

REFINITIV

## DELTA REPORT

### 10-K

PFC - PREMIER FINANCIAL CORP

10-K - DECEMBER 31, 2023 COMPARED TO 10-K - DECEMBER 31, 2022

The following comparison report has been automatically generated

**TOTAL DELTAS** 5397

█ **CHANGES** 726

█ **DELETIONS** 1960

█ **ADDITIONS** 2711

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2022 2023

or

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

Commission File Number 0-26850

PREMIER FINANCIAL CORP.

(Exact name of registrant as specified in its charter)

OHIO

(State or other jurisdiction of  
incorporation or organization)

601 Clinton Street, Defiance, Ohio

(Address of principal executive offices)

34-1803915

(I.R.S. Employer  
Identification Number)

43512

(Zip code)

Registrant's telephone number, including area code: (419) 782-5015 785-8700

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

Common Stock, Par Value \$0.01 Per Share

(Title of Class)

PFC

(Trading Symbol)

The NASDAQ Stock Market

(Name of each exchange on which registered registered)

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

None

(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes  No

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 the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer



Accelerated filer



Non accelerated filer



Smaller reporting company



Emerging growth company



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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under **Section 404(b)** of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive **officers** during the relevant recovery period pursuant to §240.10D-1(b).

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

The aggregate market value of the voting stock held by non-affiliates of the registrant computed by reference to the closing price of such stock as of **June 30, 2022** **June 30, 2023**, was approximately **\$882.8** **560.3** million.

As of **February 22, 2023** **February 21, 2024**, there were issued and outstanding **35,606,641** **35,729,694** shares of the registrant's common stock.

#### Documents Incorporated by Reference

Part III of this Form 10-K incorporates by reference certain information from the registrant's definitive Proxy Statement for the **2023** **2024** Annual Meeting of the registrant's shareholders.

Auditor Firm Id: 173 Auditor Name: Crowe, LLP Auditor Location: Cleveland, OH USA

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## PART I

### Item 1. Business

Premier Financial Corp. ("Premier" or the "Company") is a **bank** financial holding company that conducts business through **for** its wholly-owned subsidiaries, Premier Bank (the "Bank"), **PFC Risk Management Inc.** ("PFC Risk Management"), **PFC Capital, LLC** ("PFC Capital") and **First Insurance Group of the Midwest, Inc.** ("First Insurance"), **PFC Risk Management Inc.** ("PFC Risk Management") and **PFC Capital, LLC** ("PFC Capital"). All significant intercompany transactions and balances are eliminated in consolidation. Premier's stock is traded on the NASDAQ Global Select Market under the ticker PFC.

The Company's core business operations are conducted through its subsidiaries:

**Premier Bank:** The Bank is an Ohio state-chartered bank headquartered in Youngstown, Ohio. The Bank conducts operations through **74** **75** full-service banking center offices, **12** **9** loan offices and two wealth offices located in Ohio, Michigan, Indiana **Pennsylvania** and **West Virginia**.**Pennsylvania**.

The Bank is primarily engaged in community banking. It attracts deposits from the general public through its offices and website, and uses those and other available sources of funds to originate residential real estate loans, commercial real estate loans, commercial loans, home improvement and home equity loans and consumer loans. In addition, the Bank invests in U.S. Treasury and federal government agency obligations, obligations of states and political subdivisions, mortgage-backed securities that are issued by federal agencies, including real estate mortgage investment conduits ("REMICs") and residential collateralized mortgage obligations ("CMOs"), and corporate bonds. The Bank's deposits are insured by the Federal Deposit Insurance Corporation ("FDIC"). The Bank is a member of the Federal Home Loan Bank ("FHLB") System.

**First Insurance Group of the Midwest:** First Insurance is a wholly-owned subsidiary of Premier that conducts business throughout Premier's markets. First Insurance offers property and casualty insurance, life insurance and group health insurance.

**PFC Risk Management:** PFC Risk Management is a wholly-owned insurance company subsidiary of the Company that was formed to insure the Company and its subsidiaries against certain risks unique to the operations of the Company and for which insurance may not be currently available or economically feasible in today's insurance marketplace. PFC Risk Management pools resources with several other similar insurance company subsidiaries of financial institutions to help minimize the risk allocable to each participating insurer.

**PFC Capital:** PFC Capital provides mezzanine funding for customers of the Bank. Mezzanine loans are offered by PFC Capital to customers in the Company's market area and are expected to be repaid from the cash flow from operations of the borrowing businesses.

**First Insurance Group of the Midwest:** First Insurance was an insurance agency that conducted business throughout Premier's markets. First Insurance offered property and casualty insurance, life insurance and group health insurance. On June 30, 2023, the Company completed the sale of substantially all of the assets (including \$24.7 million of goodwill and intangibles) of First Insurance to Risk Strategies Corporation ("Buyer"). Consideration included a combination of cash and a subordinated note resulting in net cash received of \$47.4 million after certain transaction costs at closing, the assumption of certain leases, and contingent consideration subject to certain performance criteria by the Buyer to be determined after the year ended December 31, 2026. The Company recorded a pre-tax gain on sale of \$36.3 million, transaction costs of \$3.7 million and taxes of \$8.5 million for a \$24.1 million increase to equity in 2023.

