board of Trustees for the Golden Gate Theological Baptist Seminary in San Francisco, Calif.

She is a past member of the American Business Women's Association and was named "Business Woman of the Year" for 1984. She is currently a member of the Artesia Coalition of Better Health and Rotary International.

Hudson is also a member of First Baptist church, where she teaches a ladies Sunday school class and serves as a member of the Church Finances Committee.

Mike G. Casabonne — a native of the area, graduated from Artesia High School and obtained a bachelor's degree in Animal Science from New Mexico State University in 1973. After college, Casabonne was involved with ranch operations in Wyoming and Colorado.

In 1976, he returned to the family ranch. After managing the operations, he purchased the Lloyd True Ranch west of Hope, where he and his wife, Dwanna, reside with their two children.

He has served as an Advisory Director to the Board of Directors of The First National Bank for the past year and also serves on the boards of the Pecos Soil and Water Conservation District, Pecos Valley Telephone Cooperative, Southeastern New Mexico Grazing Association and the Artesia Wool Cooperative.

He is a past president of the New Mexico Wool Growers Association. He was elected to the Artesia Public School Board in February 1997.

The announcements were made at the Board of Director's Annual Shareholder's Meeting which was held at the Artesia Country Club on April 15.



MIKE G. CASABONNE

ROETTA B. HUDSON

Miller, Casabonne elected to First National Bank boards

ARTESIA — First National Bank announced recently the election of Raye Miller as a director to the bank's board of directors and Mike Casabonne to the bank's advisory board, a very critical task.

Miller, who serves as secretary/treasurer of the New Mexico Oil and Gas Association, has lived in Artesia since 1970. He was associated with Sears, Roebuck and Co. prior to moving to Artesia.

He earned his master's of business administration at the University of Southern California in 1978, after obtaining his undergraduate degree from the University of New Mexico.

Miller has served also as a member of the New Mexico Environmental Department NORM Task Force. He is president of the Artesia Country Club.

Casabonne, a native of the area, graduated from Artesia High School and obtained a bachelor's degree in animal science from New Mexico State University in 1973. After college, Casabonne was involved with ranch operations in Wyoming and Colorado. In 1976, he returned to the family ranch. After managing the operation, he purchased the



