Pandora Bancshares, Inc.

ANNUAL REPORT

First National Bank

You. First. Always.

2017

PANDORA BANCSHARES, INC.

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 AND 2016

CliftonLarsonAllen LLP

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January 31, 2018

Dear Shareholders and Friends:

Pandora Bancshares, Inc. is pleased to announce that 2017 results have exceeded our budgeted projections. We experienced Asset growth of 6.1%, Loan growth of 6.6%, Deposit growth of 7.0%, Net income increased 6.5%, and Pandora Bancshares stock price increased 6.9%. We are also excited because this strong performance allowed us to increase dividends by 4.5%.

In 2017, our national economy continued to show signs of improvement. This improvement prompted the Federal Reserve to increase the discount rate three times in 2017. The Federal Reserve has discussed three more potential rate hikes in 2018. The Fed has stated employment goals have been met and that inflation goals are not far behind. Our balance sheet is positioned appropriately to handle the increase in interest rates. The increased rates did assist in the 7.5% improvement in Net Interest income in 2017.

Our bank is entering in to our 99th year of existence. Those who initially founded our bank felt local ownership and high grade citizenship was the key to success for a Community Bank. We continue that belief with our Mission Statement, "Improving lives through community banking." All decisions we make must positively answer the question, "Does this decision improve the lives of our customers, shareholders, employees, and communities." This principle is the reason FNB is special. This is why we are relevant in our communities. We know our staff lives and breathes this mission. The proof is in the fact that our team members spent 1,992 hours volunteering locally in 2017.

We are proud to serve our communities by helping our small businesses, farmers and all residents with excellent banking products and services. We strive to have state of the art technology available to all clients. It is our duty to give a rewarding experience to all of those who we touch.

In 2015, we began to use Greig McDonald from Community Banc Investments as a market maker for our stock. Community Banc Investments deals only with community bank stocks in Ohio. Greig's experience in community banks and his unbiased opinion on the value of our stock is a huge asset for FNB. Since working with Greig, we have seen a 25.6% increase in our stock price. If you are interested in purchasing or selling Pandora Bancshares, Inc. stock, please contact Greig McDonald at greig@cbibankstocks.com or 1-800-224-1013.

Our Directors, Management and Staff are very excited about the continued positive direction of First National Bank and the strategy to increase shareholder value. We thank you for your investment, your business and your future business. We look forward to seeing you at the Annual Shareholder Meeting on Saturday April 28, 2018, at 10:00 AM at The Centre, Bluffton, Ohio.

Respectfully,

Todd A. Mason
President and CEO
First National Bank

J. Peter Suter
Chairman
Pandora Bancshares, Inc.

John Arnold
Chairman
First National Bank

PANDORA BANCSHARES, INC.
FIVE-YEAR SUMMARY OF SELECTED FINANCIAL DATA (UNAUDITED)

	Years Ended December 31,				
	2017	2016	2015	2014	2013
	(Dollars in Thousands, Except per Share Data)				
Statements of Operations:					
Total Interest Income	$ 6,492	$ 5,971	$ 5,774	$ 5,408	$ 5,268
Total Interest Expense	808	686	584	611	689
Net Interest Income	5,684	5,285	5,190	4,797	4,579
Provision for Loan Losses	110	60	80	58	120
Net Interest Income After Provision for Loan Losses	5,574	5,225	5,110	4,739	4,459
Total Noninterest Income	1,272	1,245	1,196	912	1,153
Total Noninterest Expenses	5,461	5,339	5,229	4,848	4,942
Income Before Federal Income Taxes	1,385	1,131	1,077	803	670
Federal Income Taxes	464	266	254	176	144
Net Income	$ 921	$ 865	$ 823	$ 627	$ 526
Per Share of Common Stock:					
Net Income	$ 7.29	$ 6.85	$ 6.51	$ 5.07	$ 4.31
Dividends	2.30	2.20	2.10	2.00	1.90
Book Value	110.04	105.82	103.63	100.11	95.92
Year-End Balances					
Loans, Net (A)	$ 112,283	$ 105,542	$ 104,341	$ 95,738	$ 91,473
Securities and Other Investments	34,944	34,211	33,547	34,003	36,436
Total Assets	164,488	155,080	154,228	148,362	146,391
Deposits	145,662	136,135	133,450	130,950	127,593
Stockholders' Equity	13,901	13,346	13,093	12,514	11,762
Average Balances:					
Loans, Net (A)	$ 108,146	$ 103,293	$ 97,998	$ 92,376	$ 86,551
Securities	34,821	33,611	33,735	35,443	37,969
Total Assets	157,920	152,134	146,250	142,098	138,766
Deposits	137,872	132,876	123,705	121,011	118,600
Stockholders' Equity	13,849	13,521	12,771	12,176	11,874
Selected Ratios:					
Net Yield on Average Interest-Earning Assets	3.93%	3.81%	3.88%	3.70%	3.61%
Return on Average Assets	0.58%	0.57%	0.56%	0.44%	0.38%
Return on Average Stockholders' Equity	6.65%	6.40%	6.37%	5.15%	4.44%
Allowance for Loan Losses as a Percentage of Year-End Loans	1.24%	1.36%	1.39%	1.49%	1.65%
Year-End Stockholders' Equity as a Percentage of Year-End Assets	8.45%	8.61%	8.49%	8.44%	8.03%

(A) Includes Loans Held for Sale

INDEPENDENT AUDITORS' REPORT

Board of Directors
Pandora Bancshares, Inc.
Pandora, Ohio

We have audited the accompanying consolidated financial statements of Pandora Bancshares, Inc. and its subsidiary, which comprise the consolidated balance sheets, as of December 31, 2017 and 2016, and the related consolidated statements of operations, comprehensive income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
Pandora Bancshares, Inc.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Pandora Bancshares, Inc. and its subsidiary as of December 31, 2017 and 2016, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Toledo, Ohio
February 23, 2018

PANDORA BANCSHARES, INC.
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2017 AND 2016

	2017	2016
ASSETS		
Cash Due from Banks	$ 5,059,150	$ 3,358,056
Federal Funds Sold	3,290,000	2,299,000
Total Cash and Cash Equivalents	8,349,150	5,657,056
Securities, Available-for-Sale	33,504,899	33,232,378
Other Investments	1,439,050	979,050
Loans Held for Sale	127,965	502,825
Loans, Net of Allowance for Loan Losses of $1,411,917 in 2017 and $1,447,452 in 2016	112,154,795	105,038,831
Premises and Equipment, Net	3,707,404	3,800,406
Other Real Estate Owned	308,300	902,822
Accrued Interest Receivable	618,286	581,243
Cash Surrender Value of Life Insurance	3,529,535	3,444,015
Other Assets	748,585	941,255
Total Assets	$ 164,487,969	$ 155,079,881
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Deposits:		
Noninterest Bearing	$ 13,987,972	$ 11,646,413
Interest Bearing	131,674,228	124,489,061
Total Deposits	145,662,200	136,135,474
Federal Home Loan Bank Borrowings	2,874,596	4,247,048
Other Liabilities	2,050,360	1,351,768
Total Liabilities	150,587,156	141,734,290
STOCKHOLDERS' EQUITY		
Common Stock, $5.00 Par Value; Authorized 500,000 Shares; Issued 164,388 Shares	821,940	821,940
Additional Paid-in Capital	2,846,417	2,846,417
Retained Earnings	12,983,229	12,296,306
Accumulated Other Comprehensive Loss	(368,325)	(220,042)
Treasury Stock, at Cost - 38,066 Shares in 2017 and 38,271 Shares in 2016	(2,382,448)	(2,399,030)
Total Stockholders' Equity	13,900,813	13,345,591
Total Liabilities and Stockholders' Equity	$ 164,487,969	$ 155,079,881

See accompanying Notes to Consolidated Financial Statements.

PANDORA BANCSHARES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
INTEREST INCOME		
Loans - Including Fees	$ 5,780,550	$ 5,353,370
Securities:		
Taxable	456,742	330,766
Tax Exempt	204,530	242,876
Dividends on Restricted Stock	33,600	34,136
Other	16,890	9,415
Total Interest Income	6,492,312	5,970,563
INTEREST EXPENSE		
Deposits	740,196	640,711
Other Borrowings	68,576	44,991
Total Interest Expense	808,772	685,702
NET INTEREST INCOME	5,683,540	5,284,861
PROVISION FOR LOAN LOSSES	110,000	60,000
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	5,573,540	5,224,861
NONINTEREST INCOME		
Service Charges	292,044	269,737
Gain on Sale of Securities	110,153	41,191
Gain on Sale of Loans	193,786	307,315
Increase in Cash Surrender Value of Life Insurance	85,520	84,000
Other, Net	590,761	542,464
Total Noninterest Income	1,272,264	1,244,707
NONINTEREST EXPENSES		
Salaries, Wages, and Employee Benefits	2,699,704	2,693,698
Occupancy and Equipment	476,509	500,414
Data Processing	780,170	544,183
Federal Deposit Insurance Assessment	53,000	88,914
Professional and Director Fees	291,992	310,931
Advertising and Marketing	169,074	161,236
Ohio Financial Institution Tax	106,765	104,741
Other Operating Expenses	884,007	934,965
Total Noninterest Expenses	5,461,221	5,339,082
INCOME BEFORE INCOME TAXES	1,384,583	1,130,486
PROVISION FOR INCOME TAXES	464,000	265,700
NET INCOME	$ 920,583	$ 864,786
NET INCOME PER SHARE	$ 7.29	$ 6.85

See accompanying Notes to Consolidated Financial Statements.

