Pandora Bancshares, Inc.

ANNUAL REPORT 2019

PANDORA BANCSHARES, INC.
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YEARS ENDED DECEMBER 31, 2019 AND 2018

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January 31, 2020

Dear Shareholders and Friends:

Pandora Bancshares, Inc. is pleased to announce that 2019 results have exceeded our budgeted projections. We experienced Asset growth of 6.6%, Loan growth of 9%, Deposit growth of 6.7%, Net income increased 16.5%, and Pandora Bancshares stock price increased 14.5%. We are also excited because this strong performance allowed us to increase dividends by 12%.

In 2019, our national economy continued to show signs of improvement over previous years. However, fears of a potential recession prompted the Federal Reserve to decrease the discount rate three times in 2019. The Fed's stated employment goals have been met and inflation goals are not far behind. However, potential headwinds due to a prolonged trade war stifled optimism. Our balance sheet is positioned appropriately to handle the decrease in interest rates. The drop in rates compressed net interest margin from 3.96% in 2018 to 3.91% in 2019.

2019 was an exciting year as we completed our 100th year of community banking. 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 over 2,000 hours volunteering locally in 2019.

We are proud to serve our communities by helping our small businesses, farmers and all customers 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 whom we touch.

Greig McDonald, from Community Banc Investments, is the 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 55.3% 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 25, 2020, 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

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

	Years Ended December 31,				
	2019	2018	2017	2016	2015
	(Dollars in Thousands, Except per Share Data)				
Statements of Operations:					
Total Interest Income	$ 8,442	$ 7,447	$ 6,492	$ 5,971	$ 5,774
Total Interest Expense	1,876	1,354	808	686	584
Net Interest Income	6,566	6,093	5,684	5,285	5,190
Provision for Loan Losses	130	105	110	60	80
Net Interest Income After Provision for Loan Losses	6,436	5,988	5,574	5,225	5,110
Total Noninterest Income	1,085	986	1,272	1,245	1,196
Total Noninterest Expenses	5,967	5,671	5,461	5,339	5,229
Income Before Federal Income Taxes	1,554	1,303	1,385	1,131	1,077
Federal Income Taxes	199	139	464	266	254
Net Income	$ 1,355	$ 1,164	$ 921	$ 865	$ 823
Per Share of Common Stock (A):					
Net Income	$ 5.37	$ 4.61	$ 3.64	$ 3.43	$ 3.26
Dividends	1.40	1.25	1.15	1.10	1.05
Book Value	64.53	57.43	55.02	52.91	51.82
Year-End Balances:					
Loans, Net (B)	$ 127,464	$ 116,146	$ 112,283	$ 105,542	$ 104,341
Securities and Other Investments	44,727	41,854	34,944	34,211	33,547
Total Assets	190,349	178,510	164,488	155,080	154,228
Deposits	168,445	157,928	145,662	136,135	133,450
Stockholders' Equity	16,261	14,448	13,901	13,346	13,093
Average Balances:					
Loans, Net (B)	$ 122,718	$ 114,250	$ 108,146	$ 103,293	$ 97,998
Securities and Other Investments	41,731	37,913	34,821	33,611	33,735
Total Assets	181,682	167,352	157,920	152,134	146,250
Deposits	160,603	146,613	137,872	132,876	123,705
Stockholders' Equity	15,630	14,225	13,849	13,521	12,771
Selected Ratios:					
Net Yield on Average Interest-Earning Assets	3.91%	3.96%	3.93%	3.81%	3.88%
Return on Average Assets	0.75%	0.70%	0.58%	0.57%	0.56%
Return on Average Stockholders' Equity	8.67%	8.18%	6.65%	6.40%	6.37%
Allowance for Loan Losses as a Percentage of Year-End Loans	1.25%	1.31%	1.24%	1.36%	1.39%
Year-End Stockholders' Equity as a Percentage of Year-End Assets	8.54%	8.09%	8.45%	8.61%	8.49%

(A) Years 2015 through 2017 are Restated to Reflect the 2018 Two-for-One Stock Split
(B) Includes Loans Held for Sale

CliftonLarsonAllen LLP
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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, 2019 and 2018, 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.

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, 2019 and 2018, 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 20, 2020

PANDORA BANCSHARES, INC.
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2019 AND 2018