100th shareholders meeting

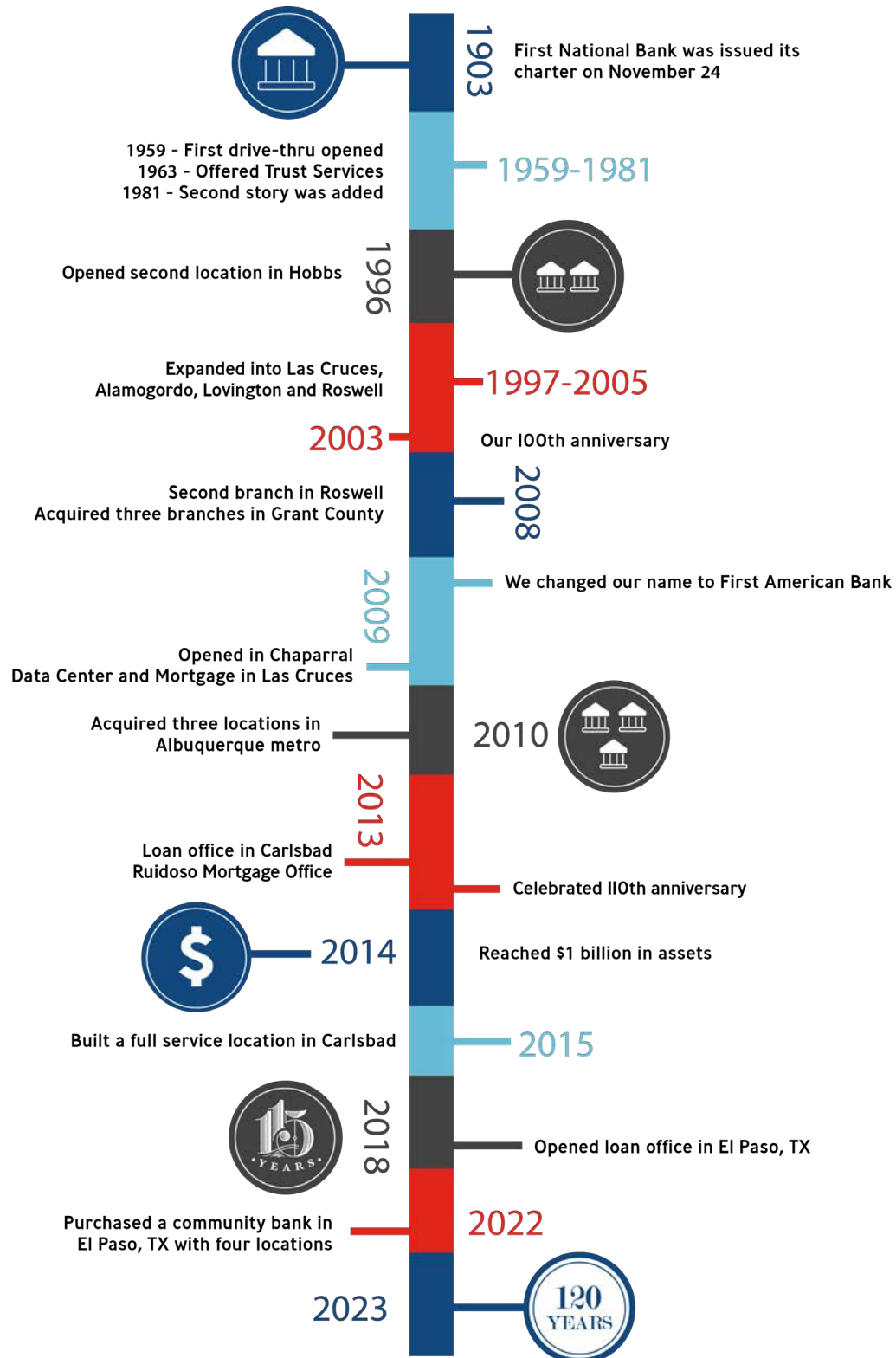


RAYE MILLER



MIKE CASABONNE

A TIMELINE OF OUR HISTORY



OFFICERS - ADMINISTRATION

GREG MARRS
 President, Chairman
 Chief Executive Officer

MANNY MORALES
 Senior Vice President
 Operations

JULIAN SALAZAR
 Vice President
 Treasury Management

ZANE BERGMAN
 Executive Vice President
 Chief Credit Officer

SANDRA SNOW
 Senior Vice President
 Bank Secrecy Act

KELLY WISEMAN
 Vice President
 Compliance

BRETT deMILLIANO
 Executive Vice President
 Chief Financial Officer

KRISTINA AGUIRRE
 Vice President
 Human Resources

APRIL MADRID
 Assistant Vice President
 Deposit Operations

PAULINE LOPEZ-LUTZ
 Executive Vice President
 Chief Operations Officer

J. KEVIN BALLARD
 Vice President
 Employee Development

MELISSA DELGADO-SALAZAR
 Assistant Vice President
 Loan Operations

TIM ALTAMIRANO
 Senior Vice President
 Treasury Management

IAN BRUMANA
 Vice President
 Controller

DORIS GARCIA
 Assistant Vice President
 Compliance

KEITH BIRD
 Senior Vice President
 Loan Operations

JACK CLARKE III
 Vice President
 Operations

BETTY LOMELI
 Assistant Vice President
 Special Assets

BARBARA EVANS
 Senior Vice President
 Compliance Manager

ARLENE CORTEZ
 Vice President
 Credit Analyst Manager

PAMELA NANCE
 Assistant Vice President
 Loan Operations

BRENT HAMMETT
 Senior Vice President
 Loan Review

RUSSELL DILLON II
 Vice President
 SBA Lending

ANGELICA TORRES
 Assistant Vice President
 Marketing

SANDRA MEAD
 Senior Vice President
 Marketing

SUZETTE MCFATRIDGE
 Vice President
 Compliance

KATHLEEN HAGEMEIER
 Compliance Officer

MARTHA MENDEZ
 Senior Vice President
 Deposit Operations

ELVA MURILLO
 Vice President
 Operations

NALEHUA WISE-HURST
 Operations Officer
 Treasury Management

OFFICERS - NEW MEXICO

ALAMOGORDO CHAPARRAL LAS CRUCES

FARRAH MARQUEZ
Market President

ALAMOGORDO

DARRO PANNELL
Vice President
Commercial Lending

DOREEN PADILLA
Assistant Vice President
Branch Manager

SUE STROTHER
Assistant Vice President
Consumer Lending

CHAPARRAL

IMELDA QUINTANA
Assistant Vice President
Branch Manager

LAS CRUCES

PAUL FIERRO
Vice President
Senior Operations Officer

DAVID MEDINA
Vice President
Commercial Lending

BILLIE HOOD
Branch Manager

ALBUQUERQUE METRO

GEOFF WAGNER
Market President

KENNETH MADDEN
Vice President
Branch Manager

ARTESIA CARLSBAD ROSWELL