PANDORA BANCSHARES, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
NET INCOME	$ 920,583	$ 864,786
OTHER COMPREHENSIVE LOSS		
Change in Unrealized Losses on Available-for-Sale Securities	(22,684)	(430,211)
Reclassification Adjustments for Securities Gains Realized in Income	(110,153)	(41,191)
Net Unrealized Losses	(132,837)	(471,402)
INCOME TAX EFFECT	(45,165)	(160,277)
OTHER COMPREHENSIVE LOSS	(87,672)	(311,125)
TOTAL COMPREHENSIVE INCOME	$ 832,911	$ 553,661

See accompanying Notes to Consolidated Financial Statements.

PANDORA BANCSHARES, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2017 AND 2016

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total
BALANCE - DECEMBER 31, 2015	$ 821,940	$ 2,846,417	$ 11,711,546	$ 91,083	$ (2,378,424)	$ 13,092,562
Net Income	-	-	864,786	-	-	864,786
Other Comprehensive Loss	-	-	-	(311,125)	-	(311,125)
Purchase of 708 Treasury Shares	-	-	-	-	(61,461)	(61,461)
Grant of 204 Shares to Officers	-	-	-	-	16,269	16,269
Sale of 287 Treasury Shares	-	-	(2,568)	-	24,586	22,018
Dividends Declared - $2.20 Per Share	-	-	(277,458)	-	-	(277,458)
BALANCE - DECEMBER 31, 2016	821,940	2,846,417	12,296,306	(220,042)	(2,399,030)	13,345,591
Net Income	-	-	920,583	-	-	920,583
Other Comprehensive Loss	-	-	-	(87,672)	-	(87,672)
Purchase of 566 Treasury Shares	-	-	-	-	(53,062)	(53,062)
Grant of 360 Shares to Officers	-	-	-	-	31,615	31,615
Sale of 411 Treasury Shares	-	-	(3,731)	-	38,029	34,298
Dividends Declared - $2.30 Per Share	-	-	(290,540)	-	-	(290,540)
Reclassification for Accounting Change	-	-	60,611	(60,611)	-	-
BALANCE - DECEMBER 31, 2017	$ 821,940	$ 2,846,417	$ 12,983,229	$ (368,325)	$ (2,382,448)	$ 13,900,813

See accompanying Notes to Consolidated Financial Statements.

PANDORA BANCSHARES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$ 920,583	$ 864,786
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	369,754	406,128
Provision for Loan Losses	110,000	60,000
Net Securities Amortization	184,763	224,462
Deferred Federal Income Taxes	134,354	38,477
Grant of Common Stock to Officers	31,615	16,269
Increase in Cash Surrender Value of Life Insurance	(85,520)	(84,000)
Gain on Sale of Securities	(110,153)	(41,191)
Gain on Sale of Loans	(193,786)	(307,315)
Loss (Gain) on Sale of Other Real Estate Owned	(40,355)	84,175
Loss on Disposal of Equipment	17,504	-
(Increase) Decrease in Assets:		
Loans Held for Sale	374,860	(363,325)
Accrued Interest Receivable	(37,043)	128,322
Other Assets	83,609	(194,926)
Increase (Decrease) in Other Liabilities	193,783	(231,653)
Net Cash Provided by Operating Activities	1,953,968	600,209
CASH FLOWS FROM INVESTING ACTIVITIES		
Available-for-Sale Securities:		
Sales	9,357,710	5,130,492
Maturities, Prepayments, and Calls	5,308,867	4,022,730
Purchases	(15,146,545)	(10,472,584)
Proceeds from Disposal of Other Investments	40,000	-
Net Increase in Loans	(7,442,548)	(1,668,390)
Purchase of Other Investment	(8,273)	-
Proceeds from Sale of Other Real Estate Owned	943,177	240,165
Additions to Premises and Equipment	(172,314)	(260,885)
Net Cash Used by Investing Activities	(7,119,926)	(3,008,472)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Increase in Deposits	9,526,726	2,685,045
Federal Home Loan Bank Borrowings	14,000,000	10,990,000
Principal Payments on Federal Home Loan Bank Borrowings	(15,372,452)	(12,856,933)
Proceeds from Sale of Treasury Shares	34,298	22,018
Purchase of Treasury Shares	(53,062)	(61,461)
Payment of Dividends	(277,458)	(265,301)
Net Cash Provided by Financing Activities	7,858,052	513,368
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,692,094	(1,894,895)
Cash and Cash Equivalents - Beginning of Year	5,657,056	7,551,951
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 8,349,150	$ 5,657,056

See accompanying Notes to Consolidated Financial Statements.

PANDORA BANCSHARES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash Paid for:		
Interest	$ 812,607	$ 673,340
Income Taxes	$ 80,000	$ 466,000
SUPPLEMENTAL DISCLOSURES OF NONCASH ACTIVITIES		
Noncash Operating Activity:		
Change in Deferred Income Taxes on Net Unrealized Gains (Losses) on Available-for-Sale Securities	$ (45,165)	$ (160,277)
Noncash Investing Activity:		
Change in Net Unrealized Gains (Losses) on Available-for-Sale Securities	$ (132,837)	$ (471,402)
Noncash Operating and Investing Activity:		
Transfer of Loans to Other Real Estate Owned	$ 308,300	$ 957,322

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Pandora Bancshares, Inc. (the Corporation) was incorporated in 1986 in the state of Ohio as a single-bank holding company for First National Bank of Pandora (the Bank). The Corporation, through its wholly owned subsidiary, the Bank, operates in one industry segment, the commercial banking industry. The Bank, organized in 1919 as a national chartered bank, is headquartered in Pandora, Ohio, with branch offices in Bluffton, Findlay, and Ottawa, Ohio.

The primary source of revenue of the Bank is providing loans to customers primarily located in Northwestern and West Central Ohio. Such customers are predominately small and middle-market businesses and individuals.

Significant accounting policies followed by the Corporation are presented below.

Use of Estimates in Preparing Financial Statements

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during each reporting period. Actual results could differ from those estimates. The most significant estimates susceptible to significant change in the near term relate to the determination of the allowance for loan losses and the valuation of servicing assets.

Principles of Consolidation

The consolidated financial statements include the accounts of the Corporation and the Bank. All significant intercompany balances and transactions have been eliminated in consolidation.

Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, cash and cash equivalents include cash on hand, amounts due from banks, federal funds sold which mature overnight or within four days, and bank certificates of deposit with original maturities of 90 days or less.

Securities and Other Investments

Securities are classified as available-for-sale and recorded at fair value, with unrealized gains and losses, net of applicable income taxes, excluded from income and reported as a component of other comprehensive income (loss).

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Securities and Other Investments, Continued

The cost of available-for-sale debt securities is adjusted for amortization of premiums and accretion of discounts. Purchase premiums and discounts are recognized in interest income using the interest method over the terms of the securities. Declines in fair value of securities below their cost that are deemed to be other than temporary are reflected in income as realized losses. In estimating other than temporary impairment losses, management considers (1) the intent to sell the securities and the more likely than not requirement for the Corporation will be required to sell the securities prior to recovery, (2) the length of time and the extent to which the fair value has been less than cost, and (3) the financial condition and near-term proposals of the issuer. Gains and losses on the sale of securities are recorded on the trade date, using the specific identification method, and are included in noninterest income.

Other investments include Federal Home Loan Bank of Cincinnati and Federal Reserve Bank restricted stock, as well as an investment in the Ohio Equity Fund for Housing Limited Partnership made during 2017. These investments are carried at cost and evaluated for impairment.

Loans Held for Sale

Loans originated and intended for sale in the secondary market are carried at the lower of cost or estimated fair value in the aggregate.

Loans

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or pay off generally is stated at their outstanding principal amount adjusted for charge offs and the allowance for loan losses. Interest is accrued as earned based upon the daily outstanding principal balance. Loan origination fees and certain direct obligation costs are capitalized and recognized as an adjustment of the yield of the related loan.

