

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2024

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-13677

MID PENN BANCORP, INC.

(Exact Name of Registrant as Specified in its Charter)

Pennsylvania

(State or Other Jurisdiction of
Incorporation or Organization)

2407 Park Drive

Harrisburg , Pennsylvania

(Address of Principal Executive Offices)

25-1666413

(I.R.S. Employer
Identification Number)

17110

(Zip Code)

Registrant's telephone number, including area code 1.866 . 642.7736

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$1.00 par value per share	MPB	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definition of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated Filer	<input checked="" type="checkbox"/>	Emerging Growth Company	<input type="checkbox"/>
Non-accelerated Filer	<input type="checkbox"/>	Smaller Reporting Company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

As of May 1, 2024, the registrant had 16,689,304 shares of common stock outstanding, par value \$1.00 per share.

FORM 10-Q

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Unless the context otherwise requires, the terms "Mid Penn", "Corporation" "we", "us", and "our" refer to Mid Penn Bancorp, Inc. and its consolidated wholly-owned banking subsidiary and nonbank subsidiaries.

GLOSSARY OF DEFINED ACRONYMS AND TERMS

2014 Plan	2014 Restricted Stock Plan
2023 Annual Report	Corporation's Annual Report on Form 10-K for the year ended December 31, 2023
2023 Plan	2023 Stock Incentive Plan
ACL	Allowance for Credit Losses
AFS	Available for Sale
AOCI	Accumulated Other Comprehensive Income
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
the Bank	Mid Penn Bank
Bank Merger	Merger of Brunswick Bank with and into Mid Penn Bank
BOLI	Bank Owned Life Insurance
bp or bps	basis point(s)
Brunswick	Brunswick Bancorp
Brunswick Acquisition	Merger acquisition of Brunswick
Brunswick Bank	Brunswick Bank & Trust Company
CECL	Current Expected Credit Losses
DCF	Discounted Cash Flow
DIF	FDIC's Deposit Insurance Fund
DRIP	Dividend Reinvestment Plan
FASB	Financial Accounting Standards Board
FDIC	Federal Deposit Insurance Corporation
FHLB	Federal Home Loan Bank of Pittsburgh
FICO	the Financing Corporation
FOMC	Federal Open Market Committee
FTE	Fully taxable-equivalent
HFS	Held for Sale
HTM	Held to Maturity
LGD	Loss Given Default
LHFI	Loans held for investment
LIHTC	Low-Income Housing Tax Credits
Loans	Loans, net of unearned interest
Management Discussion	Management's Discussion and Analysis of Financial Condition and Results of Operations
Merger	Merger of Brunswick with and into Mid Penn
Merger Agreement	Agreement and Plan of Merger between Mid Penn and Brunswick
Mid Penn or the Corporation	Mid Penn Bancorp, Inc.
N/M	Not meaningful - (percentage changes greater than +/- 150% not considered meaningful)
OBS	Off-Balance Sheet
OCI	Other Comprehensive Income
PCD	Purchased Credit Deteriorated
PCL	Provision for Credit Losses
PD	Probability of Default
Riverview	Riverview Financial Corporation
Riverview Acquisition	Merger acquisition of Riverview
ROA	Return on Assets
ROE	Return on Equity
SBA	Small Business Association
SEC	Securities Exchange Commission
SOFR	Secured Overnight Financing Rate

[Table of Contents](#)**MID PENN BANCORP, INC.****PART 1 – FINANCIAL INFORMATION****ITEM 1 – FINANCIAL STATEMENTS****CONSOLIDATED BALANCE SHEETS (UNAUDITED)**

(In thousands, except per share data)	March 31, 2024	December 31, 2023
ASSETS		
Cash and due from banks	\$ 33,362	\$ 45,435
Interest-bearing balances with other financial institutions	31,801	34,668
Federal funds sold	2,922	16,660
Total cash and cash equivalents	68,085	96,763
Investment securities:		
HTM, at amortized cost (fair value \$ 351,204 and \$ 357,521)	396,998	399,128
AFS, at fair value	217,632	223,555
Equity securities available for sale, at fair value	431	438
Loans held for sale, at fair value	4,581	3,855
Loans, net of unearned interest	4,317,449	4,252,792
Less: ACL - Loans	(33,524)	(34,187)
Net loans	4,283,925	4,218,605
Premises and equipment, net	36,068	36,909
Operating lease right of use asset	8,414	8,953
Finance lease right of use asset	2,683	2,727
Cash surrender value of life insurance	52,997	54,497
Restricted investment in bank stocks	17,446	16,768
Accrued interest receivable	26,975	25,820
Deferred income taxes	22,894	24,146
Goodwill	127,031	127,031
Core deposit and other intangibles, net	6,051	6,479
Foreclosed assets held for sale	5,110	293
Other assets	53,058	44,825
Total Assets	\$ 5,330,379	\$ 5,290,792
LIABILITIES & SHAREHOLDERS' EQUITY		
Deposits:		
Noninterest-bearing demand	\$ 807,861	\$ 801,312
Interest-bearing transaction accounts	2,082,846	2,086,450
Time	1,488,398	1,458,450
Total Deposits	4,379,105	4,346,212
Short-term borrowings	271,849	241,532
Long-term debt	23,941	59,003
Subordinated debt	46,201	46,354
Operating lease liability	8,683	9,285
Accrued interest payable	16,330	14,257
Other liabilities	33,302	31,799
Total Liabilities	4,779,411	4,748,442
Shareholders' Equity:		
Common stock, par value \$ 1.00 per share; 40,000,000 shares authorized at March 31, 2024 and December 31, 2023; 17,006,359 issued at March 31, 2024 and 16,998,929 at December 31, 2023; 16,565,637 outstanding at March 31, 2024 and 16,573,707 at December 31, 2023	17,006	16,999
Additional paid-in capital	406,150	405,725
Retained earnings	154,801	145,982
Accumulated other comprehensive loss	(16,947)	(16,637)
Treasury stock, at cost; 440,722 shares at March 31, 2024 and 425,222 shares at December 31, 2023	(10,042)	(9,719)
Total Shareholders' Equity	550,968	542,350
Total Liabilities and Shareholders' Equity	\$ 5,330,379	\$ 5,290,792

The accompanying notes are an integral part of these unaudited consolidated financial statements.

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MID PENN BANCORP, INC.

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

	Three Months Ended March 31,	
	2024	2023
(In thousands, except per share data)		
INTEREST INCOME		
Loans, including fees	\$ 63,236	\$ 45,865
Investment securities:		
Taxable	4,040	3,874
Tax-exempt	376	389
Other interest-bearing balances	403	53
Federal funds sold	136	45
Total Interest Income	<u>68,191</u>	50,226
INTEREST EXPENSE		
Deposits	26,332	12,001
Short-term borrowings	4,446	1,490
Long-term and subordinated debt	957	686
Total Interest Expense	<u>31,735</u>	14,177
Net Interest Income	36,456	36,049
(Benefit)/Provision for credit losses	<u>(937)</u>	719
Net Interest Income After (Benefit)/Provision for Credit Losses	<u>37,393</u>	35,330
NONINTEREST INCOME		
Fiduciary and wealth management	1,132	1,236
ATM debit card interchange	945	1,056
Service charges on deposits	509	435
Mortgage banking	424	384
Mortgage hedging	—	20
Net gain on sales of SBA loans	107	—
Earnings from cash surrender value of life insurance	284	254
Other	<u>2,436</u>	940
Total Noninterest Income	<u>5,837</u>	4,325
NONINTEREST EXPENSE		
Salaries and employee benefits	15,462	13,844
Software licensing and utilization	2,120	1,946
Occupancy, net	1,982	1,886
Equipment	1,222	1,251
Shares tax	997	899
Legal and professional fees	998	800
ATM/card processing	534	493
Intangible amortization	428	344
FDIC Assessment	945	340
Merger and acquisition	—	224
Other	<u>3,832</u>	3,814
Total Noninterest Expense	<u>28,520</u>	25,841
INCOME BEFORE PROVISION FOR INCOME TAXES	<u>14,710</u>	13,814
Provision for income taxes	<u>2,577</u>	2,587
NET INCOME AVAILABLE TO COMMON SHAREHOLDERS	<u>\$ 12,133</u>	\$ 11,227
PER COMMON SHARE DATA:		
Basic Earnings Per Common Share	\$ 0.73	\$ 0.71
Diluted Earnings Per Common Share	\$ 0.73	\$ 0.70
Weighted-average basic shares outstanding	16,567,902	15,886,186
Weighted-average diluted shares outstanding	16,613,373	15,931,121

The accompanying notes are an integral part of these unaudited consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

(In Thousands)	Three Months Ended March 31,	
	2024	2023
Net income	\$ 12,133	\$ 11,227
Other comprehensive (loss)/income:		
Unrealized (losses)/gains arising during the period on available for sale securities, net of income tax benefit/(cost) of \$ 455 and (\$ 526), respectively. ⁽¹⁾	(1,711)	1,977
Unrealized holding gains/(losses) arising during the period on interest rate derivatives used in cash flow hedges, net of income tax (cost)/benefit of (\$ 375) and \$ 34 , respectively. ⁽¹⁾	1,410	(128)
Change in defined benefit plans, net of income tax (cost)/benefit of (\$ 2) and \$ 1 , respectively ^{(1), (2)}	8	5
Reclassification adjustment for settlement gains and activity related to benefit plans, net of income tax benefit of \$ 5 and \$ 3 , respectively ^{(1), (3)}	(17)	(12)
Total other comprehensive (loss)/income	(310)	1,842
Total comprehensive income	\$ 11,823	\$ 13,069

(1) The income tax impacts of the components of other comprehensive income are calculated using a 21% statutory tax rate.
 (2) The change in defined benefit plans consists primarily of unrecognized actuarial (losses)/gains on defined benefit plans during the period.
 (3) The reclassification adjustment for benefit plans includes settlement gains, amortization of prior service costs, and amortization of net gain or loss. Amounts are included in other income on the Consolidated Statements of Income within total noninterest income.

The accompanying notes are an integral part of these unaudited consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)

(In thousands, except per share data)	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income		Treasury Stock	Total Shareholders' Equity
	Shares	Amount			\$	\$		
Balance, January 1, 2024	16,998,929	\$ 16,999	\$ 405,725	\$ 145,982	\$ (16,637)	\$ (9,719)	\$ 542,350	
Net income	—	—	—	12,133	—	—	—	12,133
Total other comprehensive income, net of taxes	—	—	—	—	(310)	—	—	(310)
Common stock cash dividends declared - \$ 0.20 per share	—	—	—	(3,314)	—	—	—	(3,314)
Repurchased stock	—	—	—	—	—	—	(323)	(323)
Employee Stock Purchase Plan	5,653	5	107	—	—	—	—	112
Director Stock Purchase Plan	1,777	2	34	—	—	—	—	36
Restricted stock activity	—	—	284	—	—	—	—	284
Balance, March 31, 2024	17,006,359	\$ 17,006	\$ 406,150	\$ 154,801	\$ (16,947)	\$ (10,042)	\$ 550,968	

(In thousands, except per share data)	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)		Treasury Stock	Total Shareholders' Equity
	Shares	Amount			\$	\$		
Balance, January 1, 2023	16,094,486	\$ 16,094	\$ 386,987	\$ 133,114	\$ (19,216)	\$ (4,880)	\$ 512,099	
Net income	—	—	—	11,227	—	—	—	11,227
Total other comprehensive loss, net of taxes	—	—	—	—	1,842	—	—	1,842
Common stock cash dividends declared, \$ 0.20 per share	—	—	—	(3,176)	—	—	—	(3,176)
Impact of adopting CECL ⁽¹⁾	—	—	—	(11,548)	—	—	—	(11,548)
Employee Stock Purchase Plan	2,217	2	55	—	—	—	—	57
Director Stock Purchase Plan	1,651	2	41	—	—	—	—	43
Restricted stock activity	—	—	249	—	—	—	—	249
Balance, March 31, 2023	16,098,354	\$ 16,098	\$ 387,332	\$ 129,617	\$ (17,374)	\$ (4,880)	\$ 510,793	

(1) The Corporation adopted ASU 2016-13 "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" effective January 1, 2023. See "Note 1 - Summary of Significant Accounting Policies" for further details.

The accompanying notes are an integral part of these unaudited consolidated financial statements.

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MID PENN BANCORP, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Three Months Ended March 31,	
	2024	2023
<i>(In thousands)</i>		
Operating Activities:		
Net Income	\$ 12,133	\$ 11,227
Adjustments to reconcile net income to net cash provided by operating activities:		
(Benefit)/Provision for credit losses	(937)	719
Depreciation	1,192	1,202
Amortization of intangibles	428	344
Net amortization of security discounts/premiums	102	127
Noncash operating lease expense	539	509
Amortization of finance lease right of use asset	44	45
Earnings on cash surrender value of life insurance	(284)	(254)
Mortgage loans originated for sale	(16,808)	(24,615)
Proceeds from sales of mortgage loans originated for sale	16,506	24,797
Gain on sale of mortgage loans	(424)	(384)
SBA loans originated for sale	(1,553)	—
Proceeds from sales of SBA loans originated for sale	1,446	—
Gain on sale of SBA loans	(107)	—
Gain on sale of property, plant, and equipment	(32)	(31)
Accretion of subordinated debt	(153)	(147)
Stock compensation expense	284	249
Change in deferred income tax benefit	1,402	706
Increase accrued interest receivable	(1,155)	(800)
Decrease (Increase) in other assets	(3,484)	775
Increase (decrease) in accrued interest payable	2,073	3,506
Decrease in operating lease liability	(602)	(580)
(Decrease) Increase in other liabilities	1,799	(4,217)
Net Cash Provided By Operating Activities	12,409	13,178
Investing Activities:		
Proceeds from the maturity or call of available-for-sale securities	3,741	3,743
Proceeds from the maturity or call of held-to-maturity securities	2,045	2,611
Stock dividends of FHLB and other bank stock	239	110
(Purchases) reduction of restricted investment in bank stock	(917)	164
Net increase in loans	(68,987)	(97,156)
Purchases of bank premises and equipment	(351)	(922)
Proceeds from the sale of premises and equipment	32	31
Net change in investments in tax credits and other partnerships	(1,548)	(2,174)
Net Cash Used in Investing Activities	(65,746)	(93,593)

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)(CONTINUED)

Financing Activities:			
Net increase in deposits	32,893	99,750	
Common stock dividends paid	(3,314)	(3,176)	
Proceeds from Employee and Director Stock Purchase Plan stock issuance	148	100	
Treasury stock purchased	(323)	—	
Net change in finance lease liability	(24)	(23)	
Net change in short-term borrowings	30,317	(14,647)	
Long-term debt repayment	(35,038)	(70)	
Net Cash Provided by Financing Activities	24,659	81,934	
Net (decrease)/ increase in cash and cash equivalents	(28,678)	1,519	
Cash and cash equivalents, beginning of period	96,763	60,881	
Cash and cash equivalents, end of period	<u><u>\$ 68,085</u></u>	<u><u>\$ 62,400</u></u>	
Supplemental Disclosures of Cash Flow Information:			
Cash paid for interest	\$ 29,662	\$ 10,671	
Supplemental Noncash Disclosures:			
Recognition of operating lease right of use assets	\$ —	\$ 125	
Recognition of operating lease liabilities	—	125	
Loans transferred to foreclosed assets held for sale	4,817	205	

The accompanying notes are an integral part of these unaudited consolidated financial statements.

MID PENN BANCORP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Note 1 - Summary of Significant Accounting Policies

Nature of Operations

Mid Penn Bancorp, Inc. ("Mid Penn" or the "Corporation"), through operations conducted by Mid Penn Bank (the "Bank") and its nonbank subsidiaries, engages in a full-service commercial banking and trust business, making available to the community a wide range of financial services, including, but not limited to, mortgage and home equity loans, secured and unsecured commercial and consumer loans, lines of credit, construction financing, farm loans, community development loans, loans to non-profit entities and local government loans, and various types of time and demand deposits including but not limited to, checking accounts, savings accounts, clubs, money market deposit accounts, certificates of deposit, and IRAs. In addition, the Bank provides a full range of trust and wealth management services through its Trust Department. Deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") to the extent provided by law.

Mid Penn also fulfills the insurance needs of both existing and potential customers through MPB Risk Services, LLC, doing business as MPB Insurance and Risk Management.

The financial services are provided to individuals, partnerships, non-profit organizations, and corporations through its retail banking offices located in throughout Pennsylvania and two counties in New Jersey.

Basis of Presentation

For all periods presented, the accompanying consolidated financial statements include the accounts of Mid Penn Bancorp, Inc., its wholly-owned subsidiary, Mid Penn Bank, and four nonbank subsidiaries, MPB Financial Services, LLC, which includes MPB Wealth Management, LLC (which ceased operating during the first quarter of 2024) and MPB Risk Services, LLC, and MPB Launchpad Fund I, LLC. As of March 31, 2024, the accounts and activities of these nonbank subsidiaries were not material to warrant separate disclosure or segment reporting. As a result, Mid Penn has only one reportable segment for financial reporting purposes. All material intercompany accounts and transactions have been eliminated in consolidation.

Certain information and disclosures normally included in consolidated financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to the rules and regulations of the SEC. Mid Penn believes the information presented is not misleading, and the disclosures are adequate. For comparative purposes, the March 31, 2023 and December 31, 2023 balances have been reclassified, when necessary, to conform to the 2024 presentation. Such reclassifications had no impact on net income or total shareholders' equity. In the opinion of management, all adjustments necessary for fair presentation of the periods presented have been reflected in the accompanying consolidated financial statements. All such adjustments are of a normal, recurring nature. These unaudited interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the 2023 Annual Report.

Mid Penn has evaluated events and transactions occurring subsequent to the balance sheet date of March 31, 2024, for items that should potentially be recognized or disclosed in these consolidated financial statements. The evaluation was conducted through the issuance date of these consolidated financial statements.

Use of Estimates - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could materially differ from those estimates.

Material estimates subject to significant change include the allowance for credit losses, the expected cash flows and collateral values associated with loans that are individually evaluated for credit losses, the carrying value of other real estate owned ("OREO"), the fair value of financial instruments, business combination fair value computations, the valuation of goodwill and other intangible assets, stock-based compensation and deferred income tax assets.

Accounting Standards adopted and Updated Significant Accounting Policy

On January 1, 2023, the Corporation adopted ASU 2016-13, *Financial Instruments - Credit Losses (ASC Topic 326): Measurement of Credit Losses on Financial Instruments*, which replaced the incurred loss methodology, and is referred to as CECL. The measurement of expected credit losses under CECL is applicable to financial assets measured at amortized cost, including loans and HTM debt securities. It also applies to OBS credit exposures (loan commitments, standby letters of credit, financial guarantees, and other similar instruments) and net investments in leases recognized by a lessor in accordance with ASC Topic 842. Prior to 2024, the provision for OBS credit losses was included in Other Expenses on the Statement of Income. As of March 31, 2024, the provision for OBS credit losses is included in Provision for Credit Losses on the Income Statement. Prior periods have been updated for presentation.

All other significant accounting policies used in preparation of the Consolidated Financial Statements are disclosed in the 2023 Annual Report. Those significant accounting policies are unchanged at March 31, 2024.

Accounting Standards Pending Adoption

ASU No. 2023-02: The FASB issued ASU 2023-02, *Investments - Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method*.

The amendments in this update permit reporting entities to elect to account for their tax equity investments, regardless of the tax credit program from which the income tax credits are received, using the proportional amortization method if certain conditions are met. A reporting entity may make an accounting policy election to apply the proportional amortization method on a tax-credit-program-by-tax-credit-program basis rather than electing to apply the proportional amortization method at the reporting entity level or to individual investments. The amendments in this update also remove certain guidance for Qualified Affordable Housing Project investments and require the application of the delayed equity contribution guidance to all tax equity investments. The amendments in this update are effective for fiscal years beginning after December 15, 2023, and must be applied on either a modified retrospective or a retrospective basis. Early adoption is permitted in any interim period, however if adopted in an interim period the entity shall adopt the amendments in this update as of the beginning of the fiscal year that includes the interim period. The Corporation does not expect the adoption of ASU No. 2023-02 to have a material impact on its consolidated financial statements.

ASU 2023-06: The FASB issued ASU 2023-06, *Disclosure Improvements - Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative*.

ASU 2023-06 amends the ASC to incorporate certain disclosure requirements from SEC Release No. 33-10532 - Disclosure Update and Simplification that was issued in 2018. The effective date for each amendment will be the date on which the SEC's removal of that related disclosure from Regulation S-X or Regulation S-K becomes effective, with early adoption prohibited. ASU 2023-06 is not expected to have a significant impact on our financial statements.

ASU 2023-07: The FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*

ASU 2023-07 amends the ASC to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The amendments in this update are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. ASU 2023-07 is not expected to have a significant impact on our financial statements.

ASU 2023-09: The FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*

ASU 2023-09 amends the ASC to enhance income tax disclosures by requiring entities to disclose income taxes paid (net of refunds received) disaggregated by federal, state and foreign taxes. Additionally, entities are required to disclose amounts greater than 5% of the total income taxes paid to an individual jurisdiction. The amendments are effective for annual periods beginning after December 15, 2025. ASU 2023-09 is not expected to have a significant impact on our financial statements.

MID PENN BANCORP, INC.

ASU 2024-01—The FASB issued ASU 2024-01, *Compensation - Stock Compensation (Topic 718): Scope application of profits interest and similar awards*

The amendments in the ASU apply to all reporting entities that account for profits interest awards as compensation to employees or nonemployees in return for goods or services. The amendments are effective for annual periods beginning after December 15, 2025, and interim periods within those annual periods. ASU 2024-01 is not expected to have a significant impact on our financial statements.

ASU 2024-02: The FASB issued ASU 2024-02, *Codification Improvements—Amendments to Remove References to the Concepts Statements*

This ASU contains amendments to the Codification that remove references to various FASB Concepts Statements. The amendments are effective for fiscal years beginning after Dec. 15, 2025. Early adoption is permitted. ASU 2024-02 is not expected to have a significant impact on our financial statements.

Note 2 - Business Combination

Brunswick Acquisition

On May 19, 2023, Mid Penn completed its acquisition of Brunswick through the merger of Brunswick with and into Mid Penn with Mid Penn being the surviving corporation. In connection with this acquisition, Brunswick Bank, a wholly-owned subsidiary of Brunswick, merged with and into Mid Penn Bank, a wholly-owned subsidiary of Mid Penn.

This transaction included the acquisition of 5 branches and extended Mid Penn's footprint into Middlesex and Monmouth counties in central New Jersey. Mid Penn issued 849,510 shares of its common stock as well as a net cash payment to Brunswick shareholders of \$ 27.6 million, for total consideration of \$ 45.7 million for all outstanding stock and the cancellation of stock options of Brunswick.

Mid Penn has recognized total goodwill of \$ 12.8 million, which is calculated as the excess of both the consideration exchanged and liabilities assumed compared to the fair market value of identifiable assets acquired. The fair value of the consideration exchanged related to Mid Penn's common stock was calculated based upon the closing market price of Mid Penn's common stock as of May 19, 2023. None of the goodwill recognized is expected to be deductible for income tax purposes.

Purchased loans and leases that reflect a more-than-insignificant deterioration of credit from origination are considered PCD. Mid Penn considers various factors in connection with the identification of more-than-insignificant deterioration in credit, including but not limited to nonperforming status, delinquency, risk ratings, FICO scores and other qualitative factors that indicate deterioration in credit quality since origination. For PCD loans and leases, the initial estimate of expected credit losses is recognized in the ACL on the date of acquisition using the same methodology as other loans and leases held-for-investment. As part of the Brunswick Acquisition, Mid Penn acquired PCD loans and leases of \$ 18.7 million. Mid Penn established an ACL at acquisition of \$ 336 thousand with a corresponding gross-up to the amortized cost of the PCD loans and leases. The non-credit discount on the PCD loans and leases was \$ 2.4 million and the Day 1 fair value was \$ 16.3 million. The initial provision expense for non-PCD loans associated with the Brunswick Acquisition was \$ 2.0 million.

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Estimated fair values of the assets acquired and liabilities assumed in the Brunswick Acquisition as of the closing date are as follows:

<i>(In thousands)</i>		
Assets acquired:		
Cash and cash equivalents	\$	21,029
Federal funds sold		7,604
Investment securities		2,423
Loans		324,471
Goodwill		12,800
Core deposit intangible		999
Premises and equipment		4,568
Cash surrender value of life insurance		3,361
Deferred income taxes		6,393
Accrued interest receivable		1,171
Other assets		5,884
Total assets acquired		390,703
Liabilities assumed:		
Deposits:		
Noninterest-bearing demand		60,888
Interest-bearing demand		11,767
Money Market		47,362
Savings		14,203
Time		147,163
Long-term debt		60,136
Accrued interest payable		1,911
Other liabilities		1,613
Total liabilities assumed		345,043
Consideration paid	\$	45,660
Cash paid	\$	27,565
Fair value of common stock issued		18,095

Management has completed its evaluation of fair values of all assets and liabilities shown in the table above and all amounts are considered final.

Note 3 - Investment Securities

FASB ASU 2016-13, "Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments," was adopted by Mid Penn on January 1, 2023. ASU 2016-13 introduces the CECL methodology for estimating allowances for credit losses. ASU 2016-13 applies to all financial instruments carried at amortized cost, including HTM securities, and makes targeted improvements to the accounting for credit losses on AFS securities.

In order to comply with ASC 326, Mid Penn conducted a review of its investment portfolio and determined that for certain classes of securities it would be appropriate to assume the expected credit loss to be zero. This zero-credit loss assumption applies to debt issuances of the U.S. Treasury and agencies and instrumentalities of the United States government. The reasons behind the adoption of the zero-credit loss assumption are as follows:

- High credit rating
- Long history with no credit losses
- Guaranteed by a sovereign entity
- Widely recognized as "risk-free rate"
- Can print its own currency
- Currency is routinely held by central banks, used in international commerce, and commonly viewed as reserve currency
- Currently under the U.S. Government conservatorship or receivership

Mid Penn will continuously monitor any changes in economic conditions, credit downgrades, changes to explicit or implicit guarantees granted to certain debt issuers, and any other relevant information that would indicate potential credit deterioration and prompt Mid Penn to reconsider its zero-credit loss assumption.

At the date of adoption, Mid Penn's estimated allowance for credit losses on AFS and HTM securities under ASU 2016-13 was deemed immaterial due to the composition of these portfolios. Both portfolios consist primarily of U.S. government agency guaranteed mortgage-backed securities for which the risk of loss is minimal. Therefore, Mid Penn did not recognize a cumulative effect adjustment through retained earnings related to the AFS and HTM securities.

AFS Securities

ASU 2016-13 makes targeted improvements to the accounting for credit losses on AFS securities. The concept of other-than-temporarily impaired has been replaced with the allowance for credit losses. Unlike HTM securities, AFS securities are evaluated on an individual level and pooling of securities is not allowed.

Quarterly, Mid Penn evaluates if any security has a fair value less than its amortized cost. Once these securities are identified, in order to determine whether a decline in fair value resulted from a credit loss or other factors, Mid Penn performs further analysis as outlined below:

- Review the extent to which the fair value is less than the amortized cost and observe the security's lowest credit rating as reported by third-party credit ratings companies.
- The securities that violate the credit loss triggers above would be subjected to additional analysis that may include, but is not limited to: changes in market interest rates, changes in securities credit ratings, security type, service area economic factors, financial performance of the issuer/or obligor of the underlying issue and third-party guarantee.
- If Mid Penn determines that a credit loss exists, the credit portion of the allowance will be measured using a DCF analysis using the effective interest rate as of the security's purchase date. The amount of credit loss Mid Penn records will be limited to the amount by which the amortized cost exceeds the fair value.

The DCF analysis utilizes contractual maturities, as well as third-party credit ratings and cumulative default rates published annually by a reputable third-party.

At March 31, 2024, the results of the analysis did not identify any securities that violate the credit loss triggers; therefore, no DCF analysis was performed and no credit loss was recognized on any of the securities available for sale.

Accrued interest receivable is excluded from the estimate of credit losses for AFS securities. At March 31, 2024, accrued interest receivable totaled \$ 982 thousand for AFS securities and was reported in accrued interest receivable on the accompanying Consolidated Balance Sheet.

HTM Securities

ASU 2016-13 requires institutions to measure expected credit losses on financial assets carried at amortized cost on a collective or pool basis when similar risks exist. Mid Penn uses several levels of segmentation in order to measure expected credit losses:

- The portfolio is segmented into agency and non-agency securities.
- The non-agency securities are separated into state and political subdivision obligations and corporate debt securities.

Each individual segment is categorized by third-party credit ratings.

As discussed above, Mid Penn has determined that for certain classes of securities it would be appropriate to assume the expected credit loss to be zero, which include debt issuances of the U.S. Treasury and agencies and instrumentalities of the United States government. This assumption will be reviewed and attested to quarterly.

At March 31, 2024, Mid Penn's HTM securities totaled \$ 397.0 million. After applying appropriate probability of default and loss given default assumptions, the total amount of current expected credit losses was deemed immaterial. Therefore, no reserve was recorded at March 31, 2024.

Accrued interest receivable is excluded from the estimate of credit losses for HTM securities. At March 31, 2024, accrued interest receivable totaled \$ 2.2 million for HTM securities and was reported in accrued interest receivable on the accompanying Consolidated Balance Sheet.

At March 31, 2024, Mid Penn had no HTM securities that were past due 30 days or more as to principal or interest payments. Mid Penn had no HTM securities classified as nonaccrual at March 31, 2024.

