



First National Bank

You. First. Always.

May 1, 2020

Dear Shareholders and Friends:

On April 25, 2020, we held our first virtual Annual shareholder meeting. The Zoom meeting gave us an excellent opportunity to tell the exciting story of First National Bank as we celebrated our 100-year anniversary in record fashion. Our Management team always looks forward to the opportunity to present the “State of the Bank” address to our owners. Larry Hoffman, our CFO reviewed our outstanding financial accomplishments in 2019. If you would like a copy of his slide presentation, simply email Heather Taviano at htaviano@e-fnb.com with your request.

The book value and closing price on our shares have both increased, which is wonderful news. I am extremely excited to report a year over year increase of the market price of our stock of 12.9% as of 3-31-2020. We have seen much success with our stock price since we began working with Greig McDonald and Community Banc Investments as our market maker. If you are interested in purchasing or selling Pandora Bancshares, Inc. stock, please contact Greig McDonald at Greig@cbibankstocks.com or 800-224-1013. Greig has recently notified us of a current bid price of \$61.70 and an ask price of \$64.75. We have included a 10-year history on Pandora Bancshares, Inc. compiled by Community Banc Investments.

We continue to see excellent year over year growth in assets, loans, and deposits by 9.4%, 9.3%, and 9.5% respectively. Loans and Deposits grew \$10.9 and \$14.8 million respectively as of 3-31-2020. This growth has helped increase 1st quarter net income by 50% over the same quarter in 2019. The growth in most financial categories reflects a sustained trend for First National Bank.

PANDORA
102 East Main Street
Pandora, OH 45877
Tel. 419-384-3221
Fax 419-384-7404

BLUFFTON
112 Cherry Street
Bluffton, OH 45817
Tel. 419-358-5500
Fax 419-358-2999

FINDLAY EAST
1630 Tiffin Avenue
Findlay, OH 45840
Tel. 419-429-6000
Fax 419-429-0044

FINDLAY WEST
1114 Trenton Avenue
Findlay, OH 45840
Tel. 419-425-2500
Fax 419-425-2520

OTTAWA
855 N. Locust St.
Ottawa, OH 45875
Tel. 419-523-5500
Fax 419-523-5501

www.e-FNB.com





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I am proud of our staff and their commitment to our Bank Mission of “Improving Lives Through Community Banking”. Their service goes beyond the normal workday. Our staff volunteered over 2,100 hours in our communities in 2019. Their commitment to our community has been heroic as they have diligently worked as essential workers through the COVID-19 Pandemic. Our team has done tremendous work in helping those in need of payment relief. We are also proud to have approved 100% of the completed applications received for the Paycheck Protection Program (PPP) through the Cares Act. We have been there to talk through tough times with clients who simply needed friendly, helpful assistance. This has been a time when First National Bank associates have truly shined.

We now offer a complimentary service to pay annual dividends via direct deposit. If you are interested, please contact Heather Taviano at 419-384-9104 or htaviano@e-fnb.com. We also send our quarterly newsletters by email. Please contact Heather to sign up.

Bank Directors, Management and Staff are extremely excited about the positive direction of First National Bank and we will continue to work diligently to increase shareholder value. We thank you for your investment and your current business, and we look forward to your future business.

Respectfully,

Todd A. Mason
President & CEO
First National Bank

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Pandora Bancshares, Inc. and Subsidiary

Financial Information (unaudited) (dollars in thousands, except share data)

Three Months
Ended
Mar 31, 2020

Three Months
Ended
Mar 31, 2019

CONDENSED STATEMENT OF INCOME

Interest Income	\$2,120	\$1,959
Interest Expense	<u>425</u>	<u>440</u>
Net Interest Income	1,695	1,519
Provision for loan losses	<u>45</u>	<u>0</u>
Net interest income after provision for loan losses	1,650	1,519
Non-interest income	295	228
Non-interest expenses	<u>1,437</u>	<u>1,433</u>
Income before income taxes	508	314
Provision for income taxes	<u>81</u>	<u>29</u>
Net income	<u>\$427</u>	<u>\$285</u>
Average common shares outstanding	253,027	252,578

PER COMMON SHARE

Net income	\$1.69	\$1.13
Book value	\$69.22	\$59.93
Closing bid price	\$60.80	\$53.85
Closing ask price	\$63.80	\$56.50

FINANCIAL RATIOS

Return on average assets	0.91%	0.66%
Return on average equity	10.15%	7.81%
Net interest margin	3.88%	3.84%
Efficiency ratio	72.22%	82.04%
Loans to deposits	74.40%	74.48%
Allowance for loan losses to loans	1.27%	1.31%

PERIOD END BALANCES

	As of <u>Mar 31, 2020</u>	As of <u>Mar 31, 2019</u>
Assets	\$194,344	\$177,588
Loans - net of allowance	\$127,689	\$116,796
Deposits	\$171,636	\$156,812
Shareholders' equity	\$17,526	\$15,131
Common shares outstanding	253,197	252,462