The accrual of interest is generally discontinued at the time a loan is 90 days past due unless the credit is well secured and in process of collection. Past due status is based on contractual terms of the loan. In all cases, loans are placed on nonaccrual or charged off at an earlier date if collection of principal or interest is considered doubtful.

All interest accrued but not collected for loans placed on nonaccrual or charged off is reversed against interest income. Interest on these loans is accounted for on the cash-basis or cost-recovery method, until qualifying for return to accrual. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

Allowance for Loan Losses

The allowance for loan losses is established as losses are estimated to have occurred through a provision for loan losses charged to income. Loan losses are charged against the allowance when management believes the collectibility of a loan balance is doubtful. Subsequent recoveries, if any, are credited to the allowance.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowance for Loan Losses (Continued)

The allowance for loan losses is evaluated on a regular basis by management and is based upon management's periodic review of the collectability of loans in light of historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral and prevailing economic conditions. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available. Due to potential changes in conditions, it is at least reasonably possible that changes in estimates will occur in the near term and that such changes could be material to the amounts reported in the Corporation's consolidated financial statements.

The allowance consists of specific, general, and unallocated components. The specific component relates to impaired loans when the discounted cash flows (or collateral value or observable market price) of the impaired loan is lower than the carrying value of that loan. The general component covers classified loans (substandard or special mention) without specific reserves, as well as non-classified loans, and is based on historical loss experience adjusted for qualitative factors. An unallocated component is maintained to cover uncertainties that could affect management's estimate of probable losses. The unallocated component of the allowance reflects the margin of imprecision inherent in the underlying assumptions used in the methodologies for estimating specific and general losses in the portfolio.

A loan is considered impaired when, based on current information and events, it is probable that the Bank will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed. Impairment is measured on a loan-by-loan basis for commercial and construction loans by either the present value of expected future cash flows discounted at the loan's effective interest rate, the loan's obtainable market price, or the fair value of the collateral if the loan is collateral dependent.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowance for Loan Losses, Continued

Under certain circumstances, the Bank may provide borrowers relief through loan restructurings. A restructuring of debt constitutes a troubled debt restructuring (TDR) if the Bank, for economic or legal reasons related to the borrower's financial difficulties, grants a concession to the borrower that it would not otherwise consider. Concessions may include reduction of interest rates, extension of maturity dates, forgiveness of principal or interest due, or acceptance of other assets in full or partial satisfaction of the debt. TDR loans typically present an elevated level of credit risk as the borrowers are not able to perform according to the original contractual terms. Loans that are reported as TDRs are considered impaired and measured for impairment, as previously described. TDR loans that have performed as agreed under the restructured terms for a period of 12 months or longer may cease to be reported as a TDR loan. However, the loan continues to be individually evaluated for impairment.

Large groups of smaller balance homogeneous loans are collectively evaluated for impairment. Accordingly, the Bank does not separately identify individual consumer and residential loans for impairment disclosures.

Other Real Estate Owned

Assets acquired through, or in lieu of, loan foreclosure are initially recorded at fair value less estimated costs to sell and any loan balance in excess of such value is charged to the allowance for loan losses. Subsequent to foreclosure, valuations are periodically performed by management and the assets are carried at the lower of carrying amount or fair value less cost to sell. Revenue and expenses from operations and fair value adjustments are included in other operating expenses.

Servicing

Mortgage servicing rights are recognized as an asset when acquired through sale of loans. Capitalized servicing rights are reported in other assets and amortized to expense in proportion to, and over the period of, the estimated future net servicing income of the underlying loans. Mortgage servicing rights are evaluated for impairment based upon the estimated fair value of the rights as compared to amortized cost. Fair value is determined based upon estimated discounted cash flows using market-based assumptions. Impairment is recognized through a valuation allowance to the extent that fair value is less than the capitalized amount.

Servicing fee income is recorded for fees earned for servicing loans and is included in other operating income, net of amortization of mortgage servicing rights.

Premises and Equipment

Premises and equipment is stated at cost, less accumulated depreciation. Upon the sale or disposition of the assets, the difference between the depreciated cost and proceeds is charged or credited to income. Depreciation is determined based on the estimated useful lives of the individual assets (typically 20 to 40 years for buildings and 3 to 10 years for equipment) and is computed using the straight-line method.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Premises and Equipment (Continued)

Premises and equipment are reviewed for impairment when events indicate their carrying amount may not be recoverable from future undiscounted cash flows. If impaired, the assets are recorded at fair value.

Off Balance Sheet Credit Related Financial Instruments

In the ordinary course of business, the Bank has entered into commitments to extend credit, including commitments under commercial letters of credit, and standby letters of credit. Such financial instruments are recorded when they are funded.

Supplemental Retirement and Postretirement Benefits

Annual provisions are made for the estimated liability for accumulated supplemental retirement benefits under agreements with certain officers, directors, and former employees of the Bank. These provisions are determined based on the terms of the agreements, as well as certain assumptions including estimated service periods and discount rates.

Advertising and Marketing Costs

Advertising and marketing costs are expensed as incurred.

Federal Income Taxes

The Corporation and Bank are currently subject only to federal income taxes. Any penalties resulting from the filing of its income tax returns are included in the provision for income taxes and any interest is included in interest expense.

Deferred income taxes are provided on temporary differences between financial statement and income tax reporting. Temporary differences are differences between the amounts of assets and liabilities reported for financial statement purposes and their tax bases. Deferred tax assets are recognized for temporary differences that will be deductible in future years' tax returns and for operating loss and tax credit carryforwards. Deferred tax assets are recognized only if it is more likely than not that a tax position will be realized or sustained upon examination by the relevant taxing authority. A tax position that meets the more likely than not recognition threshold is initially and subsequently measured as the largest amount of tax benefit that has a greater than 50% likelihood of being realized upon settlement with a taxing authority that has full knowledge of all relevant information. Deferred tax assets are reduced by a valuation allowance if it is deemed more likely than not that some or all of the deferred tax assets will not be realized. Deferred tax liabilities are recognized for temporary differences that will be taxable in future years' tax returns.

Transfers of Financial Assets

Transfers of financial assets are accounted for as sales, when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when (1) the assets have been isolated from the Bank, (2) the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred assets, and (3) the Bank does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Transfers of Financial Assets (Continued)

The transfer of a participating interest in a financial asset must have all of the following characteristics: (1) from the date of transfer, it must represent a proportionate ownership interest in the financial asset, (2) from the date of transfer, all cash flows received, except cash flows allocated as compensation for servicing or other services performed, must be divided proportionately among participating interest holders in the amount equal to their share ownership, (3) the rights of each participating interest holder must have the same priority, and (4) no party has the right to pledge or change the entire financial asset unless all participating interest holders agree to do so.

Comprehensive Income

Recognized revenue, expenses, gains, and losses are included in net income. Although certain changes in assets and liabilities, such as unrealized gains and losses on available-for-sale securities, are reported as a separate component of the equity section of the consolidated balance sheet, such items, along with net income, are components of accumulated other comprehensive income.

Rate Lock Commitments

Loan commitments related to the origination or acquisitions of mortgage loans that will be held for sale are accounted for as derivative instruments. The Bank enters into commitments to originate loans whereby the interest rate on the loan is determined prior to funding (rate lock commitments). Rate lock commitments on mortgage loans that are intended to be sold are considered to be derivatives. Accordingly, such commitments, along with any related fees received from potential borrowers, are to be recorded at fair value as derivative assets or liabilities, with changes in fair value recorded in the net gain or loss on sale of mortgage loans. Fair value is based on fees currently charged to enter into similar agreements, and for fixed-rate commitments also considers the difference between current levels of interest rates and the committed rates. At December 31, 2017 and 2016, derivative assets and liabilities relating to rate lock commitments were not material to the consolidated financial statements.

Per Share Data

Net income per common share represents net income divided by weighted average number of common shares outstanding during the year. The weighted average number of shares used in the computation of net income per share was 126,333 in 2017 and 126,282 in 2016.

Subsequent Events

Management evaluated subsequent events through February 23, 2018, the date the consolidated financial statements were available to be issued.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, *Measurement of Credit Losses on Financial Instruments*. The ASU requires an organization to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Financial institutions and other organizations will now use forward-looking information to better inform their credit loss estimates. Many of the loss estimation techniques applied today will still be permitted, although the inputs to those techniques will change to reflect the full amount of expected credit losses. Organizations will continue to use judgment to determine which loss estimation method is appropriate for their circumstances. Additionally, the ASU amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration. For non-public companies, this update will be effective for annual periods beginning after December 15, 2020. The Corporation has not yet determined the impact the adoption of ASU 2016-13 will have on the consolidated financial statements.

