



# First National Bank

*You. First. Always.*

January 3, 2025

Dear Shareholders and Friends:

Pandora Bancshares, Inc. is happy to announce that 2024 has been another profitable year that added value for our shareholders. Final figures for 2024 are unavailable for publication, but all things considered we are pleased with the preliminary 2024 results. As expected, earnings through November are down compared to the same period in 2023 because rising interest rates slowed mortgage activity and funding costs continue to compress margins. However, we expect the Bank to exceed budgeted net income targets for the year, credit quality remains strong, and growth has remained steady. As of 11-30-2024, loan and deposit balances are up 7.1% and 10.3% respectively, loan delinquency rates at First National Bank continue to remain near historic lows, and net income year to date is \$640,000. Total assets are also up 8.2% year over year.

First National Bank's performance has resulted in a declaration of \$1.80 per share dividend for all shareholders on the January 2, 2025, date of record, payable January 31, 2025. While the two Lima branches are still in the early stages of operation, both are ahead of schedule in terms of activity and growth, and the resulting overall Bank profitability has enabled us to pay out the same dividend per share that was paid out in 2024. Comparing November 30, 2024, to November 30, 2023, the value of Pandora Bancshares Inc. stock increased \$1.00 or 1.16%. That, along with the \$1.80 cash dividend, earned our shareholders a total return of 3.22%. We believe this positive trend will continue, and current conditions locally will provide solid momentum to help us meet our strategic plan.

This past year provided many opportunities to improve lives in our communities. In 2024, our team spent more hours volunteering their time at local events and supporting various non-profits than we have in any previous year! The community bankers at our newest branches in Lima are having a positive impact locally, and we have a great team that continues to live our mission of Improving Lives Through Community Banking throughout our entire market area.

There is no doubt 2025 will be another eventful year. No one—including the Federal Reserve—predicted the significant increase in interest rates in 2022 and 2023, and we do not ultimately know what will happen with rates and the larger economy in 2025 as a new administration settles in to Washington D.C. What we do know is that First National Bank will continue to serve our customers and communities, and we will continue to provide quality local banking services to those who need them.

The Bank's directors, management and staff are excited about the continued positive direction of First National Bank and our ongoing efforts to increase shareholder value. We thank you for your investment, your business and your future business. We look forward to you joining us for our Annual Shareholder Meeting on April 26<sup>th</sup>, 2025, where we will offer the options of attending virtually as well as in-person at our headquarters in Pandora. Additional information regarding this meeting will be included in the package you will receive at the end of March along with our annual shareholder booklet and your proxy. As always, if you are interested in purchasing or selling stock, please feel free to contact Jennifer McFarland at 1-800-224-1013 or by email at [jennifer@cbibankstocks.com](mailto:jennifer@cbibankstocks.com). The current bid price is \$87.00 per share and the current ask price is \$91.30 per share.

Respectfully,

Brendon Matthews  
President, First National Bank

BLUFFTON • FINDLAY • LIMA • OTTAWA • PANDORA

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# Pandora Bancshares, Inc. and Subsidiary

**Financial Information** (unaudited) Eleven Months Ended Nov 30, 2024 Nine Months Ended Nov 30, 2023  
(dollars in thousands, except share data)

## CONDENSED STATEMENT OF INCOME

Interest Income	\$11,581	\$9,511
Interest Expense	<u>4,715</u>	<u>3,291</u>
Net Interest Income	6,866	6,219
Provision (credit) for loan losses	<u>225</u>	<u>32</u>
Net interest income after provision for loan losses	6,641	6,187
Non-interest income	1,087	962
Non-interest expenses	<u>7,214</u>	<u>6,532</u>
Income before income taxes	515	617
Provision (credit) for income taxes	<u>-125</u>	<u>-113</u>
Net income	<u>\$640</u>	<u>\$731</u>
Average common shares outstanding	253,209	252,152

## PER COMMON SHARE

Net income	\$2.53	\$2.90
Book value	\$69.30	\$59.98
Book value excluding unrealized gain (loss)	\$86.67	\$85.77
Closing bid price	\$87.00	\$86.00
Closing ask price	\$91.30	\$90.30

## FINANCIAL RATIOS

Return on average assets	0.27%	0.32%
Return on average equity	4.18%	5.34%
Net interest margin	3.08%	2.98%
Efficiency ratio	90.70%	90.96%
Loans to deposits	69.31%	71.37%
Allowance for loan losses to loans	1.34%	1.28%

## PERIOD END BALANCES

	As of <u>Nov 30, 2024</u>	As of <u>Nov 30, 2023</u>
Assets	\$278,253	\$257,293
Loans - net of allowance	\$178,693	\$166,802
Deposits	\$257,804	\$233,704
Shareholders' equity	\$17,548	\$15,123
Common shares outstanding	253,508	252,460