The amortized cost and estimated fair value of investment securities for the periods presented:

(In thousands)	March 31, 2024				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	
Available-for-sale					
U.S. Treasury and U.S. government agencies	\$ 36,664	\$ —	\$ 1,174	\$ 35,490	
Mortgage-backed U.S. government agencies	165,402	—	18,637	146,765	
State and political subdivision obligations	4,326	—	693	3,633	
Corporate debt securities	35,737	—	3,993	31,744	
Total available-for-sale debt securities	242,129	—	24,497	217,632	
Held-to-maturity					
U.S. Treasury and U.S. government agencies	\$ 245,839	\$ —	\$ 30,821	\$ 215,018	
Mortgage-backed U.S. government agencies	42,376	—	5,869	36,507	
State and political subdivision obligations	83,318	2	6,958	76,362	
Corporate debt securities	25,465	—	2,148	23,317	
Total held-to-maturity debt securities	396,998	2	45,796	351,204	
Total	\$ 639,127	\$ 2	\$ 70,293	\$ 568,836	

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(In thousands)	December 31, 2023				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	
Available-for-sale					
U.S. Treasury and U.S. government agencies	\$ 36,637	\$ —	\$ 988	\$ 35,649	
Mortgage-backed U.S. government agencies	169,184	—	16,501	152,683	
State and political subdivision obligations	4,332	—	686	3,646	
Corporate debt securities	35,733	—	4,156	31,577	
Total available-for-sale debt securities	\$ 245,886	\$ —	\$ 22,331	\$ 223,555	
Held-to-maturity					
U.S. Treasury and U.S. government agencies	\$ 245,805	\$ 2	\$ 28,676	\$ 217,131	
Mortgage-backed U.S. government agencies	43,818	—	5,523	38,295	
State and political subdivision obligations	84,035	11	6,486	77,560	
Corporate debt securities	25,470	—	935	24,535	
Total held-to-maturity debt securities	\$ 399,128	13	\$ 41,620	357,521	
Total	\$ 645,014	\$ 13	\$ 63,951	\$ 581,076	

Estimated fair values of debt securities are based on quoted market prices, where applicable. If quoted market prices are not available, fair values are based on quoted market prices of instruments of a similar type, credit quality and structure, adjusted for differences between the quoted instruments and the instruments being valued. See "Note 8 - Fair Value Measurement," for additional information.

Investment securities having a fair value of \$ 383.9 million at March 31, 2024 and \$ 380.3 million at December 31, 2023 were pledged to secure public deposits, some Trust department deposit accounts, and certain other borrowings. In accordance with legal provisions for alternatives other than pledging of investments, Mid Penn also obtains letters of credit from the FHLB to secure certain public deposits. These FHLB letter of credit commitments totaled \$ 142.9 million as of March 31, 2024 and \$ 153.5 million as of December 31, 2023.

The following tables present gross unrealized losses and fair value of debt investment securities aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position for the periods presented:

(Dollars in thousands)	Less Than 12 Months			12 Months or More			Total		
	Number of Securities	Estimated Fair Value	Gross Unrealized Losses	Number of Securities	Estimated Fair Value	Gross Unrealized Losses	Number of Securities	Estimated Fair Value	Gross Unrealized Losses
March 31, 2024									
Available-for-sale debt securities:									
U.S. Treasury and U.S. government agencies	—	\$ —	\$ —	19	\$ 35,490	\$ 1,174	19	\$ 35,490	\$ 1,174
Mortgage-backed U.S. government agencies	—	—	—	93	146,765	18,637	93	146,765	18,637
State and political subdivision obligations	—	—	—	8	3,633	693	8	3,633	693
Corporate debt securities	—	—	—	18	31,744	3,993	18	31,744	3,993
Total available-for-sale debt securities	—	\$ —	\$ —	138	\$ 217,632	\$ 24,497	138	\$ 217,632	\$ 24,497
Held-to-maturity debt securities:									
U.S. Treasury and U.S. government agencies	—	—	—	145	215,018	30,821	145	215,018	30,821
Mortgage-backed U.S. government agencies	—	—	—	64	36,507	5,869	64	36,507	5,869
State and political subdivision obligations	16	5,846	86	177	70,201	6,872	193	76,047	6,958
Corporate debt securities	—	—	—	15	23,317	2,148	15	23,317	2,148
Total held-to-maturity debt securities	16	5,846	86	401	345,043	45,710	417	350,889	45,796
Total	16	\$ 5,846	\$ 86	539	\$ 562,675	\$ 70,207	555	\$ 568,521	\$ 70,293

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(Dollars in thousands)	Less Than 12 Months			12 Months or More			Total		
	Number of Securities	Estimated Fair Value	Gross Unrealized Losses	Number of Securities	Estimated Fair Value	Gross Unrealized Losses	Number of Securities	Estimated Fair Value	Gross Unrealized Losses
December 31, 2023									
Available-for-sale securities:									
U.S. Treasury and U.S. government agencies	—	\$ —	\$ —	19	\$ 35,649	\$ 988	19	\$ 35,649	\$ 988
Mortgage-backed U.S. government agencies	1	4,015	26	92	148,668	16,475	93	152,683	16,501
State and political subdivision obligations	—	—	—	8	3,646	686	8	3,646	686
Corporate debt securities	1	410	90	17	31,167	4,066	18	31,577	4,156
Total available-for-sale securities	2	4,425	116	136	219,130	22,215	138	223,555	22,331
Held-to-maturity securities:									
U.S. Treasury and U.S. government agencies	1	\$ 2,002	\$ —	144	\$ 215,129	\$ 28,676	145	\$ 217,131	\$ 28,676
Mortgage-backed U.S. government agencies	—	—	—	64	38,295	5,523	64	38,295	5,523
State and political subdivision obligations	25	8,729	63	170	68,831	6,423	195	77,560	6,486
Corporate debt securities	1	936	57	14	23,599	878	15	24,535	935
Total held to maturity securities	27	11,667	120	392	345,854	41,500	419	357,521	41,620
Total	29	\$ 16,092	\$ 236	528	\$ 564,984	\$ 63,715	557	\$ 581,076	\$ 63,951

There were no gross realized gains and losses on sales of available-for-sale debt securities for the three months ended March 31, 2024 and 2023.

The table below illustrates the contractual maturity of debt investment securities at amortized cost and estimated fair value. Actual maturities may differ from contractual maturities because borrowers may have the right to call or prepay with or without call or prepayment penalties.

(In thousands)	Available-for-sale		Held-to-maturity	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
March 31, 2024				
Due in 1 year or less	\$ 12,496	\$ 12,380	\$ 13,047	\$ 12,906
Due after 1 year but within 5 years	34,425	32,819	125,456	116,182
Due after 5 years but within 10 years	27,475	23,743	195,525	168,141
Due after 10 years	2,331	1,925	20,594	17,468
	76,727	70,867	354,622	314,697
Mortgage-backed securities	165,402	146,765	42,376	36,507
	\$ 242,129	\$ 217,632	\$ 396,998	\$ 351,204

Note 4 - Loans and Allowance for Credit Losses - Loans

Mid Penn adopted the amendments of FASB ASU 2016-13, on January 1, 2023. The amendments of ASU 2016-13 created FASB ASC Topic 326, "Financial Instruments – Credit Losses," which, among other things, replace much of the guidance and disclosures previously provided in FASB ASC Topic 310, "Receivables." The guidance in FASB ASC Topic 326 replaces the incurred loss methodology with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to determine credit losses. In accordance with FASB ASC Subtopic 326-20, "Financial Instruments – Credit Losses – Measured at Amortized Cost," Mid Penn has developed an ACL methodology effective January 1, 2023, which replaces its previous allowance for loan losses methodology. See the section captioned "Allowance for Credit Losses, effective January 1, 2023" within this note for additional information regarding Mid Penn's ACL.

Loans, net of unearned income, are summarized as follows by portfolio segment:

(In thousands)	March 31, 2024	December 31, 2023
Commercial real estate		
CRE Nonowner Occupied	\$ 1,174,774	\$ 1,149,553
CRE Owner Occupied	622,574	629,904
Multifamily	334,952	309,059
Farmland	212,018	212,690
Total Commercial real estate	2,344,318	2,301,206
Commercial and industrial	671,395	675,079
Construction		
Residential Construction	103,861	92,843
Other Construction	383,428	362,624
Total Construction	487,289	455,467
Residential mortgage		
1-4 Family 1st Lien	334,557	339,142
1-4 Family Rental	340,052	341,937
HELOC and Junior Liens	132,703	132,795
Total Residential Mortgage	807,312	813,874
Consumer	7,135	7,166
Total loans	\$ 4,317,449	\$ 4,252,792

Total loans are stated at the amount of unpaid principal, adjusted for net deferred fees and costs. Net deferred loan fees of \$ 4.0 million and \$ 4.2 million reduced the carrying value of loans as of March 31, 2024 and December 31, 2023, respectively.

Accrued interest receivable is not included in the amortized cost basis of Mid Penn's loans. At March 31, 2024, accrued interest receivable for loans totaled \$ 23.2 million with no related ACL and was reported in other assets on the accompanying Consolidated Balance Sheet.

MID PENN BANCORP, INC.

Past Due and Nonaccrual Loans

The performance and credit quality of the loan portfolio is also monitored by analyzing the age of the loans receivable as determined by the length of time a recorded payment is past due. The classes of the loan portfolio summarized by the past due status as of March 31, 2024 and December 31, 2023, are summarized as follows:

<i>(In thousands)</i>	30-59 Days Past Due			60-89 Days Past Due			Greater than 90 Days			Total Past Due			Current			Total Loans		Loans Receivable > 90 Days and Accruing					
	Commercial real estate	\$ 9,647	—	Commercial and industrial	—	87	Construction	—	—	Residential mortgage	1,328	387	Consumer	18	—	Total	\$ 10,993	\$ 474	\$ 4,775	\$ 16,242	\$ 4,301,207	\$ 4,317,449	\$ 2,344,318
Commercial real estate	\$ 9,647	\$ —	\$ 778	\$ 10,425	\$ 2,333,893	\$ 2,344,318	\$ —	\$ —	\$ —	Commercial and industrial	—	1,771	Construction	—	—	Commercial and industrial	—	669,537	671,395	671,395	—		
Commercial and industrial	—	87	1,771	1,858	669,537	671,395	—	—	—	Construction	—	—	Construction	—	487,289	Construction	—	487,289	487,289	487,289	—		
Construction	—	—	—	—	—	—	Residential mortgage	2,201	3,916	Residential mortgage	2,201	3,916	Residential mortgage	2,201	3,916	Residential mortgage	803,396	807,312	807,312	—			
Residential mortgage	1,328	387	2,201	3,916	803,396	807,312	—	—	—	Consumer	18	25	Consumer	18	43	Consumer	7,092	7,135	7,135	25			
Consumer	18	—	25	43	7,092	7,135	—	—	—	Total	\$ 10,993	\$ 474	Total	\$ 10,993	\$ 4,775	Total	\$ 16,242	\$ 4,301,207	\$ 4,317,449	\$ 25	25		

<i>(In thousands)</i>	30-59 Days Past Due			60-89 Days Past Due			Greater than 90 Days			Total Past Due			Current			Total Loans		Loans Receivable > 90 Days and Accruing					
	Commercial real estate	\$ 5,073	\$ 682	Commercial and industrial	638	24	Construction	—	270	Residential mortgage	4,648	267	Consumer	41	31	Total	\$ 10,400	\$ 1,274	\$ 9,321	\$ 20,995	\$ 4,231,797	\$ 4,252,792	\$ 2,301,206
Commercial real estate	\$ 5,073	\$ 682	\$ 2,974	\$ 8,729	\$ 2,292,477	\$ 2,301,206	\$ —	\$ —	\$ —	Commercial and industrial	638	1,270	Construction	—	270	Commercial and industrial	638	1,932	673,147	673,147	675,079	—	
Commercial and industrial	638	24	1,270	1,932	673,147	675,079	—	—	270	Construction	—	2,559	Residential mortgage	4,648	267	Construction	—	2,829	452,638	455,467	455,467	—	
Construction	—	270	2,559	2,829	7,433	806,441	813,874	—	—	Residential mortgage	4,648	267	Residential mortgage	41	31	Residential mortgage	72	7,094	7,166	7,166	—	—	
Residential mortgage	4,648	267	2,518	7,433	806,441	813,874	—	—	—	Consumer	41	31	Consumer	41	31	Consumer	72	7,094	7,166	7,166	—	—	
Consumer	41	31	—	72	7,094	7,166	—	—	—	Total	\$ 10,400	\$ 1,274	Total	\$ 10,400	\$ 9,321	Total	\$ 20,995	\$ 4,231,797	\$ 4,252,792	\$ 4,252,792	\$ —	—	

Loans are placed on nonaccrual status when management determines that the full repayment of principal and collection of interest according to contractual terms is no longer likely, generally when the loan becomes 90 days or more past due. Nonaccrual loans by loan portfolio class, including loans acquired with credit deterioration, as of March 31, 2024 and December 31, 2023 are summarized as follows:

<i>(In thousands)</i>	March 31, 2024			December 31, 2023		
	With a Related Allowance	Without a Related Allowance	Total	With a Related Allowance	Without a Related Allowance	Total
Commercial real estate	\$ 449	\$ 4,139	\$ 4,588	\$ 454	\$ 6,133	\$ 6,587
Commercial and industrial	1,202	1,156	2,358	1,222	64	1,286
Construction	—	—	—	—	2,559	2,559
Residential mortgage	41	3,402	3,443	2	3,782	3,784
Consumer	—	—	—	—	—	—
	\$ 1,692	\$ 8,697	\$ 10,389	\$ 1,678	\$ 12,538	\$ 14,216

The amount of interest income recognized on nonaccrual loans was approximately \$ 159 thousand and \$ 182 thousand during the three months ended March 31, 2024 and 2023, respectively.

Credit Quality Indicators

Mid Penn categorizes loans into risk categories based on relevant information about the ability of borrowers to service their debt, such as current financial information, historical payment experience, credit documentation, public information and current economic trends, among other factors. On a minimum of a quarterly basis, Mid Penn analyzes loans individually to classify the loans as to their credit risk. The following table presents risk ratings by loan portfolio segment and origination year, which is the year of origination or renewal.

PASS - This type of classification consists of 6 subcategories:

Nominal Risk / Pass - This loan classification is a credit extension of the highest quality.

Moderate Risk / Pass - This type of classification has strong financial ratios, substantial debt capacity, and low leverage with a very favorable comparison to industry peers or better than average improving trends are necessary to be in this classification.

Good Acceptable Risk / Pass - The Borrower in this rating classification is a reasonable credit risk having financial ratios on par with its peers and demonstrates slightly improving trends over time; they list good quality assets and fairly low leverage plus ample debt capacity.

Average Acceptable Risk / Pass - This type of classification has financial ratios and assets are of above average quality, the leverage is worse than average compared to industry standards; the Borrower should have a good repayment history and possess consistent earnings with some growth.

Marginally Acceptable Risk / Pass - This type of classification has financial ratios consistent with industry averages, assets of average quality with ascertainable values, acceptable leverage, moderate capital assets and an acceptable reliance on trade debt; the Borrower demonstrates marginally adequate earnings, cash flow and debt service plus positive trends.

Weak/Monitor Risk (Watch list) / Pass - This type of classification has financial ratios are slightly below standard industry averages and assets are below average quality with unstable values; fixed assets could be near or at the end of their useful life plus liabilities may not match the asset structure.

SPECIAL MENTION - These credits have developing weaknesses deserving extra attention from the lender and lending management. They are currently protected, but potentially weak. The weakness may be, cash flow, leverage, liquidity, management, industry or other factors which may, if not checked or corrected, weaken the asset or inadequately protect the Bank's credit position at some future date.

SUBSTANDARD - These credit extensions also have well defined weaknesses, which are inadequately protected by the current worth and debt service capacity of the Borrowers, or the collateral pledged, if any. The repayment of principal and interest as originally intended can be jeopardized by defined weaknesses related to adverse financial, managerial, economic, market or political conditions.

DOUBTFUL - These credits have definite weaknesses inherent in Substandard loans with added characteristics that are severe enough to make further collection in full highly questionable and improbable based on the current trends.

LOSS. These loans are considered uncollectible and no longer a viable asset of the Bank. They lack an identifiable source of repayment based on an inability to generate sufficient cash flow to service their debt. All trends are negative and the damage to the financial condition of the Borrower can't be reversed now or in the near future.

(in thousands)	March 31, 2024									
	Term Loans Amortized Cost Basis by Origination Year						Revolving Loans Amortized Cost Basis			Total
	2024	2023	2022	2021	2020	Prior				
Commercial real estate										
Pass	\$ 49,466	\$ 289,970	\$ 568,000	\$ 372,639	\$ 293,680	\$ 688,117	\$ 43,525	\$ 2,305,397		
Special mention	—	188	434	—	—	16,407	191	17,220		
Substandard or lower	—	—	2,990	206	3,146	15,313	46	21,701		
Total commercial real estate	49,466	290,158	571,424	372,845	296,826	719,837	43,762	2,344,318		
Commercial and industrial										
Pass	33,909	147,232	97,313	62,551	28,200	104,941	189,231	663,377		
Special mention	—	79	61	282	—	2,280	2,272	4,974		
Substandard or lower	—	—	—	591	—	1,938	515	3,044		
Total commercial and industrial	33,909	147,311	97,374	63,424	28,200	109,159	192,018	671,395		
Construction										
Pass	13,362	164,703	185,710	56,475	20,419	16,024	28,785	485,478		
Special mention	—	—	—	—	1,811	—	—	1,811		
Substandard or lower	—	—	—	—	—	—	—	—		
Total construction	13,362	164,703	185,710	56,475	22,230	16,024	28,785	487,289		
Residential mortgage										
Performing	25,512	145,753	148,963	109,236	87,274	197,768	84,656	799,162		
Non-performing	—	178	—	79	1,666	6,129	98	8,150		
Total residential mortgage	25,512	145,931	148,963	109,315	88,940	203,897	84,754	807,312		
Gross charge offs	—	—	(21)	—	—	(7)	—	(28)		
Net charge offs	—	—	(21)	—	—	(7)	—	(28)		
Consumer										
Performing	1,550	1,251	622	591	221	281	2,619	7,135		
Non-performing	—	—	—	—	—	—	—	—		
Total consumer	1,550	1,251	622	591	221	281	2,619	7,135		
Gross charge offs	(16)	—	(2)	—	—	(4)	—	(22)		
Current period recoveries	5	—	—	—	—	1.00	—	6		
Net charge offs	(11)	—	(2)	—	—	(3)	—	(16)		
Total										
Pass	\$ 96,737	\$ 601,905	\$ 851,023	\$ 491,665	\$ 342,299	\$ 809,082	\$ 261,541	\$ 3,454,252		
Special mention	—	267	495	282	1,811	18,687	2,463	24,005		
Substandard or lower	—	—	2,990	797	3,146	17,251	561	24,745		
Performing	27,062	147,004	149,585	109,827	87,495	198,049	87,275	806,297		
Nonperforming	—	178	—	79	1,666	6,129	98	8,150		
Total	\$ 123,799	\$ 749,354	\$ 1,004,093	\$ 602,650	\$ 436,417	\$ 1,049,198	\$ 351,938	\$ 4,317,449		

December 31, 2023

(in thousands)	Term Loans Amortized Cost Basis by Origination Year						Revolving Loans Amortized Cost Basis			Total
	2023	2022	2021	2020	2019	Prior	2023	2022	2021	
	2023	2022	2021	2020	2019	Prior	2023	2022	2021	
Commercial real estate										
Pass	\$ 271,655	\$ 556,801	\$ 386,911	\$ 297,746	\$ 178,434	\$ 528,326	\$ 38,261	\$ 2,258,134		
Special mention	194	—	—	—	6,009	10,482	186	16,871		
Substandard or lower	—	5,209	208	3,162	229	17,345	48	26,201		
Total commercial real estate	271,849	562,010	387,119	300,908	184,672	556,153	38,495	2,301,206		
Gross charge offs	—	—	—	—	—	(16)	—	(16)		
Net charge offs	—	—	—	—	—	(16)	—	(16)		
Commercial and industrial										
Pass	158,824	106,714	68,448	29,961	50,206	57,892	188,714	660,759		
Special mention	—	89	2,224	—	227	2,200	4,391	9,131		
Substandard or lower	—	—	662	—	—	1,978	2,549	5,189		
Total commercial and industrial	158,824	106,803	71,334	29,961	50,433	62,070	195,654	675,079		
Gross charge offs	—	(100)	—	(111)	—	(27)	—	(238)		
Net charge offs	—	(100)	—	(111)	—	(27)	—	(238)		
Construction										
Pass	153,596	181,214	54,658	22,357	10,247	5,856	23,262	451,190		
Special mention	—	—	—	1,447	—	—	—	1,447		
Substandard or lower	—	573	—	—	—	2,257	—	2,830		
Total construction	153,596	181,787	54,658	23,804	10,247	8,113	23,262	455,467		
Residential mortgage										
Performing	158,634	153,203	111,610	90,382	27,863	178,898	87,723	808,313		
Non-performing	—	—	93	1,470	—	3,998	—	5,561		
Total residential mortgage	158,634	153,203	111,703	91,852	27,863	182,896	87,723	813,874		
Gross charge offs	—	—	—	—	—	(13)	—	(13)		
Current period recoveries	—	—	—	—	—	38	—	38		
Net recoveries	—	—	—	—	—	25	—	25		
Consumer										
Performing	2,361	754	649	273	223	103	2,803	7,166		
Total consumer	2,361	754	649	273	223	103	2,803	7,166		
Gross charge offs	(86)	—	(10)	(9)	—	(30)	—	(135)		
Current period recoveries	26	—	—	1	—	5	—	32		
Net charge offs	(60)	—	(10)	(8)	—	(25)	—	(103)		
Total										
Pass	\$ 584,075	\$ 844,729	\$ 510,017	\$ 350,064	\$ 238,887	\$ 592,074	\$ 250,237	\$ 3,370,083		
Special mention	194	89	2,224	1,447	6,236	12,682	4,577	27,449		
Substandard or lower	—	5,782	870	3,162	229	21,580	2,597	34,220		
Performing	160,995	153,957	112,259	90,655	28,086	179,001	90,526	815,479		
Nonperforming	—	—	93	1,470	—	3,998	—	5,561		
Total	\$ 745,264	\$ 1,004,557	\$ 625,463	\$ 446,798	\$ 273,438	\$ 809,335	\$ 347,937	\$ 4,252,792		

Mid Penn had no loans classified as "doubtful" as of March 31, 2024 and December 31, 2023. There was \$ 892 thousand and \$ 121 thousand in loans for which formal foreclosure proceedings were in process at March 31, 2024 and December 31, 2023.

Collateral-Dependent Loans

A financial asset is considered to be collateral-dependent when the debtor is experiencing financial difficulty and repayment is expected to be provided substantially through the sale or operation of the collateral. For all classes of financial assets deemed collateral-dependent, Mid Penn elected the practical expedient to estimate expected credit losses based on the collateral's fair value less cost to sell. In most cases, Mid Penn records a partial charge-off to reduce the loan's carrying value to the collateral's fair value less cost to sell. Substantially all of the collateral supporting collateral-dependent financial assets consists of various types of real estate, including residential properties; commercial properties such as retail centers, office buildings, and lodging; agriculture land; and vacant land.

Allowance for Credit Losses, effective January 1, 2023

Mid Penn's ACL - loans methodology is based upon guidance within FASB ASC Subtopic 326-20, as well as regulatory guidance from the FDIC, its primary federal regulator. The ACL - loans is a valuation account that is deducted from the loans' amortized cost basis to present the net amount expected to be collected on the loans. Credit quality within the loan portfolio is continuously monitored by management and is reflected within the ACL - loans. The ACL - loans is an estimate of expected losses inherent within Mid Penn's existing loan portfolio. The ACL - loans is adjusted through the PCL and reduced by the charge off of loan amounts, net of recoveries.

The loan loss estimation process involves procedures to appropriately consider the unique characteristics of Mid Penn's loan portfolio segments. When computing allowance levels, credit loss assumptions are estimated using a model that categorizes loan pools based on loss history and other credit trends and risk characteristics, including current conditions and reasonable and supportable forecasts about the future. Evaluations of the portfolio and individual credits are inherently subjective, as they require estimates, assumptions and judgments as to the facts and circumstances of particular situations. Determining the appropriateness of the allowance is complex and requires judgement by management about the effect of matters that are inherently uncertain. In future periods, evaluations of the overall loan portfolio, in light of the factors and forecasts then prevailing, may result in significant changes in the ACL and credit loss expense.

Mid Penn estimates the ACL using relevant available information, from internal and external sources, relating to past events, current conditions and reasonable and supportable forecasts. Mid Penn uses a third-party software application to calculate the quantitative portion of the ACL using a methodology and assumptions specific to each loan pool. The qualitative portion of the allowance is based on general economic conditions and other internal and external factors affecting Mid Penn as a whole, as well as specific loans. Factors considered include the following: lending process, concentrations of credit, and credit quality. The quantitative and qualitative portions of the allowance are added together to determine the total ACL, which reflects management's expectations of future conditions based on reasonable and supportable forecasts.

The methodology for estimating the amount of expected credit losses reported in the ACL has two basic components: a collective, or pooled, component for estimated expected credit losses for pools of loans that share similar risk characteristics, and an asset-specific component involving individual loans that do not share risk characteristics with other loans and the measurement of expected credit losses for such individual loans. In estimating the ACL for the collective component, loans are segregated into loan pools based on loan purpose codes and similar risk characteristics.

The commercial real estate and residential mortgage loan portfolio segments include loans for both commercial and residential properties that are secured by real estate. The underwriting process for these loans includes analysis of the financial position and strength of both the borrower and, if applicable, guarantor, experience with similar projects in the past, market demand and prospects for successful completion of the proposed project within the established budget and schedule, values of underlying collateral, availability of permanent financing, maximum loan-to-value ratios, minimum equity requirements, acceptable amortization periods and minimum debt service coverage requirements, based on property type. The borrower's financial strength and capacity to repay their obligations remain the primary focus of underwriting. Financial strength is evaluated based upon analytical tools that consider historical and projected cash flows and performance, in addition to analysis of the proposed project for income-producing properties. Additional support offered by guarantors is also considered when applicable. Ultimate repayment of these loans is sensitive to interest rate changes, general economic conditions, liquidity and availability of long-term financing.

The commercial and industrial loan portfolio segment includes commercial loans made to many types of businesses for various purposes, such as short-term working capital loans that are usually secured by accounts receivable and inventory, equipment and fixed asset purchases that are secured by those assets, and term financing for those within Mid Penn's geographic markets. Mid Penn's credit underwriting process for commercial and industrial loans includes analysis of historical and projected cash flows and performance, evaluation of financial strength of both borrowers and guarantors as reflected in current and detailed financial information, and evaluation of underlying collateral to support the credit.

The consumer loan portfolio segment is comprised of loans which are underwritten after evaluating a borrower's capacity, credit and collateral. Several factors are considered when assessing a borrower's capacity, including the borrower's employment, income, current debt, assets and level of equity in the property. Credit is assessed using a credit report that provides credit scores and the borrower's current and past information about their credit history. Loan-to-value and debt-to-income ratios, loan amount and lien position are also considered in assessing whether to originate a loan. These borrowers are particularly susceptible to downturns in economic trends, such as conditions that negatively affect housing prices and demand and levels of unemployment.

Mid Penn utilizes a DCF method to estimate the quantitative portion of the allowance for credit losses for loan pools. The DCF is based off of historical losses, including peer data, which is correlated to national unemployment and GDP.

The PD and LGD measures are used in conjunction with prepayment data as inputs into the DCF model to calculate the cash flows at the individual loan level. Contractual cash flows based on loan terms are adjusted for PD, LGD and prepayments to derive loss cash flows. These loss cash flows are discounted by the loan's coupon rate to arrive at the discounted cash flow based quantitative loss. The prepayment studies are updated quarterly by a third-party for each applicable pool.

Mid Penn determined that reasonable and supportable forecasts could be made for a twelve-month period for all of its loan pools. To the extent the lives of the loans in the LHFI portfolio extend beyond this forecast period, Mid Penn uses a reversion period of four quarters and reverts to the historical mean on a straight-line basis over the remaining life of the loans.

Qualitative factors used in the ACL methodology include the following:

- Lending process
- Concentrations of credit
- Peer Group Divergence

The ACL for individual loans, such as non-accrual and PCD, that do not share risk characteristics with other loans is measured as the difference between the discounted value of expected future cash flows, based on the effective interest rate at origination, and the amortized cost basis of the loan, or the net realizable value. The ACL is the difference between the loan's net realizable value and its amortized cost basis (net of previous charge-offs and deferred loan fees and costs), except for collateral-dependent loans. A loan is collateral dependent when the borrower is experiencing financial difficulty and repayment of the loan is expected to be provided substantially through the sale of the collateral. The expected credit loss for collateral-dependent loans is measured as the difference between the amortized cost basis of the loan and the fair value of the collateral, adjusted for the estimated cost to sell. Fair value estimates for collateral-dependent loans are derived from appraised values based on the current market value or the "as is" value of the collateral, normally from recently received and reviewed appraisals. Current appraisals are ordered on a regular basis based on the inspection date or more often if market conditions necessitate. Appraisals are obtained from state-certified appraisers and are based on certain assumptions, which may include construction or development status and the highest and best use of the property. These appraisals are reviewed by Mid Penn's Real Estate Administration Group to ensure they are acceptable, and values are adjusted down for costs associated with asset disposal. If the calculated expected credit loss is determined to be permanent or not recoverable, the amount of the expected credit loss is charged off.

Mid Penn may also purchase loans or acquire loans through a business combination. At the purchase or acquisition date, loans are evaluated to determine whether there has been more than insignificant credit deterioration since origination. Loans that have experienced more than insignificant credit deterioration since origination are referred to as PCD loans. In its evaluation of whether a loan has experienced more than insignificant deterioration in credit quality since origination, Mid Penn takes into consideration loan grades, past due and nonaccrual status. Mid Penn may also consider external credit rating agency ratings for borrowers and for non-commercial loans, FICO score or band, probability of default levels, and number of times past due. At the purchase or acquisition date, the amortized cost basis of PCD loans is equal to the

purchase price and an initial estimate of credit losses. The initial recognition of expected credit losses on PCD loans has no impact on net income. When the initial measurement of expected credit losses on PCD loans is calculated on a pooled loan basis, the expected credit losses are allocated to each loan within the pool. Any difference between the initial amortized cost basis and the unpaid principal balance of the loan represents a noncredit discount or premium, which is accreted (or amortized) into interest income over the life of the loan. Subsequent changes to the ACL on PCD loans are recorded through the PCL. For purchased loans that are not deemed to have experienced more than insignificant credit deterioration since origination and are therefore not deemed PCD, any discounts or premiums included in the purchase price are accreted (or amortized) over the contractual life of the individual loan.

Loans are charged off against the ACL, with any subsequent recoveries credited back to the ACL account. Expected recoveries may not exceed the aggregate of amounts previously charged off and expected to be charged off.