In February 2018, the FASB issued ASU 2018-2, *Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income.* The ASU allows a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the Tax Cuts and Jobs Act. The ASU is effective for fiscal years beginning after December 15, 2018 with early adoption permitted. The Corporation elected to early adopt the provisions of ASU 2018-2 and recognized a reclassification adjustment of $60,611 between accumulated other comprehensive income and retained earnings for the year ended December 31, 2017.

NOTE 2 SECURITIES AND OTHER INVESTMENTS

The amortized cost and fair value of available for sale securities, with gross unrealized gains and losses, at December 31, 2017 and 2016, are as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
December 31, 2017				
U.S. Treasury Bond	$ 502,052	$ -	$ 133	$ 501,919
U.S. Government and Federal Agency Obligations	14,076,165	-	254,619	13,821,546
Obligations of State and Political Subdivisions	11,286,383	21,464	85,331	11,222,516
Mortgage-Backed	8,106,533	9,576	157,191	7,958,918
Total Available-for-Sale Securities	$ 33,971,133	$ 31,040	$ 497,274	$ 33,504,899
December 31, 2016				
Available-for-Sale Securities:				
U.S. Treasury Bond	$ 1,012,678	$ 1,638	$ -	$ 1,014,316
U.S. Government and Federal Agency Obligations	9,389,032	4,462	127,973	9,265,521
Obligations of State and Political Subdivisions	15,540,293	53,898	178,793	15,415,398
Mortgage-Backed	7,623,772	59,217	145,846	7,537,143
Total Available-for-Sale Securities	$ 33,565,775	$ 119,215	$ 452,612	$ 33,232,378

NOTE 2 SECURITIES AND OTHER INVESTMENTS (CONTINUED)

The amortized cost and fair value of available-for-sale securities at December 31, 2017, by contractual maturity, are shown below. Actual maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Amortized Cost	Fair Value
Due in One Year or Less	$ 6,419,365	$ 6,330,430
Due After One Year Through Five Years	10,782,428	10,710,433
Due After Five Years Through Ten Years	8,662,807	8,505,118
Total	25,864,600	25,545,981
Mortgage-Backed Securities	8,106,533	7,958,918
Total Available-for-Sale Securities	$ 33,971,133	$ 33,504,899

At December 31, 2017 and 2016, available-for-sale securities with an amortized cost of $25,225,989 and $23,461,297, respectively, and a fair value of $25,239,460, and $23,687,068, respectively, were pledged to secure borrowing public deposits, borrowings, and for other purposes required or permitted by law.

The following table presents gross unrealized losses and fair value of available-for-sale securities, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, at December 31, 2017 and 2016:

	Securities in a Continuous Unrealized Loss Position					
	Less Than 12 Months		12 Months or More		Total	
	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value
December 31, 2017						
U.S. Treasury Bond	$ 133	$ 501,919	$ -	$ -	$ 133	$ 501,919
U.S. Government and Federal Agency Obligations	132,673	8,067,992	121,946	5,753,554	254,619	13,821,546
Obligations of State and Political Subdivisions	46,527	5,370,132	38,804	1,608,379	85,331	6,978,511
Mortgage-Backed	55,510	3,922,218	101,681	3,873,634	157,191	7,795,852
Total	$ 234,843	$ 17,862,261	$ 262,431	$ 11,235,567	$ 497,274	$ 29,097,828
December 31, 2016						
U.S. Government and Federal Agency Obligations	$ 127,973	$ 6,251,555	$ -	$ -	$ 127,973	$ 6,251,555
Obligations of State and Political Subdivisions	178,793	9,401,934	-	-	178,793	9,401,934
Mortgage-Backed	145,846	4,735,422	-	-	145,846	4,735,422
Total	$ 452,612	$ 20,388,911	$ -	$ -	$ 452,612	$ 20,388,911

NOTE 2 SECURITIES AND OTHER INVESTMENTS (CONTINUED)

There were 40 securities in an unrealized loss position at December 31, 2017, 25 of which were in a loss position less than 12 months. These unrealized losses are considered temporary and were the result of customary and expected fluctuations in the bond market.

Gross realized gains from sales of available-for-sale securities amounted to $110,153 in 2017 and $41,191 in 2016, with the income tax provision applicable to such gains amounting to $37,452 in 2017 and $14,005 in 2016. There were no gross realized losses from sales of securities in 2017 and 2016.

Other Investments at December 31, 2017 and 2016 includes Federal Home Loan Bank of Cincinnati stock of $853,000 and Federal Reserve Bank stock of $85,050.

During 2017, the Bank acquired .5 units in the Ohio Equity Fund for Housing Limited Partnership in exchange for a capital contribution note of $500,000. The unpaid portion of the note, amounting to $491,727, is included in other liabilities in the 2017 consolidated balance sheet. The note does not bear any interest and is payable in installments at the direction of the general partner.

NOTE 3 LOANS AND ALLOWANCE FOR LOAN LOSSES

Most of the Bank's lending activities are with customers located in Northwestern and West Central Ohio. As of December 31, 2017 and 2016, the Bank's loans to borrowers in the agriculture industry represent the single largest industry and represented 13% and 15% of the Bank's loan portfolio, respectively. Agriculture loans are generally secured by property, equipment, and crop income. Repayment is expected from cash flow from the harvest and sale of crops. Agriculture customers are subject to the risks of weather and market prices of crops which could have an impact on the ability of these customers to repay their loans. Credit losses arising from the Bank's lending experience in the agriculture industry compare favorably with the Bank's loss experience on their loan portfolio as a whole. Credit evaluation of agriculture lending is based on an evaluation of cash flow coverage of principal and interest payments and the adequacy of collateral received.

Certain directors and executive officers, including their immediate families and companies in which they are principal owners, are loan customers of the Bank. Such loans are made in the ordinary course of business in accordance with the normal lending policies of the Bank, including the interest rate charged and collateralization, and do not represent more than a normal collection risk. The following is a summary of activity for such loans:

	2017	2016
Beginning of Year	$ 160,303	$ 161,491
Additions	340,930	398,882
Repayments	(299,925)	(400,070)
End of Year	$ 201,308	$ 160,303

Additions and repayments include loan renewals, as well as net borrowings and repayments under revolving lines of credit.

NOTE 3 LOANS AND ALLOWANCE FOR LOAN LOSSES (CONTINUED)

The following is a summary of activity in the allowance for loan losses, as well as the Bank's recorded investment in loans, by portfolio segment and based on impairment method, as of and for the years ended December 31, 2017 and 2016:

				Real Estate Mortgage		
December 31, 2017	Commercial	Consumer	Commercial Real Estate	Residential	Home Equity	Total
Allowance for Loan Losses:						
Balance at January 1, 2017	$ 308,932	$ 51,642	$ 508,255	$ 455,651	$ 122,972	$ 1,447,452
Provision (Credit) for Loan Losses	(117,615)	3,277	(18,908)	145,334	97,912	110,000
Loans Charged off	-	(2,919)	(15,305)	(62,441)	(76,689)	(157,354)
Recoveries	6,050	3,319	2,450	-	-	11,819
Balance at December 31, 2017	197,367	55,319	476,492	538,544	144,195	1,411,917
Ending Balance Individually Evaluated for Impairment	-	-	-	-	-	-
Ending Balance Collectively Evaluated for Impairment	$ 197,367	$ 55,319	$ 476,492	$ 538,544	$ 144,195	$ 1,411,917

				Real Estate Mortgage		
December 31, 2017	Commercial	Consumer	Commercial Real Estate	Residential	Home Equity	Total
Loans:	$ 15,988,930	$ 3,895,672	$ 38,652,480	$ 44,220,086	$ 10,809,544	$ 113,566,712
Ending Balance						
Ending Balance Individually Evaluated for Impairment	-	19,537	1,320,552	-	-	1,340,089
Ending Balance Collectively Evaluated for Impairment	$ 15,988,930	$ 3,876,135	$ 37,331,928	$ 44,220,086	$ 10,809,544	$ 112,226,623

NOTE 3 LOANS AND ALLOWANCE FOR LOAN LOSSES (CONTINUED)

