

# THE FIRST NATIONAL BANK OF DENNISON

## A MESSAGE FROM THE PRESIDENT



Happy New Year!

The Bank ended 2024 with a \$1.949M net income. This was to be celebrated as we had incurred many expenses that was not budgeted for in particular for training and extra audits. One item to note for year end is our pension adjustment. The Bank froze the pension in 2020 and in 2024, with the help of our financial advisors, to liquidate the plan. At year end, the bank reduced and eliminated its liability by \$1.3M in unrealized losses when the plan was paid out. Though this was an accounting treatment and reduced our new income from \$1.949M to roughly \$600K, it was a one time adjustment.

In 2025, we are expecting another good year . However, the Bank is expecting a 75 bps drop in rates, higher delinquencies, and lower loan volume. All stemmed from inflation. With a new leader in the white house, many things are unknown. We will however continue to provide compet-

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itive products and services and help our customers in every way we can make money, save money and help make life as convenient as possible with our electronic products.

Many in the community have found the bank has tightened up on our underwriting of commercial loans. This is drive primarily by our federal regulators. Over 90 years, the bank has lend to borrowers have known for years, secured collateral and never had any losses. This new regulatory environment has changed our lending philosophy. Our regulators expect our lenders to ensure our borrowers cash flow. This means what is reported on the your tax returns becomes your documented income. If it is not enough to pay the outstanding debt, the bank needs to find additional resources in order to approve a loan—this would include life insurance, SBA guarantees, liquid assets etc. Our goal is to help you through this process and continue to provide you the service you expect, though it might look a little different.

I am pleased to announce in 2025 the Bank will be focused on expense savings and growth opportunities. It is time to begin looking at the future and determine what, where and how we will do this. Growing organically is always the best option and we hope with employee and customer referrals we can continue to do that. We will be focusing on building deposits and generating new loan volume. If we can help you or someone you know, please don't hesitate to reach out to us.

The community and community groups are encouraged to visit our locations, meet the staff and embrace our Bank's vision. Working as a team, makes The First National Bank of Dennison, the bank of choice! Our goal is to enthusiastically contribute to all aspects of our communities. I'm Nichole Zesiger, President of The First National Bank of Dennison and I am proud to tell you there is a bright future for this area and the Bank. We look forward to 2025 as we have our roots where other have their branches.