The following tables present the activity in the ACL - loans by portfolio segment for the three months ended March 31, 2024 and three months ended March 31, 2023:

(In thousands)

As of March 31, 2024	Balance at		Recoveries	Net loans (charged off) recovered	(Benefit)/Provision for credit losses	Balance at March 31, 2024
	December 31, 2023	Charge offs				
Commercial Real Estate						
CRE Nonowner Occupied	10,267	—	—	—	150	10,417
CRE Owner Occupied	5,646	—	—	—	(44)	5,602
Multifamily	2,202	—	—	—	168	2,370
Farmland	2,064	—	—	—	(62)	2,002
Commercial and industrial	7,131	—	—	—	(631)	6,500
Construction						
Residential Construction	1,256	—	—	—	(80)	1,176
Other Construction	2,146	—	—	—	25	2,171
Residential Mortgage						
1-4 Family 1st Lien	1,207	(7)	—	(7)	71	1,271
1-4 Family Rental	1,859	(21)	—	(21)	(299)	1,539
HELOC and Junior Liens	389	—	—	—	68	457
Consumer	20	(22)	6	(16)	15	19
Total	34,187	(50)	6	(44)	(619)	33,524

(In thousands)	Balance at December 31, 2022		CECL Impact	Charge offs	Recoveries	Net loans (charged off) recovered	Provision/(Benefit) for credit losses	Balance at March 31, 2023
	\$	\$						
Commercial Real Estate								
CRE Nonowner Occupied	\$ 8,284	\$ 259	\$ —	\$ —	\$ —	\$ —	\$ (368)	\$ 8,175
CRE Owner Occupied	2,916	91	(16)	—	—	—	88	3,079
Multifamily	1,111	35	—	—	—	—	13	1,159
Farmland	831	26	—	—	—	—	42	899
Commercial and industrial	4,593	6,601	(111)	—	—	(111)	186	11,269
Construction								
Residential Construction	—	1,270	—	—	—	—	153	1,423
Other Construction	—	1,931	—	—	—	—	277	2,208
Residential Mortgage								
1-4 Family 1st Lien	370	1,307	(4)	—	—	(4)	(317)	1,356
1-4 Family Rental	288	731	—	30	30	30	17	1,066
HELOC and Junior Liens	661	(230)	—	—	—	—	21	452
Consumer	29	154	(19)	7	(12)	8	8	179
Unallocated	(126)	(244)	—	—	—	—	370	—
Total	\$ 18,957	\$ 11,931	\$ (150)	\$ 37	\$ (113)	\$ 490	\$ 31,265	

The following table presents the ACL for loans and the amortized cost basis of the loans by the measurement methodology used as of March 31, 2024 and December 31, 2023:

(In thousands)	ACL - Loans			Loans		
	Collectively Evaluated for Credit Loss	Individually Evaluated for Credit Loss	Total ACL - Loans	Collectively Evaluated for Credit Loss	Individually Evaluated for Credit Loss	Total Loans
March 31, 2024						
Commercial real estate						
CRE Nonowner Occupied	\$ 10,061	\$ 356	\$ 10,417	\$ 1,172,396	\$ 2,378	\$ 1,174,774
CRE Owner Occupied	5,602	—	5,602	620,534	2,040	622,574
Multifamily	2,351	19	2,370	334,781	171	334,952
Farmland	2,002	—	2,002	212,018	—	212,018
Commercial and industrial	5,761	739	6,500	669,037	2,358	671,395
Construction						
Residential Construction	1,176	—	1,176	103,861	—	103,861
Other Construction	2,171	—	2,171	383,428	—	383,428
Residential mortgage						
1-4 Family 1st Lien	1,271	—	1,271	332,822	1,735	334,557
1-4 Family Rental	1,535	4	1,539	339,696	356	340,052
HELOC and Junior Liens	457	—	457	131,351	1,352	132,703
Consumer	19	—	19	7,135	—	7,135
Total	\$ 32,406	\$ 1,118	\$ 33,524	\$ 4,307,059	\$ 10,390	\$ 4,317,449

(In thousands)	ACL - Loans					Loans				
	Collectively Evaluated for Credit Loss	Individually Evaluated for Credit Loss	Total ACL - Loans	Collectively Evaluated for Credit Loss	Individually Evaluated for Credit Loss	Total Loans				
December 31, 2023										
Commercial real estate										
CRE Nonowner Occupied	\$ 9,906	\$ 361	\$ 10,267	\$ 1,145,048	\$ 4,505	\$ 1,149,553				
CRE Owner Occupied	5,646	—	5,646	627,995	1,909	629,904				
Multifamily	2,190	12	2,202	308,886	173	309,059				
Farmland	2,064	—	2,064	212,690	—	212,690				
Commercial and industrial	6,419	712	7,131	673,793	1,286	675,079				
Construction										
Residential Construction	1,256	—	1,256	92,270	573	92,843				
Other Construction	2,146	—	2,146	360,368	2,256	362,624				
Residential mortgage										
1-4 Family 1st Lien	1,207	—	1,207	337,267	1,875	339,142				
1-4 Family Rental	1,857	2	1,859	341,236	701	341,937				
HELOC and Junior Liens	389	—	389	131,587	1,208	132,795				
Consumer	20	—	20	7,166	—	7,166				
Total	\$ 33,100	\$ 1,087	\$ 34,187	\$ 4,238,306	\$ 14,486	\$ 4,252,792				

Modifications to Borrowers Experiencing Financial Difficulty

From time to time, we may modify certain loans to borrowers who are experiencing financial difficulty. In some cases, these modifications may result in new loans. Loan modifications to borrowers experiencing financial difficulty may be in the form of principal forgiveness, an interest rate reduction, an other-than-insignificant payment delay, or a term extension, or a combination thereof, among other things.

There was one new modification for the quarter ending March 31, 2024. Information related to loans modified (by type of modification), whereby the borrower was experiencing financial difficulty at the time of modification, is set forth in the following table:

(In thousands)	Combination: Interest Only and Term Extension				% of Total Class of Financing Receivable	
	Interest Only	Term Extension	Interest Only and Term Extension	Total		
Three months ended March 31, 2024						
Residential Mortgage	\$ —	\$ —	\$ 92	\$ 92		0.01 %
Total	\$ —	\$ —	\$ 92	\$ 92		0.01 %

(In thousands)	Combination: Interest Only and Term Extension				% of Total Class of Financing Receivable	
	Interest Only	Term Extension	Interest Only and Term Extension	Total		
Three months ended March 31, 2023						
Commercial real estate	\$ 51	\$ —	\$ 180	\$ 231		0.04 %
Total	\$ 51	\$ —	\$ 180	\$ 231		0.04 %

The financial effects of the interest-only loan modifications reduced the monthly payment amounts for the borrower and the term extensions in the table above added a weighted-average of 2.0 years to the life of the loans, which also reduced the monthly payment amounts for the borrowers.

Note 5 - Deposits

Deposits consisted of the following as of March 31, 2024 and December 31, 2023:

(Dollars in thousands)	March 31, 2024	% of Total Deposits	December 31, 2023	% of Total Deposits
Noninterest-bearing demand deposits	\$ 807,861	18.4 %	\$ 801,312	18.4 %
Interest-bearing demand deposits	923,120	21.1 %	947,372	21.8 %
Money market	874,833	20.0 %	850,674	19.6 %
Savings	284,893	6.5 %	288,404	6.6 %
Total demand and savings	2,890,707	66.0 %	2,887,762	66.4 %
Time	1,488,398	34.0 %	1,458,450	33.6 %
Total deposits	\$ 4,379,105	100.0 %	\$ 4,346,212	100.0 %
Overdrafts	\$ 558	0.01 %	\$ 315	0.01 %

The scheduled maturities of time deposits at March 31, 2024 were as follows:

(In thousands)	Time Deposits	
	Less than \$250,000	\$250,000 or more
Maturing in 2024	\$ 827,090	\$ 279,833
Maturing in 2025	238,921	66,846
Maturing in 2026	38,245	3,463
Maturing in 2027	17,642	1,194
Maturing in 2028	11,241	572
Maturing thereafter	3,059	292
	\$ 1,136,198	\$ 352,200

Mid Penn had \$ 244.8 million in brokered certificates of deposits as of March 31, 2024 and December 31, 2023. As of March 31, 2024 and December 31, 2023, Mid Penn had \$ 91.1 million and \$ 96.7 million of CDAR deposits, respectively.

Note 6 - Derivative Financial Instruments

Mid Penn manages its exposure to certain interest rate risks through the use of derivatives; however, none are entered into for speculative purposes. In 2023, Mid Penn entered into outstanding derivative contracts designated as hedges. Mid Penn's free-standing derivative financial instruments are required to be carried at their fair value on the Consolidated Balance Sheets.

Loan-level Interest Rate Swaps

Mid Penn enters into loan-level interest rate swaps with certain qualifying, creditworthy commercial loan customers to meet their interest rate risk management needs. Mid Penn simultaneously enters into parallel interest rate swaps with dealer counterparties, with identical notional amounts and terms. The net result of the offsetting customer and dealer counterparty swap agreements is that the customer pays a fixed rate of interest and Mid Penn receives a floating rate. Mid Penn's loan-level interest rate swaps are considered derivatives but are not accounted for using hedge accounting.

Information related to loan level swaps is set forth in the following table:

	March 31, 2024	December 31, 2023	
	(Dollars in thousands)		
Interest rate swaps on loans with customers			
Notional amount	\$ 201,405	\$ 187,192	
Weighted average remaining term (years)	5.92	6.24	
Receive fixed rate (weighted average)	4.56 %	4.59 %	
Pay variable rate (weighted average)	7.48 %	7.50 %	
Estimated fair value ⁽¹⁾	\$ 11,315	\$ 10,484	
Interest rate swaps on loans with correspondents			
Notional amount	\$ 201,405	\$ 187,192	
Weighted average remaining term (years)	5.92	6.24	
Receive variable rate (weighted average)	4.56 %	7.50 %	
Pay fixed rate (weighted average)	7.48 %	4.59 %	
Estimated fair value	\$ 11,315	\$ 10,484	

(1) The net amount of the estimated fair value is disclosed in Other Liabilities on the Consolidated Balance Sheet.

Cash Flow Hedges of Interest Rate Risk

Mid Penn's objectives in using interest rate derivatives are to reduce volatility in net interest income and to manage its exposure to interest rate movements. To accomplish this objective, Mid Penn primarily uses interest rate swaps as part of its interest rate risk management strategy.

Information related to cash flow hedges is set forth in the following table:

	March 31, 2024	December 31, 2023
	(Dollars in thousands)	
Cash flow hedges		
Notional amount	\$ 190,000	\$ 190,000
Weighted average remaining term (years)	1.97	2.22
Pay fixed rate (weighted average)	3.74 %	3.74 %
Receive variable rate (weighted average)	4.07 %	4.07 %
Estimated fair value	\$ 3,228	\$ 1,460

For derivatives designated and that qualify as cash flow hedges of interest rate risk, the unrealized gain or loss on the derivative is recorded in AOCI and subsequently reclassified into interest income in the same period during which the hedged transaction affects earnings. Amounts reported in AOCI related to derivatives will be reclassified to interest income as interest payments are made on Mid Penn's variable-rate liabilities. During the next twelve months, Mid Penn estimates that an additional \$ 2.2 million will be reclassified as a decrease to interest expense.

Note 7 - Accumulated Other Comprehensive (Loss) Income

The changes in each component of accumulated other comprehensive loss, net of taxes, are as follows:

(In thousands)	Unrealized Loss on Securities	Unrealized Holding Losses on Interest Rate Derivatives used in Cash Flow Hedges	Defined Benefit Plans	Total
Balance at December 31, 2023	\$ (17,339)	\$ 820	\$ (118)	\$ (16,637)
OCI before reclassifications	(1,711)	1,410	8	(293)
Amounts reclassified from AOCI	—	—	(17)	(17)
Balance at March 31, 2024	\$ (19,050)	\$ 2,230	\$ (127)	\$ (16,947)
Balance at December 31, 2022	\$ (19,327)	\$ —	\$ 111	\$ (19,216)
OCI before reclassifications	1,977	(128)	5	1,854
Amounts reclassified from AOCI	—	—	(12)	(12)
Balance at March 31, 2023	\$ (17,350)	\$ (128)	\$ 104	\$ (17,374)

Note 8 - Fair Value Measurement

The Corporation uses estimates of fair value in applying various accounting standards for its consolidated financial statements on either a recurring or non-recurring basis. Fair value is defined as the price to sell an asset or transfer a liability in an orderly transaction between willing and able market participants. Mid Penn groups its assets and liabilities measured at fair value in three hierarchy levels, based on the observability and transparency of the inputs. The fair value hierarchy is as follows:

Level 1 - Inputs that represent quoted prices for identical instruments in active markets.

Level 2 - Inputs that represent quoted prices in markets that are not active, or inputs that are observable either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 - Inputs that are largely unobservable, as little or no market data exists for the instrument being valued.

A description of the valuation methodologies used for instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below.

There were no transfers of assets between fair value Level 1 and Level 2 during the three months ended March 31, 2024 or the year ended December 31, 2023.

The following tables illustrate the assets measured at fair value on a recurring basis and reported on the Consolidated Balance Sheets.

(In thousands)	March 31, 2024				Total
	Level 1	Level 2	Level 3		
Available-for-sale securities:					
U.S. Treasury and U.S. government agencies	\$ —	\$ 35,490	\$ —	\$ —	35,490
Mortgage-backed U.S. government agencies	—	146,765	—	—	146,765
State and political subdivision obligations	—	3,633	—	—	3,633
Corporate debt securities	—	31,744	—	—	31,744
Equity securities	431	—	—	—	431
Loans held for sale	—	4,581	—	—	4,581
Other assets:					
Derivative assets	—	14,543	—	—	14,543
Total	\$ 431	\$ 236,756	\$ —	\$ —	237,187

(In thousands)	December 31, 2023				Total
	Level 1	Level 2	Level 3		
Available-for-sale securities:					
U.S. Treasury and U.S. government agencies	\$ —	\$ 35,649	\$ —	\$ —	35,649
Mortgage-backed U.S. government agencies	—	152,683	—	—	152,683
State and political subdivision obligations	—	3,646	—	—	3,646
Corporate debt securities	—	31,577	—	—	31,577
Equity securities	438	—	—	—	438
Loans held for sale	—	3,855	—	—	3,855
Other assets:					
Derivative assets	—	11,944	—	—	11,944
Total	\$ 438	\$ 239,354	\$ —	\$ —	239,792

The valuation methodologies and assumptions used to estimate the fair value for the items in the preceding tables are as follows:

Available for sale investment securities - The fair value of equity and debt securities classified as available for sale is determined by obtaining quoted market prices on nationally recognized securities exchanges (Level 1), or matrix pricing (Level 2), which is a mathematical technique used widely in the industry to value debt securities without relying exclusively on quoted market prices for the specific securities, but rather, relying on the securities' relationship to other benchmark quoted prices.

Equity securities - The fair value of equity securities with readily determinable fair values is recorded on the Consolidated Balance Sheet, with realized and unrealized gains and losses reported in other expense on the Consolidated Statements of Income.

Loans held for sale - This category includes mortgage loans held for sale that are measured at fair value. Fair values as of March 31, 2024 were measured as the price that secondary market investors were offering for loans with similar characteristics.

Derivative assets - Interest rate swaps are measured by alternative pricing sources with reasonable levels of price transparency in markets that are not active. Based on the complex nature of interest rate swap agreements, the markets these instruments trade in are not as efficient and are less liquid than that of the more mature Level 1 markets. These markets do, however, have comparable, observable inputs in which an alternative pricing source values these assets in order to arrive at a fair market value. These characteristics classify interest rate swap agreements as Level 2.

Mortgage banking derivatives represent the fair value of mortgage banking derivatives in the form of interest rate locks and forward commitments with secondary market investors and the fair value of interest rate swaps. The fair values of Mid Penn's interest rate locks, forward commitments and interest rate swaps represent the amounts that would be required to settle the derivative financial instruments at the balance sheet date. These characteristics classify interest rate swap agreements as Level 2. See "Note 5 - Derivative Financial Instruments," for additional information.

Certain financial assets and financial liabilities are measured at fair value on a nonrecurring basis; that is, the instruments are not measured at fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances. The following table illustrates Level 3 financial instruments measured at fair value on a nonrecurring basis:

(In thousands)	March 31, 2024	December 31, 2023
Individually evaluated loans, net of ACL	\$ 9,272	\$ 13,399
Foreclosed assets held for sale	5,110	293

Net loans - This category consists of loans that were individually evaluated for credit losses, net of the related ACL, and have been classified as Level 3 assets. For 2023, the amount shown is the balance of individually evaluated loans reporting a specific allocation or that have been partially charged-off. All of these loans are considered collateral-dependent; therefore, all of Mid Penn's impaired loans, whether reporting a specific allowance allocation or not, are considered collateral-dependent. Mid Penn utilized Level 3 inputs such as independent appraisals of the underlying collateral, which generally includes various Level 3 inputs which are not observable. Appraisals may be adjusted downward by management for qualitative factors such as economic conditions and estimated liquidation expenses.

Foreclosed assets held for sale - Values are based on appraisals that consider the sales prices of property in the proximate vicinity.

The following tables summarize the carrying amount, fair value, and placement in the fair value hierarchy of Mid Penn's financial instruments as of the periods presented:

(In thousands)	March 31, 2024					
	Carrying Amount	Estimated Fair Value				
		Level 1	Level 2	Level 3	Total	
Financial instruments - assets						
Cash and cash equivalents	\$ 68,085	\$ 68,085	\$ —	\$ —	\$ 68,085	
Available-for-sale investment securities	217,632	—	217,632	—	217,632	
Held-to-maturity investment securities	396,998	—	351,204	—	351,204	
Equity securities	431	431	—	—	431	
Loans held for sale	4,581	—	4,581	—	4,581	
Net loans	4,283,925	—	—	4,285,266	4,285,266	
Restricted investment in bank stocks	17,446	17,446	—	—	17,446	
Accrued interest receivable	26,975	26,975	—	—	26,975	
Derivative assets	14,543	—	14,543	—	14,543	
Financial instruments - liabilities						
Deposits	\$ 4,379,105	\$ —	\$ 4,368,088	\$ —	\$ 4,368,088	
Short-term borrowings	271,849	—	271,849	—	271,849	
Long-term debt ⁽¹⁾	20,768	—	20,768	—	20,768	
Subordinated debt	46,201	—	40,332	—	40,332	
Accrued interest payable	16,330	16,330	—	—	16,330	
Derivative liabilities	11,315	—	11,315	—	11,315	

⁽¹⁾ Long-term debt excludes finance lease obligations.

(In thousands)	December 31, 2023					
	Carrying Amount	Estimated Fair Value				
		Level 1	Level 2	Level 3	Total	
Financial instruments - assets						
Cash and cash equivalents	\$ 96,763	\$ 96,763	\$ —	\$ —	\$ 96,763	
Available-for-sale investment securities	223,555	—	223,555	—	223,555	
Held-to-maturity investment securities	399,128	—	357,521	—	357,521	
Equity securities	438	438	—	—	438	
Loans held for sale	3,855	—	3,855	—	3,855	
Net loans	4,218,605	—	—	4,221,926	4,221,926	
Restricted investment in bank stocks	16,768	16,768	—	—	16,768	
Accrued interest receivable	25,820	25,820	—	—	25,820	
Derivative assets	11,944	—	11,944	—	11,944	
Financial instruments - liabilities						
Deposits	\$ 4,346,212	\$ —	\$ 4,337,723	\$ —	\$ 4,337,723	
Short-term debt	241,532	—	241,532	—	241,532	
Long-term debt ⁽¹⁾	55,806	—	55,081	—	55,081	
Subordinated debt	46,354	—	39,515	—	39,515	
Accrued interest payable	14,257	14,257	—	—	14,257	
Derivative liabilities	10,484	—	10,484	—	10,484	

⁽¹⁾ Long-term debt excludes finance lease obligations.

The Bank's outstanding and unfunded credit commitments and financial standby letters of credit were deemed to have no significant fair value as of March 31, 2024 and December 31, 2023.

Note 9 - Commitments and Contingencies

Guarantees and commitments to extend credit

Mid Penn is a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of its customers. The commitments include various guarantees and commitments to extend credit. Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Mid Penn evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary upon extension of credit, is based on management's credit evaluation of the customer. Standby letters of credit and financial guarantees written are conditional commitments to guarantee the performance of a customer to a third party. Those guarantees are primarily issued to support public and private borrowing arrangements. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loans to customers. Mid Penn had \$ 61.4 million and \$ 62.2 million of standby letters of credit outstanding as of March 31, 2024 and December 31, 2023, respectively. Mid Penn does not anticipate any losses because of these transactions. The amount of the liability as of March 31, 2024 and December 31, 2023 for payment under standby letters of credit issued was not considered material.

Mid Penn adopted FASB ASC Topic 326, effective January 1, 2023, which requires Mid Penn to estimate expected credit losses for OBS credit exposures which are not unconditionally cancellable. Mid Penn maintains a separate ACL on OBS credit exposures, including unfunded loan commitments and letters of credit, which is included in other liabilities on the accompanying Consolidated Balance Sheets.

The ACL - OBS is adjusted as a provision for OBS commitments in provision for credit losses. The estimate includes consideration of the likelihood that funding will occur, an estimate of exposure at default that is derived from utilization rate assumptions using a non-modeled approach, and PD and LGD estimates that are derived from the same models and approaches for Mid Penn's other loan portfolio segments described in "Note 4 - Loans and Allowance for Credit Losses - Loans" above, as these unfunded commitments share similar risk characteristics with these loan portfolio segments.

The ACL - OBS at March 31, 2024 was \$ 3.2 million compared to \$ 3.6 million at December 31, 2023. On January 1, 2023 in conjunction with adopting ASC 326, Mid Penn recorded an additional \$ 3.1 million of provision for OBS which was included in the adoption cumulative effect adjustment. A benefit for OBS credit losses of \$ 318 thousand was recorded for the three months ended March 31, 2024.

Litigation

Mid Penn is subject to lawsuits and claims arising out of its normal conduct of business. In the opinion of management, after consultation with legal counsel, the ultimate disposition of these matters is not expected to have a material adverse effect on the consolidated financial condition of Mid Penn.

Note 10 - Debt

Short-term FHLB and Correspondent Bank Borrowings

Total short-term borrowings were \$ 271.8 million and \$ 241.5 million as of March 31, 2024 and December 31, 2023, respectively. Short-term borrowings generally consist of federal funds purchased and advances from the FHLB with an original maturity of less than a year. Federal funds purchased from correspondent banks mature in one business day and reprice daily based on the Federal Funds rate. Advances from the FHLB are collateralized by the Bank's investment in the common stock of the FHLB and by a blanket lien on selected loan receivables comprised principally of real estate secured loans within the Bank's portfolio totaling \$ 3.0 billion at March 31, 2024. The Bank had a short-term borrowing capacity from the FHLB as of March 31, 2024 up to the Bank's unused borrowing capacity of \$ 1.7 billion (equal to \$ 2.1 billion of maximum borrowing capacity, less the aggregate amount of FHLB letter of credits securing public funds deposits, and other FHLB advances and obligations outstanding) upon satisfaction of any stock purchase requirements of the FHLB.

The Bank also has unused overnight lines of credit with other correspondent banks amounting to \$ 35.0 million at March 31, 2024. No draws were made on these lines as of March 31, 2024 and December 31, 2023.

Long-term Debt

The following table presents a summary of long-term debt as of March 31, 2024 and December 31, 2023.

(Dollars in thousands)	<u>March 31, 2024</u>	<u>December 31, 2023</u>
FHLB fixed rate instruments:		
Due January 2024, 1.10 %	\$ —	\$ 10,000
Due March 2024, 5.60 %	—	25,000
Due February 2026, 4.51 %	20,000	20,000
Due August 2026, 4.80 %	746	782
Due February 2027, 6.71 %	22	24
Total FHLB fixed rate instruments	20,768	55,806
Lease obligations included in long-term debt	3,173	3,197
Total long-term debt	\$ 23,941	\$ 59,003

As a member of the FHLB, the Bank can access a number of credit products which are utilized to provide liquidity. The FHLB fixed rate instruments obtained by the Bank are secured under the terms of a blanket collateral agreement with the FHLB consisting of FHLB stock and qualifying Bank loan receivables, principally real estate secured loans. The Bank also obtains letters of credit from the FHLB to secure certain public fund deposits of municipality and school district customers who agree to use of the FHLB letters of credit as a legally allowable alternative to investment pledging. These FHLB letter of credit commitments totaled \$ 142.9 million and \$ 153.5 million as of March 31, 2024 and December 31, 2023, respectively.

Note 11 - Subordinated Debt and Trust Preferred Securities

Subordinated Debt Assumed November 2021 with the Riverview Acquisition

On November 30, 2021, Mid Penn completed its acquisition of Riverview and assumed \$ 25.0 million of subordinated notes (the "Riverview Notes"). In accordance with purchase accounting principles, the Riverview Notes were assigned a fair value premium of \$ 2.3 million. The notes are treated as Tier 2 capital for regulatory reporting purposes.

The Riverview Notes were entered into by Riverview on October 6, 2020 with certain qualified institutional buyers and accredited institutional investors. The Riverview Notes have a maturity date of October 15, 2030 and initially bear interest, payable semi-annually, at a fixed annual rate of 5.75 % per annum until October 15, 2025. Commencing on that date, the interest rate applicable to the outstanding principal amount due will be reset quarterly to an interest rate per annum equal to the then current three-month SOFR plus 563 bps, payable quarterly until maturity. Mid Penn may redeem the Riverview Notes at par, in whole or in part, at its option, anytime beginning on October 15, 2025.

Subordinated Debt Issued December 2020

On December 22, 2020, Mid Penn entered into agreements for and sold, at 100 % of their principal amount, an aggregate of \$ 12.2 million of its subordinated notes due December 2030 (the "December 2020 Notes") on a private placement basis to accredited investors. The December 2020 Notes are treated as Tier 2 capital for regulatory capital purposes.

The December 2020 Notes bear interest at a rate of 4.5 % per year for the first five years and then float at the Wall Street Journal's Prime Rate, provided that the interest rate applicable to the outstanding principal balance during the period the December 2020 Notes are floating will at no time be less than 4.5 %. Interest is payable quarterly in arrears on March 31, June 30, September 30 and December 31 of each year, beginning on March 31, 2021. The December 2020 Notes will mature on December 31, 2030 and are redeemable, in whole or in part, without premium or penalty, on any interest payment date on or after December 31, 2025 and prior to December 31, 2030, subject to any required regulatory approvals. Additionally, if (i) all or any portion of the December 2020 Notes cease to be deemed Tier 2 Capital, (ii) interest on the December 2020 Notes fails to be deductible for United States federal income tax purposes, or (iii) Mid Penn will be considered an "investment company," Mid Penn may redeem the December 2020 Notes, in whole but not in part, by giving 10 days' notice to the holders of the December 2020 Notes. In the event of a redemption described in the previous sentence, Mid Penn will redeem the December 2020 Notes at 100 % of the principal amount of the December 2020 Notes, plus accrued and unpaid interest thereon to but excluding the date of redemption.

Holders of the December 2020 Notes may not accelerate the maturity of the December 2020 Notes, except upon the bankruptcy, insolvency, liquidation, receivership or similar event of Mid Penn or Mid Penn Bank, its principal banking subsidiary. Related parties held \$ 750 thousand of the December 2020 Notes as of March 31, 2024 and December 31, 2023.

Subordinated Debt Issued March 2020

On March 20, 2020, Mid Penn entered into agreements with accredited investors who purchased \$ 15.0 million aggregate principal amount of its subordinated notes due March 2030 (the "March 2020 Notes"). As a result of Mid Penn's merger with Riverview on November 30, 2021, \$ 6.9 million of the March 2020 Notes balance was redeemed as Riverview was a holder of the March 2020 Notes. The balance of March 2020 Notes outstanding as of March 31, 2024 was \$ 8.1 million. The March 2020 Notes are intended to be treated as Tier 2 capital for regulatory capital purposes.

The March 2020 Notes bear interest at a rate of 4.0 % per year for the first five years and then float at the Wall Street Journal's Prime Rate, provided that the interest rate applicable to the outstanding principal balance during the period the March 2020 Notes are floating will at no time be less than 4.25 %. Interest is payable semi-annually in arrears on June 30 and December 30 of each year, beginning on June 30, 2020, for the first five years after issuance and will be payable quarterly in arrears thereafter on March 30, June 30, September 30 and December 30. The March 2020 Notes will mature on March 30, 2030 and are redeemable in whole or in part, without premium or penalty, at any time on or after March 30, 2025 and prior to March 30, 2030. Additionally, if all or any portion of the March 2020 Notes cease to be deemed Tier 2 Capital, Mid Penn may redeem, on any interest payment date, all or part of the 2020 Notes. In the event of a redemption described in the previous sentence, Mid Penn will redeem the March 2020 Notes at 100 % of the principal amount of the March 2020 Notes, plus accrued and unpaid interest thereon to but excluding the date of redemption.

Holders of the March 2020 Notes may not accelerate the maturity of the March 2020 Notes, except upon the bankruptcy, insolvency, liquidation, receivership or similar event of Mid Penn or Mid Penn Bank, its principal banking subsidiary. Related parties held \$ 1.7 million of the March 2020 Notes as of March 31, 2024 and December 31, 2023.

Note 12 - Common Stock and Earnings Per Share***Treasury Stock Repurchase Program***

Mid Penn adopted a treasury stock repurchase program ("Program") initially effective March 19, 2020, and renewed through April 24, 2025 by Mid Penn's Board of Directors on April 24, 2024. The Program authorizes the repurchase of up to \$ 15.0 million of Mid Penn's outstanding common stock. Under the Program, Mid Penn conducts repurchases of its common stock through open market transactions (which may be by means of a trading plan adopted under SEC Rule 10b5-1) or in privately negotiated transactions. Repurchases under the Program are made at the discretion of management and are subject to market conditions and other factors. There is no guarantee as to the exact number of shares that Mid Penn may repurchase. The Program is able to be modified, suspended or terminated at any time, at Mid Penn's discretion, based upon a number of factors, including liquidity, market conditions, the availability of alternative investment opportunities and other factors Mid Penn deems appropriate. The Program does not obligate Mid Penn to repurchase any shares.