				Real Estate Mortgage		
December 31, 2016	Commercial	Consumer	Commercial Real Estate	Residential	Home Equity	Total
Allowance for Loan Losses:						
Balance at January 1, 2016	$ 325,723	$ 44,670	$ 586,658	$ 394,796	$ 117,236	$ 1,469,083
Provision (Credit) for Loan Losses	6,777	7,707	(46,588)	87,568	4,536	60,000
Loans Charged off	(24,568)	(18,325)	(36,055)	(26,713)	-	(105,661)
Recoveries	1,000	17,590	4,240	-	1,200	24,030
Balance at December 31, 2016	308,932	51,642	508,255	455,651	122,972	1,447,452
Ending Balance Individually Evaluated for Impairment	105,733	-	-	-	-	105,733
Ending Balance Collectively Evaluated for Impairment	$ 203,199	$ 51,642	$ 508,255	$ 455,651	$ 122,972	$ 1,341,719
Loans:						
Ending Balance	$ 14,886,911	$ 3,412,627	$ 41,884,520	$ 35,689,853	$ 10,612,372	$ 106,486,283
Ending Balance Individually Evaluated for Impairment	254,515	-	1,120,078	42,182	-	1,416,775
Ending Balance Collectively Evaluated for Impairment	$ 14,632,396	$ 3,412,627	$ 40,764,442	$ 35,647,671	$ 10,612,372	$ 105,069,508

Construction loans are included in the commercial real estate and residential real estate loan categories and are underwritten utilizing independent appraisals, sensitivity analysis of absorption, vacancy, and lease rates and financial analysis of the developers and property owners. Construction loans are generally based upon estimates of costs and value associated with the complete project. These estimates may be inaccurate. Construction loans often involve the disbursement of funds with repayment substantially dependent on the success of the ultimate project. These loans are closely monitored by on-site inspections and are considered to have higher risks than other real estate loans due to their ultimate repayment being sensitive to interest rate changes, general economic conditions and the availability of long-term financing. The Bank may require guarantees on these loans. The Bank's construction loans are secured primarily by properties located in its primary market area.

NOTE 3 LOANS AND ALLOWANCE FOR LOAN LOSSES (CONTINUED)

The Bank originates 1 - 4 family real estate and consumer loans utilizing credit reports to supplement the underwriting process. The Bank's manual underwriting standards for 1 - 4 family loans are generally in accordance with FHLMC and FNMA manual underwriting guidelines. Properties securing 1 - 4 family real estate loans are appraised by either staff appraisers or fee appraisers, both of which are independent of the loan origination function and have been approved by the board of directors. The loan-to-value ratios normally do not exceed 80% without credit enhancements such as mortgage insurance. The Bank will lend up to 100% of the lesser of the appraised value or purchase price for conventional 1 - 4 family real estate loans, provided private mortgage insurance is obtained. The underwriting standards for consumer loans include a determination of the applicant's payment history on other debts and an assessment of their ability to meet existing obligations and payments on the proposed loan. To monitor and manage loan risk, policies and procedures are developed and modified, as needed by management. This activity, coupled with smaller loan amounts that are spread across many individual borrowers, minimizes risk. Additionally, market conditions are reviewed by management on a regular basis. The Bank's 1 - 4 family real estate loans are secured primarily by properties located in its primary market area.

Commercial and agricultural real estate loans are subject to underwriting standards and processes similar to commercial and agricultural operating loans, in addition to those unique to real estate loans. These loans are viewed primarily as cash flow loans and secondarily as loans secured by real estate. Commercial and agricultural real estate lending typically involves higher loan principal amounts and the repayment of these loans is generally dependent on the successful operation of the property securing the loan or the business conducted on the property securing the loan. Loan to value is generally 75% of the cost or value of the assets. Appraisals on properties securing these loans are generally performed by fee appraisers approved by the board of directors. Because payments on commercial and agricultural real estate loans are often dependent on the successful operation or management of the properties, repayment of such loans may be subject to adverse conditions in the real estate market or the economy. Management monitors and evaluates commercial and agricultural real estate loans based on collateral and risk rating criteria. The Bank may require guarantees on these loans. The Bank's commercial and agricultural real estate loans are secured primarily by properties located in its primary market area.

Commercial and agricultural operating loans are underwritten based on the Bank's examination of current and projected cash flows to determine the ability of the borrower to repay their obligations as agreed. This underwriting includes the evaluation of cash flows of the borrower, underlying collateral, if applicable, and the borrower's ability to manage its business activities. The cash flows of borrowers and the collateral securing these loans may fluctuate in value after the initial evaluation. A first priority lien on the general assets of the business normally secures these types of loans. Loan to value limits vary and are dependent upon the nature and type of the underlying collateral and the financial strength of the borrower. Crop and hail insurance is required for most agricultural borrowers. Loans are generally guaranteed by the principal(s). The Bank's commercial and agricultural operating lending is principally in its primary market area.

NOTE 3 LOANS AND ALLOWANCE FOR LOAN LOSSES (CONTINUED)

The Bank has an internal credit analyst who reviews and validates credit risk on a periodic basis, as well as an external loan review performed annually or semi-annually. Results of the credit analyst and external loan reviews are presented to management and the Audit Committee. The credit analyst and loan review processes compliment and reinforce the risk identification and assessment decisions made by lenders and credit personnel, as well as the Bank's policies and procedures.

The following table presents loans individually evaluated for impairment by class of loans as of December 31:

	2017		2016	
	Unpaid Principal Balance	Allowance for Loan Losses Allocated	Unpaid Principal Balance	Allowance for Loan Losses Allocated
With an Allowance Recorded:				
Commercial	$ -	$ -	$ 225,587	$ 105,733
With No Related Allowance Recorded:				
Real Estate:				
Commercial	1,320,552	-	1,120,078	-
Residential	-	-	42,182	-
Consumer	19,537	-	-	-
Commercial	-	-	28,928	-
Total	$ 1,340,089	$ -	$ 1,416,775	$ 105,733

No additional funds are committed to be advanced in connection with impaired loans at December 31, 2017 and 2016.

The following is a summary of information for the years ended December 31 pertaining to impaired loans:

	2017	2016
Average Investment in Impaired Loans	$ 1,701,247	$ 1,738,284
Interest Income Recognized on Impaired Loans	70,549	31,204
Interest Income Recognized on a Cash Basis on Impaired Loans	70,040	31,204

Included in impaired loans were commercial real estate and consumer loans with outstanding balances aggregating $1,320,552 at December 31, 2017 and commercial real estate loans with outstanding balances aggregating $1,140,750 at December 31, 2016, which have been modified in troubled debt restructurings. The Corporation had no specific reserves at December 31, 2017 and 2016 allocated to these loans. The Corporation intends to lend no additional amounts to these customers.

NOTE 3 LOANS AND ALLOWANCE FOR LOAN LOSSES (CONTINUED)

The following table presents the aging of the recorded investment in past due and nonaccrual loans for the years ended December 31, 2017 and 2016 by class of loans:

	Loans Past Due Accruing Interest					Loans	
December 31, 2017	30 – 59 Days	60 – 89 Days	Over 90 Days	Total	Loans on Nonaccrual	not Past Due or on Nonaccrual	Total
Commercial	$ 188,682	$ -	$ 103,421	$ 292,103	$ -	$ 15,696,827	$ 15,988,930
Real Estate:							
Commercial	245,737	7,615	16,562	269,914	137,554	38,245,012	38,652,480
Home Equity	44,205	7,805	-	52,010	-	10,757,534	10,809,544
Residential	336,274	84,196	-	420,470	47,570	43,752,046	44,220,086
Consumer	24,622	5,647	62,477	92,746	-	3,802,926	3,895,672
Total	$ 839,520	$ 105,263	$ 182,460	$ 1,127,243	$ 185,124	$ 112,254,345	$ 113,566,712
December 31, 2016							
Commercial	$ 267,415	$ 71,555	$ 62,463	$ 401,433	$ 28,928	$ 14,456,550	$ 14,886,911
Real Estate:							
Commercial	-	-	-	-	86,960	41,797,560	41,884,520
Home Equity	492	95,547	-	96,039	31,678	10,484,655	10,612,372
Residential	304,313	350,676	127,939	782,928	10,182	34,896,743	35,689,853
Consumer	5,410	60,276	2,918	68,604	20,672	3,323,351	3,412,627
Total	$ 577,630	$ 578,054	$ 193,320	$ 1,349,004	$ 178,420	$ 104,958,859	$ 106,486,283

Credit Quality Indicators

The Company categorizes loans into risk categories based on relevant information about the ability of borrowers to service their debt, such as: current financial information, historical payment experience, credit documentation, public information, and current economic trends, among other factors. The Company analyzes loans individually by classifying the loans as to credit risk. This analysis includes all loans from the commercial loan department. This analysis is performed at least annually. The Company uses the following definitions for risk ratings:

- **Pass:** Loans classified as pass have no existing or known potential weaknesses requiring management’s close attention.

- **Special Mention:** Loans classified as special mention have a potential weakness that deserves management’s close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or of the Company’s credit position at some future date.

- **Substandard:** Loans classified as substandard are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the Company will sustain some loss if the deficiencies are not corrected.

NOTE 3 LOANS AND ALLOWANCE FOR LOAN LOSSES (CONTINUED)

Credit Quality Indicators (Continued)

- **Doubtful:** Loans classified as doubtful have all the weaknesses inherent in those classified as substandard, with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable.