	2019	2018
ASSETS		
Cash Due from Banks	$ 5,407,795	$ 7,721,920
Federal Funds Sold	3,994,000	4,007,000
Total Cash and Cash Equivalents	9,401,795	11,728,920
Securities, Available-for-Sale	42,904,791	39,949,256
Other Investments	1,822,431	1,905,165
Loans Held for Sale	841,004	90,951
Loans, Net of Allowance for Loan Losses of $1,606,403 in 2019 and $1,541,068 in 2018	126,622,802	116,054,923
Premises and Equipment, Net	3,793,932	3,954,285
Other Real Estate Owned	-	40,100
Accrued Interest Receivable	816,000	753,732
Cash Surrender Value of Life Insurance	3,699,532	3,614,840
Other Assets	446,746	417,554
Total Assets	$ 190,349,033	$ 178,509,726
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Deposits:		
Noninterest Bearing	$ 12,009,856	$ 11,685,491
Interest Bearing	156,434,757	146,242,513
Total Deposits	168,444,613	157,928,004
Federal Home Loan Bank Borrowings	3,114,692	3,759,464
Other Liabilities	2,528,797	2,374,032
Total Liabilities	174,088,102	164,061,500
STOCKHOLDERS' EQUITY		
Common Stock, $2.50 Par Value; Authorized 3,000,000 Shares in 2019 and 500,000 Shares in 2018, Issued 328,776 Shares	821,940	821,940
Additional Paid-In Capital	2,846,417	2,846,417
Retained Earnings	14,824,033	13,827,292
Accumulated Other Comprehensive Income (Loss)	196,347	(605,956)
Treasury Stock, at Cost - 76,802 Shares in 2019 and 77,215 Shares in 2018	(2,427,806)	(2,441,467)
Total Stockholders' Equity	16,260,931	14,448,226
Total Liabilities and Stockholders' Equity	$ 190,349,033	$ 178,509,726

See accompanying Notes to Consolidated Financial Statements.

PANDORA BANCSHARES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
INTEREST INCOME		
Loans - Including Fees	$ 7,349,820	$ 6,547,411
Securities:		
Taxable	878,975	637,605
Tax Exempt	94,490	173,481
Dividends on Restricted Stock	47,741	51,960
Other	70,706	36,412
Total Interest Income	8,441,732	7,446,869
INTEREST EXPENSE		
Deposits	1,798,539	1,252,284
Other Borrowings	77,618	101,394
Total Interest Expense	1,876,157	1,353,678
NET INTEREST INCOME	6,565,575	6,093,191
PROVISION FOR LOAN LOSSES	130,000	105,000
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	6,435,575	5,988,191
NONINTEREST INCOME		
Customer Service Charges	317,629	290,615
ATM and Debit Card Interchange Fees	273,207	254,216
Gain on Sale of Securities	14,756	-
Gain on Sale of Loans	285,103	221,914
Increase in Cash Surrender Value of Life Insurance	84,692	85,305
Other, Net	109,767	133,952
Total Noninterest Income	1,085,154	986,002
NONINTEREST EXPENSES		
Salaries, Wages, and Employee Benefits	3,243,829	2,983,636
Occupancy and Equipment	597,643	510,526
Data Processing	530,081	481,890
Federal Deposit Insurance Assessment	51,750	61,870
Professional and Director Fees	265,654	390,065
Advertising and Marketing	212,625	150,799
Ohio Financial Institution Tax	115,586	111,207
Other Operating Expenses	949,385	981,436
Total Noninterest Expenses	5,966,553	5,671,429
INCOME BEFORE INCOME TAXES	1,554,176	1,302,764
PROVISION FOR INCOME TAXES	199,000	139,000
NET INCOME	$ 1,355,176	$ 1,163,764
NET INCOME PER SHARE	$ 5.37	$ 4.61

See accompanying Notes to Consolidated Financial Statements.

PANDORA BANCSHARES, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
NET INCOME	$ 1,355,176	$ 1,163,764
OTHER COMPREHENSIVE INCOME (LOSS)		
Change in Unrealized Gains (Losses) on Available-for-Sale Securities	1,030,330	(300,799)
Reclassification Adjustments for Securities Gains Realized in Income	(14,756)	-
Net Unrealized Gains (Losses)	1,015,574	(300,799)
INCOME TAX EFFECT	213,271	(63,168)
OTHER COMPREHENSIVE INCOME (LOSS)	802,303	(237,631)
TOTAL COMPREHENSIVE INCOME	$ 2,157,479	$ 926,133

See accompanying Notes to Consolidated Financial Statements.

PANDORA BANCSHARES, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2019 AND 2018

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total
BALANCE - DECEMBER 31, 2017	$ 821,940	$ 2,846,417	$ 12,983,229	$ (368,325)	$ (2,382,448)	$ 13,900,813
Net Income	-	-	1,163,764	-	-	1,163,764
Other Comprehensive Loss	-	-	-	(237,631)	-	(237,631)
Purchase of 2,970 Treasury Shares	-	-	-	-	(153,712)	(153,712)
Grant of 670 Shares to Officers	-	-	-	-	32,830	32,830
Sale of 1,217 Treasury Shares	-	-	(5,250)	-	61,863	56,613
Dividends Declared - $1.25 Per Share	-	-	(314,451)	-	-	(314,451)
BALANCE - DECEMBER 31, 2018	821,940	2,846,417	13,827,292	(605,956)	(2,441,467)	14,448,226
Net Income	-	-	1,355,176	-	-	1,355,176
Other Comprehensive Income	-	-	-	802,303	-	802,303
Purchase of 1,802 Treasury Shares	-	-	-	-	(102,054)	(102,054)
Grant of 1,085 Shares to Officers	-	-	-	-	56,279	56,279
Sale of 1,130 Treasury Shares	-	-	(5,671)	-	59,436	53,765
Dividends Declared - $1.40 Per Share	-	-	(352,764)	-	-	(352,764)
BALANCE - DECEMBER 31, 2019	$ 821,940	$ 2,846,417	$ 14,824,033	$ 196,347	$ (2,427,806)	$ 16,260,931

See accompanying Notes to Consolidated Financial Statements.