During the three months ended March 31, 2024, Mid Penn repurchased 15,500 shares of common stock at an average price of \$ 20.81. As of March 31, 2024, Mid Penn had repurchased 440,722 shares of common stock at an average price of \$ 22.78 per share under the Program. The Program had approximately \$ 5.0 million remaining available for repurchase as of March 31, 2024.

Dividend Reinvestment Plan

Under Mid Penn's amended and restated DRIP, 300,000 shares of Mid Penn's authorized but unissued common stock are reserved for issuance. The DRIP also allows for voluntary cash payments, within specified limits, to be used for the purchase of additional shares.

Equity Incentive Plans

On May 9, 2023, shareholders approved the 2023 Stock Incentive Plan, which authorizes Mid Penn to grant incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock, deferred stock units and performance shares. The 2023 Plan was established for employees and directors of Mid Penn and the Bank, selected by the Compensation Committee of the Board of Directors, to incentivize the further success of the Company, and replaces the 2014 Restricted Stock Plan. The aggregate number of shares of common stock of the Company available for issuance under the Plan is 350,000 shares.

As of March 31, 2024, a total of 217,514 restricted shares were granted under the 2014 Plan, of which 83,107 shares were unvested. The 2014 Plan shares granted and vested resulted in \$ 302 thousand and \$ 249 thousand in share-based compensation expense for the three months ended March 31, 2024 and 2023, respectively.

Share-based compensation expense relating to restricted stock is calculated using grant date fair value and is recognized on a straight-line basis over the vesting periods of the awards. Restricted shares granted to employees vest in equal amounts on the anniversary of the grant date over the vesting period and the expense is a component of salaries and benefits expense on the Consolidated Statement of Income. The employee grant vesting period is determined by the terms of each respective grant, with vesting periods generally between one and four years. Restricted shares granted to directors have a twelve-month vesting period, and the expense is a component of directors' fees and benefits within the other expense line item on the Consolidated Statement of Income.

The following data shows the amounts used in computing basic and diluted earnings per common share:

	Three Months Ended March 31,	
	2024	2023
(In thousands, except per share data)		
Net income	\$ 12,133	\$ 11,227
Weighted average common shares outstanding (basic)	16,567,902	15,886,186
Effect of dilutive unvested restricted stock grants	45,471	44,935
Weighted average common shares outstanding (diluted)	16,613,373	15,931,121
Basic earnings per common share	\$ 0.73	\$ 0.71
Diluted earnings per common share	0.73	0.70

There were no antidilutive instruments at March 31, 2024 and 2023.

ITEM 2 – MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management Discussion relates to the Corporation, a financial holding company incorporated in the Commonwealth of Pennsylvania, and its wholly owned subsidiaries. Management's Discussion should be read in conjunction with the consolidated financial statements and other financial information presented in this report.

Caution About Forward-Looking Statements

Forward-looking statements involve risks, uncertainties and assumptions. Although Mid Penn generally does not make forward-looking statements unless Mid Penn's management believes its management has a reasonable basis for doing so, Mid Penn cannot guarantee the accuracy of any forward-looking statements. Actual results may differ materially from those expressed in any forward-looking statements due to a number of uncertainties and risks, including the risks described in this Quarterly Report on Form 10-Q, the 2023 Annual Report, and other unforeseen risks. You should not put undue reliance on any forward-looking statements. These statements speak only as of the date of this Quarterly Report on Form 10-Q, even if subsequently made available by us on Mid Penn's website or otherwise, and Mid Penn undertakes no obligation to update or revise these statements to reflect events or circumstances occurring after the date of this Quarterly Report on Form 10-Q.

Certain of the matters discussed in this document and in documents incorporated by reference herein, including matters discussed under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations", may constitute forward-looking statements for purposes of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, and as such may involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Mid Penn or the Bank to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. The words "expect", "anticipates", "intend", "plan", "believe", "estimate", and similar expressions are intended to identify such forward-looking statements. Mid Penn's actual results may differ materially from the results anticipated in these forward-looking statements due to a variety of factors, including, without limitation:

- the effects of future economic conditions on Mid Penn, its bank and nonbank subsidiaries, and their markets and customers;
- governmental monetary and fiscal policies, as well as legislative and regulatory changes;
- future actions or inactions of the United States government, including a failure to increase the government debt limit or a prolonged shutdown of the federal government;
- business or economic disruption from national or global epidemic or pandemic events;
- the risks of changes in interest rates on the level and composition of deposits, loan demand, and the values of loan collateral, the value of investment securities, and interest rate protection agreements;
- the effects of competition from other commercial banks, thrifts, mortgage banking firms, consumer finance companies, credit unions, securities brokerage firms, insurance companies, money market and other mutual funds and other financial institutions operating in Mid Penn's market area and elsewhere, including institutions operating locally, regionally, nationally and internationally, together with such competitors offering banking products and services by mail, telephone, computer and the internet;
- an increase in the Pennsylvania Bank Shares Tax to which Mid Penn Bank's capital stock is currently subject, or imposition of any additional taxes on the capital stock of Mid Penn or Mid Penn Bank;
- impacts of the capital and liquidity requirements imposed by bank regulatory agencies;
- the effect of changes in accounting policies and practices, as may be adopted by the regulatory agencies, as well as the Public Company Accounting Oversight Board, Financial Accounting Standards Board, the SEC, and other accounting and reporting standard setters;
- the costs and effects of litigation and of unexpected or adverse outcomes in such litigation;
- technological changes;
- our ability to successfully implement business strategies, including our acquisition strategy;
- our ability to successfully expand our franchise, including acquisitions or establishing new offices at favorable prices;
- our ability to successfully integrate any banks, companies, offices, assets, liabilities, customers, systems and management personnel we acquire into our operations and our ability to realize related revenue synergies and cost savings within expected time frames;

- potential goodwill impairment charges, or future impairment charges and fluctuations in the fair values of reporting units or of assets in the event projected financial results are not achieved within expected time frames;
- our ability to attract and retain qualified management and personnel;
- results of regulatory examination and supervision processes;
- the failure of assumptions underlying the establishment of reserves for loan losses, the assessment of potential impairment of investment securities, and estimations of values of collateral and various financial assets and liabilities;
- our ability to maintain compliance with the listing rules of NASDAQ;
- our ability to maintain the value and image of our brand and protect our intellectual property rights;
- volatility in the securities markets;
- disruptions due to flooding, severe weather, or other natural disasters or Acts of God;
- acts of war, terrorism, or global military conflict;
- supply chain disruption; and
- the factors described in Item 1A of the Corporation's 2023 Annual Report and subsequent filings with the SEC.

The above list of factors that may affect future performance is illustrative, but by no means exhaustive. Accordingly, all forward-looking statements should be evaluated with this understanding of inherent uncertainty. Additional information regarding these as well as other factors that could affect future financial results can be found in the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Corporation's 2023 Annual Report. The results of operations for interim periods are not necessarily indicative of operating results expected for the full year.

Overview

Mid Penn is a financial holding company, which generates the majority of its revenues through net interest income, or the difference between interest earned on loans and investments and interest paid on deposits and borrowings. Growth in net interest income is dependent upon balance sheet growth and maintaining or increasing the net interest margin, which is FTE net interest income as a percentage of average interest-earning assets. Mid Penn also generates revenue through fees earned on the various services and products offered to its customers and through gains on sales of assets, such as loans, investments and properties. Offsetting these revenue sources are provisions for credit losses, non-interest expenses and income taxes.

The following table presents a summary of Mid Penn's earnings and selected performance ratios:

	Three Months Ended March 31,	
	2024	2023
Net Income	\$ 12,133	\$ 11,227
Diluted EPS	\$ 0.73	\$ 0.70
Dividends Declared	\$ 0.20	\$ 0.20
Return on average assets	0.92 %	1.01 %
Return on average equity	8.94 %	8.91 %
Net interest margin ⁽¹⁾	2.97 %	3.49 %
Non-performing assets to total assets	0.29 %	0.31 %
Net charge-off (recoveries) to average loans (annualized)	0.004 %	0.013 %

(1) Presented on a FTE basis using a 21% Federal tax rate and statutory interest expense disallowances. See also the "Net Interest Income" section.

During the second quarter of 2023, Mid Penn completed the Brunswick Acquisition, which added total assets of \$390.7 million comprised primarily of \$324.5 million of loans. This transaction resulted in the addition of 5 branches in central New Jersey. Mid Penn issued 849,510 shares of its common stock as well as a net cash payment to Brunswick shareholders

of \$27.6 million, for total consideration of \$45.7 million for all outstanding stock and the cancellation of options of Brunswick.

Summary of Financial Results

- **Net Income Per Share** - Mid Penn's net income available to common shareholders ("earnings") for the three months ended March 31, 2024 was \$12.1 million, or \$0.73 per both common share basic and diluted, compared to earnings of \$11.2 million, or \$0.71 per both common share basic and diluted for the three months ended March 31, 2023.
- **Net Interest Margin** - For the first quarter of 2024, Mid Penn's net interest margin was 2.97% versus 3.49% for the same period of 2023. The decrease is primarily driven by higher interest rates resulting from persistent inflation. The yield on interest-earning assets for the first quarter of 2024 increased 67 basis points from the same period of 2023. The rate on interest-bearing liabilities increased 143 basis points from the same period of 2023.
- **Loan Growth** - Total loans, net of une arned income, as of March 31, 2024 were \$4.3 billion compared to \$4.3 billion as of December 31, 2023, an increase of \$64.7 million, or 1.5%. The growth was primarily driven by an increase in commercial real estate of \$43.1 million. and an increase in construction loans of \$31.8 million, offset by a decrease in residential mortgage loans of \$6.6 million.
- **Deposit Growth** - Total deposits increased \$32.9 million, or 0.8%, from \$4.3 billion at December 31, 2023, to \$4.4 billion at March 31, 2024. The growth was primarily driven by an increase of \$29.9 million in time deposits, and a \$6.5 million increase in non-interest bearing accounts, partially offset by a decrease in interest-bearing transaction accounts.
- **Asset Quality** - Mid Penn adopted CECL on January 1, 2023. Its ACL at March 31, 2024 was \$33.5 million, or 0.78% of total loans, as compared to \$34.2 million, or 0.80% of total loans at December 31, 2023.
 - **Net Charge-offs/Recoveries** - Mid Penn had net charge-offs of \$44 thousand and \$113 thousand for the three months ended March 31, 2024 and 2023, respectively.
 - **Non-performing assets** - Total non-performing assets were \$15.5 million at March 31, 2024, an increase compared to non-performing assets of \$14.5 million at December 31, 2023. The increase is primarily related to loans totaling \$1.1 million attributable to one relationship placed on non-accrual. Delinquency as a percentage of total loans was 0.38% at March 31, 2024.
 - **Benefit/Provision for credit losses - loans** - The benefit for credit losses - loans was \$619 thousand for the three months ended March 31, 2024 compared to \$490 thousand for the same period of 2023. The decrease in provision for the three months ended March 31, 2024, is primarily due to a decrease in loss factors across all portfolios. The benefit for credit losses on off-balance sheet credit exposures was \$318 thousand for the three months ended March 31, 2024.
- **Noninterest Income** - Noninterest income totaled \$5.8 million for the three months ended March 31, 2024 compared to \$4.3 million for the three months ended March 31, 2023. The increase in noninterest income is primarily due to a \$1.5 million increase in other miscellaneous noninterest income.
- **Noninterest Expense** - Noninterest expense totaled \$28.5 million for the first quarter of 2024, an increase of \$2.5 million, or 9.4%, compared to noninterest expense of \$26.1 million for the same period of 2023. The increase was primarily the result of a \$1.6 million increase in salaries and benefits expense, driven by the Brunswick acquisition, and a \$605 thousand increase in FDIC charges due to increased assessment rates.

- Liquidity - Current liquidity, including borrowing capacity, enhanced to nearly \$1.69 billion or 142.7% of uninsured and uncollateralized deposits, or approximately 38.5% of total deposits.

Critical Accounting Estimates

The 2023 Annual Report includes a summary of critical accounting estimates that Mid Penn considers to be most important to the presentation of its financial condition and results of operations, because they require management's most difficult judgments as a result of the need to make estimates about the effects of matters that are inherently uncertain.

The following discussion is regarding the critical accounting estimates related to the application of CECL and business combinations.

Allowance for Credit Losses

In accordance with CECL, the ACL, which includes both the ACL - loans and the ACL for OBS credit exposures, is calculated with the objective of maintaining a reserve for current expected credit losses over the remaining expected life of the portfolio. Management's determination of the appropriateness of the reserve is based on continuously monitoring and evaluating the loan portfolio, lending-related commitments, current as well as forecasted economic factors, and other relevant factors. The ACL - loans is an estimate of expected losses inherent within Mid Penn's existing loan portfolio.

The loan loss estimation process involves procedures to appropriately consider the unique characteristics of Mid Penn's loan portfolio segments. When computing allowance levels, credit loss assumptions are estimated using a model that categorizes loan pools based on loss history and other credit trends and risk characteristics, including current conditions and reasonable and supportable forecasts about the future. Evaluations of the portfolio and individual credits are inherently subjective, as they require estimates, assumptions and judgments as to the facts and circumstances of particular situations. Determining the appropriateness of the allowance is complex and requires judgement by Management about the effect of matters that are inherently uncertain. In future periods, evaluations of the overall loan portfolio, in light of the factors and forecasts then prevailing, may result in significant changes in the ACL and credit loss expense.

Mid Penn estimates the ACL using relevant available information, from internal and external sources, relating to past events, current conditions and reasonable and supportable forecasts. Mid Penn uses a third-party software application to calculate the quantitative portion of the ACL using a methodology and assumptions specific to each loan pool. The qualitative portion of the allowance is based on general economic conditions and other internal and external factors affecting Mid Penn as a whole as well as specific loans. Factors considered include the following: lending process, concentrations of credit, and credit quality. The quantitative and qualitative portions of the allowance are added together to determine the total ACL, which reflects Management's expectations of future conditions based on reasonable and supportable forecasts. As such, the calculation of ACL is inherently subjective and requires management to exercise significant judgment. The CECL estimate is highly sensitive to the economic forecasts used to develop the estimate.

While management uses the best information known to it in order to make ACL valuations, adjustments to the ACL may be necessary based on changes in economic and other conditions, changes in the composition of the loan portfolio, or changes in accounting guidance. In times of economic slowdown, either local, regional or national, the risk inherent in the loan portfolio could increase resulting in the need for additional provisions to the ACL in future periods. An increase could also be necessitated by an increase in the size of the loan portfolio or in any of its components even though the credit quality of the overall portfolio may be improving.

For further discussion of the methodology used in the determination of the ACL, refer to "Note 1 - Summary of Significant Accounting Policies", "Note 3 - Investment Securities", "Note 4 - Loans and Allowance for Credit Losses - Loans" and "Note 9 - Commitments and Contingencies" to the Consolidated Financial Statements. To the extent actual outcomes differ from management estimates, additional PCL may be required that would adversely impact earnings in future periods.

Goodwill

Mid Penn evaluates goodwill annually for impairment unless events occur which indicate that impairment is possible, a triggering event. At March 31, 2024, Mid Penn had goodwill of \$127.0 million and Mid Penn's stock continues to trade below book value.

Our annual impairment test was conducted during the fourth quarter of 2023. Factors considered include actual earnings in relation to forecasted earnings, liquidity levels, changes in deposit balances, and credit quality, among others. No

goodwill impairment has been recorded for 2023. Management will continue to monitor internal metrics and macroeconomic trends to determine if there is likelihood of goodwill impairment.

Business Combinations

Assets acquired and liabilities assumed in business combinations are measured at fair value as of the acquisition date. In many cases, determining the fair value of the assets acquired and liabilities assumed requires Mid Penn to estimate the timing and amount of cash flows expected to result from these assets and liabilities and to discount these cash flows at appropriate rates of interest, which require the utilization of significant estimates and judgment in accounting for the acquisition.

Results of Operations

Net Interest Income

Net interest income, Mid Penn's primary source of revenue, is the amount by which interest income on loans and investments exceeds interest incurred on deposits and borrowings. The amount of net interest income is affected by changes in interest rates and changes in the volume and mix of interest-sensitive assets and liabilities. Net interest income is also shown on a taxable-equivalent basis in total. Income from tax-exempt assets, primarily loans to or securities issued by state and local governments, is adjusted by an amount equivalent to the federal income taxes which would have been paid if the income received on these assets was taxable at the statutory rate of 21% for the periods presented.

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MID PENN BANCORP, INC.

The following table includes average balances, amounts, and yields of interest income and rates of expense, interest rate spread, and net interest margin for the periods presented:

(Dollars in thousands)	Average Balances, Income and Interest Rates					
	For the Three Months Ended					
	March 31, 2024	Average Balance	Interest	Yield/ Rate	March 31, 2023	Average Balance
ASSETS:						
Interest Bearing Balances	\$ 39,999	\$ 403	4.05 %	\$ 5,761	\$ 53	3.73 %
Investment Securities:						
Taxable	539,674	3,800	2.83 %	556,901	3,764	2.74 %
Tax-Exempt	76,013	376	1.99 %	79,250	389	2.52 %
Total Investment Securities	<u>615,687</u>	<u>4,176</u>	2.73 %	636,151	4,153	2.71 %
Federal Funds Sold	10,373	136	5.27 %	3,775	45	4.83 %
Loans	4,293,828	63,236	5.92 %	3,555,375	45,865	5.24 %
Restricted Investment in Bank Stocks	19,439	240	4.97 %	9,542	110	4.68 %
Total Interest-earning Assets	<u>4,979,326</u>	<u>68,191</u>	5.51 %	4,210,604	50,226	4.86 %
Cash and Due from Banks	38,264			51,444		
Other Assets	<u>302,090</u>			<u>258,821</u>		
Total Assets	<u><u>\$ 5,319,680</u></u>			<u><u>\$ 4,520,869</u></u>		
LIABILITIES & SHAREHOLDERS' EQUITY:						
Interest-bearing Demand	\$ 898,340	\$ 3,884	1.74 %	\$ 968,951	\$ 2,691	1.13 %
Money Market	876,242	5,968	2.74 %	940,286	4,084	1.76 %
Savings	287,765	72	0.10 %	330,773	54	0.07 %
Time	<u>1,468,611</u>	<u>16,408</u>	4.49 %	749,598	5,172	2.80 %
Total Interest-bearing Deposits	<u>3,530,958</u>	<u>26,332</u>	3.00 %	2,989,608	12,001	1.63 %
Short-term borrowings	316,025	4,446	5.66 %	121,898	1,490	4.96 %
Long-term debt	40,571	533	5.28 %	4,350	44	4.10 %
Subordinated debt and trust preferred securities	<u>46,275</u>	<u>424</u>	3.69 %	56,875	642	4.58 %
Total Interest-bearing Liabilities	<u>3,933,829</u>	<u>31,735</u>	3.24 %	3,172,731	14,177	1.81 %
Noninterest-bearing Demand	781,136			793,382		
Other Liabilities	<u>58,714</u>			<u>43,899</u>		
Shareholders' Equity	<u>546,001</u>			<u>510,857</u>		
Total Liabilities & Shareholders' Equity	<u><u>\$ 5,319,680</u></u>			<u><u>\$ 4,520,869</u></u>		
Net Interest Income	\$ 36,456			\$ 36,049		
Taxable Equivalent Adjustment ⁽¹⁾	<u>260</u>			<u>200</u>		
Net Interest Income (taxable-equivalent basis)	<u><u>\$ 36,716</u></u>			<u><u>\$ 36,249</u></u>		
Total Yield on Earning Assets			5.51 %			4.86 %
Rate on Supporting Liabilities			3.24 %			1.81 %
Average Interest Spread			2.27 %			3.05 %
Net Interest Margin ⁽¹⁾			2.97 %			3.49 %

(1) Presented on a fully taxable-equivalent basis using a 21% federal tax rate and statutory interest expense disallowances.

The following table summarizes the changes in interest income and interest expense resulting from changes in average balances, volume, and changes in rates for the three months ended March 31, 2024 in comparison to the same period in 2023:

(Dollars in thousands)	Three months ended March 31, 2024 vs. March 31, 2023		
	Increase (decrease)		
	Volume	Rate	Net
INTEREST INCOME:			
Interest Bearing Balances	\$ 318	\$ 32	\$ 350
Investment Securities:			
Taxable	(117)	153	36
Tax-Exempt	(20)	7	(13)
Total Investment Securities	<u>(137)</u>	<u>160</u>	<u>23</u>
Federal Funds Sold	79	12	91
Loans	9,621	7,750	17,371
Restricted Investment Bank Stocks	115	15	130
Total Interest Income	<u>9,996</u>	<u>7,969</u>	<u>17,965</u>
INTEREST EXPENSE:			
Interest Bearing Deposits:			
Interest Bearing Demand	(198)	1,391	1,193
Money Market	(280)	2,164	1,884
Savings	(7)	25	18
Time	<u>5,006</u>	<u>6,230</u>	<u>11,236</u>
Total Interest-Bearing Deposits	<u>4,521</u>	<u>9,810</u>	<u>14,331</u>
Short-term Borrowings	2,394	562	2,956
Long-term Debt	369	120	489
Subordinated Debt	(121)	(97)	(218)
Total Interest Expense	<u>7,163</u>	<u>10,395</u>	<u>17,558</u>
NET INTEREST INCOME	<u>\$ 2,833</u>	<u>\$ (2,426)</u>	<u>\$ 407</u>

For the three months ended March 31, 2024, net interest income was \$36.5 million compared to net interest income of \$36.0 million for the three months ended March 31, 2023. The tax-equivalent net interest margin for the three months ended March 31, 2024 was 2.97% compared to 3.49% for the first quarter of 2023, representing a 53 bp decrease compared to the same period in 2023, primarily driven by higher interest rates resulting from persistent inflation.

The yield on interest-earning assets increased to 5.51% for the quarter ended March 31, 2024, from 4.84% for the quarter ended March 31, 2023. These increases were due to assets continuing to reprice at higher rates during the first quarter of 2024. Increased yields on interest-earning assets were more than offset by increases in funding costs for the first quarter of 2024, with the overall cost of interest-bearing liabilities increasing to 3.24% during the first quarter of 2024, compared to 3.02% for the three months ended December 31, 2023, and 1.81% for the three months ended March 31, 2023.

Average investment securities decreased \$20.5 million and the yield on those investment securities increased 2 bps during the first quarter of 2024 compared to the first quarter of 2023, reducing interest income due to volume by \$137 thousand offset by increased rates contributing \$160 thousand to interest income. Average loans increased \$738.5 million, and the yield on those loans increased 68 bps, contributing \$9.6 million and \$7.8 million, respectively, to the increase in interest income.

Interest expense increased \$17.6 million during the first quarter of 2024 compared to the first quarter of 2023. The rate of interest-bearing liabilities increased from 1.81% for the first quarter of 2023 to 3.24% for the first quarter of 2024. The increase in the rate was primarily a result of a shift in the mix of deposits from demand, money market and savings to higher yielding time deposits. Mid Penn continued to offer higher rates over the comparable period to both retain and attract deposits. In addition, average short-term borrowings of \$316.0 million were used to help fund loan growth, contributing \$3.0 million to interest expense during the first quarter of 2024.

Although the effective interest rate impact on interest-earning assets and funding sources can be reasonably estimated at current interest rate levels, the interest-bearing product and pricing options selected by customers, and the future mix of the loan, investment, and deposit products in the Bank's portfolios, may significantly change the estimates used in Mid Penn's asset and liability management and related interest rate risk simulation models. In addition, our net interest income may be impacted by further interest rate actions of the Federal Reserve's FOMC.

Provision for Credit Losses - Loans

On January 1, 2023, Mid Penn adopted ASU 2016-13, *Financial Instruments - Credit Losses (ASC Topic 326): Measurement of Credit Losses on Financial Instruments*, which replaces the incurred loss methodology, and is referred to as CECL. The benefit for credit losses on loans was \$619 thousand for the three months ended March 31, 2024 compared to a provision of \$490 thousand for the three months ended March 31, 2023. The decrease is primarily due to a decrease in loss factors across all portfolios.

Noninterest Income

Noninterest income for the three months ended March 31, 2024 was \$5.8 million and \$4.3 million for the three months ended March 31, 2023. The following table and explanations that follow provide additional analysis of noninterest income.

Noninterest income and variance analysis:

(Dollars in Thousands)	Three Months Ended March 31,			
	2024	2023	\$ Variance	% Variance
Fiduciary and wealth management	\$ 1,132	\$ 1,236	\$ (104)	(8.4 %)
ATM debit card interchange	945	1,056	(111)	(10.5)
Service charges on deposits	509	435	74	17.0
Mortgage banking	424	384	40	10.4
Mortgage hedging	—	20	(20)	(100.0)
Net gain on sales of SBA loans	107	—	107	100.0
Earnings from cash surrender value of life insurance	284	254	30	11.8
Other	2,436	940	1,496	159.1
Total	\$ 5,837	\$ 4,325	\$ 1,512	35.0 %

For the three months ended March 31, 2024, noninterest income totaled \$5.8 million, an increase of \$1.5 million, or 34.96%, compared to noninterest income of \$4.3 million for the three months ended March 31, 2023. The increase in noninterest income is primarily due to a \$1.5 million increase in other miscellaneous noninterest income.

Noninterest Expense

For the three months ended March 31, 2024, noninterest expense totaled \$28.5 million, an increase of \$2.5 million, or 9.4%, compared to noninterest expense of \$26.1 million for the same period in 2023. The following table and explanations that follow provide additional analysis of noninterest expense:

(Dollars in Thousands)	Three Months Ended March 31,			
	2024	2023	\$ Variance	% Variance
Salaries and employee benefits	\$ 15,462	\$ 13,844	\$ 1,618	11.7 %
Software licensing and utilization	2,120	1,946	174	8.9
Occupancy expense, net	1,982	1,886	96	5.1
Equipment expense	1,222	1,251	(29)	(2.3)
Shares tax	997	899	98	10.9
Legal and professional fees	998	800	198	24.8
ATM/card processing	534	493	41	8.3
Intangible amortization	428	344	84	24.4
FDIC Assessment	945	340	605	177.9
Gain on sale of foreclosed assets, net	—	—	—	N/M
Merger and acquisition expense	—	224	(224)	N/M
Post-acquisition restructuring expense	—	—	—	N/M
Other expenses	3,832	4,043	(211)	(5.2)
Total Noninterest Expense	\$ 28,520	\$ 26,070	\$ 2,450	9.4 %

For the three months ended March 31, 2024, noninterest expense totaled \$28.5 million, an increase of \$2.7 million, or 10.4%, compared to noninterest expense of \$25.8 million for the three months ended March 31, 2023. The increase was primarily the result of a \$1.6 million increase in salaries and benefits expense, driven by the Brunswick acquisition, and a \$605 thousand increase in FDIC charges due to increased assessment rates.

Income Taxes

The provision for income taxes was \$2.6 million for the three months ended March 31, 2024 compared to \$2.6 million for the same period in 2023. The provision for income taxes for the three months ended March 31, 2024 reflects a combined Federal and State effective tax rate of 17.5% and 18.7%, for the three months ended March 31, 2024 and March 31, 2023, respectively. Generally, Mid Penn's effective tax rate is below the federal statutory rate due to earnings on tax-exempt loans, investments, and earnings from the cash surrender value of life insurance, as well as the impact of federal income tax credits, including those awarded from Mid Penn's low-income housing investments. The realization of Mid Penn's deferred tax assets is dependent on future earnings. Mid Penn currently anticipates that future earnings will be adequate to fully realize the currently recorded deferred tax assets.

Financial Condition

Mid Penn's total assets were \$5.3 billion as of March 31, 2024, reflecting an increase of \$39.6 million, or 0.7%, compared to total assets of \$5.3 billion as of December 31, 2023. The increase was primarily driven by organic loan growth, offset by a reduction in cash and cash equivalents.

Investment Securities

Mid Penn's investment portfolio is utilized primarily to support overall liquidity and interest rate risk management, to provide collateral supporting pledging requirements for public funds on deposit, and to generate additional interest income within reasonable risk parameters. Total investment securities as of March 31, 2024 were \$614.6 million compared to \$622.7 million as of December 31, 2023. Mid Penn does not intend to grow the investment portfolio beyond levels necessary to support pledging requirements.

The following table presents the expected maturities of the investment portfolio and the weighted average yields (calculated based on historical cost):

(In Thousands)	Maturing							
	One Year and Less		After One Year thru Five Years		After Five Years Thru Ten Years		After Ten Years	
	Amount	Weighted Average Yield	Amount	Weighted Average Yield	Amount	Weighted Average Yield	Amount	Weighted Average Yield
As of March 31, 2024								
Available for sale securities, at fair value:								
U.S. Treasury and U.S. government agencies	\$ 12,380	3.21 %	\$ 21,304	2.82 %	\$ 1,806	3.30 %	\$ —	— %
Mortgage-backed U.S. government agencies	—	—	—	—	5,421	2.53	141,344	3.01
State and political subdivision obligations	—	—	—	—	1,708	2.17	1,925	2.66
Corporate debt securities	—	—	11,515	4.68	20,229	4.41	—	—
	\$ 12,380	3.21 %	\$ 32,819	3.48 %	\$ 29,164	3.87 %	\$ 143,269	3.01 %
Held to maturity securities, at amortized cost:								
U.S. Treasury and U.S. government agencies	\$ 6,000	3.68 %	\$ 84,981	1.91 %	\$ 153,358	2.10 %	\$ 1,500	2.45 %
Mortgage-backed U.S. government agencies	—	—	2,408	2.87	6,320	2.84	33,648	2.02
State and political subdivision obligations	7,047	2.44	34,461	2.50	22,716	2.20	19,094	2.59
Corporate debt securities	—	—	6,015	3.42	19,450	4.19	—	—
	\$ 13,047	3.01 %	\$ 127,865	2.16 %	\$ 201,844	2.34 %	\$ 54,242	2.23 %

Loans, net of unearned interest

Total loans, net of unearned interest, as of March 31, 2024 were \$4.3 billion compared to \$4.3 billion as of December 31, 2023. The growth of \$64.7 million, or 1.5%, since December 31, 2023 was the result of organic loan growth. Organic growth occurred primarily across the commercial real estate and commercial and industrial portfolios, offset by a decrease in residential mortgage loan portfolios.