Loans not meeting the criteria above that are analyzed individually as part of the above-described process are considered to be pass rated loans.

As of December 31, 2017 and 2016, based on the most recent analysis performed, the risk category of loans by class of loans was as follows:

December 31, 2017	Pass	Special Mention	Substandard	Doubtful	Total
Commercial	$ 15,071,424	$ -	$ 917,506	$ -	$ 15,988,930
Real Estate:					
Commercial	36,394,432	-	2,258,048	-	38,652,480
Home Equity	10,746,113	-	63,431	-	10,809,544
Residential	43,735,969	-	484,117	-	44,220,086
Consumer	3,819,054	-	76,618	-	3,895,672
Total	$ 109,766,992	$ -	$ 3,799,720	$ -	$ 113,566,712
December 31, 2016					
Commercial	$ 11,403,852	$ 1,023,598	$ 2,459,461	$ -	$ 14,886,911
Real Estate:					
Commercial	40,082,417	-	1,802,103	-	41,884,520
Home Equity	10,528,719	-	83,653	-	10,612,372
Residential	35,127,267	-	562,586	-	35,689,853
Consumer	3,388,336	-	24,291	-	3,412,627
Total	$ 100,530,591	$ 1,023,598	$ 4,932,094	$ -	$ 106,486,283

Newly classified troubled debt restructurings during the year ended December 31, 2017 consisted of the following:

	# Loans	Balance
Commercial Real Estate	2	$ 1,072,612

Newly classified troubled debt restructurings during the year ended December 31, 2016 consisted of the following:

	# Loans	Balance
Consumer	1	$ 20,672
Home Equity	1	15,370

NOTE 3 LOANS AND ALLOWANCE FOR LOAN LOSSES (CONTINUED)

Credit Quality Indicators (Continued)

The pre and post-modification recorded balances for this loan were the same. The troubled debt restructurings described above resulted in an increase to the allowance for loan losses of $307 in 2016 (none in 2017) and resulted in no charge offs during the years ended December 31, 2017 and 2016. The newly restructured loans referenced above have modified repayment terms.

NOTE 4 PREMISES AND EQUIPMENT

A summary of the cost and accumulated depreciation of premises and equipment consists of the following at December 31:

	2017	2016
Land	$ 1,084,023	$ 1,084,023
Buildings and Building Improvements	5,157,598	5,087,969
Furniture, Fixtures, and Equipment	1,284,198	1,271,343
Total Cost	7,525,819	7,443,335
Less: Accumulated Depreciation	3,818,415	3,642,929
Net Premises and Equipment	$ 3,707,404	$ 3,800,406

Depreciation of premises and equipment for the years ended December 31, 2017 and 2016 amounted to $247,812 and $254,706, respectively.

The Company has entered into an agreement to lease the land serving as the site for its Findlay East branch. Rent expense under the lease, which expires December 31, 2020, amounted to $20,000 in 2017 and 2016. Future commitments at December 31, 2017 under the lease aggregated $60,000 with $20,000 payable annually through 2020. The Company has renewal options to extend the lease through December 31, 2050.

NOTE 5 SECONDARY MARKET LENDING

Mortgage loans serviced for others are not included in the accompanying consolidated balance sheets. The unpaid principal balance of mortgage loans serviced for others approximated $75,128,000 and $78,779,700 at December 31, 2017 and 2016, respectively.

The balance of capitalized servicing rights included in other assets amounted to $339,779 and $359,651 at December 31, 2017 and 2016, respectively.

During the years ended December 31, 2017 and 2016, the Bank capitalized $102,070 and $120,843, respectively, of servicing rights and such amounts are included in gain on sale of loans. Amortization of mortgage servicing rights amounted to $121,942 in 2017 and $151,422 in 2016.

NOTE 6 DEPOSITS

The aggregate amount of time deposits in denominations of $250,000 or more at December 31, 2017 and 2016 approximated $17,213,000 and $14,818,000, respectively. Interest expense on these deposits amounted to $121,219 in 2017 and $83,150 in 2016.

At December 31, 2016, the scheduled maturities of time deposits are as follows:

Year Ending December 31,	Amount
2018	$ 30,289,379
2019	7,007,679
2020	3,865,930
2021	5,586,336
2022	3,261,905
Thereafter	23,323
Total	$ 50,034,552

NOTE 7 FEDERAL HOME LOAN BANK BORROWINGS

Federal Home Loan Bank borrowings consist of the following at December 31:

	2017	2016
Short-term Secured Variable Rate Note, with Interest at .75%, due March 29, 2017	$ -	$ 2,000,000
Advances Secured by Individual Residential Mortgages Under Blanket Agreement	2,874,596	2,247,048
Total Federal Home Loan Bank Borrowings	$ 2,874,596	$ 4,247,048

Interest on advances outstanding at December 31, 2017 secured by individual mortgages under blanket agreement ranged from 1.08% to 2.28%, with interest payable monthly and maturities ranging through January 2032. The weighted-average interest rate of Federal Home Loan Bank borrowings outstanding at December 31, 2017 and 2016 was 1.74% and 1.27%, respectively. Borrowings are secured by mortgage loans approximating $44,298,000 and $40,826,000 as of December 31, 2017 and 2016, respectively. Advances are subject to prepayment penalties and the provisions and conditions of the credit policy of the Federal Home Loan Bank.

Future maturities of Federal Home Loan Bank borrowings at December 31, 2017, are as follows:

Year Ending December 31,	Amount
2018	$ 576,816
2019	439,056
2020	377,415
2021	323,443
2022	276,246
Thereafter	881,620
Total	$ 2,874,596

NOTE 8 INCOME TAXES

On December 22, 2017, the Tax Cuts and Jobs Act (the Act) was signed into law. Among other things, the Act reduces the Corporation's federal tax rate from 34% to 21% effective January 1, 2018. As a result, the Corporation is required to re-measure, through the provision for income taxes, its deferred tax assets and liabilities using the enacted rate at which they are expected be recovered or settled. The re-measurement of the net deferred tax asset resulted in an additional provision for income taxes of $106,000.

The provision for income taxes for the years ended December 31, 2017 and 2016 consist of the following:

	2017	2016
Current Provision	$ 329,646	$ 227,223
Deferred Provision	28,354	38,477
Impact of enacted federal tax reform	106,000	-
Total Provision for Income Taxes	$ 464,000	$ 265,700

The income tax provision attributable to income from operations differed from the amounts computed by applying the U.S. federal income tax rate of 34% to income before income taxes as a result of the following:

	2017	2016
Expected Tax Using Statutory Tax Rate of 34%	$ 470,800	$ 384,400
Increase (Decrease) Resulting from:		
Tax-Exempt Interest Income, Net of Interest Expense		
Associated with Cost to Carry	(86,900)	(95,700)
Tax-Exempt Income on Life Insurance Policies	(29,100)	(28,600)
Impact of enacted federal tax reform	106,000	-
Other, Net	3,200	5,600
Total Provision for Income Taxes	$ 464,000	$ 265,700

The deferred income tax provision of $134,354 in 2017 included the enactment of federal tax reform. The remaining deferred income tax provision in 2017, as well as the deferred tax provision of $38,477 in 2016 resulted from the tax effects of temporary differences. There was no impact for changes in tax laws and rates or changes in the valuation allowance for deferred tax assets.

NOTE 8 INCOME TAXES (CONTINUED)

The components of deferred tax assets and liabilities consist of the following at December 31:

	2017	2016
Deferred Tax Assets:		
Allowance for Loan Losses	$ 249,600	$ 416,200
Accrued Employee Benefits	103,800	186,900
Net Unrealized Loss on Securities Available-for-Sale	97,909	113,355
Other	591	18,545
Total Deferred Tax Assets	451,900	735,000
Deferred Tax Liabilities:		
Federal Home Loan Bank Stock Dividends	90,700	146,900
Depreciation	69,000	109,400
Mortgage Servicing Rights	71,400	122,300
Other	40,800	26,600
Total Deferred Tax Liabilities	271,900	405,200
Net Deferred Tax Assets	$ 180,000	$ 329,800

Net deferred tax assets are included in other assets in the accompanying consolidated balance sheets.

The federal income tax returns of the Corporation that remains open and subject to examination at December 31, 2017 are years 2014 – 2017. Management does not believe the Corporation has any significant uncertain tax positions at December 31, 2017 and 2016.

Management believes it is more likely than not that the benefit of deferred tax assets will be realized. Therefore, no valuation allowance for deferred tax assets is deemed necessary as of December 31, 2017 and 2016.