PANDORA BANCSHARES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$ 1,355,176	$ 1,163,764
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	430,176	390,993
Provision for Loan Losses	130,000	105,000
Net Securities Amortization	121,400	140,513
Deferred Federal Income Taxes	(17,271)	141,168
Grant of Common Stock to Officers	56,279	32,830
Increase in Cash Surrender Value of Life Insurance	(84,692)	(85,305)
Gain on Sale of Securities	(14,756)	-
Equity Loss on Other Investments	57,753	33,885
Gain on Sale of Loans	(285,103)	(221,914)
(Gain) Loss on Sale of Other Real Estate Owned	18,341	(3,439)
(Increase) Decrease in Assets:		
Loans Held for Sale	(750,053)	37,014
Accrued Interest Receivable	(62,268)	(135,446)
Other Assets	(77,103)	254,420
Increase (Decrease) in Other Liabilities	311,672	(136,570)
Net Cash Provided by Operating Activities	1,189,551	1,716,913
CASH FLOWS FROM INVESTING ACTIVITIES		
Available-for-Sale Securities:		
Sales	5,455,319	-
Maturities, Prepayments, and Calls	9,732,286	2,803,898
Purchases	(17,234,210)	(9,689,567)
Net Increase in Loans	(10,582,061)	(3,912,361)
Cash Paid for Other Investments	(264,239)	(63,669)
Proceeds from Sale of Other Real Estate Owned	21,759	271,639
Additions to Premises and Equipment	(154,627)	(510,116)
Net Cash Used by Investing Activities	(13,025,773)	(11,100,176)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Increase in Deposits	10,516,609	12,265,804
Federal Home Loan Bank Borrowings	-	18,935,000
Principal Payments on Federal Home Loan Bank Borrowings	(644,772)	(18,050,132)
Proceeds from Sale of Treasury Shares	53,765	56,613
Purchase of Treasury Shares	(102,054)	(153,712)
Payment of Dividends	(314,451)	(290,540)
Net Cash Provided by Financing Activities	9,509,097	12,763,033
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,327,125)	3,379,770
Cash and Cash Equivalents - Beginning of Year	11,728,920	8,349,150
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 9,401,795	$ 11,728,920

See accompanying Notes to Consolidated Financial Statements.

PANDORA BANCSHARES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash Paid for:		
Interest	$ 1,911,677	$ 1,287,863
Income Taxes	$ 200,000	$ 245,000
SUPPLEMENTAL DISCLOSURES OF NONCASH ACTIVITIES		
Noncash Operating Activity:		
Change in Deferred Income Taxes on Net Unrealized Losses on Available-for-Sale Securities	$ 213,271	$ (63,168)
Noncash Investing Activity:		
Change in Net Unrealized Losses on Available-for-Sale Securities	$ 1,015,574	$ (300,799)
Noncash Investing and Financing Activity:		
Purchase of Other Investment Through Issuance of Capital Contribution Note	$ -	$ 500,000
Noncash Investing and Financing Activity:		
Basis Adjustment of Other Investments and Capital Contribution Notes	$ 24,981	$ -

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 estimate susceptible to significant change in the near term relates to the determination of the allowance for loan losses.

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 that are classified as available-for-sale are 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 investment in Ohio Equity Fund for Housing Limited Partnerships, which as a practical expedient is accounted for at cost, less impairment, plus or minus adjustments for observable price changes.

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.

Loans

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or pay off generally are 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 origination 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 collectability 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 nonclassified 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 noninterest 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 comprehensive income (loss).

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, 2019 and 2018, derivative assets and liabilities relating to rate lock commitments were not material to the consolidated financial statements.

Per Share and Par Value Data

Net income per common share represents net income divided by the weighted average number of common shares outstanding during the year, amounting to 252,377 in 2019 and 252,389 in 2018. Dividends per share are based on the number of shares outstanding at the declaration date.

Reclassifications

Certain statement of operations reclassifications of 2018 amounts were made to conform with the 2019 presentation. These reclassifications had no impact on net income.

