



# First National Bank

*You. First. Always.*

May 4, 2026

Dear Shareholders and Friends:

On April 25, 2026, 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 productive year. Derrick Lee, our CFO, reviewed our financial results for 2025. 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, and I am pleased to report a year-over-year increase in the market price of our stock of 4.3% as of 3-31-2026. 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 \$93.54 and an ask price of \$98.50.

We continue to see steady year-over-year growth in assets and deposits by 5.7% and 5.3% respectively. In dollars, assets grew by \$15.7 million and deposits by \$13.6 million as of 3-31-2025. We are also seeing continued notable improvement in net interest margin from 3.59% to 4.00% year over year as we originate new loans, existing loans reprice, and funding costs continue to stabilize. Net income for the first quarter has more than doubled compared to a year ago.

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

BLUFFTON • FINDLAY • LIMA • OTTAWA • PANDORA

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# Pandora Bancshares, Inc. and Subsidiary

<b>Financial Information</b> (unaudited) (dollars in thousands, except share data)	Three Months Ended Mar 31, 2026	Three Months Ended Mar 31, 2025
<b>CONDENSED STATEMENT OF INCOME</b>		
Interest Income	\$3,774	\$3,370
Interest Expense	<u>1,164</u>	<u>1,154</u>
Net Interest Income	2,610	2,217
Provision (credit) for loan losses	<u>50</u>	<u>73</u>
Net interest income after provision for loan losses	2,560	2,144
Non-interest income	352	290
Non-interest expenses	<u>2,248</u>	<u>2,171</u>
Income before income taxes	664	263
Provision (credit) for income taxes	<u>70</u>	<u>-13</u>
Net income	<u>\$594</u>	<u>\$276</u>
 Average common shares outstanding	 254,199	 253,423

<b>PER COMMON SHARE</b>		
Net income	\$2.34	\$1.09
Book value	\$82.50	\$72.20
Book value excluding unrealized gain (loss)	\$92.04	\$86.18
Closing bid price	\$91.35	\$87.65
Closing ask price	\$96.00	\$92.00

<b>FINANCIAL RATIOS</b>		
Return on average assets	0.84%	0.41%
Return on average equity	11.63%	6.30%
Net interest margin	4.00%	3.59%
Efficiency ratio	75.89%	86.60%
Loans to deposits	71.85%	73.38%
Allowance for loan losses to loans	1.30%	1.32%

<b>PERIOD END BALANCES</b>		
	As of <u>Mar 31, 2026</u>	As of <u>Mar 31, 2025</u>
Assets	\$291,066	\$275,357
Loans - net of allowance	\$192,468	\$186,612
Deposits	\$267,876	\$254,292
Shareholders' equity	\$20,970	\$18,297
 Common shares outstanding	 253,346	 253,348