



First National Bank

You. First. Always.

January 3, 2026

Dear Shareholders and Friends:

The team at Pandora Bancshares, Inc. is pleased to announce 2025 has been another profitable year that added value for our shareholders. Final figures for 2025 are unavailable for publication, but all things considered we are pleased with the preliminary results. Earnings through November have continued the positive trend the Bank has experienced throughout the year. Credit quality remains strong, and growth has remained steady. As of 11-30-2025, loan and deposit balances are up 5.7% and 5.1% respectively, loan delinquency rates at First National Bank continue to remain near historic lows, and net income year to date is \$1.480 Million compared to \$640,000 a year ago. Total assets are also up 5.8% year over year.

First National Bank's performance has resulted in the declaration of a \$2.00 per share dividend for all shareholders on the January 3, 2026, date of record, payable January 31, 2026. The Bank's Lima branches are ahead of schedule in terms of activity and growth, bankwide net interest margin has improved significantly compared to a year ago, and the resulting overall Bank profitability has enabled us to pay out a dividend per share that reflects an increase of 11.1% over the dividend paid out in 2025. Comparing November 30, 2025, to November 30, 2024, the value of Pandora Bancshares Inc. stock increased \$4.30 or 4.94%. That, along with the \$2.00 cash dividend, earned our shareholders a total return of 7.2%. 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 make a positive difference in our local area. In 2025, our team spent more than 3,400 hours volunteering their time at local events and supporting various non-profits: more hours spent than in any previous year! Our team continues to live our mission of Improving Lives Through Community Banking throughout our entire market area.

There is no doubt 2026 will be another eventful year. Every year presents new challenges and opportunities, but the constant is the team at 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 25th, 2026, 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 packet 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. The current bid price is \$91.30 per share and the current ask price is \$95.85 per share.

Respectfully,

Brendon Matthews
President & CEO
First National Bank

BLUFFTON • FINDLAY • LIMA • OTTAWA • PANDORA

www.e-fnb.com • 419-384-3221



Pandora Bancshares, Inc. and Subsidiary

Financial Information (unaudited)

(dollars in thousands, except share data)

Eleven Months
Ended
Nov 30, 2025

Eleven Months
Ended
Nov 30, 2024

CONDENSED STATEMENT OF INCOME

Interest Income	\$13,205	\$11,581
Interest Expense	<u>4,499</u>	<u>4,715</u>
Net Interest Income	8,706	6,866
Provision (credit) for loan losses	<u>318</u>	<u>225</u>
Net interest income after provision for loan losses	8,388	6,641
Non-interest income	1,188	1,087
Non-interest expenses	<u>8,026</u>	<u>7,214</u>
Income before income taxes	1,550	515
Provision (credit) for income taxes	<u>70</u>	<u>-125</u>
Net income	<u>\$1,480</u>	<u>\$640</u>
Average common shares outstanding	253,577	253,209

PER COMMON SHARE

Net income	\$5.84	\$2.53
Book value	\$81.31	\$69.30
Book value excluding unrealized gain (loss)	\$90.91	\$86.67
Closing bid price	\$91.30	\$87.00
Closing ask price	\$95.85	\$91.30

FINANCIAL RATIOS

Return on average assets	0.59%	0.27%
Return on average equity	8.68%	4.18%
Net interest margin	3.66%	3.08%
Efficiency ratio	81.12%	90.70%
Loans to deposits	69.66%	69.31%
Allowance for loan losses to loans	1.27%	1.34%

PERIOD END BALANCES

	As of <u>Nov 30, 2025</u>	As of <u>Nov 30, 2024</u>
Assets	\$294,453	\$278,253
Loans - net of allowance	\$188,821	\$178,693
Deposits	\$271,075	\$257,804
Shareholders' equity	\$20,619	\$17,548
Common shares outstanding	253,348	253,508