Subsequent Events

Management evaluated subsequent events through February 20, 2020, the date the consolidated financial statements were available to be issued.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements

In June 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, Topic 606, *Revenue from Contracts with Customers.* The Corporation adopted Topic 606 effective January 1, 2019. The sources of noninterest income subject to this pronouncement are customer service charges and ATM and debit card exchange fees. Following is a summary of the Corporation's revenue recognition for these revenue sources under ASU 2014-09:

Customer Service Charges – The Corporation earns fees from its deposit customers for transaction-based, account maintenance, and overdraft services. Transaction-based fees, which include automated teller machine (ATM) use fees, stop payment charges, late fees on loans, statement rendering, and ACH fees, are recognized at the time the transaction is executed as that is the point in time the Company fulfills the customer's request. Account maintenance fees, which relate primarily to monthly maintenance, are earned over the course of a month, representing the period over which the Company satisfies the performance obligation. Overdraft fees are recognized at the point in time that the overdraft occurs. Service charges on deposits are withdrawn from the customer's account balance.

ATM and Debit Card Fees – The Company earns interchange fees from debit cardholder transactions conducted through the Visa and Mastercard payment networks. Interchange fees from cardholder transactions represent a percentage of the underlying transaction value and are recognized daily, concurrently with the transaction processing services provided to the cardholder.

There was no impact on the recognition of revenue for any of these items as a result of the adoption of ASU 2014-09, Topic 606.

In January 2016, the FASB issued ASU 2016-01, *Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Liabilities*. This ASU changes the accounting requirements for equity investments that do not result in consolidation and are not accounted for under the equity method of accounting. These investments are required to be measured at fair value at the end of the reporting period with the change in fair value reported in net income. A practicability exception is available for equity investments that do not have readily determinable fair values; however, the exception requires the Corporation to adjust the carrying amount for impairment and observable price changes in orderly transactions for identical or similar instruments of the same issuer. The guidance also changes certain disclosure requirements and other aspects of current accounting principles generally accepted in the United States of America. The Corporation adopted ASU 2016-01 effective January 1, 2019 and there was no material impact on the consolidated financial statements of the Corporation as a result of adoption.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 nonpublic companies, this update will be effective for annual and interim periods beginning after December 15, 2022. The Corporation has not yet determined the impact the adoption of ASU 2016-13 will have on the consolidated financial statements.

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 are as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
December 31, 2019				
Available-for-Sale Securities:				
U.S. Treasury Bonds and Notes	$ 5,501,673	$ 34,753	$ -	$ 5,536,426
U.S. Government and Federal Agency Obligations	9,132,013	127,060	12,797	9,246,276
Obligations of State and Political Subdivisions	7,509,806	46,934	5,026	7,551,714
Mortgage-Backed	20,512,758	104,546	46,929	20,570,375
Total Available-for-Sale Securities	$ 42,656,250	$ 313,293	$ 64,752	$ 42,904,791

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
December 31, 2018				
Available-for-Sale Securities:				
U.S. Treasury Bonds and Notes	$ 5,503,030	$ -	$ 27,580	$ 5,475,450
U.S. Government and Federal Agency Obligations	13,828,204	372	391,530	13,437,046
Obligations of State and Political Subdivisions	11,212,073	3,288	130,843	11,084,518
Mortgage-Backed	10,172,982	27,145	247,885	9,952,242
Total Available-for-Sale Securities	$ 40,716,289	$ 30,805	$ 797,838	$ 39,949,256

NOTE 2 SECURITIES AND OTHER INVESTMENTS (CONTINUED)

The amortized cost and fair value of available-for-sale securities at December 31, 2019, 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	$ 8,377,095	$ 8,396,336
Due After One Year Through Five Years	6,834,547	6,881,417
Due After Five Years Through Ten Years	6,931,850	7,056,663
Total	22,143,492	22,334,416
Mortgage-Backed Securities	20,512,758	20,570,375
Total Available-for-Sale Securities	$ 42,656,250	$ 42,904,791

At December 31, 2019 and 2018, available-for-sale securities with an amortized cost of $32,614,693 and $31,048,205, respectively, and a fair value of $32,851,076, and $30,413,149, respectively, were pledged to secure public deposits, borrowings, and for other purposes required or permitted by law.

The following tables present 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:

	Securities in a Continuous Unrealized Loss Position					
	Less Than 12 Months		12 Months or More		Total	
December 31, 2019	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value
U.S. Treasury Bond					$ -	$ -
U.S. Government and Federal Agency Obligations	11,610	3,503,826	1,187	873,652	12,797	4,377,478
Obligations of State and Political Subdivisions	4,390	1,494,711	636	794,882	5,026	2,289,593
Mortgage-Backed	25,111	5,015,574	21,818	1,749,299	46,929	6,764,873
Total	$ 41,111	$ 10,014,111	$ 23,641	$ 3,417,833	$ 64,752	$ 13,431,944

	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, 2018						
U.S. Treasury Bond	$ 27,580	$ 5,475,450	$ -	$ -	$ 27,580	$ 5,475,450
U.S. Government and Federal Agency Obligations	-	-	391,530	12,683,406	391,530	12,683,406
Obligations of State and Political Subdivisions	16,741	2,658,581	114,102	6,608,349	130,843	9,266,930
Mortgage-Backed	-	-	247,885	6,419,344	247,885	6,419,344
Total	$ 44,321	$ 8,134,031	$ 753,517	$ 25,711,099	$ 797,838	$ 33,845,130

NOTE 2 SECURITIES AND OTHER INVESTMENTS (CONTINUED)

There were 17 securities in an unrealized loss position at December 31, 2019, 12 of which were in a loss position less than 12 months. There were 48 securities in an unrealized loss position at December 31, 2018, 12 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 $14,756 in 2019 (none in 2018), with the income tax provision applicable to such gains amounting to $3,099. There were no gross realized losses from sales of securities in 2019 and 2018.

