



First National Bank

You. First. Always.

May 3, 2021

Dear Shareholders and Friends:

On April 24, 2021, we held our Annual shareholder meeting via Zoom. The meeting gave us an excellent opportunity to tell the exciting story of First National Bank during an unprecedented year. 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 2020. 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 11.8% as of 3-31-2021. We have seen much success with our stock price since we began working with Community Banc Investments as our market maker. If you are interested in purchasing or selling Pandora Bancshares, Inc. stock, please contact Jennifer McFarland at jennifer@cbibankstocks.com or 800-224-1013. Jennifer has recently notified us of a current bid price of \$68.00 and an ask price of \$71.40. 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 17.4%, 11.8%, and 19.9% respectively. Loans and Deposits grew \$15 and \$34.3 million respectively as of 3-31-2021. This growth has helped increase 1st quarter net income by 46% over the same quarter in 2020.

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. 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 proud to have been able to help our clients by

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

BLUFFTON
112 Cherry Street
Bluffton, OH 45817
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FINDLAY EAST
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Tel. 419-429-6000
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FINDLAY WEST
1114 Trenton Avenue
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OTTAWA
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www.e-FNB.com





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processing over 400 Paycheck Protection Program (PPP) loans 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.

If you are interested in having your annual dividends paid via direct deposit or to receive our quarterly newsletter by email, please contact Heather Taviano at 419-384-9104 or htaviano@e-fnb.com to sign up. If at any time you would like to view past Shareholder letters, Annual reports, or current bid and ask price, these are available at www.e-fnb.com under the Investment tab.

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, 2021	Three Months Ended Mar 31, 2020
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CONDENSED STATEMENT OF INCOME

Interest Income	\$2,147	\$2,120
Interest Expense	176	425
Net Interest Income	1,971	1,695
Provision for loan losses	45	45
Net interest income after provision for loan losses	1,926	1,650
Non-interest income	516	295
Non-interest expenses	1,701	1,437
Income before income taxes	742	508
Provision for income taxes	118	81
Net income	<u>\$623</u>	<u>\$427</u>
Average common shares outstanding	252,226	253,027

PER COMMON SHARE

Net income	\$2.47	\$1.69
Book value	\$74.28	\$69.22
Closing bid price	\$68.00	\$60.80
Closing ask price	\$71.40	\$63.80

FINANCIAL RATIOS

Return on average assets	1.13%	0.91%
Return on average equity	13.44%	10.15%
Net interest margin	3.82%	3.88%
Efficiency ratio	68.37%	72.22%
Loans to deposits	69.29%	74.40%
Allowance for loan losses to loans	1.38%	1.27%

PERIOD END BALANCES

	As of <u>Mar 31, 2021</u>	As of <u>Mar 31, 2020</u>
Assets	\$228,222	\$194,344
Loans - net of allowance	\$142,713	\$127,689
Deposits	\$205,952	\$171,636
Shareholders' equity	\$18,725	\$17,526
Common shares outstanding	252,079	253,197

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	12/31/2020
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	\$221,473,431
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	\$17,905,125
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	\$19,861,896
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	\$20,852,965
Shares	121,761	121,670	121,477	122,614	125,010	126,334	126,117	126,322	251,561	251,974	252,687
Book Value	\$88.10	\$92.56	\$94.52	\$96.52	\$98.86	\$102.91	\$107.56	\$112.96	\$59.84	\$63.75	\$70.86
Book Value (1)	\$97.91	\$102.79	\$105.95	\$109.04	\$110.43	\$114.54	\$119.04	\$124.14	\$65.97	\$70.13	\$78.60
Book Value (2)	\$100.28	\$107.45	\$110.44	\$108.44	\$111.68	\$115.26	\$117.30	\$121.22	\$63.56	\$70.91	\$82.52
Income	\$610,283	\$762,913	\$463,393	\$526,637	\$627,271	\$823,135	\$864,786	\$920,583	\$1,163,764	\$1,355,176	\$2,194,768
Income Per Share	\$6.65	\$6.27	\$3.81	\$4.30	\$5.02	\$6.52	\$6.86	\$7.29	\$4.63	\$5.38	\$8.69
Dividend	\$219,180	\$219,006	\$224,941	\$232,966	\$250,020	\$265,301	\$277,458	\$290,540	\$314,451	\$352,764	\$379,030
Dividend Per Share	\$1.80	\$1.80	\$1.85	\$1.90	\$2.00	\$2.10	\$2.20	\$2.30	\$1.25	\$1.40	\$1.50
Treasury Shares	37,627	37,718	37,911	38,207	38,311	38,054	38,271	38,066	77,215	76,802	76,089
Stock Split/Stock Dividend									2/1		
ROA	0.66%	0.59%	0.35%	0.37%	0.43%	0.55%	0.56%	0.59%	0.71%	0.76%	1.15%
ROE	7.90%	7.11%	4.11%	4.59%	5.30%	6.66%	6.65%	6.79%	8.16%	9.00%	13.66%
C/A	8.35%	8.53%	8.17%	8.08%	8.33%	8.43%	8.75%	8.67%	8.43%	8.44%	8.08%

(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.

**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.

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