NOTE 9 EMPLOYEE BENEFIT PLANS

The Corporation sponsors a defined contribution 401(k) plan for the benefit of eligible employees. Substantially all employees participate in the plan. Employer contributions are discretionary as determined by the board of directors and may be basic, optional, and/or matching in nature. Basic and optional contributions are allocated to participants based on the relative compensation of each participant. Matching contributions are determined as a percentage of participating employee contributions. Participants are vested in employer basic and matching contributions based on years of service. Employer matching contributions amounted to $58,730 in 2017 and $54,916 in 2016. There were no basic or optional employer contributions made during 2017 or 2016.

Under an employee stock purchase plan, eligible employees may defer a portion of their compensation and use the proceeds to purchase stock of the Corporation at a discount determined by the board of directors as stipulated in the plan. The Corporation sold from treasury 246 shares of stock in 2017 and 174 shares in 2016 under the plan.

NOTE 9 EMPLOYEE BENEFIT PLANS (CONTINUED)

The Bank has entered into various agreements with certain directors to provide for supplemental retirement benefits under deferred board of director fees, as specified by the individuals. The agreements provide for monthly retirement benefits based on the value of the individual's deferred compensation account. As of December 31, 2017 and 2016, the Bank's liability for such deferred compensation payments amounted to $341,920 and $390,043, respectively. The Bank has also entered into agreements with certain officers and directors to provide for supplemental retirement benefits. The Bank has provided a liability for estimated accumulated supplemental retirement benefits of $140,670 at December 31, 2017 and $144,888 at December 31, 2016.

The Bank has purchased life insurance policies on such individuals, as well as certain previously terminated participants, to assist in funding future deferred compensation obligations. The aggregate cash surrender value of life insurance policies amounted to $3,529,535 and $3,444,015 at December 31, 2017 and 2016, respectively.

NOTE 10 FINANCIAL INSTRUMENTS WITH OFF BALANCE SHEET RISK

The Bank is a party to financial instruments with off balance sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit, standby letters of credit, and commercial letters of credit. Such commitments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the consolidated balance sheet. The Bank's exposure to credit loss is represented by the contractual amount of these commitments. The Bank follows the same credit policies in making commitments as it does for on-balance-sheet instruments.

	December 31, Contract Amount	
	2017	2016
Commitments to Extend Credit, Including Unfunded Commitments Under Lines of Credit	$ 20,905,000	$ 17,042,000
Commercial and Standby Letters of Credit	383,000	479,000

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. The commitments for equity lines of credit may expire without being drawn upon. Therefore, the total commitment amounts do not necessarily represent future cash requirements. The amount of collateral obtained, if it is deemed necessary by the Bank, is based on management's credit evaluation of the customer.

Unfunded commitments under commercial lines of credit, revolving credit lines, and overdraft protection agreements are commitments for possible future extensions of credit to existing customers. These lines of credit are collateralized and usually do not contain a specified maturity date and may not be drawn upon to the total extent to which the Bank is committed.

NOTE 10 FINANCIAL INSTRUMENTS WITH OFF BALANCE SHEET RISK (CONTINUED)

Commercial and standby letters of credit are conditional commitments issued by the Bank to guarantee the performance of a customer to a third party. Those letters of credit are used primarily to support public and private borrowing arrangements. Essentially all letters of credit issued have expiration dates within one year. The credit risk involved is extending loan facilities to customers. The Bank generally holds collateral supporting those commitments if deemed necessary. The amount and nature of the collateral obtained are based on the Bank's credit evaluation of the customer. Collateral held varies but may include cash, securities, accounts receivable, inventory, property, plant, and equipment, and real estate.

NOTE 11 REGULATORY MATTERS

The Bank is subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Corporation's and Bank's financial statements. These capital requirements were modified in 2013 with the Basel III capital rules which establish a new comprehensive capital framework for U.S. banking organizations. The Corporation and Bank became subject to the new rules on January 1, 2015, with a phase-in period for many of the new provisions.

Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of its assets, liabilities, and certain off balance sheet items as calculated under regulatory accounting practices. The capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Bank to maintain minimum amounts and ratios (set forth in the following table) of Common Equity Tier 1, Tier I and total capital (as defined in the regulations) to risk-weighted assets (as defined) and of Tier I capital to average assets (as defined). Management believes, as of December 31, 2017 and 2016, that the Bank met all capital adequacy requirements to which it is subject.

As of December 31, 2017, the most recent notification from federal banking agencies categorized the Bank as "well capitalized" under the regulatory framework for prompt corrective action. To be categorized as "well capitalized", an institution must maintain minimum total risk-based, Tier I risk-based and Tier I leverage ratios as set forth in the following table. There are no conditions or events since that notification that management believes have changed the Bank's category. The Bank also believes it would meet all of the new Basel III capital requirements on a fully phased-in basis if such requirements were currently effective.

NOTE 11 REGULATORY MATTERS (CONTINUED)

The actual capital amounts and ratios of the Bank as of December 31, 2017 and 2016 are presented in the following table:

	Actual		Minimum Capital Requirement		Capitalized" Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
			(Thousands of Dollars)			
As of December 31, 2017						
Total Capital (to Risk-Weighted Assets)	$ 15,574	12.90%	$ 9,656	≥ 8.0%	$ 12,070	≥ 10.0%
Common Equity Tier I Capital (to Risk-Weighted Assets)	$ 14,162	11.73%	$ 5,431	≥ 4.5%	$ 7,845	≥ 6.5%
Tier I Capital (to Risk-Weighted Assets)	$ 14,162	11.73%	$ 7,242	≥ 6.0%	$ 9,656	≥ 8.0%
Tier I Capital (to Average Assets)	$ 14,162	8.66%	$ 6,538	≥ 4.0%	$ 8,173	≥ 5.0%
As of December 31, 2016						
Total Capital (to Risk-Weighted Assets)	$ 14,897	13.04%	$ 9,141	≥ 8.0%	$ 11,426	≥ 10.0%
Common Equity Tier I Capital (to Risk-Weighted Assets)	$ 13,468	11.79%	$ 5,142	≥ 4.5%	$ 7,427	≥ 6.5%
Tier I Capital (to Risk-Weighted Assets)	$ 13,468	11.79%	$ 6,856	≥ 6.0%	$ 9,141	≥ 8.0%
Tier I Capital (to Average Assets)	$ 13,468	8.72%	$ 6,176	≥ 4.0%	$ 7,720	≥ 5.0%

On a parent company only basis, the Corporation’s primary source of funds is dividends paid by the Bank. The ability of the Bank to pay dividends is subject to limitations under various laws and regulations, and to prudent and sound banking principles. Generally, subject to certain minimum capital requirements, the Bank may declare dividends without the approval of the Office of the Comptroller of the Currency, unless the total dividends in a calendar year exceed the total of the Bank’s net profits for the year combined with its retained profits of the two preceding years.

The board of governors of the Federal Reserve System generally considers it to be an unsafe and unsound banking practice for a bank holding company to pay dividends except out of current operating income, although other factors such as overall capital adequacy and projected income may also be relevant in determining whether dividends should be paid.

NOTE 12 FAIR VALUE MEASUREMENTS

FASB ASC 820-10, *Fair Value Measurements*, requires the use of valuation techniques that should be consistently applied. Inputs to valuation techniques refer to the assumptions that market participants would use in pricing the asset or liability. Inputs may be observable or unobservable. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from independent sources. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. In that regard, ASC 820-10 establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities that the Corporation has the ability to access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Unobservable inputs for the asset or liability for which there is little, if any, market activity at the measurement date. Unobservable inputs reflect the Corporation's own assumptions about what market participants would use to price the asset or liability. The inputs are developed based on the best information available in the circumstances, which might include the Corporation's own financial data such as internally developed pricing models, discounted cash flow methodologies, as well as instruments for which the fair value determination requires significant management judgment.

NOTE 12 FAIR VALUE MEASUREMENTS (CONTINUED)

The following table summarizes financial assets (there were no financial liabilities) measured at fair value as of December 31, 2017 and 2016, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value:

December 31, 2017	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total Fair Value
Recurring - Securities				
Available-for-Sale:				
U.S. Treasury Bond	$ 501,919	$ -	$ -	$ 501,919
U.S. Government and Federal Agency Obligations	-	13,821,546	-	13,821,546
Obligations of State and Political Subdivisions	-	11,222,516	-	11,222,516
Mortgage-Backed	-	7,958,918	-	7,958,918
Total Recurring	$ 501,919	$ 33,002,980	$ -	$ 33,504,899
Nonrecurring:				
Impaired Loans	$ -	$ -	$ -	$ -
December 31, 2016				
Recurring - Securities				
Available-for-Sale:				
U.S. Treasury Bonds	$ 1,014,316	$ -	$ -	$ 1,014,316
U.S. Government and Federal Agency Obligations	-	9,265,521	-	9,265,521
Obligations of State and Political Subdivisions	-	15,415,398	-	15,415,398
Mortgage-Backed	-	7,537,143	-	7,537,143
Total Recurring	$ 1,014,316	$ 32,218,062	$ -	$ 33,232,378
Nonrecurring:				
Impaired Loans	$ -	$ -	$ 119,854	$ 119,854

Impaired loans measured at fair value are those loans with an assigned specific reserve. Fair value is determined based on the carrying amount of the loan net of the related specific reserve of $105,733 in 2016 (none in 2017).