Other Investments at December 31, 2019 and 2018 includes Federal Home Loan Bank of Cincinnati stock of $853,000 and Federal Reserve Bank stock of $85,050.

During 2018, the Bank acquired 0.5 units in Ohio Equity Fund for Housing Limited Partnership in exchange for a capital contribution note of $500,000. During 2019, the basis of the Bank's investment and related capital contribution note were reduced $24,981 by the Fund for the estimated income tax effect of the Tax Cuts and Jobs Act enacted in December 2017. As of December 31, 2019 and 2018, the Bank held 1.0 units in the Fund with a carrying value of $883,381 and $996,115, respectively. The unpaid balance of the notes, amounting to $638,838 and $928,058 at December 31, 2019 and 2018, respectively, is included in other liabilities in the consolidated balance sheets. The notes are noninterest bearing and payable in installments at the direction of the general partner. The Bank recognized an equity loss of $57,753 in 2019 and $33,885 in 2018 on these investments.

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. Loans to borrowers in the agriculture industry represent the single largest industry and represented 12% and 13% of the Bank's loan portfolio as of December 31, 2019 and 2018, 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 total loan portfolio. 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.

NOTE 3 LOANS AND ALLOWANCE FOR LOAN LOSSES (CONTINUED)

The following is a summary of activity for such loans:

	2019	2018
Beginning of Year	$ 259,561	$ 201,308
Additions	990,808	379,483
Repayments	(503,082)	(321,230)
End of Year	$ 747,287	$ 259,561

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

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:

				Real Estate Mortgage		
December 31, 2019	Commercial	Consumer	Commercial Real Estate	Residential	Home Equity	Total
Allowance for Loan Losses:						
Balance at January 1, 2019	$ 261,420	$ 55,809	$ 555,324	$ 518,393	$ 150,122	$ 1,541,068
Provision (Credit) for Loan Losses	55,781	14,931	42,348	15,461	1,479	130,000
Loans Charged off	(47,808)	(43,215)	(37,276)	-	-	(128,299)
Recoveries	3,200	32,821	-	14,220	13,393	63,634
Balance at December 31, 2019	272,593	60,346	560,396	548,074	164,994	1,606,403
Ending Balance Individually Evaluated for Impairment	-	-	-	-	-	-
Ending Balance Collectively Evaluated for Impairment	$ 272,593	$ 60,346	$ 560,396	$ 548,074	$ 164,994	$ 1,606,403
Loans:	$ 21,099,754	$ 3,799,475	$ 46,795,313	$ 44,153,889	$ 12,380,774	$ 128,229,205
Ending Balance Individually Evaluated for Impairment	324,665	14,834	1,836,590	163,554	-	2,339,643
Ending Balance Collectively Evaluated for Impairment	$ 20,775,089	$ 3,784,641	$ 44,958,723	$ 43,990,335	$ 12,380,774	$ 125,889,562

NOTE 3 LOANS AND ALLOWANCE FOR LOAN LOSSES (CONTINUED)

December 31, 2018	Commercial	Consumer	Commercial Real Estate	Real Estate Mortgage Residential	Real Estate Mortgage Home Equity	Total
Allowance for Loan Losses:						
Balance at January 1, 2018	$ 197,367	$ 55,319	$ 476,492	$ 538,544	$ 144,195	$ 1,411,917
Provision (Credit) for Loan Losses	43,085	4,922	78,832	(21,575)	(264)	105,000
Loans Charged off	-	(7,936)	-	-	-	(7,936)
Recoveries	20,968	3,504	-	1,424	6,191	32,087
Balance at December 31, 2018	261,420	55,809	555,324	518,393	150,122	1,541,068
Ending Balance Individually Evaluated for Impairment	-	-	-	-	-	-
Ending Balance Collectively Evaluated for Impairment	$ 261,420	$ 55,809	$ 555,324	$ 518,393	$ 150,122	$ 1,541,068
Loans:	$ 19,915,270	$ 3,700,231	$ 42,984,190	$ 39,707,155	$ 11,289,145	$ 117,595,991
Ending Balance Individually Evaluated for Impairment	327,168	16,655	1,983,762	-	-	2,327,585
Ending Balance Collectively Evaluated for Impairment	$ 19,588,102	$ 3,683,576	$ 41,000,428	$ 39,707,155	$ 11,289,145	$ 115,268,406

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 are 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:

	2019		2018	
	Unpaid Principal Balance	Allowance for Loan Losses Allocated	Unpaid Principal Balance	Allowance for Loan Losses Allocated
With No Related Allowance Recorded:				
Commercial	$ 324,665	$ -	$ 327,168	$ -
Commercial Real Estate	1,836,590	-	1,983,762	-
Residential Real Estate	163,554	-	-	-
Consumer	14,834	-	16,655	-
Total	$ 2,339,643	$ -	$ 2,327,585	$ -

No additional funds are committed to be advanced in connection with impaired loans at December 31, 2019 and 2018.