Pandora Bancshares, Inc.
and its wholly owned subsidiary
First National Bank
Pandora, Ohio
Stock Summary



Information compiled by:
Community Banc Investments, Inc.
176 Valley View Drive SE
Newark, Ohio 43056
1-800-224-1013

Pandora Bancshares, Inc.
and its wholly owned subsidiary
First National Bank
Pandora, Ohio

	12/31/2010	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019
Assets	\$128,445,858	\$132,032,351	\$140,571,858	\$146,391,164	\$148,361,859	\$154,228,236	\$155,079,881	\$164,487,969	\$178,509,726	\$190,349,033
Equity	\$10,727,374	\$11,262,309	\$11,482,135	\$11,834,899	\$12,358,133	\$13,001,479	\$13,565,633	\$14,269,138	\$15,054,182	\$16,064,584
Equity (1)	\$11,921,112	\$12,506,667	\$12,870,428	\$13,369,520	\$13,805,066	\$14,470,562	\$15,013,085	\$15,681,055	\$16,595,250	\$17,670,987
Equity (2)	\$12,210,428	\$13,073,612	\$13,415,831	\$13,296,226	\$13,961,359	\$14,561,645	\$14,793,043	\$15,312,730	\$15,989,294	\$17,867,334
Shares	121,761	121,670	121,477	122,614	125,010	126,334	126,117	126,322	251,561	251,974
Book Value	\$88.10	\$92.56	\$94.52	\$96.52	\$98.86	\$102.91	\$107.56	\$112.96	\$59.84	\$63.75
Book Value (1)	\$97.91	\$102.79	\$105.95	\$109.04	\$110.43	\$114.54	\$119.04	\$124.14	\$65.97	\$70.13
Book Value (2)	\$100.28	\$107.45	\$110.44	\$108.44	\$111.68	\$115.26	\$117.30	\$121.22	\$63.56	\$70.91
Income	\$810,283	\$762,913	\$463,393	\$526,637	\$627,271	\$823,135	\$864,786	\$920,583	\$1,163,764	\$1,355,176
Income Per Share	\$6.65	\$6.27	\$3.81	\$4.30	\$5.02	\$6.52	\$6.86	\$7.29	\$4.63	\$5.38
Dividend	\$219,180	\$219,006	\$224,941	\$232,966	\$250,020	\$265,301	\$277,458	\$290,540	\$314,451	\$352,764
Dividend Per Share	\$1.80	\$1.80	\$1.85	\$1.90	\$2.00	\$2.10	\$2.20	\$2.30	\$1.25	\$1.40
Treasury Shares	37,627	37,718	37,911	38,207	38,311	38,054	38,271	38,066	77,215	76,802
Stock Split/Stock Dividend									2/1	

(1) Includes reserves

(2) Effective 1/1/94, the bank adopted the provisions of Statement of Financial Accounting Standards No.115 (SFAS No. 115). As a result a portion of the Banks securities portfolio were priced at market value. Unrealized gains and losses are computed in these footnoted lines. This does not effect the Banks regulatory capital, nor will it result in any income gains or losses unless the securities are actually sold.

The information contained herein has been obtained from the F.D.I.C Call Reports of First National Bank, and the annual reports of Pandora Bancshares, Inc., Pandora, Ohio which we consider to be reliable sources. It is a reflection of past performance and should not be considered a projection of future performance.

The values expressed above reflect the equity value of the bank and its common stock. Due to the limited availability and inactive market of many community bank stocks, the market values may differ.

Funds held in corporate stock are not insured by the F.D.I.C. or any other government agency. Investments involve varying degrees of risk, including possible loss of principal.

