



# First National Bank

*You. First. Always.*

May 2, 2025

Dear Shareholders and Friends:

On April 26, 2025, we held our annual shareholder meeting. The meeting was convened in a hybrid format with a combination of virtual attendees on Zoom and in-person attendees who gathered at the Pandora bank branch. It was great to see and interact with all who participated, and the meeting gave us an opportunity to share the story of First National Bank as we improved lives through community banking throughout another fruitful year. Our management team always looks forward to the opportunity to present the “State of the Bank” address to our owners, and this year was no exception. Derrick Lee, our CFO, reviewed our financial results for 2024. Jen Vastano, our COO, shared the positive feedback from our annual customer survey and talked about all the great things our team is doing in our local communities. Jen also shared information on the Bank’s sales efforts and gave an update on the growth in Lima at our two newest branches. If you would like a copy of the slide presentation, simply email Heather Taviano at [htaviano@e-fnb.com](mailto:htaviano@e-fnb.com) with your request.

The book value and closing price for our stock have both increased, which is excellent news. I am pleased to report a year-over-year increase in the market price of our stock of 1.7% as of 3-31-2025. We have seen significant 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](mailto:jennifer@cbibankstocks.com) or 800-224-1013. Jennifer has recently notified us of a current bid price of \$87.90 and an ask price of \$92.25.

We continue to see steady year-over-year growth in assets and deposits by 4.9% and 8.6% respectively. In dollars, assets grew by \$12.9 million and deposits by \$20.2 million as of 3-31-2025. We are also seeing notable improvement in net interest margin as loans reprice and funding costs begin to ease, and net income for the first quarter is up significantly year over year.

Finally, we have two important announcements to share that were made public at our shareholder meeting. First, John Arnold retired from the board after 13 years of outstanding service at FNB. We are thankful for his dedication and wish him well in his next endeavors. The Bank is in a better place because of John’s efforts over the years. Second, Todd Mason retired from First National Bank effective April 2, 2025. As a result of Todd’s leadership over the last 22 years, the bank is positioned to be a healthy, profitable, and relevant financial institution in our communities for years to come. Todd will continue to serve on the FNB board.

BLUFFTON • FINDLAY • LIMA • OTTAWA • PANDORA

[www.e-fnb.com](http://www.e-fnb.com) • 419-384-3221





# First National Bank

*You. First. Always.*

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 567-336-0237 or [htaviano@e-fnb.com](mailto:htaviano@e-fnb.com). If at any time you would like to view past Shareholder letters, Annual reports, or current stock bid and ask prices, these are available at [www.e-fnb.com](http://www.e-fnb.com) under the Investment tab.

Bank Directors, Management and Staff are enthusiastic about the future 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,

Brendon Matthews  
President & CEO  
First National Bank

BLUFFTON • FINDLAY • LIMA • OTTAWA • PANDORA

[www.e-fnb.com](http://www.e-fnb.com) • 419-384-3221



# Pandora Bancshares, Inc. and Subsidiary

## Financial Information (unaudited)

(dollars in thousands, except share data)

	Three Months Ended Mar 31, 2025	Three Months Ended Mar 31, 2024
--	---------------------------------------	---------------------------------------

### CONDENSED STATEMENT OF INCOME

Interest Income	\$3,370	\$2,959
Interest Expense	<u>1,154</u>	<u>1,280</u>
Net Interest Income	2,217	1,679
Provision (credit) for loan losses	<u>73</u>	<u>55</u>
Net interest income after provision for loan losses	2,144	1,624
Non-interest income	290	235
Non-interest expenses	<u>2,171</u>	<u>1,841</u>
Income before income taxes	263	18
Provision (credit) for income taxes	<u>-13</u>	<u>-64</u>
Net income	<u>\$276</u>	<u>\$82</u>
Average common shares outstanding	253,423	252,793

### PER COMMON SHARE

Net income	\$1.09	\$0.32
Book value	\$72.20	\$62.70
Book value excluding unrealized gain (loss)	\$86.18	\$84.34
Closing bid price	\$87.65	\$86.20
Closing ask price	\$92.00	\$90.50

### FINANCIAL RATIOS

Return on average assets	0.41%	0.13%
Return on average equity	6.30%	2.06%
Net interest margin	3.56%	2.85%
Efficiency ratio	86.60%	96.17%
Loans to deposits	73.38%	75.00%
Allowance for loan losses to loans	1.32%	1.26%

### PERIOD END BALANCES

	As of <u>Mar 31, 2025</u>	As of <u>Mar 31, 2024</u>
Assets	\$275,357	\$262,413
Loans - net of allowance	\$186,612	\$175,577
Deposits	\$254,292	\$234,116
Shareholders' equity	\$18,297	\$15,850
Common shares outstanding	253,348	252,684