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

	2019	2018
Average Investment in Impaired Loans	$ 2,388,063	$ 1,707,624
Interest Income Recognized on Impaired Loans	182,940	128,708
Interest Income Recognized on a Cash Basis on Impaired Loans	185,236	126,796

NOTE 3 LOANS AND ALLOWANCE FOR LOAN LOSSES (CONTINUED)

The following tables present the aging of the recorded investment in past due and nonaccrual loans for the years ended December 31 by class of loans:

	Loans Past Due Accruing Interest					Loans	
December 31, 2019	30 – 59 Days	60 – 89 Days	Over 90 Days	Total	Loans on Nonaccrual	not Past Due or on Nonaccrual	Total
Commercial	$ 9,785	$ 7,301	$ -	$ 17,086	$ -	$ 21,082,668	$ 21,099,754
Real Estate:							
Commercial	261,937	-	-	261,937	137,102	46,396,274	46,795,313
Home Equity	-	19,863	48,061	67,924	-	12,312,850	12,380,774
Residential	113,885	153,889	96,646	364,420	-	43,789,469	44,153,889
Consumer	1,125	-	14,834	15,959	-	3,783,516	3,799,475
Total	$ 386,732	$ 181,053	$ 159,541	$ 727,326	$ 137,102	$ 127,364,777	$ 128,229,205

	Loans Past Due Accruing Interest					Loans	
	30 – 59 Days	60 – 89 Days	Over 90 Days	Total	Loans on Nonaccrual	not Past Due or on Nonaccrual	Total
December 31, 2018							
Commercial	$ 22,123	$ -	$ -	$ 22,123	$ -	$ 19,893,147	$ 19,915,270
Real Estate:							
Commercial	137,546	-	-	137,546	137,643	42,709,001	42,984,190
Home Equity	77,958	7,184	29,097	114,239	-	11,174,906	11,289,145
Residential	455,329	220,867	35,235	711,431	-	38,995,724	39,707,155
Consumer	12,261	18,671	-	30,932	-	3,669,299	3,700,231
Total	$ 705,217	$ 246,722	$ 64,332	$ 1,016,271	$ 137,643	$ 116,442,077	$ 117,595,991

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, based on the most recent analysis performed, the risk category of loans by class of loans was as follows:

December 31, 2019	Pass	Special Mention	Substandard	Doubtful	Total
Commercial	$ 19,856,754	$ 389,231	$ 853,769	$ -	$ 21,099,754
Real Estate:					
Commercial	41,664,340	1,061,359	4,069,614	-	46,795,313
Home Equity	12,292,713	-	88,061	-	12,380,774
Residential	42,526,576	1,109,264	518,049	-	44,153,889
Consumer	3,778,274	-	21,201	-	3,799,475
Total	$ 120,118,657	$ 2,559,854	$ 5,550,694	$ -	$ 128,229,205

December 31, 2018	Pass	Special Mention	Substandard	Doubtful	Total
Commercial	$ 18,758,601	$ 410,167	$ 746,502	$ -	$ 19,915,270
Real Estate:					
Commercial	39,422,119	1,236,399	2,325,672	-	42,984,190
Home Equity	11,289,145	-		-	11,289,145
Residential	38,767,604	457,489	482,062	-	39,707,155
Consumer	3,674,019	-	26,212	-	3,700,231
Total	$ 111,911,488	$ 2,104,055	$ 3,580,448	$ -	$ 117,595,991

Newly classified troubled debt restructurings during the year ended December 31, 2019 consisted of the following:

	# Loans	Balance
Commercial	1	$ 2,800
Residential Real Estate	1	77,241

Newly classified troubled debt restructurings during the year ended December 31, 2018 consisted of the following:

	# Loans	Balance
Commercial	3	$ 327,168
Commercial Real Estate	2	1,111,121

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 no increase to the allowance for loan losses in 2019 and 2018 and resulted in no charge offs during the years ended December 31, 2019 and 2018. 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:

	2019	2018
Land	$ 1,084,023	$ 1,084,023
Buildings and Building Improvements	5,447,436	5,439,083
Furniture, Fixtures, and Equipment	1,615,880	1,486,217
Total Cost	8,147,339	8,009,323
Less: Accumulated Depreciation	4,353,407	4,055,038
Net Premises and Equipment	$ 3,793,932	$ 3,954,285

Depreciation of premises and equipment for the years ended December 31, 2019 and 2018 amounted to $314,980 and $263,235, 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 2019 and 2018. Future commitments at December 31, 2019 under the lease amount to $20,000, payable in 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 $73,010,000 and $73,623,000 at December 31, 2019 and 2018, respectively.