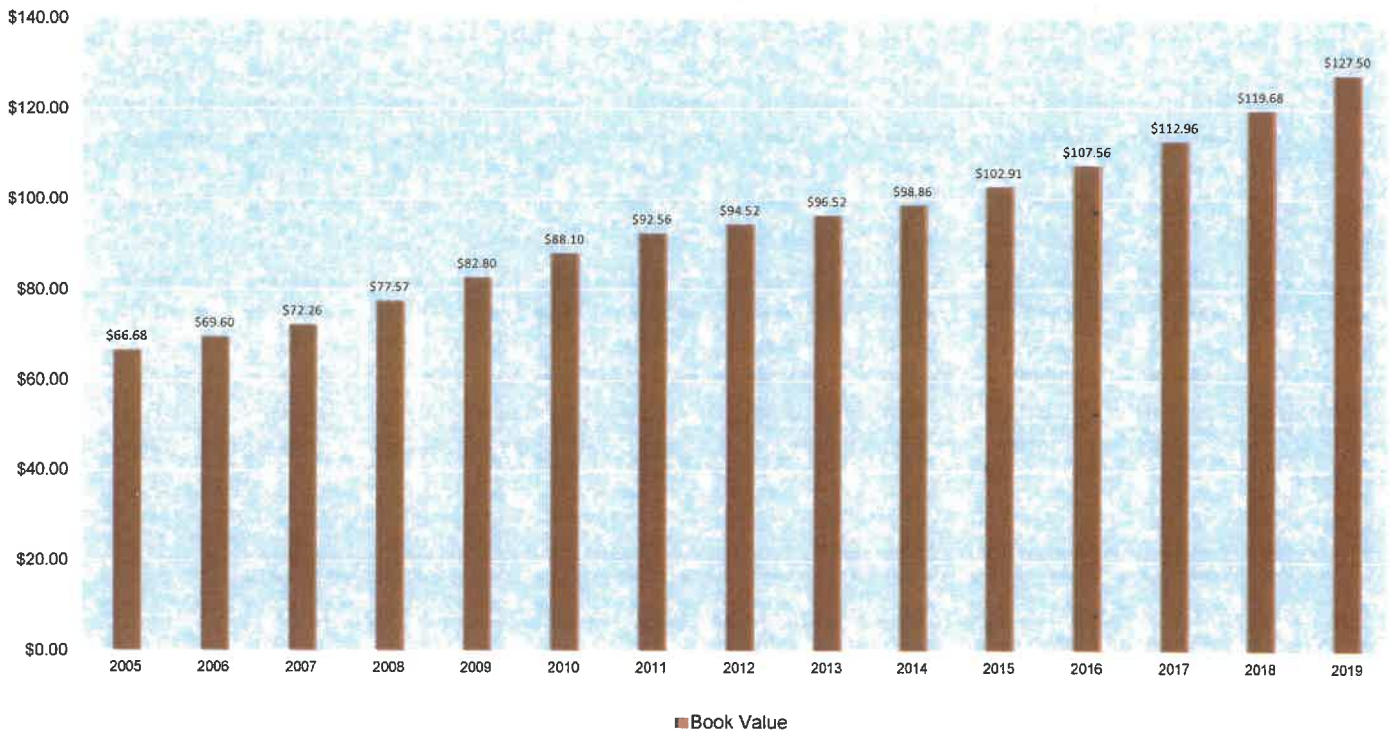
These financials are partial and to be used for general over-view. Peruse annual reports of Pandora Bancshares, Inc. for complete analysis.

All financials based on year end number of shares.

The per share data is based on number of shares outstanding at each year end.

Prepared By:
Community Banc Investments, Inc.

**Pandora Bancshares, Inc.
and its wholly owned subsidiary
First National Bank
Pandora, Ohio**



Price adjustments from the following stock splits are not reflected in the above pricing, (2/1) 7/16/2018
 This is the increase in book value of Pandora Bancshares, Inc., due to the limited availability and inactive market of any community bank stocks, market values may differ.
 This is a reflection of past performance of Pandora Bancshares, Inc. and should not be considered a projection of future performance.
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**Ten Ways Our Stockholders Can Help
First National Bank
Grow and Prosper**

1. Do all your personal banking with your bank. Urge your friends and neighbors to use our services. Encourage them to discuss their financial problems with us. Whether it be an individual or a business, we can help in most cases.
2. When possible, bring your company's banking business to us, as well as your clubs; lodges; churches; and the banking of any other organizations to which you belong. Solicit for your bank the business of political subdivisions in which you have any influence, such as Park Districts, and so on.
3. Watch for opportunities for your bank to gain new business. Do you know of a company interested in a new banking relationship? Do you know of a new business coming to our community? If so, contact our bank's management. We'll take it from there and keep you informed.
4. You can be a sensitive barometer of your bank's customer relations. You can be a sounding board for testing our policies and practices. Give us your suggestions so that we can offer our customers even better service.
5. Keep abreast of your bank's affairs by attending annual meetings. Read and analyze the annual report and publications sent to you. That way you'll be able to discuss your bank, its policies with others as a fully-informed stockholder. No single group of individuals means as much to a bank as well informed stockholders.
6. Let people know you are a stockholder of the bank and that you have pride in its accomplishments. That's the best endorsement any stockholder can give the bank.
7. Be a constructive force for your bank in the field of government relations. When an occasion presents itself, offer government officials (local, state, national) your opinions on financial matters from a bank stockholder's point of view.
8. Assist the bank in its community relations by adding your support to worthwhile programs for the betterment of the area.
9. When the situation arises, recommend our stock to others. Ownership gives people the opportunity to participate in our profitable growth as owners, customers, and goodwill ambassadors.
10. Finally, remind yourself regularly that any successful effort you make to bring additional business to your bank, to enhance your bank's reputation, and to assist your bank in building a more prosperous community, will increase the value of your investment.

Prepared By:
Community Banc Investments, Inc.