(Dollars in thousands)	March 31, 2024		December 31, 2023		Change in Balance	
	Balance	% of Total Loans	Balance	% of Total Loans	\$	%
Commercial real estate						
CRE Nonowner Occupied	\$ 1,174,774	27.2 %	\$ 1,149,553	27.0 %	\$ 25,221	2.2 %
CRE Owner Occupied	622,574	14.4	629,904	14.8	(7,330)	(1.2)
Multifamily	334,952	7.8	309,059	7.3	25,893	8.4
Farmland	212,018	4.9	212,690	5.0	(672)	(0.3)
Total Commercial Real Estate	2,344,318	54.3	2,301,206	54.1	43,112	1.9
Commercial and industrial	671,395	15.6	675,079	15.9	(3,684)	(0.5)
Construction						
Residential Construction	103,861	2.4	92,843	2.2	11,018	11.9
Other Construction	383,428	8.9	362,624	8.5	20,804	5.7
Total Construction	487,289	11.3	455,467	10.7	31,822	7.0
Residential mortgage						
1-4 Family 1st Lien	334,557	7.7	339,142	8.0	(4,585)	(1.4)
1-4 Family Rental	340,052	7.9	341,937	8.0	(1,885)	(0.6)
HELOC and Junior Liens	132,703	3.1	132,795	3.1	(92)	(0.1)
Total Residential Mortgage	807,312	18.7	813,874	19.1	(6,562)	(0.8)
Consumer	7,135	0.2	7,166	0.2	(31)	(0.4)
	\$ 4,317,449	100.0 %	\$ 4,252,792	100.0 %	\$ 64,657	1.5 %

The majority of the Bank's loan portfolio is to businesses and individuals located within the Bank's primary market area of the Pennsylvania counties of Berks, Blair, Bucks, Centre, Chester, Clearfield, Cumberland, Dauphin, Fayette, Huntingdon, Lancaster, Lehigh, Luzerne, Montgomery, Perry, Schuylkill and Westmoreland, along with Middlesex and Monmouth counties of New Jersey. Commercial real estate, construction, and land development loans are collateralized mainly by mortgages on the income-producing real estate or land involved. Commercial, industrial, and agricultural loans are primarily made to business entities and may be secured by business assets, including commercial real estate, or may be unsecured. Residential real estate loans are secured by liens on the residential property. Consumer loans include installment loans, lines of credit and home equity loans. The Bank has no significant concentration of credit to any one borrower. The Bank's highest concentration of credit by loan type is in commercial real estate.

Credit risk is managed through portfolio diversification, underwriting policies and procedures, and loan monitoring practices. Lenders are provided with detailed underwriting policies for all types of credit risks accepted by the Bank and must obtain appropriate internal approvals for credit extensions. The Bank also maintains strict documentation requirements and robust credit quality assurance practices in order to identify credit portfolio weaknesses as early as possible, so any exposures that are discovered might be mitigated or potential losses reduced. The Bank generally secures its loans with real estate, with such collateral values dependent and subject to change based on real estate market conditions within its market area.

The following table presents the commercial real estate portfolio by property type along with the weighted average loan to value:

(Dollars in thousands)	March 31, 2024			December 31, 2023		
	Balance	% of portfolio	Weighted Average LTV ⁽²⁾	Balance	% of portfolio	Weighted Average LTV ⁽²⁾
Commercial Real Estate						
Owner Occupied (1)	\$ 622,574	26.5 %	N/A	\$ 627,995	27.4 %	N/A
Farmland (1)	212,018	9.0	N/A	212,690	9.2	N/A
Multifamily	334,952	14.3	63.5	308,886	13.4	58.9
Non Owner Occupied						
Retail	360,350	15.4	53.7	414,485	18.0	51.0
Office	275,693	11.8	63.9	301,810	13.1	64.4
Industrial	150,852	6.4	58.0	156,075	6.8	49.3
Hospitality	132,986	5.7	48.8	137,718	6.0	49.4
Flex	37,202	1.6	54.5	39,374	1.7	56.0
Mobile Home Park	20,260	0.9	66.7	21,298	0.9	68.4
Health Care	9,933	0.4	54.0	15,618	0.7	54.6
Other Property Types	187,498	8.0	55.5	65,257	2.8	43.2
Total Commercial Real Estate	\$ 2,344,318	100.0 %	58.2 %	\$ 2,301,206	2301206000000	100.0 %
						55.4 %

(1) LTV not available for Owner Occupied and Farmland properties.

(2) Weighted average Loan to Value is calculated based on estimated current market values of the properties.

Maturity distribution by contractual maturity date and rate sensitivity information related to the loan portfolio is reflected in the table below:

(In Thousands)

As of March 31, 2024	One Year and Less	One to Five Years	Five to Fifteen Years	Over Fifteen Years	Total
Commercial real estate	\$ 80,175	\$ 541,173	\$ 920,317	\$ 802,653	\$ 2,344,318
Commercial and industrial	22,428	317,609	104,257	227,101	671,395
Construction	92,221	270,288	75,307	49,473	487,289
Residential mortgage	31,051	97,611	230,221	448,429	807,312
Consumer	1,390	1,840	1,449	2,456	7,135
Total loans held in portfolio	<u>227,265</u>	<u>1,228,521</u>	<u>1,331,551</u>	<u>1,530,112</u>	<u>4,317,449</u>
Predetermined (fixed) interest rates:					
Commercial real estate	55,973	348,819	121,859	11,767	538,418
Commercial and industrial	18,864	220,699	36,589	11,691	287,843
Construction	44,332	71,170	26,889	831	143,222
Residential mortgage	18,876	80,929	91,209	139,783	330,797
Consumer	754	1,770	1,449	334	4,307
Total predetermined (fixed) interest rates	<u>138,799</u>	<u>723,387</u>	<u>277,995</u>	<u>164,406</u>	<u>1,304,587</u>
Floating interest rates:					
Commercial real estate	24,201	192,354	798,458	790,886	1,805,899
Commercial and industrial	3,564	96,910	67,668	215,410	383,552
Construction	47,889	199,118	48,418	48,642	344,067
Residential mortgage	12,176	16,682	139,012	308,646	476,516
Consumer	636	70	—	2,122	2,828
Total floating interest rates	<u>88,466</u>	<u>505,134</u>	<u>1,053,556</u>	<u>1,365,706</u>	<u>3,012,862</u>
Total fixed and floating interest rates	<u>\$ 227,265</u>	<u>\$ 1,228,521</u>	<u>\$ 1,331,551</u>	<u>\$ 1,530,112</u>	<u>\$ 4,317,449</u>

Credit Quality, Credit Risk, and Allowance for Credit Losses

Mid Penn adopted FASB ASC Topic 326, in accordance with the amendments of FASB ASU 2016-13, effective January 1, 2023. The guidance in FASB ASC 326 replaces Mid Penn's previous incurred loss methodology with a methodology that reflects the current expected credit losses and requires consideration of a broader range of reasonable and supportable information to determine credit losses. Mid Penn's ACL methodology for loans is based upon guidance within FASB ASC Subtopic 326-20, "Financial Instruments – Credit Losses – Measured at Amortized Cost," as well as regulatory guidance from the FDIC, the Bank's primary federal regulator. The ACL is a valuation account that is deducted from the loans' amortized cost basis to present the net amount expected to be collected on the loans. Credit quality within the loan portfolio is continuously monitored by management and is reflected within the ACL for loans. The ACL is an estimate of expected losses inherent within Mid Penn's existing loan portfolio. The ACL is adjusted through the provision for credit losses and reduced by the charge off of loan amounts, net of recoveries.

The loan loss estimation process involves procedures to appropriately consider the unique characteristics of Mid Penn's loan portfolio segments. When computing allowance levels, credit loss assumptions are estimated using a model that categorizes loan pools based on loss history, delinquency status and other credit trends and risk characteristics, including current conditions and reasonable and supportable forecasts about the future. Evaluations of the portfolio and individual credits are inherently subjective, as they require estimates, assumptions and judgments as to the facts and circumstances of particular situations. Determining the appropriateness of the allowance is complex and requires judgement by management about the effect of matters that are inherently uncertain. In future periods, evaluations of the overall loan portfolio, in light of the factors and forecasts then prevailing, may result in significant changes in the allowance and credit loss expense.

MID PENN BANCORP, INC.

For a complete description of Mid Penn's ACL methodology and the quantitative and qualitative factors included in the calculation, please see "Note 4 – Loans and Allowance for Credit Losses – Loans" included in Part I. Item 1. – Financial Statements of this report.

Upon the adoption of FASB ASC Topic 326 on January 1, 2023, Mid Penn recorded an overall increase of \$15.0 million to the ACL on January 1, 2023 as a result of the adoption of CECL. Retained earnings decreased \$11.5 million and deferred tax assets increased by \$3.1 million.

Changes in the ACL are summarized as follows:

	Three Months Ended March 31,	
	2024	2023
(Dollars in thousands)		
Balance, beginning of period	\$ 34,187	\$ 18,957
Impact of adopting CECL	—	11,931
Loans charged off during period	(50)	(150)
Recoveries of loans previously charged off	6	37
Net (charge-offs) recoveries	<u>(44)</u>	<u>(113)</u>
(Benefit)/Provision for credit losses	(619)	490
Balance, end of period	<u>\$ 33,524</u>	<u>\$ 31,265</u>
Ratio of net charge-offs (recoveries) to average loans outstanding (annualized)	0.004 %	0.013 %
Ratio of ACL - loans to net loans at end of period	0.78 %	0.87 %

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The following table presents the change in nonperforming asset categories as of March 31, 2024, December 31, 2023, and March 31, 2023.

(Dollars in thousands)	March 31, 2024	December 31, 2023	March 31, 2023
Non-performing Assets:			
Total non-performing loans	\$ 10,389	\$ 14,216	\$ 13,909
Foreclosed real estate	5,110	293	248
Total non-performing assets	15,499	14,509	14,157
Accruing loans 90 days or more past due	25	—	7
Total risk elements	\$ 15,524	\$ 14,509	\$ 14,164
Non-performing loans as a percentage of total loans outstanding	0.24 %	0.33 %	0.39 %
Non-performing assets as a percentage of total loans outstanding and foreclosed real estate	0.36 %	0.34 %	0.39 %
Ratio of ACL to non-performing loans	322.69 %	240.48 %	224.78 %

Total nonperforming assets were \$15.5 million at March 31, 2024, an increase compared to nonperforming assets of \$14.5 million at December 31, 2023. The increase during the first quarter of 2024 primarily related to loans totaling \$1.1 million attributable to one relationship placed on non-accrual. Delinquency as a percentage of total loans was 0.38% at March 31, 2024.

Goodwill

Mid Penn evaluates goodwill annually for impairment unless events occur which indicate that impairment is possible, a triggering event. At March 31, 2024, Mid Penn had goodwill of \$127.0 million and Mid Penn's stock continues to trade below book value. Management has not noted any factors either internally or externally which would indicate that a triggering event has occurred during the first quarter of 2024 warranting an additional impairment test. Factors considered include actual earnings in relation to forecasted earnings, liquidity levels, changes in deposit balances, and credit quality, among others. Management will continue to monitor internal metrics and macroeconomic trends to determine if there is likelihood of Goodwill impairment. Additionally, our annual impairment test will be conducted as of October 31, 2024.

Deposits

Total deposits increased \$32.9 million, or 0.8%, from \$4.3 billion on December 31, 2023, to \$4.4 billion at March 31, 2024. The growth was primarily due to an increase of \$29.9 million, or 2.1%, in time deposits, and a \$6.5 million, or 0.8%, in non-interest bearing accounts, partially offset by decreases in interest-bearing transaction accounts.

As of March 31, 2024, uninsured deposits were approximately \$1.2 billion compared to \$1.2 billion as of December 31, 2023. The maturities of the uninsured time deposits as of March 31, 2024 were as follows:

(In thousands)	3/31/2024
Three months or less	\$ 157,317
Over three months to six months	53,268
Over six months to twelve months	110,342
Over twelve months	30,576
	\$ 351,503

Borrowings

Total short-term borrowings increased \$30.3 million, or 12.6%, from December 31, 2023 in order to fund loan growth. Short term FHLB borrowings increased \$125.0 million offset by a decrease in FHLB overnight borrowings of \$94.7 million. Total long-term borrowings were \$23.9 million at March 31, 2024, a decrease of \$35.1 million from December 31, 2023.

Liquidity

Mid Penn's objective is to maintain adequate liquidity to meet funding needs at a reasonable cost and to provide contingency plans to meet unanticipated funding needs or a loss of funding sources, while minimizing interest rate risk. Adequate liquidity provides resources for credit needs of borrowers, for depositor withdrawals, and for funding corporate operations. Sources of liquidity are as follows:

- a growing core deposit base;
- proceeds from the sale or maturity of investment securities;
- payments received on loans and mortgage-backed securities;
- overnight correspondent bank borrowings on various credit lines; and
- borrowing capacity available from the FHLB and the Federal Reserve Discount Window available to Mid Penn.

Mid Penn believes its core deposits are generally stable even in periods of changing interest rates. Liquidity is measured and monitored daily, allowing management to better understand and react to balance sheet trends. These measurements indicate that liquidity generally remains stable and exceeds our minimum defined levels of adequacy. Other than the trends of continued competitive pressures and volatile interest rates, and the uncertain impact of the current inflationary environment, there are no known demands, commitments, events, or uncertainties that will result in, or that are reasonably likely to result in, liquidity increasing or decreasing in any material way.

On at least a quarterly basis, a comprehensive liquidity analysis is reviewed by the Asset Liability Committee and Board of Directors. The analysis provides a summary of the current liquidity measurements, projections, and future liquidity positions given various levels of liquidity stress. Management also maintains a detailed Contingency Funding Plan designed to respond to overall stress in the financial condition of the banking industry or a prospective liquidity problem specific to Mid Penn.

The Consolidated Statements of Cash Flows provide additional information. Mid Penn's operating activities during the three months ended March 31, 2024 provided \$12.4 million of cash, mainly due to net income. Cash used in investing activities during the three months ended March 31, 2024 was \$65.7 million, mainly the result of the net increase in loans. Cash provided by financing activities during the three months ended March 31, 2024 totaled \$24.7 million, primarily the result of an increase in net deposits.

Regulatory Capital

Mid Penn and the Bank are subject to regulatory capital requirements administered by banking regulators. Failure to meet minimum capital requirements can trigger certain mandatory, and possibly additional discretionary, actions by the regulators that if, undertaken, could have a direct material effect on Mid Penn's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of its assets, liabilities, and certain off-balance sheet items as calculated under regulatory account practices. The Bank's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

Minimum regulatory capital requirements established by Basel III rules require Mid Penn and the Bank to:

- Meet a minimum Common Equity Tier I capital ratio of 4.5% of risk-weighted assets;
- Meet a minimum Tier I capital ratio of 6.0% of risk-weighted assets;
- Meet a minimum Total capital ratio of 8.0% of risk-weighted assets;
- Meet a minimum Tier I leverage capital ratio of 4.0% of average assets;

- Maintain a "capital conservation buffer" of 2.5% above the minimum risk-based capital requirements, which must be maintained to avoid restrictions on capital distributions and certain discretionary bonuses; and
- Comply with the definition of capital to improve the ability of regulatory capital instruments to absorb losses.

The Basel III Rules use a standardized approach for risk weightings that expands the risk-weighting for assets and off-balance sheet exposures from the previous 0%, 20%, 50% and 100% categories to a much larger and more risk-sensitive number of categories, depending on the nature of the assets and off-balance sheet exposures and resulting in higher risk weightings for a variety of asset categories.

Banks are evaluated for capital adequacy by regulatory supervisory agencies based on the ratio of capital to risk-weighted assets and total assets. The minimum capital to risk-weighted assets requirements, including the capital conservation buffers, which became effective for Mid Penn and the Bank on January 1, 2016, are illustrated below. At March 31, 2024, regulatory capital ratios for both Mid Penn and the Bank met the definition of a "well-capitalized" institution under the regulatory framework for prompt corrective action, and exceeded the minimum capital requirements under Basel III.

Mid Penn maintained the following regulatory capital ratios in comparison to regulatory requirements:

	March 31, 2024	December 31, 2023	Regulatory Minimum for Capital Adequacy	Fully Phased-In, with Capital Conservation Buffers
Total Risk-Based Capital (to Risk-Weighted Assets)	11.66 %	11.69 %	10.50 %	4.00 %
Tier I Risk-Based Capital (to Risk-Weighted Assets)	9.78	9.78	8.50	7.00
Common Equity Tier I (to Risk-Weighted Assets)	9.78	9.78	7.00	8.50
Tier I Leverage Capital (to Average Assets)	8.31	8.32	4.00	10.50

As of March 31, 2024 and December 31, 2023, Mid Penn and the Bank met all capital adequacy requirements and the Bank was considered "well-capitalized". However, future changes in regulations could increase capital requirements and may have an adverse effect on capital resources.

Shareholders' Equity

Shareholders' equity, or capital, is evaluated in relation to total assets and the risk associated with those assets, and the desire to collectively maintain and enhance shareholders' value, and satisfactorily address regulatory capital requirements. Accordingly, capital management has been, and will continue to be, of paramount importance to Mid Penn.

Shareholders' equity increased by \$8.6 million, or 1.6%, from \$542.4 million as of December 31, 2023 to \$551.0 million as of March 31, 2024, primarily due to earnings of \$12.1 million, partially offset by dividends declared of \$3.3 million and stock repurchases of \$323 thousand.

ITEM 3 – QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a financial institution, Mid Penn's primary source of market risk is interest rate risk. Interest rate risk is the exposure to fluctuations in Mid Penn's future earnings, earnings at risk, resulting from changes in interest rates. This exposure or sensitivity is a function of the repricing characteristics of Mid Penn's portfolio of assets and liabilities. Each asset and liability reprices either at maturity or during the life of the instrument. Interest rate sensitivity is measured as the difference between the volume of assets and liabilities that are subject to repricing in a future period of time.

The principal purpose of asset-liability management is to maximize current and future net interest income within acceptable levels of interest rate risk while satisfying liquidity and capital requirements. Net interest income is increased by increasing the net interest margin and by volume growth. Thus, the goal of interest rate risk management is to maintain a balance between risk and reward such that net interest income is maximized while risk is maintained at an acceptable level.

Mid Penn utilizes an asset-liability management model to measure the impact of interest rate movements on its interest rate sensitivity position. Mid Penn's management also reviews the traditional maturity gap analysis regularly. Mid Penn does not always attempt to achieve an exact match between interest sensitive assets and liabilities because it believes that an actively managed amount of interest rate risk is inherent and appropriate in the management of Mid Penn's profitability.

Modeling techniques and simulation analysis involve assumptions and estimates that inherently cannot be measured with complete precision. Key assumptions in the analyses include maturity and repricing characteristics of assets and liabilities, prepayments on amortizing assets, non-maturing deposit sensitivity, and loan and deposit pricing. These assumptions are inherently uncertain due to the timing, magnitude and frequency of rate changes and changes in market conditions and management strategies, among other factors. However, the analyses are useful in quantifying risk and provide a relative gauge of Mid Penn's interest rate risk position over time.

Management reviews interest rate risk on a quarterly basis. This analysis includes earnings scenarios whereby interest rates are increased or decreased by 100, 200, 300 and 400 bps. These scenarios, detailed in the table below, indicate that Mid Penn would experience enhanced net interest income over a one-year time frame due to downward interest rate changes, while an increase in interest rates rates would result in a decline in net interest income over a one-year time frame; however, actual results could vary significantly from the calculations prepared by management. At March 31, 2024, all interest rate risk levels according to the model were within the tolerance limits of the Board-approved policy.

Change in Basis Points	% Change in Net Interest Income	Policy Risk Limit
400	(2.50)%	≥ -25%
300	(1.90)%	≥ -20%
200	(1.30)%	≥ -15%
100	(0.60)%	≥ -10%
(100)	0.90%	≥ -10%
(200)	1.40%	≥ -15%
(300)	1.50%	≥ -20%
(400)	2.20%	≥ -25%

ITEM 4 – CONTROLS AND PROCEDURES**Evaluation of Disclosure Controls and Procedures**

Mid Penn maintains controls and procedures designed to ensure that information required to be disclosed in the reports that Mid Penn files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission. Based upon their evaluation of those controls and procedures as of March 31, 2024, Mid Penn's management, with the participation of the Principal Executive Officer and Principal Financial Officer, concluded that the disclosure controls and procedures were effective as of such date.

Changes in Internal Controls

There were no changes in Mid Penn's internal control over financial reporting that have materially affected, or are reasonable likely to materially affect, Mid Penn's internal control over financial reporting during the three months ended March 31, 2024.

PART II – OTHER INFORMATION

ITEM 1 – LEGAL PROCEEDINGS

Based on information currently available, management is not aware of any litigation that would reasonably be expected to have a material adverse effect on the consolidated financial position of Mid Penn or its subsidiaries taken as a whole. There are no proceedings pending other than ordinary routine litigation occurring in the normal course of business. In addition, management does not know of any material proceedings contemplated by governmental authorities against Mid Penn or any of its properties.

ITEM 1A – RISK FACTORS

Management has reviewed the risk factors that were previously disclosed in the 2023 Annual Report and subsequent reports filed with the SEC to determine if there were material changes applicable to the three months ended March 31, 2024. There have been no material changes to such risk factors.

MID PENN BANCORP, INC.

ITEM 2 – UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

- (1) None.
- (2) None.

Mid Penn adopted a treasury stock repurchase program ("Program") initially effective March 19, 2020, and renewed through April 24, 2025 by Mid Penn's Board of Directors on April 24, 2024. The Program authorizes the repurchase of up to \$15.0 million of Mid Penn's outstanding common stock. Under the Program, Mid Penn conducts repurchases of its common stock through open market transactions (which may be by means of a trading plan adopted under SEC Rule 10b5-1) or in privately negotiated transactions. Repurchases under the Program are made at the discretion of management and are subject to market conditions and other factors. There is no guarantee as to the exact number of shares that Mid Penn may repurchase. The Program is able to be modified, suspended or terminated at any time, at Mid Penn's discretion, based upon a number of factors, including liquidity, market conditions, the availability of alternative investment opportunities and other factors Mid Penn deems appropriate. The Program does not obligate Mid Penn to repurchase any shares. During the three months ended March 31, 2024, Mid Penn repurchased 15,500 shares of common stock at an average price of \$20.81. As of March 31, 2024, Mid Penn repurchased 440,722 shares of common stock under the program.

ITEM 3 – DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4 – MINE SAFETY DISCLOSURES

Not Applicable

ITEM 5 – OTHER INFORMATION

None

ITEM 6 – EXHIBITS

3.1	The Registrant's Articles of Incorporation. (Incorporated by reference to Exhibit 3.1 to Registrant's Quarterly Report on form 10-Q with the SEC on May 9, 2023.)
3.2	The Registrant's By-laws. (Incorporated by reference to Exhibit 3.1 to Registrant's Annual Report on Form 10-K filed with the SEC on March 28, 2024.)
10.1	Employment Agreement among Mid Penn Bancorp, Inc, Mid Penn Bank and Jordan D. Space dated September 6, 2022. (Filed herewith)
10.2	Change in Control Agreement among Mid Penn Bancorp, Inc., Mid Penn Bank and Jordan D. Space dated September 18, 2023. (Filed herewith)
10.3	Supplemental Executive Retirement Plan Agreement between Mid Penn Bank and Jordan D. Space dated September 6, 2022. (Filed herewith)
31.1	Certification of Principal Executive Officer Pursuant to Exchange Act Rules 13a-14(a)/15d-14(a) as added by Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Principal Financial Officer Pursuant to Exchange Act Rules 13a-14(a)/15d-14(a) as added by Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350 as added by Section 906 of the Sarbanes-Oxley Act of 2002.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted in inline XBRL and contained in Exhibit 101).

MID PENN BANCORP, INC.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Mid Penn Bancorp, Inc.

(Registrant)

By: /s/ Rory G. Ritrievi

Rory G. Ritrievi
President and CEO
(Principal Executive Officer)

Date: May 8, 2024

By: /s/ Justin T. Webb

Justin T. Webb
Chief Financial Officer
(Principal Financial Officer)

Date: May 8, 2024

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (“Agreement”) is made as of this 6th day of September, 2022 (the “Effective Date”), between **MID PENN BANCORP, INC.**, a Pennsylvania business corporation (the “Corporation”), **MID PENN BANK**, a state-chartered commercial bank (the “Bank”), and **JORDAN SPACE**, an adult individual (“Executive”).

WITNESSETH:

WHEREAS, the Corporation, the Bank, and Executive desire to enter into an agreement providing for the terms of Executive’s employment with the Corporation and the Bank.

AGREEMENT:

NOW, THEREFORE, in consideration of the covenants hereinafter set forth, and intending to be legally bound hereby, the parties agree, effective the date hereof, as follows:

1. Employment. The Corporation and the Bank each hereby employs Executive, and Executive hereby accepts employment with the Corporation and the Bank, on the terms and conditions set forth in this Agreement.

2. Duties of Executive. Executive shall serve as the Executive Vice President and Chief Corporate Development Officer of the Corporation and the Bank, reporting to the Chief Executive Officer of the Corporation, and shall have such powers and duties as may from time to time be reasonably prescribed by the Board of Directors of the Corporation (the “Board”) and/or the Board of Directors of the Bank (the “Bank Board”), provided such powers and duties are consistent with Executive’s position as an executive officer of the Corporation and the Bank. Excluding any periods of time off for vacation, illness, or leave to which he is entitled in accordance with the Bank’s policies, Executive shall devote his full time, attention, and energies to the business of the Corporation and the Bank during the Employment Period (as defined in Section 3 of this Agreement); provided, however, that this Section 2 shall not be construed as preventing Executive from: (a) engaging in activities incident or necessary to personal investments; (b) acting as a member of the board of directors of any non-profit association or corporation; or (c) being involved in any other business activity with the prior approval of the Board and the Bank Board. Executive shall not engage in any business or commercial activities, duties, or pursuits which compete with the business or commercial activities of the Corporation or the Bank, nor may Executive serve as a director or officer or in any other capacity in a company which competes with the Corporation or the Bank. Executive’s primary place of employment shall be Harrisburg, Pennsylvania.

3. Term of Agreement.

(a) **Employment Period.** This Agreement shall be for a period (the “Employment Period”) beginning on the Effective Date and, if not previously terminated pursuant to the terms of this Agreement, ending on the date that is two (2) years subsequent thereto; provided, however, that on the first and each subsequent annual anniversary date of this Agreement, and unless a party has given the other party written notice at least 60 days prior to

such anniversary date that such party does not agree to renew this Agreement, the term of this Agreement and the Employment Period shall be deemed renewed for a term ending two (2) years subsequent to such anniversary date.

(b) Notwithstanding anything herein contained to the contrary, nothing in this Agreement shall mandate or prohibit a continuation of Executive's employment following the expiration of the term of this Agreement upon such terms as the Board and Executive may mutually agree.

(c) Termination for Cause. Notwithstanding the provisions of Section 3(a) of this Agreement, this Agreement may be terminated by the Corporation or the Bank for Cause (as defined herein). As used in this Agreement, "Cause" shall mean any of the following:

- (i) willful act of material dishonesty with respect to any material matter involving the Corporation or the Bank;
- (ii) theft or material misuse of Corporation or Bank property;
- (iii) willful violation of any material law or regulation applicable to the Corporation or the Bank or any subsidiary thereof;
- (iv) willful violation of the Corporation's or the Bank's material written policies or procedures; or
- (v) conviction of, or plea of guilty or *nolo contendere* to, a felony, any criminal charge involving moral turpitude, or illegal substance abuse.

If this Agreement is terminated for Cause, all of Executive's rights under this Agreement shall cease as of the effective date of such termination, except that:

- (vi) the Bank shall pay to Executive the unpaid portion, if any, of his Annual Base Salary and any accrued but unused vacation and personal days through the date of termination; and
- (vii) the Bank shall provide to Executive such post-employment benefits, if any, as may be provided for under the terms of the employee benefit plans of the Bank then in effect.

(d) Death. Notwithstanding the provisions of Section 3(a) of this Agreement, this Agreement shall terminate automatically upon Executive's death, and Executive's rights under this Agreement shall cease as of the date of such termination, except that: (i) the Bank shall pay to Executive's spouse, personal representative, or estate the unpaid portion, if any, of his Annual Base Salary through his date of death; and (ii) the Bank shall provide to Executive's dependents any benefits due under the Bank's employee benefit plans.

(e) Disability. Executive, the Corporation, and the Bank agree that if Executive becomes Disabled, within the meaning of Section 409A of the Internal Revenue Code of 1986, as

amended (the “Code”) and the regulations thereunder, and becomes eligible for employer-provided short-term and/or long-term disability benefits, or worker’s compensation benefits, then the Bank’s obligation to pay Executive his Annual Base Salary shall be reduced by the amount of the disability or worker’s compensation benefits received by Executive.

(f) Termination for Good Reason. Notwithstanding the provisions of Section 3(a) of this Agreement, this Agreement may be terminated by Executive for Good Reason (as defined herein). As used in this Agreement, “Good Reason” shall mean any of the following, if taken without Executive’s written consent:

- (i) Any action taken by the Bank or the Corporation which results in a material reduction or diminution in Executive’s authority, duties, or responsibilities;
- (ii) The assignment to Executive of duties that are materially inconsistent with Executive’s authority, duties, or responsibilities;
- (iii) Any material decrease in Executive’s Annual Base Salary and/or benefits, including any incentive compensation plan;
- (iv) The reassignment of Executive to any primary place of employment that would require an additional one-way commute of 50 or more miles; or
- (v) A material breach of the Agreement.

Notwithstanding the foregoing, Executive must give the Bank or the Corporation written notice of any event or condition that would constitute Good Reason within 30 days of the event or condition which would constitute Good Reason, and upon the receipt of such written notice the Bank or the Corporation shall have 30 days to remedy such event or condition. If such event or condition is not remedied within such 30-day period, any termination of employment by Executive for Good Reason must occur within 30 days after the period for remedying such condition or event has expired.

(g) Resignation from Board of Directors. In the event Executive’s employment under this Agreement is terminated for any reason, if applicable, Executive’s service as a Director of the Corporation, the Bank, and any affiliate or subsidiary thereof shall immediately terminate. This Section 3(g) shall constitute a resignation notice for such purposes.