The balance of capitalized servicing rights included in other assets amounted to $395,257 and $341,168 at December 31, 2019 and 2018, respectively.

During the years ended December 31, 2019 and 2018, the Bank capitalized $169,285 and $129,147, respectively, of servicing rights and such amounts are included in gain on sale of loans. Amortization of mortgage servicing rights amounted to $115,196 in 2019 and $127,758 in 2018.

NOTE 6 DEPOSITS

The aggregate amount of time deposits in denominations of $250,000 or more at December 31, 2019 and 2018 approximated $16,418,000 and $12,993,000, respectively. Interest expense on these deposits amounted to $334,322 in 2019 and $160,467 in 2018.

At December 31, 2019, the scheduled maturities of time deposits are as follows:

Year Ending December 31,	Amount
2020	$ 35,859,667
2021	11,293,261
2022	6,099,571
2023	643,440
2024	1,404,468
Thereafter	17,682
Total	$ 55,318,089

NOTE 7 FEDERAL HOME LOAN BANK BORROWINGS

Federal Home Loan Bank borrowings consist of advances secured by individual residential mortgages under blanket agreement amounting to $3,114,692 at December 31, 2019 and $3,759,464 at December 31, 2018.

Interest on advances outstanding at December 31, 2019 ranged from 1.08% to 3.18%, with interest payable monthly and maturities ranging through August 2038. The weighted-average interest rate of Federal Home Loan Bank borrowings outstanding at December 31, 2019 and 2018 was 2.27% and 2.24%, respectively. Borrowings are secured by mortgage loans approximating $45,185,000 and $43,902,000 at December 31, 2019 and 2018, 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, 2019 are as follows:

Year Ending December 31,	Amount
2020	606,396
2021	475,773
2022	409,765
2023	345,163
2024	294,517
Thereafter	983,078
Total	$ 3,114,692

NOTE 8 INCOME TAXES

The provision for income taxes for the years ended December 31 consist of the following:

	2019	2018
Current Provision (Credit)	$ 216,271	$ (2,168)
Deferred Provision (Credit)	(17,271)	141,168
Total Provision for Income Taxes	$ 199,000	$ 139,000

The income tax provision attributable to income from operations differed from the amounts computed by applying the U.S. federal income tax rate of 21% for 2019 and 2018 to income before income taxes as a result of the following:

	2019	2018
Expected Tax Using Statutory Tax Rate	$ 326,400	$ 273,600
Increase (Decrease) Resulting from:		
Tax-Exempt Interest Income, Net of Interest Expense Associated with Cost to Carry	(31,400)	(47,000)
Tax-Exempt Income on Life Insurance Policies	(17,800)	(17,900)
Ohio Equity Fund Tax Credits	(58,700)	-
Other, Net	(19,500)	(69,700)
Total Provision for Income Taxes	$ 199,000	$ 139,000

The Ohio Equity Fund Tax credits resulted from the investment described in Note 2.

The deferred income tax credit of $17,271 in 2019 and provision of $141,168 in 2018 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.

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

	2019	2018
Deferred Tax Assets:		
Allowance for Loan Losses	$ 285,400	$ 271,700
Accrued Employee Benefits	102,900	97,500
Net Unrealized Loss on Securities Available-for-Sale	-	161,077
Other	2,000	4,623
Total Deferred Tax Assets	390,300	534,900
Deferred Tax Liabilities:		
Federal Home Loan Bank Stock Dividends	90,700	90,700
Depreciation	255,800	266,400
Mortgage Servicing Rights	83,000	71,600
Net Unrealized Gain on Securities Available-for-Sale	52,194	-
Other	2,606	4,200
Total Deferred Tax Liabilities	484,300	432,900
Net Deferred Tax Assets (Liabilities)	$ (94,000)	$ 102,000

NOTE 8 INCOME TAXES (CONTINUED)

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

The federal income tax returns of the Corporation that remains open and subject to examination at December 31, 2019 are years 2016 – 2019. Management does not believe the Corporation has any significant uncertain tax positions at December 31, 2019 and 2018.

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, 2019 and 2018.

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 $74,275 in 2019 and $64,809 in 2018. There were no basic or optional employer contributions made during 2019 or 2018.

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 780 shares of stock in 2019 and 552 shares in 2018 under the plan.

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, 2019 and 2018, the Bank's liability for such deferred compensation payments amounted to $305,757 and $308,479, 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 $179,657 at December 31, 2019 and $152,807 at December 31, 2018.