There were no financial instruments measured at fair value that moved to a lower level in the fair value hierarchy during 2017 and 2016 due to the lack of observable quotes in inactive markets for those instruments at December 31, 2017 and 2016.

A description of the valuation methodologies used for instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, follows.

NOTE 12 FAIR VALUE MEASUREMENTS (CONTINUED)

In general, fair value is based upon quoted market prices, where available. If such quoted market prices are not available, fair value is based upon internally developed models that primarily use, as inputs, observable market-based parameters. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value. These adjustments may include amounts to reflect counterparty credit quality, the Corporation's credit worthiness, among other things, as well as unobservable parameters. Any such valuation adjustments are applied consistently over time. The Corporation's valuation methodologies may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. While management believes the Corporation's valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

Securities Available-for-Sale

Where quoted prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities typically include U.S. treasury bonds. If quoted market prices are not available, then fair values are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows. Examples of such instruments, which would generally be classified within Level 2 of the valuation hierarchy, include agency securities, municipal bonds, and mortgage-backed securities. In certain cases where there is limited activity or less transparency around inputs to the valuation, securities are classified within Level 3 of the valuation hierarchy. The Corporation did not have any available-for-sale securities classified as Level 3 as of and for the years ended December 31, 2017 and 2016.

Impaired Loans

The Corporation does not record impaired loans at fair value on a recurring basis. However, periodically, a loan is considered impaired and is reported at the fair value of the underlying collateral, less estimated costs to sell, if repayment is expected solely from the collateral. Collateral values are estimated using Level 2 inputs, including recent appraisals and Level 3 inputs based on customized discounting criteria. Due to the significance of the Level 3 inputs, impaired loans fair values have been classified as Level 3.

Certain financial assets and financial liabilities are measured at fair value on a nonrecurring basis; that is, the instruments are not measured at fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances, for example, when there is evidence of impairment. Financial assets and financial liabilities, excluding impaired loans and other real estate owned, measured at fair value on a nonrecurring basis were not significant at December 31, 2017 and 2016.

NOTE 13 CONTINGENT LIABILITIES

In the normal course of business, the Corporation and Bank may be involved in various legal actions, but in the opinion of management and legal counsel, the ultimate disposition of such matters is not expected to have a material adverse effect on the consolidated financial statements.

<u>Directors of Pandora Bancshares, Inc.</u>

J. Peter Suter, Chairman; Local Business Owner
John B. Arnold, Vice Chairman; Local Business Owner
Jared Lehman, Secretary; President & CEO Lima Family YMCA
Todd A. Mason, President and Chief Executive Officer
Randal J. Verhoff, CPA, Verhoff & Company, LLC
Scott L. Basinger, Esq.

<u>Executive Officer of Pandora Bancshares, Inc.</u>

Todd A. Mason, President and Chief Executive Officer

<u>Executive Officers of First National Bank of Pandora</u>

Todd A. Mason, President and Chief Executive Officer
Larry E. Hoffman, Executive Vice President and Chief Financial Officer
Brendon Matthews, Executive Vice President and Senior Lender
Chris Alexander, Executive Vice President/Findlay City Executive
Jennifer Vastano, Sr. Vice President/Retail Administration/Marketing Director

Annual Meeting

April 28, 2018 – 10:00 a.m.
Centre at Bluffton
601 N. Main St.
Bluffton, OH 45817

Investor Information:

Investors, analysts and others seeking financial information may contact:
Todd A. Mason, CEO

Pandora Bancshares, Inc.
102 E. Main St.
Pandora, Ohio 45877

Bank Locations:

102 E. Main St. Pandora, OH 45877 419-384-3221	112 Cherry St. Bluffton, OH 45817 419-358-5500	1630 Tiffin Ave. Findlay, OH 45840 419-429-6000	1114 Trenton Ave, Findlay, OH 45840 419-425-2500
855 N. Locust St. Ottawa, OH 45875 419-523-5500			

Officers and Employees
As of December 31, 2017

Todd A. Mason	President and Chief Executive Officer
Larry E. Hoffman	Executive Vice President/CFO
Chris Alexander	Executive Vice President/Findlay City Executive
Brendon Matthews	Executive Vice President/Senior Lender
Jennifer Vastano	Sr. Vice President/Retail Administration/Marketing Director
Michelle Brandt	Vice President/BSA, CRA and Compliance Officer
Nita Crawford	Vice President/Human Resources/Security Officer
Doug Shaneyfelt	Vice President/IT
Devin Ellerbrock	Assistant Vice President
Vanessa Greer	Assistant Vice President
Amy Groves	Assistant Vice President
Janet Kingen	Assistant Vice President
Heather Rakay	Assistant Vice President
Shari Schwab	Assistant Vice President
Lisa Wheeler	Assistant Vice President

Heidi Allen
William Bibler
Megan Bright
Samantha Bryan
Shane Bugner
Victoria Burkholder
Sally Burris
Courtney Deitrick
Angela Drerup
Kacy Duling
Megan Fetter
Miranda Gibson
Emily Haag
Kayla Hazelton
Roseann Hoffman
Alison Hovest
Tessa Howe
Alice Maag
Angie Morman
Kurt Mullins
Jessica Parker
Barbara Ranes
Elizabeth Reynolds
Kayla Schroeder
Dawn Snider
Megan Stumbaugh
Brynne Vaughn
Adrienne Warren
Donna Worchuck

Directors of the First National Bank of Pandora
and Pandora Bancshares, Inc.

P. D. Bixel, MD
1919, 1934 – 1937
Carl Grismore
1919
J. A. Huffman
1919 – 1924
Noah Schumacher
1919 - 1933
C. Henry Smith*
1919 – 1948
P.C. Steiner
1919 – 1933
M. I. Trostle*
1919 – 1957
Louis Basinger
1920 – 1922
Otto McDowell
1920 – 1922
Elmer Campbell
1923 – 1924
J.A. Schutz
1923 – 1937
P.A. Suter
1923 – 1933
C.C. Wehly *
1923 – 1956
L. Shirl Hatfield*
1934 - 1954
Peter Hilty
1934 – 1952
Julian Kempf
1934 – 1952
Wilmer D. Niswander*
1938 – 1955, 1958 – 1961
Clifford Pierman
1949 – 1955
Irwin Hilty
1953 - 1968

Francis C. Marshall*
1953 – 1973
John H. Styer
1955 – 1969
Randall C. Etling
1956 – 1973
Lowell E. Hatfield*
1956 – 1961, 1964 – 1986
Francis Kempf
1957 – 1963
Milo B. Rice, MD*
1962-1973
Edward E. Schutz
1962
Warren Bridenbaugh*
1963 – 1979
Daniel W. Cook
1969 – 1984
Grover Geiger, Jr.*
1970 – 1986, 1988 – 1993
William Cupp
1974 – 1976
Robert R. Reese
1974 – 1986
Russell Suter
1974 – 1984
Daryl E. Amstutz
1977 – 1993
Robert Rice
1980 – 1986
Paul Bixel
1985 – 1986, 1988 – 1995
Lois Rodabaugh
1985 – 1989
Burnette Powell
1986 – 1987
Malcolm Basinger
1987 – 1999

David Emans
1988 – 2008
Mary S. Amstutz
1989 – 2001
Harold Van Scoder
1990 – 1996
Douglas Edinger
1994 – 2006
Paul Freeman*
1992 – 2002
David Rodabaugh
1994 – 2016
James Stechschulte
1995 – 2003
Charles Niswander
1997 – 2016
Donald Dreisbach
2003 – 2015
G.W. Holden*
2003 – 2004
Martin Terry
2003 – 2015
James A. Downhower*
2004 - 2005
F. Alan Blackburn*
2005 –2007
J. Peter Suter
2006 - Present
John Arnold
2007- 2009, 2015 - Present
Todd A. Mason*
2007- Present
Jared Lehman
2011 – Present
Randal Verhoff
2013 – Present
Scott Basinger
2016 - Present

*Designates CEO

We welcome your additions and corrections so that we may properly recognize those who have served our community bank. Please contact Heather Rakay at (419) 384-9104.

First National Bank

You. First. Always.

102 E. Main Street • P.O. Box 329 • Pandora, OH 45877
Phone: (419) 384-3221