4. Employment Period Compensation, Benefits and Expenses.

(a) Annual Base Salary. For services performed by Executive under this Agreement, the Bank shall pay Executive an annual base salary during the Employment Period, minus applicable withholdings and deductions, payable at the same times as salaries are payable to other executive employees of the Bank (the “Annual Base Salary”). The Annual Base Salary shall be at the rate of \$295,000.16 per year. The Annual Base Salary shall be reviewed annually by the Board or the Bank Board and either may, from time to time, increase Executive’s Annual

Base Salary, and any and all such increases shall be deemed to constitute amendments to this Agreement.

(b) Bonus. Executive shall participate in any short-term performance plan generally made available to executives of the Corporation or Bank.

(c) Vacations, Holidays, Etc. During the term of this Agreement, Executive shall be entitled to paid time off of at least 25 days per year or, if greater, such other amount as provided under the policies as established from time to time by the Board or the Bank Board. Executive shall also be entitled to all paid holidays, sick days, and personal days provided by the Bank to its regular full-time employees and senior executive officers.

(d) Stock Based Incentives. During the term of this Agreement, Executive shall be entitled to such stock based incentives as may be granted from time to time by the Board under the Corporation's stock based incentive plans and consistent with Executive's responsibilities and performance.

(e) Supplemental Executive Retirement Plan. During the term of this Agreement, Executive shall be eligible to participate in a supplemental executive retirement plan under the terms and conditions as determined by the Board or the Bank Board.

(f) Employee Benefit Plans. During the term of this Agreement, Executive shall be entitled to participate in or receive the benefits of any employee benefit plan currently in effect at the Bank, subject to the eligibility and terms of each such plan, until such time that the Board or the Bank Board authorizes a change in such benefits. The Corporation and the Bank shall not make any changes in such plans or benefits which would adversely affect Executive's rights or benefits thereunder unless such change occurs pursuant to a program applicable to all executive officers of Corporation and Bank and does not result in a proportionately greater adverse change in the rights of or benefits to Executive as compared with any other executive officer of Corporation and Bank. Nothing paid to Executive under any plan or arrangement presently in effect or made available in the future shall be deemed to be in lieu of the salary payable to Executive pursuant to Section 4(a) hereof.

(g) Perquisites and Business Expenses. During the term of this Agreement, Executive shall be entitled to receive prompt reimbursement for all customary and usual expenses incurred by him, which are properly accounted for, in accordance with the policies and procedures established by the Corporation or the Bank in accordance with industry practice for its senior executive officers.

(h) Automobile. During the term of this Agreement, Executive shall be entitled to use of a company automobile in accordance with the automobile policy as established from time to time by the Corporation or the Bank. The Corporation or the Bank will cover the cost of maintenance, insurance, and fuel for this vehicle, and Executive will be responsible for the taxes associated with any personal use of the vehicle.

(i) Country Club Membership. During the term of this Agreement, the Corporation or the Bank will pay the initiation fee and annual membership fee for one country club of Executive's choice.

5. Rights in Event of Termination of Employment.

(a) Upon the termination of Executive's employment for any reason:

- (i) the Bank shall pay to Executive in a lump sum within 30 days after the termination date: (A) any Annual Base Salary that has accrued but is unpaid; (B) any bonus that has been earned for the year prior to the year in which the termination date occurs, but is unpaid; (C) any reimbursable expenses that have been incurred but are unpaid; and (D) any accrued but unused vacation or personal days, as of the termination date; and
- (ii) the Bank shall provide any vested plan benefits that by their terms extend beyond termination of Executive's employment, but only to the extent provided in any such benefit plan in which Executive has participated in accordance with the terms thereof.

(b) If Executive's employment is involuntarily terminated by the Corporation or the Bank without Cause (other than for death or Disability) or is terminated by Executive for Good Reason, Executive shall be entitled to receive the compensation set forth below:

- (i) Executive shall be paid severance equal to continuation of Executive's Annual Base Salary for the greater of: (A) the remaining term of the Employment Period determined as of Executive's termination of employment; or (B) six (6) months. Such amount shall be paid in accordance with the Bank's payroll practices commencing with the first payroll date following Executive's termination of employment. The amount shall be subject to federal, state and local tax withholdings.
- (ii) In addition, through the end of the period that Executive is receiving severance pursuant to Section 5(b)(i), or until Executive is eligible for substantially similar benefits through other employment, whichever shall first occur, Executive shall be permitted to continue participation in, and the Bank shall maintain the same level of contribution for, Executive's participation in the Bank's life, disability, and medical/health insurance, and any other health and welfare benefits in effect with respect to Executive as of the date of his termination of employment, or, if the Bank cannot provide such benefits because Executive is no longer an employee, a dollar amount equal to the after-tax cost to Executive of obtaining such benefits (or substantially similar benefits).

(c) Executive shall not be required to mitigate the amount of any payment provided for in Section 5(b)(i) by seeking other employment or otherwise, nor shall the amount of payment or the benefit provided for in Section 5(b)(i) be reduced by any compensation earned by Executive as the result of employment by another employer or by reason of Executive's receipt of

or right to receive any retirement or other benefits after the date of termination of employment or otherwise.

(d) In addition to the payments and benefits provided under Section 5(a) and 5(b), if Executive's employment is involuntarily terminated by the Corporation or the Bank without Cause (other than for death or Disability), Executive may elect with respect to any automobile made available to him by the Bank to: (i) in the case of a vehicle owned by the Bank, purchase such vehicle for a cash price equal to then-applicable wholesale value as published by Kelley Blue Book or a similar service reasonably identified by the Bank; or (ii) in the case of a vehicle leased by the Bank on conventional terms, assume the lease for the vehicle (provided that assumption is permitted by the lessor); or (iii) return such vehicle to the Bank without any liability of any kind whatsoever to Executive in respect of future liabilities related to such vehicle.

6. Restrictive Covenants: Confidentiality, Non-Solicitation, Non-Disparagement.

(a) Executive agrees that he shall not at any time, except in performance of his obligations to the Corporation and the Bank or with the prior written consent of the Corporation or the Bank, directly or indirectly, reveal to any "Person" (as defined in Section 3(9) of the Employee Retirement Income Security Act of 1974, as amended) (other than the Corporation, the Bank, or their employees, officers, directors, shareholders, or agents) or use for the Executive's own benefit any confidential information of the Corporation, the Bank, or any of their subsidiaries or affiliates (such subsidiaries and affiliates, collectively "Affiliates") relating to the assets, liabilities, employees, goodwill, or business affairs of the Corporation, the Bank, or any of their Affiliates, including, without limitation, any information concerning past, present, or prospective customers, marketing, operating, or financial data, or other confidential information used by, or useful to, the Corporation, the Bank, or any of their Affiliates and known (whether or not known with the knowledge and permission of the Corporation, the Bank, or any of their Affiliates and whether or not at any time prior to the Effective Date developed, devised, or otherwise created in whole or in part by Executive's efforts) to Executive by reason of Executive's employment by, shareholdings in, or other association with the Corporation, the Bank, or any of their Affiliates and which is of tangible or intangible value to the Corporation, the Bank, or any of their Affiliates and the details of which are not generally known to their competitors or the general public ("Confidential Information"). Executive further agrees that Executive will retain all copies and extracts of any written or electronic Confidential Information acquired or developed by Executive during any such employment, shareholding, or association in trust for the sole benefit of the Corporation, the Bank, their Affiliates, and their successors and assigns. Upon the request and at the expense of the Corporation or the Bank, Executive will promptly make all disclosures, execute all instruments and papers, and perform all acts reasonably necessary to vest and confirm in the Corporation, the Bank, and their Affiliates, fully and completely, all rights created or contemplated by this Section 6(a). The term "Confidential Information" will not include information that is or becomes generally available to the public other than as a result of a disclosure by, or at the direction of, Executive. Executive's agreements set forth in this Section 6(a) regarding Confidential Information are independent of, and in addition to, Executive's agreements set forth in the rest of Section 6 and will not be construed either to enlarge or to contract the scope of such other agreements.

(b) Executive agrees with the Corporation and the Bank that, for so long as Executive is employed by the Corporation, the Bank, or any of their Affiliates, and for a period of time (defined below) following Executive's termination of employment (whether prior to or after a Change in Control) ("Non-Solicit Period"), Executive will not in any way, directly or indirectly (except in the course of Executive's employment with the Corporation, the Bank, and their Affiliates), for the purpose of conducting or engaging in any Competing Business, call upon, solicit, advise, or accept business from any Person who is, or was, during the then most recent 12-month period, a customer of the Corporation, the Bank, or any of their Affiliates, or take away or interfere or attempt to take away or interfere with any custom, trade, business, patronage, or affairs of the Corporation, the Bank, or any of their Affiliates, or hire or attempt to hire, or otherwise engage or attempt to engage as an independent contractor or otherwise any Person who is, or was during the then most recent 12-month period, an employee, officer, representative, or agent of the Corporation, the Bank, or any of their Affiliates, or solicit, induce, or attempt to solicit or induce any Person who is an employee, officer, representative, or agent of the Corporation, the Bank, or any of their Affiliates to leave the employ of the Corporation, the Bank, or any of their Affiliates or cease their business relationship with Corporation, the Bank, or any of their Affiliates (as the case may be), or violate the terms of their contracts, or any employment arrangements, with the Corporation, the Bank, or any of their Affiliates.

- (i) In the event that Executive is involuntarily terminated for Cause or voluntary terminates employment without Good Reason, the Non-Solicit Period for all purposes (i.e., both customers and employees) will last for 12 months from the date of such termination.
- (ii) In the event that Executive is involuntarily terminated without Cause or voluntary terminates employment for Good Reason, the Non-Solicit Period with respect to customers will last for six (6) months from the date of such termination, and the Non-Solicit Period with respect to employees will last for 12 months from the date of such termination.

(c) For purposes of this Section 6, a "Competing Business" means a business or enterprise (other than the Corporation, the Bank, and their Affiliates) that is engaged in the commercial banking, financial services or investment, insurance, or any similar financial services-related business in which the Corporation, the Bank, or any of their Affiliates is/are currently engaged or was/were so engaged during the most recent 12 months.

(d) For purposes of this Section 6, a "Change in Control" means, a change in the ownership or effective control of the Corporation or a change in the ownership of a substantial portion of the assets of the Corporation, as determined pursuant to Section 409A of the Internal Revenue Code of 1986 (the "Code") and the regulations and guidance thereunder.

(e) Executive confirms that all Confidential Information is and will remain the exclusive property of the Corporation, the Bank, and their Affiliates. All business records, papers, and documents kept or made by Executive relating to the business of the Corporation, the Bank, and/or their Affiliates will be and remain the property of the Corporation, the Bank, and their Affiliates.

(f) Executive agrees to refrain from making, publishing, or communicating to any person or entity or in any public forum any defamatory or disparaging remarks, comments, or statements concerning the Corporation, the Bank, or any of their Affiliates, or any of its or their employees, officers, directors, agents, or advisors in their capacities as such. Subject to the provisions of this Agreement, nothing in this Section 6(f) will preclude Executive from fulfilling any duty or obligation that Executive may have at law, from responding to any subpoena or official inquiry from any court or government agency (including providing truthful testimony and/or documents subpoenaed or requested), from cooperating in good faith with any such proceeding or investigation, from consulting with an attorney retained by Executive, or from taking any reasonable actions to enforce Executive's rights under this Agreement.

(g) Without intending to limit the remedies available to the Corporation, the Bank, and their Affiliates, Executive agrees that a breach of any of the covenants contained in this Section 6 may result in material and irreparable injury to the Corporation, the Bank, or their Affiliates for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely and that, in the event of such a breach or threat thereof, the Corporation, the Bank, and their Affiliates will be entitled to seek a temporary restraining order or a preliminary or permanent injunction, or both, without bond or other security, restraining Executive from engaging in activities prohibited by this Section 6 or such other relief as may be required specifically to enforce any of the covenants in this Section 6. Such injunctive relief in any court will be available to the Corporation, the Bank, and their Affiliates in lieu of, or prior to or pending determination in, any arbitration proceeding.

(h) Although the parties consider the restrictions contained in this Section 6 to be the minimum restriction reasonable for the purposes of preserving the Corporation's and the Bank's goodwill and other proprietary rights, if a final determination is made by a court that any restriction contained in this Section 6 is an unreasonable or otherwise unenforceable restriction against the Executive, the provisions of this Section 6 will not be rendered void, but will be deemed amended to apply to the maximum extent permitted by the court.

(i) Notwithstanding anything to the contrary in Section 5, in the event that Executive breaches any of the covenants contained in this Section 6:

- (i) Any remaining payments or benefits to be provided under Section 5 will not be paid or will cease immediately upon such breach; and
- (ii) The Corporation and the Bank will be entitled to the immediate repayment of all payments and benefits provided to Executive under Section 5 following the date of any such breach.

(j) Executive agrees that the covenants contained in this Section 6 may be assigned by the Corporation and the Bank, as needed, to affect its purpose and intent and that the Corporation's or the Bank's assignee will be entitled to the full benefit of the restrictions enjoyed by the Corporation and the Bank under the terms of these covenants.

(k) Notwithstanding any other provision of this Agreement:

- (i) Executive will not be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that:
 - A. is made: (a) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (b) solely for the purpose of reporting or investigating a suspected violation of law; or
 - B. is made in a complaint or other document filed under seal in a lawsuit or other proceeding.
- (ii) If Executive files a lawsuit for retaliation by the Corporation, the Bank, or their Affiliates for reporting a suspected violation of law, Executive may disclose the Corporation's, the Bank's, or their Affiliate's trade secrets to Executive's attorney and use the trade secret information in the court proceeding, but only if Executive:
 - A. files any document containing trade secrets under seal; and
 - B. does not disclose trade secrets, except pursuant to court order.

7. Required Release. Notwithstanding anything herein to the contrary, Executive's entitlement to any payments under Section 5 shall be contingent upon Executive's prior agreement with and signature to a complete release agreement in the form as mutually agreed by the parties. Such release agreement shall be executed, if at all, and the applicable payments and benefits contingent upon the execution of such agreement shall be provided or commence being provided, if at all, within 60 days following the date of termination; provided, however, that if such 60-day period begins in one taxable year and ends in a second taxable year, the payments and benefits will be provided or commence being provided, if at all, in the second taxable year. The form of such release agreement is attached hereto as Exhibit A and incorporated herein by reference.

8. Notices. Except as otherwise provided in this Agreement, any notice required or permitted to be given under this Agreement shall be deemed properly given if in writing and if mailed by registered or certified U.S. mail, postage prepaid with return receipt requested, and by regular U.S. mail, postage prepaid, to Executive's address, in the case of notices to Executive, and to the principal executive office of the Corporation, in the case of notice to the Corporation or the Bank.

9. Waiver. No provision of this Agreement may be modified, waived, or discharged unless such waiver, modification, or discharge is agreed to in writing and signed by Executive and an executive officer specifically designated by the Board. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

10. Assignment. This Agreement shall not be assignable by any party, except by the Bank and the Corporation to any successor in interest to its business.

11. Integration. In the event that Executive: (i) is a party to an agreement with the Corporation and/or the Bank providing for compensation and/or benefits in the event Executive's employment terminates following a change in control of the Corporation and/or the Bank (not including any Supplemental Executive Retirement Plan Agreement entered into between Executive and the Bank) (a "Change in Control Agreement"); (ii) becomes entitled to such compensation and/or benefits; and (iii) becomes entitled to the compensation and benefits under Section 5, then the compensation and/or benefits payable to Executive under the Change in Control Agreement shall offset any compensation and/or benefits payable to Executive pursuant to Section 5. Except as provided under a Change in Control Agreement, this Agreement contains the entire agreement of the parties relating to the subject matter of this Agreement and supersedes and replaces any prior written or oral agreements between them respecting the within subject matter.

12. Successors, Binding Agreement.

(a) The Corporation and the Bank will require any successor (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all or substantially all of the business and/or assets of the Corporation and/or the Bank to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Corporation and the Bank would be required to perform it if no such succession had taken place. As used in this Agreement, "Corporation" and "Bank" shall mean the Corporation and the Bank as defined previously and any successor to its respective business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law or otherwise.

(b) This Agreement shall inure to the benefit of and be enforceable by Executive's personal or legal representatives, executors, administrators, heirs, distributees, devisees, or legatees. If Executive should die following termination of Executive's employment without Cause, and any amounts would be payable to Executive under this Agreement if Executive had continued to live, all such amounts shall be paid in accordance with the terms of this Agreement to Executive's devisee, legatee, or other designee, or, if there is no such designee, to Executive's estate.

13. Legal Expenses; Indemnification.

(a) In the event that a party to this Agreement is required to commence litigation to obtain or enforce any right or benefit of such party under this Agreement, such party shall be entitled to reimbursement from the other party for fees and costs reasonably incurred by such party in such litigation to the extent that such party is the prevailing party in such litigation.

(b) The Bank shall indemnify Executive against payment of any claims arising out of or in connection with any business of the Bank or the Corporation, and against payment of any costs reasonably incurred by Executive in defending against any such claims, to the fullest extent permitted by law and by the articles of incorporation and bylaws of the Corporation and the Bank.

14. Validity. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

15. Applicable Law. This Agreement shall be governed by and construed in accordance with the domestic, internal laws of the Commonwealth of Pennsylvania, without regard to its conflicts of laws principles.

16. Headings. The section headings of this Agreement are for convenience only and shall not control or affect the meaning or construction or limit the scope or intent of any of the provisions of this Agreement.

17. Limitations on Payments.

(a) Anything in this Agreement to the contrary notwithstanding, in the event that it shall be determined as set forth herein that any payment or distribution by the Corporation or the Bank to or for the benefit of Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (a "Payment"), would constitute an "excess parachute payment" within the meaning of Section 280G of the Code, and that it would be economically advantageous to Executive to reduce the Payment to avoid or reduce the taxation of excess parachute payments under Section 4999 of the Code, the aggregate present value of amounts payable or distributable to or for the benefit of Executive pursuant to this Agreement (such payments or distributions pursuant to this Agreement are hereinafter referred to as "Agreement Payments") shall be reduced (but not below zero) to the Reduced Amount. The "Reduced Amount" shall be an amount expressed in present value which maximizes the aggregate present value of Agreement Payments without causing any Payment to be subject to the taxation under Section 4999 of the Code. For purposes of this Section 17, present value shall be determined in accordance with Section 280G(d)(4) of the Code.

(b) All determinations to be made under this Section 17 shall be made, in writing, by the Corporation's independent certified public accountant immediately prior to the Change of Control (the "Accounting Firm"), which firm shall provide its determinations and any supporting calculations in writing to both the Corporation and you within 10 days of the date of termination. Any such determination by the Accounting Firm shall be binding upon the Corporation and you. You shall in your sole discretion determine which and how much of the Agreement Payments shall be eliminated or reduced consistent with the requirements of this Section 17, which determination shall be made by delivery of written notice to the Corporation within 10 days of your receipt of the determination of the Accounting Firm. Within five (5) days after your timely determination, the Corporation shall pay (or cause to be paid) or distribute (or cause to be distributed) to or for the benefit of you, such amounts as are then due to you under this Agreement. In the event you do not make such timely determination then within 15 days after Corporation's receipt of the determination of the Accounting Firm, the Corporation, in its sole discretion, may pay (or cause to be paid) or distribute (or cause to be distributed) to or for the benefit of you such portion of the Agreement Payments as it may deem appropriate, but no less than the Reduced Amount.

(c) As a result of the uncertainty in the application of Section 280G of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Agreement Payments, as the case may be, will have been made by the Corporation which should not have been made (“Overpayment”) or that additional Agreement Payments which have not been made by the Corporation could have been made (“Underpayment”), in each case, consistent with the calculations required to be made hereunder. Within two (2) years after the Separation from Service, the Accounting Firm shall review the determination made by it pursuant to the preceding paragraph. In the event that the Accounting Firm determines that an Overpayment has been made, any such Overpayment shall be treated for all purposes as a loan to you which you shall repay to the Corporation together with interest at the applicable Federal rate provided for in Section 7872(f)(2) of the Code (the “Federal Rate”); provided, however, that no amount shall be payable by you to the Corporation if and to the extent such payment would not reduce the amount which is subject to taxation under Section 4999 of the Code. In the event that the Accounting Firm determines that an Underpayment has occurred, any such Underpayment shall be promptly paid by the Corporation to or for the benefit of you together with interest thereon at the Federal Rate.

(d) All of the fees and expenses of the Accounting Firm in performing the determinations referred to in paragraphs (b) and (c) above shall be borne solely by the Corporation. The Corporation agrees to indemnify and hold harmless the Accounting Firm of and from any and all claims, damages and expenses of any nature resulting from or relating to its determinations pursuant to paragraphs (b) and (c) above, except for claims, damages or expenses resulting from the gross negligence or willful misconduct of the Accounting Firm.

(e) All payments made to Executive pursuant to this Agreement or otherwise, are subject to and conditioned upon their compliance with applicable laws and any regulations promulgated thereunder.

18. Recovery of Bonuses and Incentive Compensation. Notwithstanding anything in this Agreement to the contrary, all bonuses and incentive compensation, but not Annual Base Salary or payments due Executive under Section 5, paid hereunder (whether in equity or in cash) shall be subject to recovery by the Corporation or the Bank in the event that such bonuses or incentive compensation are based on materially inaccurate financial statements or other materially inaccurate performance metric criteria; provided that a determination as to the recovery of a bonus or incentive compensation shall be made within 24 months following the date such bonus or incentive compensation was paid. In the event that the Board or the Bank Board determines that a bonus or incentive compensation payment to Executive is recoverable, Executive shall reimburse all or a portion of such bonus or incentive compensation, to the fullest extent permitted by law, as soon as practicable following written notice to Executive by the Corporation or the Bank of the same

19. Application of Code Section 409A.

(a) Notwithstanding anything in this Agreement to the contrary, the receipt of any benefits under this Agreement as a result of a termination of employment shall be subject to satisfaction of the condition precedent that Executive undergo a “separation from service” within the meaning of Treas. Reg. § 1.409A-1(h) or any successor thereto. In addition, if Executive is deemed to be a “specified employee” within the meaning of that term under Code Section

409A(a)(2)(B), then with regard to any payment or the provisions of any benefit that is required to be delayed pursuant to Code Section 409A(a)(2)(B), such payment or benefit shall not be made or provided prior to the earlier of (i) the expiration of the six (6) month period measured from the date of Executive's "separation from service" (as such term is defined in Treas. Reg. § 1.409A-1(h)), or (ii) the date of Executive's death (the "Delay Period"). Within 10 days following the expiration of the Delay Period, all payments and benefits delayed pursuant to this Section (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to Executive in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein. Notwithstanding the foregoing, to the extent that the foregoing applies to the provision of any ongoing welfare benefits to Executive that would not be required to be delayed if the premiums therefore were paid by Executive, Executive shall pay the full costs of premiums for such welfare benefits during the Delay Period and the Corporation or the Bank shall pay Executive an amount equal to the amount of such premiums paid by Executive during the Delay Period within 10 days after the conclusion of such Delay Period.

(b) Except as otherwise expressly provided herein, to the extent any expense reimbursement or other in-kind benefit is determined to be subject to Code Section 409A, the amount of any such expenses eligible for reimbursement or in-kind benefits in one calendar year shall not affect the expenses eligible for reimbursement or in-kind benefits in any other taxable year (except under any lifetime limit applicable to expenses for medical care), in no event shall any expenses be reimbursed or in-kind benefits be provided after the last day of the calendar year following the calendar year in which Executive incurred such expenses or received such benefits, and in no event shall any right to reimbursement or in-kind benefits be subject to liquidation or exchange for another benefit.

(c) Any payments made pursuant to Section 5, to the extent of payments made from the date of termination through March 15th of the calendar year following such date, are intended to constitute separate payments for purposes of Treas. Reg. §1.409A-2(b)(2) and thus payable pursuant to the "short-term deferral" rule set forth in Treas. Reg. §1.409A-1(b)(4); to the extent such payments are made following said March 15th, they are intended to constitute separate payments for purposes of Treas. Reg. §1.409A-2(b)(2) made upon an involuntary termination from service and payable pursuant to Treas. Reg. §1.409A-1(b)(9)(iii), to the maximum extent permitted by said provision.

(d) To the extent it is determined that any benefits described in Section 5(a)(ii) are taxable to Executive, they are intended to be payable pursuant to Treas. Reg. §1.409A-1(b)(9)(v), to the maximum extent permitted by said provision.

20. Limitation on Golden Parachute Payments. Notwithstanding anything in this Agreement to the contrary, the obligation to make payment of any severance benefits as provided herein (including, without limitation, any payments due Executive under Section 5, and, to the extent incurred after termination, legal fees and expenses covered by Section 13) is conditioned upon compliance with applicable law, including 12 C.F.R. Part 359. In addition, Executive covenants and agrees that the Corporation and the Bank and their successors and assigns shall have the right to demand the return of any "golden parachute payments" (as defined in 12 C.F.R. Part 359) in the event that any of them obtain information indicating that Executive committed, is

substantially responsible for, or has violated, the respective acts or omissions, conditions, or offenses contained in 12 C.F.R. §359.4(a)(4), and Executive shall promptly return any such “golden parachute payment” upon such demand.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date first set forth above.

ATTEST:

MID PENN BANCORP, INC.

/s/ Rory G. Ritrievi
President and CEO

ATTEST:

MID PENN BANK

/s/ Margaret E. Steinour
FSVP, Chief Administrative Officer

WITNESS:

JORDAN SPACE

/s/ Jordan Space

September 18, 2023

Jordan Space

**Re: Change in Control Severance Agreement
AMENDED AND RESTATED**

Dear Jordan:

Mid Penn Bancorp, Inc. (the "Corporation") considers it essential and in the best interests of its shareholders to foster the continuous employment of key management personnel. In this regard, the Board of Directors of the Corporation (the "Board") recognizes that the possibility of a termination of employment related to a change in control of the Corporation may exist and that such possibility, and the uncertainty and questions that it may raise among management, may result in the departure or distraction of management personnel to the detriment of the Corporation and its shareholders.

The Board has determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of members of senior management of the Corporation and/or Mid Penn Bank (the "Bank"), including you, to their assigned duties without distraction in the face of potentially disturbing circumstances arising from the possibility of a termination of employment.

In order to induce you to remain in the employ of the Corporation and/or the Bank, and in exchange for your agreement to the covenants contained herein, the Corporation and the Bank agree that you will receive the severance benefits set forth in this letter agreement (the "Agreement") in the event your employment is terminated under the circumstances described below.

AMENDED AND RESTATED AGREEMENT

This Agreement amends, restates, and replaces in its entirety any prior Change in Control Severance Agreement between you and the Corporation and/or the Bank, including any and all subsequent amendment(s) thereto. All such prior agreements or arrangements relating to severance payments upon a Change in Control are without any further effect and are hereby rescinded.

1. *Term of Agreement.* The term of this Agreement will commence on the date above (the "Effective Date") and will continue for a period of three (3) years thereafter. On each anniversary of the Effective Date prior to a termination of the Agreement, without action by any party, this Agreement will automatically be renewed for one (1) additional year beyond the term otherwise established, unless one party provides written notice to the other party, at least 90 days in advance of an Anniversary Date, of its intent not to renew this Agreement. Nothing in this provision will preclude termination as otherwise provided or permitted under this Agreement. Notwithstanding the foregoing, if a Change in Control occurs after the Effective Date and during the term of this Agreement, this Agreement will continue in effect for a limited period of two (2) years after the date of such Change in Control, unless terminated sooner in accordance with this Agreement.

2. *Severance Benefits.*

2.1 Involuntary Termination or Voluntary Termination for Good Reason Following a Change in Control: If your employment hereunder is terminated other than for death, disability, or Cause, or by you for Good Reason, in each case on or within 12 months after a Change in Control (such period, the “Protection Period”), you will be entitled to receive:

- a. A lump sum cash payment within 60 days following your termination of employment equal to 2.25 times your highest annual base salary in effect during the 12 months preceding the date of your termination of employment; and
- b. For a period of 27 months following your termination, you and your beneficiaries will remain eligible to participate, on the same terms and conditions as apply from time to time to the Corporation’s and/or the Bank’s executive management, in the medical, vision and dental programs of the Bank; provided, however, that such eligibility will cease at such time as you become eligible to participate in comparable programs of a subsequent employer; and further provided that the Corporation and the Bank will have no obligation to continue to maintain during such period any plan or program, solely as a result of the provisions of this Agreement; and further provided that if you are precluded from participating in any such plan or program by its terms or applicable law, you will receive a dollar amount equal to the after-tax cost (estimated in good faith by the Corporation or the Bank) of obtaining such benefits, or substantially similar benefits, within 30 days following the date of your termination.

2.2 Change in Control. “Change in Control” means, a change in the ownership or effective control of the Corporation or a change in the ownership of a substantial portion of the assets of the Corporation, as determined pursuant to Section 409A of the Internal Revenue Code of 1986 (the “Code”) and the regulations and guidance thereunder.

2.3 Cause. “Cause” means any of the following events: (a) willful act of material dishonesty with respect to any material matter involving the Corporation or the Bank; (b) theft or material misuse of Corporation or Bank property; (c) willful violation of any material law or regulation applicable to the Corporation or the Bank or any subsidiary thereof; (d) willful violation of the Corporation’s or the Bank’s material written policies or procedures; or (e) conviction of, or plea of guilty or *nolo contendere* to, a felony, any criminal charge involving moral turpitude, or illegal substance abuse.

2.4 Good Reason. “Good Reason” means any of the following events: (a) any action taken by the Bank or the Corporation which results in a material reduction or diminution in your authority, duties, or responsibilities existing as of the date of the Change in Control; (b) the assignment to you of duties that are materially inconsistent with your authority, duties, or responsibilities existing as of the date of the Change in Control; (c) any material decrease in your Annual Base Salary and/or benefits, including any incentive compensation plan, existing as of the date of the Change in Control; (d) the reassignment of you to any primary place of employment

that would require an additional one-way commute of 50 or more miles; or (e) a material breach of this Agreement, in all cases after notice from you to the Corporation and/or the Bank within 90 days after the initial existence of any such condition that the condition constitutes Good Reason and the failure of the Corporation and the Bank to cure such situation within 30 days after said notice.

2.5 Clawback – For Cause Matters. If, within 90 days after a termination of your employment that entitles you to severance benefits under Section 2, the Board becomes aware of facts that, if known during your employment, it reasonably believes would have justified termination of your employment for Cause pursuant to Section 2.3 above, the Corporation and the Bank may refrain from paying any unpaid amounts due under Section 2 or require you to promptly (but in no event less than 90 days after notice to you of such determination by the Board) repay any amounts previously paid or the value of any benefits previously received under Section 2.