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 $3,699,532 and $3,614,840 at December 31, 2019 and 2018, 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	
	2019	2018
Commitments to Extend Credit, Including Unfunded Commitments Under Lines of Credit	$ 22,965,000	$ 21,152,000
Commercial and Standby Letters of Credit	7,383,000	7,383,000

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.

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 tables) 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, 2019 and 2018, that the Bank met all capital adequacy requirements to which it is subject.

As of December 31, 2019, 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 tables. 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 are presented in the following tables:

	Actual				Minimum Capital Requirement				Minimum to be "Well Capitalized" Under Prompt Corrective Action Provisions	
		Amount	Ratio		Amount	Ratio		Amount	Ratio
					(Thousands of Dollars)					
As of December 31, 2019										
Total Capital (to Risk-Weighted Assets)	$	17,583	12.20%	$	11,529	≥ 8.0%	$	14,412	≥ 10.0%
Common Equity Tier I Capital (to Risk-Weighted Assets)	$	15,977	11.09%	$	6,485	≥ 4.5%	$	9,368	≥ 6.5%
Tier I Capital (to Risk-Weighted Assets)	$	15,977	11.09%	$	8,647	≥ 6.0%	$	11,529	≥ 8.0%
Tier I Capital (to Average Assets)	$	15,977	8.42%	$	7,590	≥ 4.0%	$	9,488	≥ 5.0%

		Actual			Minimum Capital Requirement			Minimum to be "Well Capitalized" Under Prompt Corrective Action Provisions	
		Amount	Ratio		Amount	Ratio		Amount	Ratio
					(Thousands of Dollars)				
As of December 31, 2018									
Total Capital (to Risk-Weighted Assets)	$	16,534	12.51%	$	10,573	≥ 8.0%	$	13,217	≥ 10.0%
Common Equity Tier I Capital (to Risk-Weighted Assets)	$	14,993	11.34%	$	5,948	≥ 4.5%	$	8,591	≥ 6.5%
Tier I Capital (to Risk-Weighted Assets)	$	14,993	11.34%	$	7,930	≥ 6.0%	$	10,573	≥ 8.0%
Tier I Capital (to Average Assets)	$	14,993	8.65%	$	6,934	≥ 4.0%	$	8,668	≥ 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, FASB 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 tables summarize financial assets (there were no financial liabilities) measured at fair value as of December 31, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value:

December 31, 2019	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total Fair Value
Recurring - Securities				
Available-for-Sale:				
U.S. Treasury Bonds and Notes	$ 5,536,426			$ 5,536,426
U.S. Government and Federal				
Agency Obligations		9,246,276		9,246,276
Obligations of State and Political				
Subdivisions		7,551,714		7,551,714
Mortgage-Backed		20,570,375		20,570,375
Total Recurring	$ 5,536,426	$ 37,368,365	$ -	$ 42,904,791

December 31, 2018	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total Fair Value
Recurring - Securities				
Available-for-Sale:				
U.S. Treasury Bonds and Notes	$ 5,475,450	$ -	$ -	$ 5,475,450
U.S. Government and Federal				
Agency Obligations	-	13,437,046	-	13,437,046
Obligations of State and Political				
Subdivisions	-	11,084,518	-	11,084,518
Mortgage-Backed	-	9,952,242	-	9,952,242
Total Recurring	$ 5,475,450	$ 34,473,806	$ -	$ 39,949,256

There were no financial instruments measured at fair value that moved to a lower level in the fair value hierarchy during 2019 and 2018 due to the lack of observable quotes in inactive markets for those instruments at December 31, 2019 and 2018.

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.

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.

NOTE 12 FAIR VALUE MEASUREMENTS (CONTINUED)

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, 2019 and 2018.

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.

Directors of Pandora Bancshares, Inc.

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.

Executive Officer of Pandora Bancshares, Inc.

Todd A. Mason, President and Chief Executive Officer

Executive Officers of First National Bank of Pandora

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 25, 2020 – 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, 2019

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
Max Long	Vice President/Core Administrator/Security Officer
Doug Shaneyfelt	Vice President/IT
Vanessa Greer	Assistant Vice President
Amy Groves	Assistant Vice President
Janet Kingen	Assistant Vice President
Shari Schwab	Assistant Vice President
Heather Taviano	Assistant Vice President
Lisa Wheeler	Assistant Vice President

William Bibler
Megan Bright
Samantha Bryan
Shane Bugner
Victoria Burkholder
Sally Burris
Courtney Deitrick
Christy Diller
Kacy Duling
Emily Haag
Kayla Hazelton
Roseann Hoffman
Alison Hovest
Tessa Howe
Melissa Johnston
Sarah Klausing
Ashley Krupp
Alice Maag
Joseph Mayberry
Angela Middleton
Angela Morman
Kurt Mullins
Barbara Ranes
Elizabeth Reynolds
Dawn Snider
Katherine Stoudinger
Megan Stumbaugh
Stacy Stumbaugh
Nicole Tompkins
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