



# First National Bank

*You. First. Always.*

October 29, 2021

Dear Shareholders and Friends:

I am pleased to report our 2021 3<sup>rd</sup> Quarter earnings to you. Year to date earnings have increased 31.4% from the previous year. 2021 year-to-date Assets, Loans, Deposits & Capital have increased 11.5%, 3%, 12.4% and 7.8% respectively over 2020.

2021 has been a year where we began with a great strategic plan that we knew would be impacted by the ongoing challenges presented by COVID-19. I am very proud of our team as they continue to work together in a tough time to continue to meet our mission of Improving Lives Through Community Banking. Our team has been diligent through the administering of stimulus packages, the SBA's Paycheck Protection Plan (PPP) loans, and the sizable volume of home mortgage refinancing. We need to be clear that some of the significant gains in year-to-date income can be attributed to one-time earnings from the PPP loan program and a higher than normal refinance volume.

We are beginning our 2022 budgeting process and strategic planning. Our hope is to put all COVID related stress behind us and pray for a more normal 2022 banking year. We know we will be in for a stressful flu season and ask everyone to do their part to get to the other side of this pandemic. We must learn to live with COVID-19, and we must live smart!! Please be safe and make wise choices.

Our market maker, Jennifer McFarland, is doing a fantastic job assisting individuals with our Pandora Bancshares stock. As of 9-30-2021 the closing ask price of our stock was \$74.85 which is up 8.9 % from 9-30-2020. Our current ask price is \$81.25. If you are interested in buying or selling our PDRB stock, please contact Jennifer McFarland at 800-224-1013 or [jennifer@cbibankstocks.com](mailto:jennifer@cbibankstocks.com). If you have any questions, feel free to contact me at 419-384-9103 or [tmason@e-fnb.com](mailto:tmason@e-fnb.com). If you would like to receive our newsletter electronically or receive direct deposit of dividends, please contact Heather Taviano at 419-384-9104 or [htaviano@e-fnb.com](mailto:htaviano@e-fnb.com).

We are looking forward to the remainder of 2021. Bank Directors, Management and Staff are continuing to work hard to enhance shareholder value. We thank you for your support, your business, and your referrals.

Respectfully,

Todd A. Mason  
President & CEO  
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

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Equal Housing Lender

# Pandora Bancshares, Inc. and Subsidiary

<b>Financial Information</b> (unaudited)	Nine Months	Nine Months
(dollars in thousands, except share data)	Ended	Ended
	Sept 30, 2021	Sept 30, 2020

## CONDENSED STATEMENT OF INCOME

Interest Income	\$6,682	\$6,605
Interest Expense	457	1,189
Net Interest Income	6,224	5,417
Provision for loan losses	90	280
Net interest income after provision for loan losses	6,134	5,137
Non-interest income	1,420	1,640
Non-interest expenses	5,107	4,926
Income before income taxes	2,448	1,850
Provision for income taxes	412	301
Net income	<u>\$2,036</u>	<u>\$1,549</u>
Average common shares outstanding	252,186	252,980

## PER COMMON SHARE

Net income	\$8.07	\$6.12
Book value	\$79.92	\$73.84
Closing bid price	\$71.30	\$65.50
Closing ask price	\$74.85	\$68.75

## FINANCIAL RATIOS

Return on average assets	1.19%	1.03%
Return on average equity	14.12%	11.68%
Net interest margin	3.92%	3.90%
Efficiency ratio	66.80%	69.81%
Loans to deposits	68.53%	74.80%
Allowance for loan losses to loans	1.41%	1.35%

## PERIOD END BALANCES

	As of	As of
	<u>Sept 30, 2021</u>	<u>Sept 30, 2020</u>
Assets	\$234,121	\$210,032
Loans - net of allowance	\$143,657	\$139,497
Deposits	\$209,633	\$186,498
Shareholders' equity	\$20,155	\$18,696
Common shares outstanding	252,552	253,208