2.6 Accrued Benefits. Upon your termination of employment for any reason during the Protection Period, you, or your estate, as applicable, will receive your accrued but unpaid annual base compensation and any accrued but unpaid or otherwise vested benefits under any Corporation or Bank benefit or incentive plan.

3. *Limitation on Benefits.*

3.1 Anything in this Agreement to the contrary notwithstanding, in the event that it shall be determined as set forth herein that any payment or distribution by the Corporation or the Bank to or for the benefit of you, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (a “Payment”), would constitute an “excess parachute payment” within the meaning of Section 280G of the Code, and that it would be economically advantageous to you to reduce the Payment to avoid or reduce the taxation of excess parachute payments under Section 4999 of the Code, the aggregate present value of amounts payable or distributable to or for the benefit of you pursuant to this Agreement (such payments or distributions pursuant to this Agreement are hereinafter referred to as “Agreement Payments”) shall be reduced (but not below zero) to the Reduced Amount.

The “Reduced Amount” shall be an amount expressed in present value which maximizes the aggregate present value of Agreement Payments without causing any Payment to be subject to the taxation under Section 4999 of the Code. For purposes of this Section 3, present value shall be determined in accordance with Section 280G(d)(4) of the Code.

3.2 All determinations to be made under this Section 3 shall be made, in writing, by the Corporation’s independent certified public accountant immediately prior to the Change in Control (the “Accounting Firm”), which firm shall provide its determinations and any supporting calculations in writing to both the Corporation and you within 10 days of the date of termination. Any such determination by the Accounting Firm shall be binding upon the Corporation and you. You shall in your sole discretion determine which and how much of the Agreement Payments shall be eliminated or reduced consistent with the requirements of this Section 3, which determination shall be made by delivery of written notice to the Corporation within 10 days of your receipt of the determination of the Accounting Firm. Within five (5) days after your timely determination, the Corporation shall pay (or cause to be paid) or distribute (or cause to be distributed) to or for

the benefit of you, such amounts as are then due to you under this Agreement. In the event you do not make such timely determination then within 15 days after Corporation's receipt of the determination of the Accounting Firm, the Corporation in its sole discretion may pay (or cause to be paid) or distribute (or cause to be distributed) to or for the benefit of you such portion of the Agreement Payments as it may deem appropriate, but no less than the Reduced Amount.

3.3 As a result of the uncertainty in the application of Section 280G of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Agreement Payments, as the case may be, will have been made by the Corporation which should not have been made ("Overpayment") or that additional Agreement Payments which have not been made by the Corporation could have been made ("Underpayment"), in each case, consistent with the calculations required to be made hereunder. Within two (2) years after the Separation from Service, the Accounting Firm shall review the determination made by it pursuant to the preceding paragraph. In the event that the Accounting Firm determines that an Overpayment has been made, any such Overpayment shall be treated for all purposes as a loan to you which you shall repay to the Corporation together with interest at the applicable Federal rate provided for in Section 7872(f)(2) of the Code (the "Federal Rate"); provided, however, that no amount shall be payable by you to the Corporation if and to the extent such payment would not reduce the amount which is subject to taxation under Section 4999 of the Code. In the event that the Accounting Firm determines that an Underpayment has occurred, any such Underpayment shall be promptly paid by the Corporation to or for the benefit of you together with interest thereon at the Federal Rate.

3.4 All of the fees and expenses of the Accounting Firm in performing the determinations referred to in Sections 3.2 and 3.3 above shall be borne solely by the Corporation. The Corporation agrees to indemnify and hold harmless the Accounting Firm of and from any and all claims, damages and expenses of any nature resulting from or relating to its determinations pursuant to Sections 3.2 and 3.3 above, except for claims, damages or expenses resulting from the gross negligence or willful misconduct of the Accounting Firm.

4. *Restrictive Covenants: Confidentiality, Non-Solicitation, Non-Disparagement.*

4.1 You agree that you will not at any time, except in performance of your obligations to the Corporation and the Bank or with the prior written consent of the Corporation or the Bank, directly or indirectly, reveal to any "Person" (as defined in Section 3(9) of the Employee Retirement Income Security Act of 1974, as amended) (other than the Corporation, the Bank, or their employees, officers, directors, shareholders, or agents) or use for your own benefit any confidential information of the Corporation, the Bank, or any of their subsidiaries or affiliates (such subsidiaries and affiliates, collectively "Affiliates") relating to the assets, liabilities, employees, goodwill, or business affairs of the Corporation, the Bank, or any of their Affiliates, including, without limitation, any information concerning past, present, or prospective customers, marketing, operating, or financial data, or other confidential information used by, or useful to, the Corporation, the Bank, or any of their Affiliates and known (whether or not known with the knowledge and permission of the Corporation, the Bank, or any of their Affiliates and whether or not at any time prior to the Effective Date developed, devised, or otherwise created in whole or in part by your efforts) to you by reason of your employment by, shareholdings in, or other association with the Corporation, the Bank, or any of their Affiliates and which is of tangible or intangible value to the Corporation, the Bank, or any of their Affiliates and the details of which

are not generally known to their competitors or the general public (“Confidential Information”). You further agree that you will retain all copies and extracts of any written or electronic Confidential Information acquired or developed by you during any such employment, shareholding, or association in trust for the sole benefit of the Corporation, the Bank, their Affiliates, and their successors and assigns. Upon the request and at the expense of the Corporation or the Bank, you will promptly make all disclosures, execute all instruments and papers, and perform all acts reasonably necessary to vest and confirm in the Corporation, the Bank, and their Affiliates, fully and completely, all rights created or contemplated by this Section 4.1. The term “Confidential Information” will not include information that is or becomes generally available to the public other than as a result of a disclosure by, or at the direction of, you. Your agreements set forth in this Section 4.1 regarding Confidential Information are independent of, and in addition to, your agreements set forth in the rest of Section 4 and will not be construed either to enlarge or to contract the scope of such other agreements.

4.2 You agree that, for so long as you are employed by the Corporation, the Bank, and/or any of their Affiliates, and for a period of time (defined below) following your termination of employment (whether prior to or after a Change in Control) (“Non-Solicit Period”), you will not in any way, directly or indirectly (except in the course of your employment with the Corporation, the Bank, and/or their Affiliates), for the purpose of conducting or engaging in any Competing Business, call upon, solicit, advise, or accept business from any Person who is, or was, during the then most recent 12-month period, a customer of the Corporation, the Bank or any of their Affiliates, or take away or interfere or attempt to take away or interfere with any custom, trade, business, patronage, or affairs of the Corporation, the Bank, or any of their Affiliates, or hire or attempt to hire, or otherwise engage or attempt to engage as an independent contractor or otherwise any Person who is, or was during the then most recent 12-month period, an employee, officer, representative, or agent of the Corporation, the Bank, or any of their Affiliates, or solicit, induce, or attempt to solicit or induce any Person who is an employee, officer, representative, or agent of the Corporation, the Bank, or any of their Affiliates to leave the employ of the Corporation, the Bank, or any of their Affiliates or cease their business relationship with the Corporation, the Bank, or any of their Affiliates (as the case may be), or violate the terms of their contracts, or any employment arrangements, with the Corporation, the Bank, or any of their Affiliates.

- a. In the event that you are involuntarily terminated for Cause or voluntarily terminate employment without Good Reason, the Non-Solicit Period for all purposes (i.e., both customers and employees) will last for 12 months from the date of such termination.
- b. In the event that you are involuntarily terminated without Cause or voluntarily terminate employment for Good Reason, the Non-Solicit Period with respect to customers will last for six (6) months from the date of such termination, and the Non-Solicit Period with respect to employees will last for 12 months from the date of such termination.

4.3 For purposes of this Section 4, a “Competing Business” means a business or enterprise (other than the Corporation, the Bank, and their Affiliates) that is engaged in the commercial banking, financial services or investment, insurance, or any similar financial services-

related business in which the Corporation, the Bank, or any of their Affiliates is/are currently engaged or was/were so engaged during the most recent twelve (12) months.

4.4 You confirm that all Confidential Information is and will remain the exclusive property of the Corporation, the Bank, and their Affiliates. All business records, papers, and documents kept or made by you relating to the business of the Corporation, the Bank, and/or their Affiliates will be and remain the property of the Corporation, the Bank, and their Affiliates.

4.5 You agree to refrain from making, publishing, or communicating to any person or entity or in any public forum any defamatory or disparaging remarks, comments, or statements concerning the Corporation, the Bank, or any of their Affiliates, or any of its or their employees, officers, directors, agents, or advisors in their capacities as such. Subject to the provisions of this Agreement, nothing in this Section 4.5 will preclude you from fulfilling any duty or obligation that you may have at law, from responding to any subpoena or official inquiry from any court or government agency, including providing truthful testimony, documents subpoenaed or requested or otherwise cooperating in good faith with any proceeding or investigation, from consulting with an attorney retained by you, or from taking any reasonable actions to enforce your rights under this Agreement.

4.6 Without intending to limit the remedies available to the Corporation, the Bank, and their Affiliates, you agree that a breach of any of the covenants contained in this Section 4 may result in material and irreparable injury to the Corporation, the Bank, or their Affiliates for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely and that, in the event of such a breach or threat thereof, the Corporation, the Bank, and their Affiliates will be entitled to seek a temporary restraining order or a preliminary or permanent injunction, or both, without bond or other security, restraining you from engaging in activities prohibited by this Section 4 or such other relief as may be required specifically to enforce any of the covenants in this Section 4. Such injunctive relief in any court will be available to the Corporation, the Bank, and their Affiliates in lieu of, or prior to or pending determination in, any arbitration proceeding.

4.7 Although the parties consider the restrictions contained in this Section 4 to be the minimum restriction reasonable for the purposes of preserving the Corporation's and the Bank's goodwill and other proprietary rights, if a final determination is made by a court that any restriction contained in this Section 4 is an unreasonable or otherwise unenforceable restriction against you, the provisions of this Section 4 will not be rendered void, but will be deemed amended to apply to the maximum extent permitted by the court.

4.8 Notwithstanding anything to the contrary in Section 2.1, in the event that you breach any of the covenants contained in this Section 4:

- a. Any remaining payments or benefits to be provided under Section 2.1 will not be paid or will cease immediately upon such breach; and
- b. The Corporation and the Bank will be entitled to the immediate repayment of all payments and benefits provided to you under Section 2.1 following the date of any such breach.

4.9 You agree that the covenants contained in this Section 4 may be assigned by the Corporation and the Bank, as needed, to affect its purpose and intent and that the Corporation's or the Bank's assignee will be entitled to the full benefit of the restrictions enjoyed by the Corporation and the Bank under the terms of these covenants.

4.10 Notwithstanding any other provision of this Agreement:

- a. You will not be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that: (1) is made: (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (2) is made in a complaint or other document filed under seal in a lawsuit or other proceeding.
- b. If you file a lawsuit for retaliation by the Corporation, the Bank, or their Affiliates for reporting a suspected violation of law, you may disclose the Corporation's, the Bank's, or, their Affiliates' trade secrets to your attorney and use the trade secret information in the court proceeding, but only if you: (1) file any document containing trade secrets under seal; and (2) do not disclose trade secrets, except pursuant to court order.

5. *Binding Effect and Benefit.*

5.1 The Corporation will require any successor (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all or substantially all of the business or assets of the Corporation to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Corporation would be required to perform it if no such succession had taken place. Failure by the Corporation to obtain such assumption and agreement prior to the effectiveness of any such succession will constitute a material breach of this Agreement. As used in this Agreement, "the Corporation" means the Corporation as defined above and any successor to the respective business or assets of the Corporation as abovementioned which assumes and agrees to perform this Agreement by operation of law, or otherwise.

5.2 This Agreement will inure to the benefit of and be enforceable by your personal or legal representatives, executors, administrators, heirs, distributees, devisees, and legatees. If you should die while any amount is payable to you under this Agreement if you had continued to live, all such amounts, unless otherwise provided herein, will be paid in accordance with the terms of this Agreement to your devisee, legatee, or other designee, or, if there is no such designee, to your estate.

6. *Assignment.* This Agreement will not be assignable by either party hereto, except as provided in Section 4.9 and by the Corporation to any successor in interest to the business of the Corporation, provided that the Corporation (if it remains a separate entity) will remain fully liable under this Agreement for all obligations, payments, and otherwise.

7. *No Mitigation or Offset.* In the event of termination of your employment, you will be under no obligation to seek other employment and there will be no offset against any payment or benefit

provided for in this Agreement on account of any remuneration or benefits from any subsequent employment that you may obtain, subject to Section 2.1(b).

8. *Application of Code Section 409A.*

8.1 Notwithstanding anything in this Agreement to the contrary, the receipt of any benefits under this Agreement as a result of a termination of employment will be subject to satisfaction of the condition precedent that you undergo a “separation from service” within the meaning of Treas. Reg. § 1.409A-1(h) or any successor thereto. In addition, if you are deemed to be a “specified employee” within the meaning of that term under Code Section 409A(a)(2)(B), then with regard to any payment or the provisions of any benefit that is required to be delayed pursuant to Code Section 409A(a)(2)(B), such payment or benefit will not be made or provided prior to the earlier of (i) the expiration of the six (6) month period measured from the date of your “separation from service” (as such term is defined in Treas. Reg. § 1.409A-1(h)), or (ii) the date of your death (the “Delay Period”). Within 10 days following the expiration of the Delay Period, all payments and benefits delayed pursuant to this Section (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) will be paid or reimbursed to you in a lump sum, and any remaining payments and benefits due under this Agreement will be paid or provided in accordance with the normal payment dates specified for them herein. To the extent that the foregoing applies to the provision of any ongoing welfare benefits to you that would not be required to be delayed if the premiums therefore were paid by you, you will pay the full costs of premiums for such welfare benefits during the Delay Period and the Corporation or the Bank will pay you an amount equal to the amount of such premiums paid by you during the Delay Period within 10 days after the conclusion of such Delay Period.

8.2 Except as otherwise expressly provided herein, to the extent any expense reimbursement or other in-kind benefit is determined to be subject to Code Section 409A, the amount of any such expenses eligible for reimbursement or in-kind benefits in one calendar year will not affect the expenses eligible for reimbursement or in-kind benefits in any other taxable year (except under any lifetime limit applicable to expenses for medical care), in no event will any expenses be reimbursed or in-kind benefits be provided after the last day of the calendar year following the calendar year in which you incurred such expenses or received such benefits, and in no event will any right to reimbursement or in-kind benefits be subject to liquidation or exchange for another benefit.

8.3 Any payments made pursuant to Section 2.1, to the extent of payments made from the date of termination through March 15th of the calendar year following such date, are intended to constitute separate payments for purposes of Treas. Reg. §1.409A-2(b)(2) and thus payable pursuant to the “short-term deferral” rule set forth in Treas. Reg. §1.409A-1(b)(4); to the extent such payments are made following said March 15th, they are intended to constitute separate payments for purposes of Treas. Reg. §1.409A-2(b)(2) made upon an involuntary termination from service and payable pursuant to Treas. Reg. §1.409A-1(b)(9)(iii), to the maximum extent permitted by said provision.

8.4 To the extent it is determined that any benefits described in Section 2.1(b) are taxable to you, they are intended to be payable pursuant to Treas. Reg. §1.409A-1(b)(9)(v), to the maximum extent permitted by said provision.

9. *Miscellaneous.*

9.1 The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of any other provision of this Agreement, which will remain in full force and effect.

9.2 The validity, interpretation, construction, and performance of this Agreement will be governed by the laws of the Commonwealth of Pennsylvania, without regard to its conflict of laws principles.

9.3 No waiver by you, the Corporation, or the Bank at any time of any breach of, or compliance with, any provision of this Agreement to be performed by the Corporation and/or the Bank or you, respectively, will be deemed a waiver of that or any other provision at any subsequent time.

9.4 This Agreement is the exclusive agreement with respect to the subject matter hereof. All prior negotiations and agreements related to that subject matter are hereby merged into this Agreement. You acknowledge and agree that any existing agreement regarding change in control benefits, previously entered into between you and the Corporation and/or the Bank, is immediately null and void. Notwithstanding the preceding sentences of this Section 9.4, benefits provided under this Agreement are in addition to any other benefits to which you may become entitled under any Supplemental Executive Retirement Plan Agreement entered into between you and the Corporation and/or the Bank.

9.5 Notwithstanding the termination of this Agreement, the provisions which specify continuing obligations, compensation and benefits, and rights will remain in effect until such time as all such obligations are discharged, all such compensation and benefits are received, and no party or beneficiary has any remaining actual or contingent rights under this Agreement.

10. *Legal Fees.* In the event of a dispute following a Change in Control, the Corporation, or its successor, will reimburse you for all legal fees and expenses reasonably incurred by you in attempting to obtain or enforce rights or benefits provided by this Agreement, but only with respect to such claim or claims upon which you prevail.

11. *Regulatory Matters.* The obligations of Corporation and the Bank under this Agreement shall in all events be subject to any required limitations or restrictions imposed by or pursuant to the Federal Deposit Insurance Act or the Pennsylvania Banking Code of 1965 as the same may be amended from time to time, including but not limited to, that all payments made to you pursuant to this Agreement, or otherwise, are subject to and conditioned upon their compliance with applicable laws and any regulations promulgated thereunder, including, without limitation, 12 C.F.R. Part 359.

If you agree to the terms of this Agreement, please sign on the line provided below and return two signed copies. A fully executed copy will be returned to you for your files after it is signed by the Corporation and the Bank.

Sincerely,

MID PENN BANCORP, INC.

By: /s/ Rory G. Ritrievi

Title: President and CEO

Dated: 9/18/2023

MID PENN BANK

By: /s/ Margaret E. Steinour

Title: FSVP, Chief Administrative Officer

Dated: 9/18/2023

Agreed to and accepted and intending to be legally bound:

/s/ Jordan Space
Jordan Space

Dated: 9/18/2023

Mid Penn Bank
Supplemental Executive Retirement Plan Agreement

This Supplemental Executive Retirement Plan Agreement (this “Agreement”) is adopted this 6th day of September, 2022 (the “Effective Date”), by and between Mid Penn Bank, a Pennsylvania bank and trust company headquartered in Millersburg, Pennsylvania (the “Bank”), and Jordan Space (the “Executive”).

The purpose of this Agreement is to provide specified benefits to the Executive, a member of a select group of management or highly compensated employees who contribute materially to the continued growth, development and future success of the Bank. This Agreement shall be unfunded for tax purposes and for purposes of Title I of the Employee Retirement Income Security Act of 1974 (“ERISA”), as amended from time to time.

Article 1
Definitions

Whenever used in this Agreement, the following words and phrases shall have the meanings specified:

1.1 “Accrued Benefit” means the dollar value of the liability that should be accrued by the Bank, under generally accepted accounting principles, for the Bank’s obligation to the Executive under this Agreement, calculated by applying Accounting Standards Codification 710-10 (or any successor thereto) and the Discount Rate.

1.2 “Affiliate” means any business entity with whom the Bank would be considered a single employer under Code Section 414(b) and 414(c). Such term shall be interpreted in a manner consistent with the definition of “service recipient” contained in Code Section 409A.

1.3 “Beneficiary” means each designated person or entity, or the estate of the deceased Executive, entitled to any benefits upon the death of the Executive pursuant to Article 3.

1.4 “Beneficiary Designation Form” means the form established from time to time by the Plan Administrator that the Executive completes, signs and returns to the Plan Administrator to designate one or more Beneficiaries.

1.5 “Board” means the Board of Directors of the Bank as from time to time constituted.

1.6 “Change in Control” means a change in the ownership or effective control of the Bank, or in the ownership of a substantial portion of the assets of the Bank, as such change is defined in Code Section 409A and regulations thereunder.

1.7 “Code” means the Internal Revenue Code of 1986, as amended, and all regulations and guidance thereunder, including such regulations and guidance as may be promulgated after the Effective Date.

1.8 “Competing Business” means a business or enterprise (other than the Corporation, the Bank and their Affiliates) that is engaged in the commercial banking, financial services, investment or insurance business in which the Corporation, the Bank or any of their Affiliates is engaged.

1.9 “Corporation” means Mid Penn Bancorp, Inc.

1.10 “Disability” means a condition of the Executive whereby the Executive either: (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months; or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees or directors of the Bank. Medical determination of Disability may be made by either the Social Security Administration or by the provider of disability insurance covering employees or directors of the Bank, provided that the definition of “disability” applied under such insurance program complies with the requirements of the preceding sentence. Upon the request of the Plan Administrator, the Executive must submit proof to the Plan Administrator of the Social Security Administration’s or the provider’s determination.

1.11 “Discount Rate” means the rate used by the Plan Administrator for determining the Accrued Benefit. The initial Discount Rate is four percent (4%). The Plan Administrator may adjust the Discount Rate to maintain the rate within reasonable standards according to generally accepted accounting principles and applicable bank regulatory guidance.

1.12 “Early Termination” means Separation from Service before attainment of Normal Retirement Age, except when such Separation from Service occurs within twenty-four (24) months following a Change in Control or due to death, Disability or Termination for Cause.

1.13 “Normal Retirement Age” means age seventy (70).

1.14 “Normal Retirement Date” means the later of Normal Retirement Age or Separation from Service.

1.15 “Participant” means any other director or employee of the Bank who is a party to an agreement providing for benefits substantially similar to this Agreement.

1.16 “Person” shall have the meaning ascribed to such term in Section 3(9) of ERISA.

1.17 “Plan Administrator” means the Compensation Committee of the Board, or such other committee or person as the Board shall appoint.

1.18 “Plan Year” means each twelve (12) month period commencing on January 1st and ending on December 31st of such year. The initial Plan Year shall commence on the Effective Date and end on the following December 31st.

1.19 “Schedule A” means the schedule attached to this Agreement and made a part hereof. Schedule A shall be updated upon a change in any of the benefit amounts under Article 2.

1.20 “Separation from Service” means termination of the Executive’s employment with the Bank and its Affiliates for reasons other than death or Disability. Whether a Separation from Service has occurred shall be determined in accordance with the requirements of Code Section 409A based on whether the facts and circumstances indicate that the Bank and Executive reasonably anticipated that no further services would be performed after a certain date or that the level of bona fide services the Executive would perform after such date (whether as an employee or as an independent contractor) would permanently decrease to no more than twenty percent (20%) of the average level of bona fide services performed (whether as an employee or an independent contractor) over the immediately preceding thirty-six (36) month period (or the full period of services to the Bank if the Executive has been providing services to the Bank less than thirty-six (36) months). A Separation from Service will not be deemed to have occurred while the Executive is on military leave, sick leave, or other bona fide leave of absence if the period of such leave does not exceed six (6) months or, if longer, the period for which a statute or contract provides the Executive with the right to reemployment with the Bank. If the Executive’s leave exceeds six (6) months, but the Executive is not entitled to reemployment under a statute or contract, the Executive incurs a Separation from Service on the next day following the expiration of such six (6) month period. In determining whether a Separation from Service occurs the Plan Administrator shall take into account, among other things, the definition of “service recipient” and “employer” set forth in Treasury regulation §1.409A-1(h)(3). The Plan Administrator shall have full and final authority to determine conclusively whether a Separation from Service occurs and the date of such Separation from Service.

1.21 “Specified Employee” means an employee who at the time of Separation from Service is a key employee of the Bank or its Affiliates, if any stock of the Bank or its Affiliates is publicly traded on an established securities market or otherwise. For purposes of this Agreement, an employee is a “key employee” if the employee meets the requirements of Code Section 416(i)(1)(A)(i), (ii), or (iii) (applied in accordance with the regulations thereunder and disregarding section 416(i)(5)) at any time during the twelve (12) month period ending on December 31 (the “identification period”). If the employee is a key employee during an identification period, the employee is treated as a key employee for purposes of this Agreement during the twelve (12) month period that begins on the first day of April following the close of the identification period.

1.22 “Termination for Cause” means Separation from Service for “Cause,” as such term is defined in Executive’s Employment Agreement with the Corporation and Bank dated September 6, 2022, as the same may be amended from time to time.

1.23 “Termination for Good Reason” means Separation from Service for “Good Reason”, as such term is defined in Executive’s Employment Agreement with the Corporation and Bank dated September 6, 2022, as the same may be amended from time to time.

Article 2

Distributions

2.1 Normal Retirement Benefit. Upon Separation from Service after attaining Normal Retirement Age, the Bank shall distribute to the Executive the benefit described in this Section 2.1 in lieu of any other benefit under this Article.

- 2.1.1 Amount of Benefit. The initial annual benefit under this Section 2.1 is Eighty Thousand Dollars (\$80,000). The Bank may increase the annual benefit under this Section 2.1 at the sole and absolute discretion of the Board. Any such discretionary increase shall require the recalculation of all the amounts on Schedule A attached hereto.
- 2.1.2 Distribution of Benefit. The Bank shall distribute the annual benefit to the Executive in twelve (12) equal monthly installments commencing on the first day of the month following the Normal Retirement Date. The annual benefit shall be distributed to the Executive for fifteen (15) years.

2.2 Early Termination Benefit. If Early Termination occurs, the Bank shall distribute to the Executive the benefit described in this Section 2.2 in lieu of any other benefit under this Article.

- 2.2.1 Amount of Benefit. The annual benefit under this Section 2.2 is the Early Termination Annual Benefit set forth on Schedule A for the Plan Year ended immediately prior to the date on which the Early Termination occurs. Additionally, the annual benefit amount shall be increased by a pro-rated amount relative to the Executive's service during the partial Plan Year in which the Early Termination occurs. This amount will be added to the annual benefit amount at the end of the preceding Plan Year on Schedule A. For example, assuming that Early Termination occurs on January 31, 2023, the Early Termination Annual Benefit would be the sum of the Early Termination Annual Benefit for the January 1 – December 31, 2022 Plan Year, plus a pro-rated portion of the Early Termination Annual Benefit for the January 1 – December 31, 2023 Plan Year).
- 2.2.2 Distribution of Benefit. The Bank shall distribute the annual benefit to the Executive in twelve (12) equal monthly installments commencing on the first day of the month following the Separation from Service. The annual benefit shall be distributed to the Executive for fifteen (15) years.

2.3 Disability Benefit. If the Executive experiences a Disability prior to Normal Retirement Age, the Bank shall distribute to the Executive the benefit described in this Section 2.3 in lieu of any other benefit under this Article.

- 2.3.1 Amount of Benefit. The annual benefit under this Section 2.3 is the Disability Annual Benefit set forth on Schedule A for the Plan Year ended immediately prior to the date on which the Disability occurs. Additionally, the annual benefit amount shall be increased by a pro-rated amount relative to the Executive's service during

the partial Plan Year in which the Separation from Service occurs. This amount will be added to the annual benefit amount at the end of the preceding Plan Year on Schedule A, consistent with the example in Section 2.2.1.

2.3.2 Distribution of Benefit. The Bank shall distribute the annual benefit to the Executive in twelve (12) equal monthly installments commencing on the first day of the month following the Disability. The annual benefit shall be distributed to the Executive for fifteen (15) years.

2.4 Change in Control Benefit. If a Change in Control occurs prior to Normal Retirement Age followed by Separation from Service within twenty-four (24) months following the Change in Control, the Bank shall distribute to the Executive the benefit described in this Section 2.4 in lieu of any other benefit under this Article.

2.4.1 Amount of Benefit. The annual benefit under this Section 2.4 shall be equal to the amount of the benefit payable under Section 2.1.1, as the same may be increased from time to time in accordance with the terms thereof.

2.4.2 Distribution of Benefit. The Bank shall distribute the annual benefit to the Executive in twelve (12) equal monthly installments commencing on the first day of the month following Separation from Service. The annual benefit shall be distributed to the Executive for fifteen (15) years.

2.5 Death Prior to Commencement of Benefit Payments. If the Executive dies prior to Separation from Service and Normal Retirement Age, the Bank shall distribute to the Beneficiary the benefit described in this Section 2.5. This benefit shall be distributed in lieu of any other benefit under this Article.

2.5.1 Amount of Benefit. The benefit under this Section 2.5 is the Pre-retirement Death Benefit amount set forth on Schedule A for the Plan Year ended immediately prior to the date on which the Separation from Service due to death occurs. Additionally, the annual benefit amount shall be increased by a pro-rated amount relative to the Executive's service during the partial Plan Year in which the Separation from Service due to death takes place. This amount will be added to the annual benefit amount at the end of the preceding Plan Year on Schedule A, consistent with the example in Section 2.2.1.

2.5.2 Distribution of Benefit. The Bank shall distribute the annual benefit to the Beneficiary in twelve (12) equal monthly installments commencing within sixty (60) days following the Executive's death. The annual benefit shall be distributed to the Beneficiary for fifteen (15) years.

2.6 Death During Distribution of a Benefit. If the Executive dies after benefit payments have commenced under this Agreement, but before receiving all such payments, the Bank shall pay the remaining benefits to the Executive's Beneficiary at the same time and in the same amounts they would have been paid to the Executive had the Executive survived.

2.7 Restriction on Commencement of Distributions. Notwithstanding any provision of this Agreement to the contrary, if the Executive is considered a Specified Employee, the provisions of this Section 2.7 shall govern all distributions hereunder. If benefit distributions which would otherwise be made to the Executive due to Separation from Service are limited by Code Section 409A and regulations thereunder because the Executive is a Specified Employee, then such distributions shall not be made during the first six (6) months following Separation from Service. Rather, any distribution which would otherwise be paid to the Executive during such period shall be accumulated and paid to the Executive in a lump sum on the first day of the seventh month following Separation from Service. All subsequent distributions shall be paid in the manner specified.

2.8 Distributions Upon Taxation of Amounts Deferred. If, pursuant to Code Section 409A, the Federal Insurance Contributions Act or other state, local or foreign tax, the Executive becomes subject to tax on the amounts deferred hereunder, then the Bank may make a limited distribution to the Executive in a manner that conforms to the requirements of Code Section 409A. Any such distribution will decrease the Executive's benefits distributable under this Agreement.

