First National Bank

You. First. Always.

July 31, 2026

Dear Shareholders and Friends:

I spent a long weekend in Chicago earlier this summer with my family. It was not the most relaxing vacation we've ever taken, but it was definitely memorable! During our trip, we had several enjoyable interactions with people going about their everyday routine at work. The way they approached their job and the ways they embodied great customer service left a lasting positive impression on me and my whole family, and as a result we will be talking about this trip for many years.

I shared some of these Chicago interactions with the FNB team at a recent gathering, and it was easy to find parallels in the way our First National Bank employees create lasting positive memories for our clients and our communities. Whether it's volunteering, coaching, teaching financial literacy, or going the extra mile at work, our team remains committed to the mission of *Improving Lives Through Community Banking*. The first half of 2026 reflected that commitment. We continued to strengthen the Bank financially while deepening relationships throughout our communities, proving once again that doing the right things for our customers is also good for our shareholders.

Financially, the Bank continues to see consistent year-over-year growth. Loans and deposits increased by 5.7% and 7.4% respectively. In dollars, loans grew by $10.6 million and deposits by $18.8 million as of 6-30-2026. Assets grew by 7.6% and $21.2 million to $298.9 million. After two years of margin compression, net interest margin has strengthened to 4.07% from 3.60% a year ago and from 2.96% as of June 30, 2024. Competition for reasonably priced deposits is still stiff, but our team continues to develop new deposit relationships. As a result, net interest income after provision for loan losses improved by 19.5% year over year and net income through six months more than doubled to $1.295 million compared to $632 thousand through June 30, 2025.

In shareholder news, 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 6.8% as of 6-30-2026. If you are interested in buying or selling Pandora Bancshares, Inc. stock, please contact our market maker Jennifer McFarland with Community Banc Investments, Inc. at jennifer@cbibankstocks.com or 800-224-1013. If you would like to get our newsletter electronically or receive direct deposit of dividends, please contact Heather Taviano at htaviano@e-fnb.com or 567-336-0237. 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 under the Investment tab.

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Our team of Bank Directors, Management and Staff is excited about the future of FNB, and we will continue to work diligently on your behalf to increase shareholder value and meet our mission. Thank you for your investment, your support, and your referrals.

Respectfully,

Brendon Matthews
President/CEO
First National Bank

Pandora Bancshares, Inc.
and Subsidiary

Financial Information (unaudited) (dollars in thousands, except share data)	Six Months Ended Jun 30, 2026	Six Months Ended Jun 30, 2025
CONDENSED STATEMENT OF INCOME		
Interest Income	$7,773	$6,951
Interest Expense	2,365	2,396
Net Interest Income	5,408	4,555
Provision (credit) for loan losses	200	196
Net interest income after provision for loan losses	5,208	4,359
Non-interest income	810	604
Non-interest expenses	4,557	4,340
Income before income taxes	1,461	623
Provision (credit) for income taxes	165	-9
Net income	$1,295	$632
Average common shares outstanding	254,288	253,434
PER COMMON SHARE		
Net income	$5.09	$2.49
Book value	$85.35	$74.55
Book value excluding unrealized gain (loss)	$94.79	$87.75
Closing bid price	$93.85	$87.90
Closing ask price	$98.50	$92.25
FINANCIAL RATIOS		
Return on average assets	0.91%	0.47%
Return on average equity	12.41%	7.02%
Net interest margin	4.07%	3.60%
Efficiency ratio	73.29%	84.12%
Loans to deposits	72.30%	73.47%
Allowance for loan losses to loans	1.29%	1.21%
PERIOD END BALANCES		
	As of Jun 30, 2026	As of Jun 30, 2025
Assets	$298,937	$277,762
Loans - net of allowance	$198,828	$188,188
Deposits	$274,989	$256,153
Shareholders' equity	$21,703	$18,894
Common shares outstanding	254,434	253,348