

THE FIRST NATIONAL BANK OF DENNISON
A MESSAGE FROM THE PRESIDENT

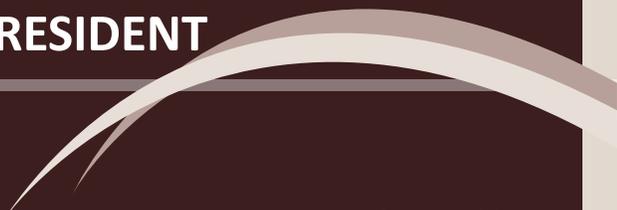


Nichole L. Zesiger, President

The First National Bank of Dennison has had a great for six months. Net income is at \$661,000 over budget. So thankful for where we stand today, but are disappointed that we are not where we were a few years ago. The ransomware attack has increased technology and information security expenses however has made us more secure and safe than ever. In times where the economy is uncertain, we are thankful for the dedication of the employees & patience of our shareholders.

Commercial loan demand is still very strong. Prime rate is increasing but has not seemed to stop the demand for home-equity lines of credit. Many are doing improvements to their homes, paying off debt or managing student loan debt. Long-term fixed rates are climbing and over 5 1/2%. Many have not seen rates like this and 15 years.

A MESSAGE FROM THE PRESIDENT



We cannot forget they are still great rates knowing that the historical lows of 2-2.5%, may never be seen again.

Most long-term fixed rates are now only purchases. Installment loan lending is certainly booming. Even with the lack of automobile inventory on car lots, people are still buying.

Deposit rates are climbing but has not seen the same reaction in the market as loan rates. With the investment market plummeting, many have exited and found themselves trusting banks all over again. We have been very fortunate to always have a great core deposit base. And we have all of you to thank for that.

Net interest margin has begun to improve through rising interest rates. Investment income has also seen a spike given our new investment strategy with more diversity and municipal investments.

We've been very excited for the new products we have been able to offer customers. The online application portal has been booming! Today we offer home mortgages, by in July it will allow our customers to apply for all consumer loans. This includes unsecured, car loans, motorcycles, home equity lines of credit etc. Our goal is to provide our customers with the most convenient products as possible. After all, life is really busy and finding time to handle your financial tasks usually happens at night on the couch. We are here for that!!

The next big project is our new, turkey online & mobile platforms. This is rolling out July 11th. Watch out because it provides the online experience, you, our customer, have been asking for.

Many of you have asked if we are going to endorse Zelle. This is on our radar in a strategic project in 2023. We also have many other smaller projects internally that we are looking forward to that will benefit our customer base. Any other products or services that would benefit you please, don't hesitate to reach out to any employee and tell them what you're thinking. We are all interested in making the bank the best it can be providing the best customer experience.

A MESSAGE FROM THE PRESIDENT



Thank you to all our customers and shareholder's for supporting the bank and helping us be the best we can be. We look forward to another great year as we have our roots where other have their branches.

Sincerely,

Nichole Zesiger, President