2.9 Acceleration of Payments. Except as specifically permitted herein, no acceleration of the time or schedule of any payment may be made hereunder. Notwithstanding the foregoing, payments may be accelerated, in accordance with the provisions of Treasury Regulation §1.409A-3(j)(4) in the following circumstances: (i) as a result of certain domestic relations orders; (ii) in compliance with ethics agreements with the federal government; (iii) in compliance with the ethics laws or conflicts of interest laws; (iv) in limited cashouts (but not in excess of the limit under Code Section 402(g)(1)(B)); (v) to pay employment-related taxes; or (vi) to pay any taxes that may become due at any time that the Agreement fails to meet the requirements of Code Section 409A.

2.10 Delays in Payment by Bank. A payment may be delayed to a date after the designated payment date under any of the circumstances described below, and the provision will not fail to meet the requirements of establishing a permissible payment event. The delay in the payment will not constitute a subsequent deferral election, so long as the Bank treats all payments to similarly situated Participants on a reasonably consistent basis.

2.10.1 Payments subject to Code Section 162(m). If the Bank reasonably anticipates that the Bank's deduction with respect to any distribution under this Agreement would be limited or eliminated by application of Code Section 162(m), then to the extent deemed necessary by the Bank to ensure that the entire amount of any distribution from this Agreement is deductible, the Bank may delay payment of any amount that would otherwise be distributed under this Agreement. The delayed amounts shall be distributed to the Executive (or the Beneficiary in the event of the Executive's death) at the earliest date the Bank reasonably anticipates that the deduction of the payment of the amount will not be limited or eliminated by application of Code Section 162(m).

2.10.2 Payments that would violate Federal securities laws or other applicable law. A payment may be delayed where the Bank reasonably anticipates that the making of the payment will violate Federal securities laws or other applicable law provided

that the payment is made at the earliest date at which the Bank reasonably anticipates that the making of the payment will not cause such violation. The making of a payment that would cause inclusion in gross income or the application of any penalty provision of the Code is not treated as a violation of law.

2.10.3 Solvency. A payment may be delayed where the payment would jeopardize the ability of the Bank to continue as a going concern.

2.11 Treatment of Payment as Made on Designated Payment Date. Solely for purposes of determining compliance with Code Section 409A, any payment under this Agreement made after the required payment date shall be deemed made on the required payment date provided that such payment is made by the latest of: (i) the end of the calendar year in which the payment is due; (ii) the 15th day of the third calendar month following the payment due date; (iii) if the Bank cannot calculate the payment amount on account of administrative impracticality which is beyond the Executive's control, the end of the first calendar year which payment calculation is practicable; and (iv) if the Bank does not have sufficient funds to make the payment without jeopardizing the Bank's solvency, in the first calendar year in which the Bank's funds are sufficient to make the payment.

2.12 Facility of Payment. If a distribution is to be made to a minor, or to a person who is otherwise incompetent, then the Plan Administrator may make such distribution: (i) to the legal guardian, or if none, to a parent of a minor payee with whom the payee maintains his or her residence; or (ii) to the conservator or administrator or, if none, to the person having custody of an incompetent payee. Any such distribution shall fully discharge the Bank and the Plan Administrator from further liability on account thereof.

2.13 Certain Reduction of Payments.

2.13.1 Anything in this Agreement to the contrary notwithstanding, in the event that it shall be determined as set forth herein that any payment or distribution by the Corporation or the Bank to or for the benefit of Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (a "Payment"), would constitute an "excess parachute payment" within the meaning of Section 280G of the Code, and that it would be economically advantageous to Executive to reduce the Payment to avoid or reduce the taxation of excess parachute payments under Section 4999 of the Code, the aggregate present value of amounts payable or distributable to or for the benefit of Executive pursuant to this Agreement (such payments or distributions pursuant to this Agreement are hereinafter referred to as "Agreement Payments") shall be reduced (but not below zero) to the Reduced Amount. The "Reduced Amount" shall be an amount expressed in present value which maximizes the aggregate present value of Agreement Payments without causing any Payment to be subject to the taxation under Section 4999 of the Code. For purposes of this Section 2.13, present value shall be determined in accordance with Section 280G(d)(4) of the Code.

2.13.2 All determinations to be made under this Section 2.13 shall be made, in writing, by the Corporation's independent certified public accountant immediately prior to the Change in Control (the "Accounting Firm"), which firm shall provide its determinations and any supporting calculations in writing to both the Bank and Executive within ten (10) days of the date of termination. Any such determination by the Accounting Firm shall be binding upon the Bank and Executive. Executive shall in his or her sole discretion determine which and how much of the Agreement Payments shall be eliminated or reduced consistent with the requirements of this Section 2.13, which determination shall be made by delivery of written notice to the Bank within 10 days of Executive's receipt of the determination of the Accounting Firm. Within five (5) days after Executive's timely determination, the Bank shall pay (or cause to be paid) or distribute (or cause to be distributed) to or for the benefit of Executive, such amounts as are then due to Executive under this Agreement. In the event Executive does not make such timely determination then within 15 days after the Bank's receipt of the determination of the Accounting Firm, the Bank in its sole discretion may pay (or cause to be paid) or distribute (or cause to be distributed) to or for the benefit of Executive such portion of the Agreement Payments as it may deem appropriate, but no less than the Reduced Amount.

2.13.3 As a result of the uncertainty in the application of Section 280G of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Agreement Payments, as the case may be, will have been made by the Bank which should not have been made ("Overpayment") or that additional Agreement Payments which have not been made by the Bank could have been made ("Underpayment"), in each case, consistent with the calculations required to be made hereunder. Within two (2) years after the Separation from Service, the Accounting Firm shall review the determination made by it pursuant to the preceding paragraph. In the event that the Accounting Firm determines that an Overpayment has been made, any such Overpayment shall be treated for all purposes as a loan to Executive which Executive shall repay to the Bank together with interest at the applicable Federal rate provided for in Section 7872(f)(2) of the Code (the "Federal Rate"); provided, however, that no amount shall be payable by Executive to the Bank if and to the extent such payment would not reduce the amount which is subject to taxation under Section 4999 of the Code. In the event that the Accounting Firm determines that an Underpayment has occurred, any such Underpayment shall be promptly paid by the Bank to or for the benefit of Executive together with interest thereon at the Federal Rate.

2.13.4 All of the fees and expenses of the Accounting Firm in performing the determinations referred to in paragraphs (b) and (c) above shall be borne solely by the Corporation or the Bank. The Bank agrees to indemnify and hold harmless the Accounting Firm of and from any and all claims, damages and expenses of any nature resulting from or relating to its determinations pursuant to paragraphs (b) and (c) above, except for claims, damages or expenses resulting from the gross negligence or willful misconduct of the Accounting Firm.

2.14 Change in Form or Timing of Distributions. For distribution of benefits under this Article 2, the Executive and the Bank may, subject to the terms of Section 7.1, amend this Agreement to delay the timing or change the form of distributions. Any such amendment (a) may not accelerate the time or schedule of any distribution, except as provided in Code Section 409A; (b) must, for benefits distributable under Section 2.2 be made at least twelve (12) months prior to the first scheduled distribution; (c) must, for benefits distributable under Sections 2.1, 2.2, and 2.4, delay the commencement of distributions for a minimum of five (5) years from the date the first distribution was originally scheduled to be made; and (d) must take effect not less than twelve (12) months after the amendment is made.

Article 3 Beneficiaries

3.1 In General. The Executive shall have the right, at any time, to designate a Beneficiary to receive any benefit distributions under this Agreement upon the death of the Executive. The Beneficiary designated under this Agreement may be the same as or different from the beneficiary designated under any other plan of the Bank in which the Executive participates.

3.2 Designation. The Executive shall designate a Beneficiary by completing and signing the Beneficiary Designation Form and delivering it to the Plan Administrator or its designated agent. If the Executive names someone other than the Executive's spouse as a Beneficiary, the Plan Administrator may, in its sole discretion, determine that spousal consent is required to be provided in a form designated by the Plan Administrator, executed by the Executive's spouse and returned to the Plan Administrator. The Executive's beneficiary designation shall be deemed automatically revoked if the Beneficiary predeceases the Executive or if the Executive names a spouse as Beneficiary and the marriage is subsequently dissolved. The Executive shall have the right to change a Beneficiary by completing, signing and otherwise complying with the terms of the Beneficiary Designation Form and the Plan Administrator's rules and procedures. Upon the acceptance by the Plan Administrator of a new Beneficiary Designation Form, all Beneficiary designations previously filed shall be cancelled. The Plan Administrator shall be entitled to rely on the last Beneficiary Designation Form filed by the Executive and accepted by the Plan Administrator prior to the Executive's death.

3.3 Acknowledgment. No designation or change in designation of a Beneficiary shall be effective until received, accepted and acknowledged in writing by the Plan Administrator or its designated agent.

3.4 No Beneficiary Designation. If the Executive dies without a valid beneficiary designation, or if all designated Beneficiaries predecease the Executive, then the Executive's spouse shall be the designated Beneficiary. If the Executive has no surviving spouse, any benefit shall be paid to the Executive's estate.

3.5 Facility of Distribution. If the Plan Administrator determines in its discretion that a benefit is to be distributed to a minor, to a person declared incompetent or to a person incapable of handling the disposition of that person's property, the Plan Administrator may direct distribution

of such benefit to the guardian, legal representative or person having the care or custody of such minor, incompetent person or incapable person. The Plan Administrator may require proof of incompetence, minority or guardianship as it may deem appropriate prior to distribution of the benefit. Any distribution of a benefit shall be a distribution for the account of the Executive and the Beneficiary, as the case may be, and shall completely discharge any liability under this Agreement for such distribution amount.

Article 4 **General Limitations**

4.1 Termination for Cause. Notwithstanding any provision of this Agreement to the contrary, the Bank shall not distribute any benefit under this Agreement if the Executive's employment with the Bank is terminated by the Bank due to a Termination for Cause.

4.2 Misstatement. No benefit shall be distributed if an insurance company which issued a life insurance policy covering the Executive and owned by the Bank denies coverage (i) for material misstatements of fact made by the Executive on an application for such life insurance, or (ii) for any other reason.

4.3 Removal. Notwithstanding any provision of this Agreement to the contrary, the Bank shall not distribute any benefit under this Agreement if the Executive is subject to a final removal or prohibition order issued by an appropriate federal banking agency pursuant to Section 8(e) of the Federal Deposit Insurance Act.

4.4 Regulatory Restrictions. Notwithstanding anything herein to the contrary, any payments made to the Executive pursuant to this Agreement, or otherwise, shall be subject upon compliance with 12 U.S.C. Section 1828 and FDIC Regulation 12 CFR Part 359, Golden Parachute Indemnification Payments and any other regulations or guidance promulgated thereunder.

4.5 Competition after Separation from Service. The Executive shall forfeit, for the Executive and the Beneficiary, any unpaid benefits payable hereunder, if the Executive:

- (a) directly or indirectly, and whether as principal or investor or as an employee, officer, director, manager, partner, consultant, agent, or otherwise, alone or in association with any other Person, becomes involved in a Competing Business (as defined below) in any county in the Commonwealth of Pennsylvania in which the Corporation, the Bank or any of their Affiliates has maintained a branch or other office during the period of Executive's employment (excluding an ownership interest of \$100,000 or less in the stock of one or more publicly-traded companies); or
- (b) directly or indirectly, whether alone or in association with any other Person, for the purpose of conducting or engaging in any Competing Business, calls upon, solicits, or advises any Person who is, or was, during the then most recent 12-month period, a customer of the Corporation, the Bank or any of their Affiliates, or takes away or interferes or attempts to take away or interfere with any custom, trade, business, patronage, or affairs of the Corporation, the Bank or any of their Affiliates, or hires

or attempts to hire, or otherwise engages or attempts to engage as an independent contractor or otherwise any Person who is, or was during the then most recent 12-month period, an employee, officer, representative, or agent of the Corporation, the Bank or any of their Affiliates, or solicits, induces, or attempts to solicit or induce any Person who is an employee, officer, representative, or agent of the Corporation, the Bank or any of their Affiliates to leave the employ of the Corporation, the Bank or any of their Affiliates or cease their business relationship with Corporation, the Bank or any of their Affiliates (as the case may be), or violate the terms of their contracts, or any employment arrangements, with the Corporation, the Bank or any of their Affiliates.

The restrictive provisions set forth in this Section 4.5 are intended to operate independently of, and not replace or be superseded by, any similar provisions contained in any other agreement between Executive and the Bank or Corporation. Although Executive and the Corporation and the Bank consider the restrictions contained in this Section 4.5 to be the minimum restriction reasonable for the purposes of preserving the Corporation's and the Bank's goodwill and other proprietary rights, if a final determination is made by a court that the time or territory, or any other restriction contained in this Section 4.5 is an unreasonable or otherwise unenforceable restriction against the Executive, the provisions of this Section 4.5 will not be rendered void, but will be deemed amended to apply as to such maximum time and territory and to such other extent as the court may determine to be reasonable. Notwithstanding the foregoing, this Section 4.5 shall not apply following: (i) a Separation of Service after attaining Normal Retirement Age if such Separation of Service is the result of an involuntary termination of Executive's employment by the Bank (other than a Termination for Cause); (ii) a Change in Control; or (iii) a Separation of Service prior to attaining Normal Retirement Age if such Separation of Service is the result of an involuntary termination of Executive's employment by the Bank (other than a Termination for Cause) or a Termination for Good Reason; provided, however, that in the event of a termination as described in clause (iii) or a Termination for Cause, the provisions of Section 4.5(b) shall be effective for six months following the Separation of Service.

Article 5 **Administration of Agreement**

5.1 Plan Administrator Duties. The Plan Administrator shall be responsible for the management, operation, and administration of the Agreement. When making a determination or calculation, the Plan Administrator shall be entitled to rely on information furnished by the Bank, Executive or Beneficiary. No provision of this Agreement shall be construed as imposing on the Plan Administrator any fiduciary duty under ERISA or other law, or any duty similar to any fiduciary duty under ERISA or other law.

5.2 Authority of Plan Administrator. The Plan Administrator shall enforce this Agreement in accordance with its terms, shall be charged with the general administration of this Agreement, and shall have all powers necessary to accomplish its purposes.

5.3 Binding Effect of Decisions. The decision or action of the Plan Administrator with respect to any question arising out of or in connection with the administration, interpretation or

application of this Agreement and the rules and regulations promulgated hereunder shall be final, conclusive and binding upon all persons having any interest in this Agreement.

5.4 Compensation and Indemnity of Plan Administrator. The Plan Administrator shall serve without compensation for services rendered hereunder. The Plan Administrator is authorized at the expense of the Bank to employ such legal counsel and/or recordkeeper as it may deem advisable to assist in the performance of its duties hereunder. Expenses and fees incurred in connection with the administration of this Agreement shall be paid by the Bank.

5.5 Bank Information. To enable the Plan Administrator to perform its functions, the Bank shall supply full and timely information to the Plan Administrator on all matters relating to the date and circumstances of the Executive's death, Disability or Separation from Service, and such other pertinent information as the Plan Administrator may reasonably require.

5.6 Termination of Participation. If the Plan Administrator determines in good faith that the Executive no longer qualifies as a member of a select group of management or highly compensated employees, as determined in accordance with ERISA, the Plan Administrator shall have the right, in its sole discretion, to cease further benefit accruals hereunder.

Article 6 **Claims and Review Procedures**

6.1 Claims Procedure. An Executive or Beneficiary ("claimant") who has not received benefits under this Agreement that he or she believes should be distributed shall make a claim for such benefits as follows:

- 6.1.1 Initiation – Written Claim. The claimant initiates a claim by submitting to the Plan Administrator a written claim for the benefits. If such a claim relates to the contents of a notice received by the claimant, the claim must be made within sixty (60) days after such notice was received by the claimant. All other claims must be made within one hundred eighty (180) days of the date on which the event that caused the claim to arise occurred. The claim must state with particularity the determination desired by the claimant.
- 6.1.2 Timing of Plan Administrator Response. The Plan Administrator shall respond to such claimant within thirty (30) days after receiving the claim. If the Plan Administrator determines that special circumstances require additional time for processing the claim, the Plan Administrator can extend the response period by an additional thirty (30) days by notifying the claimant in writing, prior to the end of the initial thirty (30) day period, that an additional period is required. The notice of extension must set forth the special circumstances and the date by which the Plan Administrator expects to render its decision.
- 6.1.3 Notice of Decision. If the Plan Administrator denies part or all of the claim, the Plan Administrator shall notify the claimant in writing of such denial. The Plan Administrator shall write the notification in a manner calculated to be understood by the claimant. The notification shall set forth:

- (a) The specific reasons for the denial;
- (b) A reference to the specific provisions of this Agreement on which the denial is based;
- (c) A description of any additional information or material necessary for the claimant to perfect the claim and an explanation of why it is needed;
- (d) An explanation of this Agreement's review procedures and the time limits applicable to such procedures; and
- (e) A statement of the claimant's right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination on review.

6.2 Review Procedure. If the Plan Administrator denies part or the entire claim, the claimant shall have the opportunity for a full and fair review by the Plan Administrator of the denial as follows:

- 6.2.1 Initiation – Written Request. To initiate the review, the claimant, within sixty (60) days after receiving the Plan Administrator's notice of denial, must file with the Plan Administrator a written request for review.
- 6.2.2 Additional Submissions – Information Access. The claimant shall then have the opportunity to submit written comments, documents, records and other information relating to the claim. The Plan Administrator shall also provide the claimant, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant (as defined in applicable ERISA regulations) to the claimant's claim for benefits.
- 6.2.3 Considerations on Review. In considering the review, the Plan Administrator shall take into account all materials and information the claimant submits relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.
- 6.2.4 Timing of Plan Administrator Response. The Plan Administrator shall respond in writing to such claimant within thirty (30) days after receiving the request for review. If the Plan Administrator determines that special circumstances require additional time for processing the claim, the Plan Administrator can extend the response period by an additional thirty (30) days by notifying the claimant in writing, prior to the end of the initial thirty (30) day period, that an additional period is required. The notice of extension must set forth the special circumstances and the date by which the Plan Administrator expects to render its decision.
- 6.2.5 Notice of Decision. The Plan Administrator shall notify the claimant in writing of its decision on review. The Plan Administrator shall write the notification in a manner calculated to be understood by the claimant. The notification shall set forth:
 - (a) The specific reasons for the denial;

- (b) A reference to the specific provisions of this Agreement on which the denial is based;
- (c) A statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant (as defined in applicable ERISA regulations) to the claimant's claim for benefits; and
- (d) A statement of the claimant's right to bring a civil action under ERISA Section 502(a).

Article 7 **Amendments and Termination**

7.1 Amendments, Generally. Except as provided in Section 7.2, this Agreement may be amended only by a written agreement signed by both the Bank and the Executive.

7.2 Amendment to Ensure Proper Characterization of Agreement. Notwithstanding anything in this Agreement to the contrary, this Agreement may be amended by the Bank at any time, if found necessary in the opinion of the Bank: (i) to ensure that the Agreement is characterized as a plan of deferred compensation maintained for a select group of management or highly compensated employees as described under ERISA; (ii) to conform the Agreement to the requirements of any applicable law; or (iii) to comply with the written instructions of the Bank's auditors or banking regulators.

7.3 Agreement Termination, Generally. Except as provided in Section 7.4, this Agreement may be terminated only by a written agreement signed by the Bank and the Executive. Such termination shall not cause a distribution of benefits under this Agreement. Rather, upon such termination, benefit distributions will be made at the earliest distribution event permitted under Article 2.

7.4 Effect of Complete Terminations. Notwithstanding anything to the contrary in Section 7.3, and subject to the requirements of Code Section 409A and Treasury Regulations §1.409A-3(j)(4)(ix), at certain times the Bank may completely terminate and liquidate the Agreement. In the event of such a complete termination in accordance with subsections 7.4.1 or 7.4.3 below, the Bank shall pay the Executive the Accrued Benefit. In the event of such a complete termination in accordance with subsection 7.4.2 below, the Bank shall pay the Executive the present value, determined using the Discount Rate, of the benefit described in Section 2.4 hereof. In either event, such complete termination of the Agreement shall occur only under the following circumstances and conditions:

7.4.1 Corporate Dissolution or Bankruptcy. The Bank may terminate and liquidate this Agreement within twelve (12) months of a corporate dissolution taxed under Code Section 331, or with the approval of a bankruptcy court pursuant to 11 U.S.C. §503(b)(1)(A), provided that all benefits paid under the Agreement are included in the Executive's gross income in the latest of: (i) the calendar year which the termination occurs; (ii) the calendar year in which the amount is no longer

subject to a substantial risk of forfeiture; or (iii) the first calendar year in which the payment is administratively practicable.

7.4.2 **Change in Control.** The Bank may terminate and liquidate this Agreement by taking irrevocable action to terminate and liquidate within the thirty (30) days preceding or the twelve (12) months following a Change in Control. This Agreement will then be treated as terminated only if all substantially similar arrangements sponsored by the Bank which are treated as deferred under a single plan under Treasury Regulations §1.409A-1(c)(2) are terminated and liquidated with respect to each participant who experienced the Change in Control so that the Executive and any participants in any such similar arrangements are required to receive all amounts of compensation deferred under the terminated arrangements within twelve (12) months of the date the Bank takes the irrevocable action to terminate the arrangements.

7.4.3 **Discretionary Termination.** The Bank may terminate and liquidate this Agreement provided that: (i) the termination does not occur proximate to a downturn in the financial health of the Bank; (ii) all arrangements sponsored by the Bank and Affiliates that would be aggregated with any terminated arrangements under Treasury Regulations §1.409A-1(c) are terminated; (iii) no payments, other than payments that would be payable under the terms of this Agreement if the termination had not occurred, are made within twelve (12) months of the date the Bank takes the irrevocable action to terminate this Agreement; (iv) all payments are made within twenty-four (24) months following the date the Bank takes the irrevocable action to terminate and liquidate this Agreement; and (v) neither the Bank nor any of its Affiliates adopts a new arrangement that would be aggregated with any terminated arrangement under Treasury Regulations §1.409A-1(c) if the Executive participated in both arrangements at any time within three (3) years following the date the Bank takes the irrevocable action to terminate this Agreement.

Article 8 **Miscellaneous**

8.1 **Binding Effect.** This Agreement shall bind the Executive, Beneficiary and the Bank and their respective successors, heirs, executors and administrators.

8.2 **No Effect on Other Rights.** This Agreement constitutes the entire agreement between the Bank and the Executive as to the subject matter hereof. No rights are granted to the Executive by virtue of this Agreement other than those specifically set forth herein. Nothing contained herein will confer upon the Executive the right to be retained in the service of the Bank nor limit the right of the Bank to discharge or otherwise deal with the Executive without regard to the existence hereof.

8.3 **Non-Transferability.** Benefits under this Agreement cannot be sold, transferred, assigned, pledged, attached or encumbered in any manner.

8.4 Tax Withholding and Reporting. The Bank shall withhold any taxes that are required to be withheld, including but not limited to taxes owed under Code Section 409A from the benefits provided under this Agreement. The Executive acknowledges that the Bank's sole liability regarding taxes is to forward any amounts withheld to the appropriate taxing authorities. The Bank shall satisfy all applicable reporting requirements, including those under Code Section 409A.

8.5 Applicable Law. This Agreement and all rights hereunder shall be governed by the laws of the Commonwealth of Pennsylvania, except to the extent preempted by the laws of the United States of America.

8.6 Unfunded Arrangement. The Executive and the Beneficiary are general unsecured creditors of the Bank for the distribution of benefits under this Agreement. The benefits represent the mere promise by the Bank to distribute such benefits. The rights to benefits are not subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment by creditors. Any insurance on the Executive's life or other informal funding asset is a general asset of the Bank to which the Executive and Beneficiary have no preferred or secured claim.

8.7 Reorganization. The Bank shall not merge or consolidate into or with another bank, or reorganize, or sell substantially all of its assets to another bank, firm or person unless such succeeding or continuing bank, firm or person agrees to assume and discharge the obligations of the Bank under this Agreement. Upon the occurrence of such an event, the term "Bank" as used in this Agreement shall be deemed to refer to the successor or survivor entity.

8.8 Entire Agreement. This Agreement constitutes the entire agreement between the Bank and the Executive as to the subject matter hereof. No rights are granted to the Executive by virtue of this Agreement other than those specifically set forth herein.

8.9 Interpretation. Wherever the fulfillment of the intent and purpose of this Agreement requires and the context will permit, the use of the masculine gender includes the feminine and use of the singular includes the plural.

8.10 Alternative Action. In the event it shall become impossible for the Bank or the Plan Administrator to perform any act required by this Agreement due to regulatory or other constraints, the Bank or Plan Administrator may perform such alternative act as most nearly carries out the intent and purpose of this Agreement and is in the best interests of the Bank, provided that such alternative act does not violate Code Section 409A.

8.11 Headings. Article and section headings are for convenient reference only and shall not control or affect the meaning or construction of any provision herein.

8.12 Validity. If any provision of this Agreement shall be illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts hereof, but this Agreement shall be construed and enforced as if such illegal or invalid provision had never been included herein.

8.13 Notice. Any notice, consent or demand required or permitted to be given to the Bank or Plan Administrator under this Agreement shall be sufficient if in writing and hand-delivered or sent by registered or certified mail to the Bank's principal business office. Any notice or filing required or permitted to be given to the Executive or Beneficiary under this Agreement shall be sufficient if in writing and hand-delivered or sent by mail to the last known address of the Executive or Beneficiary, as appropriate. Any notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark or on the receipt for registration or certification.

8.14 Coordination with Other Benefits. The benefits provided for the Executive or the Beneficiary under this Agreement are in addition to any other benefits available to the Executive under any other plan or program for employees of the Bank. This Agreement shall supplement and shall not supersede, modify, or amend any other such plan or program except as may otherwise be expressly provided herein.

8.15 Aggregation of Agreement. If the Bank offers other non-qualified deferred compensation plans, this Agreement and those plans shall be treated as a single plan to the extent required under Code Section 409A.

8.16 Compliance with Section 409A. This Agreement shall be interpreted and administered consistent with Code Section 409A. The Bank and the Executive intend that the Agreement comply with the provisions of Code Section 409A to prevent the inclusion in gross income of any amounts deferred hereunder in a taxable year prior to the year in which amounts are actually paid to the Executive or Beneficiary. This Agreement shall be construed, administered and governed in a manner that affects such intent, and the Administrator shall not take any action that would be inconsistent therewith.

[signature page follows]

IN WITNESS WHEREOF, the Executive and a duly authorized representative of the Bank have signed this Agreement.

EXECUTIVE

MID PENN BANK

/s/ Jordan Space

Jordan Space

By: /s/ Rory G. Ritrievi

Title: President and CEO

[Signature Page to Supplemental Executive Retirement Plan Agreement of Jordan Space]

SCHEDULE A

Jordan Space

Plan Year	Early Termination	Disability	Pre-Retirement Death
Annual Benefit	Annual Benefit	Annual Benefit	
Plan Years Commencing on the Effective Date and Ending on December 31, 2022	\$0	\$0	\$0
January 1 – December 31, 2023	\$8,000	\$8,000	\$8,000
January 1 – December 31, 2024	\$16,000	\$16,000	\$16,000
January 1 – December 31, 2025	\$24,000	\$24,000	\$24,000
January 1 – December 31, 2026	\$32,000	\$32,000	\$32,000
January 1 – December 31, 2027	\$40,000	\$40,000	\$40,000
January 1 – December 31, 2028	\$48,000	\$48,000	\$48,000
January 1 – December 31, 2029	\$56,000	\$56,000	\$56,000
January 1 – December 31, 2030	\$64,000	\$64,000	\$64,000
January 1 – December 31, 2031	\$72,000	\$72,000	\$72,000
January 1 – December 31, 2032 and All Subsequent Plan Years	\$80,000	\$80,000	\$80,000

BENEFICIARY DESIGNATION FORM

{ } New Designation
{ } Change in Designation

I, Jordan Space, designate the following as Beneficiary under this Agreement:

Primary:	_____	_____ %
	_____	_____ %
Contingent:	_____	_____ %
	_____	_____ %

Notes:

- Please PRINT CLEARLY or TYPE the names of the beneficiaries.
- To name a trust as Beneficiary, please provide the name of the trustee(s) and the exact name and date of the trust agreement.
- To name your estate as Beneficiary, please write “Estate of [your name]”.
- Be aware that none of the contingent beneficiaries will receive anything unless ALL of the primary beneficiaries predecease you.

I understand that I may change these beneficiary designations by delivering a new written designation to the Plan Administrator, which shall be effective only upon receipt and acknowledgment by the Plan Administrator prior to my death. I further understand that the designations will be automatically revoked if the Beneficiary predeceases me, or, if I have named my spouse as Beneficiary and our marriage is subsequently dissolved.

Name: **Jordan Space**

Signature: _____ Date _____

Received by the Plan Administrator this _____ day of _____, 20____

By: _____

Title: _____

EXHIBIT 31.1

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO EXCHANGE ACT RULES
13A-14(A)/15D-14(A) AS ADDED BY SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002
CERTIFICATION**

I, Rory G. Ritrievi, certify that:

1. I have reviewed this report on Form 10-Q of Mid Penn Bancorp, Inc.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) Significant deficiencies and material weaknesses, if any, in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Rory G. Ritrievi
Rory G. Ritrievi
Chair, President and CEO

Date: May 8, 2024

EXHIBIT 31.2

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO EXCHANGE ACT RULES
13A-14(A)/15D-14(A) AS ADDED BY SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002
CERTIFICATION**

I, Justin T. Webb, certify that:

1. I have reviewed this report on Form 10-Q of Mid Penn Bancorp, Inc.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) Significant deficiencies and material weaknesses, if any, in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Justin T. Webb
Justin T. Webb
Chief Financial Officer

Date: May 8, 2024

EXHIBIT 32

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER AND
PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350
AS ADDED BY SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of Mid Penn Bancorp, Inc. (the "Corporation") on Form 10-Q for the period ending March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Rory G. Ritrievi, President and CEO, and I, Justin T. Webb, Chief Financial Officer, certify, pursuant to 18 U.S.C. Section 1350, as added pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934.
2. To my knowledge, the information contained in the Report fairly presents, in all material respects the financial condition and results of operations of Mid Penn Bancorp, Inc. as of the dates and for the periods expressed in the Report.

By: /s/ Rory G. Ritrievi

Rory G. Ritrievi

Chair, President and CEO

Date: May 8, 2024

By: /s/ Justin T. Webb

Justin T. Webb

Chief Financial Officer

Date: May 8, 2024