JOHN BAIN
Market President

ARTESIA

AREN DADE
Assistant Vice President
Commercial Lending

JOSUE RAMIREZ
Commercial Lending Officer

CARLSBAD

GILBERT GARCIA
Commercial Lending Officer

ROSWELL

RYON GROESBECK
Senior Vice President
Commercial Lending

LINDA CISNEROS
Branch Manager

GRANT COUNTY

MELANIE GOMEZ
Senior Vice President
Managing Officer

AARON PEÑA
Operations Manager/Lending

HOBBS

DAVID WIBERG
Market President

JAROD WARE
Assistant Vice President
Commercial Lending

LOVINGTON

DAVID CAMPBELL
Market President

PASHA MYRICK
Branch Manager

OFFICERS - TEXAS

BROWNWOOD

DOUG MCLEAN
Market President

DANIEL HUTSON
Senior Vice President
Commercial Lending

EL PASO

NORM PETERS
Market President

DAVID KELLER
Senior Vice President
Senior Commercial Lending

ARMANDO MORENO
Senior Vice President
Commercial Lending

JOSHUA PLASENCIO
Senior Vice President
Commercial Lending

DANIEL SALAZAR
Senior Vice President
Commercial Lending

GLADYS AVALOS
Vice President
Loan Administration

LORENA GARAY
Vice President
Commercial Lending

CHRISTINA KANE
Assistant Vice President
Operations

OFFICERS - DEPARTMENTS

TRUST & WEALTH MANAGEMENT

CYNTHIA GREEN
Senior Vice President
Manager

BRITT PORTER
Vice President
Senior Wealth Advisor

AMANDA GAY
Vice President
Operations Manager

NIKI HERRING
Vice President
Trust Officer

DIANA MASON
Vice President
Trust Officer

SUE MCGEE-CHIODINI
Vice President
Trust Officer

EMOLENE AGUILAR
Trust Officer

TINA BERGLUND
Trust Officer

DIXIE EDWARDS
Business Development

JONATHON HERRERA
Portfolio Manager

MORTGAGE

CHRIS SANDERS
Senior Vice President
Manager

CORI SAVAGE
Compliance Officer

LOCATIONS

NEW MEXICO

ALAMOGORDO

1300 N. White Sands Blvd.

ALBUQUERQUE

8110 Ventura NE
4301 The 25 Way NE

ARTESIA

303 W. Main St.

BAYARD

1401 Tom Foy Blvd.

CARLSBAD

2201 W. Pierce St.

CHAPARRAL

324 McCombs Rd.

HOBBS

1220 W. Joe Harvey Blvd.
600 W. Bender Blvd.

LAS CRUCES

2145 E. Lohman Ave.
1553 Avenida de Mesilla

LOVINGTON

19 W. Washington Ave.

RIO RANCHO

3002 Southern Blvd. SE

ROSWELL

111 E. Fifth St.
3220 N. Main St.

SILVER CITY

1609 N. Swan St.

TEXAS

BROWNWOOD

Loan Production Office

EL PASO

401 E. Main St.
9801 Gateway West Blvd.
125 N. Mesa Hills Drive
1726 N. Zaragoza Rd.

MORTGAGE OFFICES

LAS CRUCES

223 E. Idaho Ave.

RUIDOSO

2825 Sudderth Dr.

firstamericanbanknm.com



FIRST AMERICAN BANK