**PFC Risk Management:** PFC Risk Management was a wholly-owned insurance company subsidiary of the Company that was formed to insure the Company and its subsidiaries against certain risks unique to the operations of the Company and for which insurance was not available or economically feasible in the insurance marketplace. PFC Risk Management pooled resources with several other similar insurance company subsidiaries of financial institutions to help minimize the risk allocable to each participating insurer. Due to pending changes in tax law, PFC Risk Management was dissolved and liquidated in December 2023.

Premier's website, [www.yourpremierfincorp.com](http://www.yourpremierfincorp.com), contains a hyperlink under the Investor Relations section to EDGAR, where the annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 are available free of charge as soon as reasonably practicable after Premier has filed the report with the U. S. Securities and Exchange Commission ("SEC").

The Company's principal executive offices are located at 601 Clinton Street, Defiance, Ohio 43512, and its telephone number is (419) 782-5015.

#### **Business Strategy**

Premier's primary objective is to be a high-performing, community-focused financial institution, well regarded in its market areas. Premier accomplishes this through emphasis on local decision making and empowering its employees with tools and knowledge to serve its customers' needs. Premier believes in a "Customer First" "customer first" philosophy that is strengthened by its Mission & Vision and Core Values initiatives. Premier also has a tagline of "Powered by People" as an indication of its commitment to local, responsive, personalized service. Premier believes this strategy results in greater customer loyalty and profitability through core relationships. Premier is focused on diversification of revenue sources and increased market penetration in areas where the growth potential exists for a balance between acquisition and organic growth. The primary elements of Premier's business strategy are commercial banking, consumer banking, the origination and sale of single-family residential loans, enhancement of fee income, and wealth management, and insurance sales, each united by a strong customer service culture throughout the organization.

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**Commercial and Commercial Real Estate Lending** - Commercial and commercial real estate lending have been an ongoing focus and a major component of the Bank's Company's success. The Bank primarily provides commercial real estate and commercial business loans with an emphasis on owner-occupied commercial real estate and commercial business lending, including a focus on the deposit balances that accompany these relationships. The Bank's client base tends to be small to middle market customers with annual gross revenues generally between \$1 million and \$50 million. These customers require the Bank to have a high degree of knowledge and understanding of their business in order to provide them with solutions for their financial needs. The Bank's "Customer First" "customer first" philosophy and culture complement the needs of its clients. The Bank believes this personal service model differentiates the Bank from its competitors, particularly the larger regional institutions. The Bank offers a wide variety of products to support commercial clients including remote deposit capture and other cash management services. The Bank also believes that the small business customer is a strong market for the Bank. The Bank and participates in many of the Small Business Administration lending programs. Maintaining a diversified portfolio with an emphasis on monitoring industry concentrations and reacting to changes in the credit characteristics of industries is an ongoing focus.

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**Consumer Banking** - The Bank offers customers a full range of deposit products including demand, checking, money market, certificates of deposits, Certificate of Deposit Account Registry Service ("CDARS") and savings accounts. The Bank offers a full range of investment products through the wealth management department and a wide variety of consumer loan products, including residential mortgage loans, home equity loans, and installment loans. The Bank also offers online digital banking services, which include mobile banking, person-to-person payments ("P2P"), Zelle, online bill pay, and online account opening as well as the MoneyPass ATM Network offering access to our customers to over 32,000 40,000 ATMs nationwide without a surcharge fee.

**Fee Income Development** - Generation of fee income and the diversification of revenue sources are accomplished primarily through the mortgage banking operation First Insurance and the wealth management department as Premier seeks to reduce reliance on retail transaction fee income.

**Deposit Growth** - The Bank's focus has been to grow core deposits with an emphasis on total relationship banking for both our retail and commercial customers. The Bank's pricing strategy considers the whole relationship of the customer. The Bank continues to focus on increasing its market share in the communities it serves by providing quality products with extraordinary customer service, business development strategies and branch expansion. The Bank will look to grow its footprint in areas believed to further complement its overall market share and complement its strategy of being a high-performing community bank.

**Asset Quality** - Maintaining a strong credit culture is of the utmost importance to the Bank. The Bank has maintained a strong credit approval and review process that has allowed the Company to maintain a credit quality standard that balances the return with the risks of industry concentrations and loan types. The Bank is primarily a collateral lender with an emphasis on cash flow performance, while obtaining additional support from personal guarantees and secondary sources of repayment. The Bank has directed its attention to loan types and markets that it knows well and in which it has historically been successful. The Bank strives to have loan relationships that are well diversified in both size and industry, and monitors the overall trends in the portfolio to maintain its industry and loan type concentration targets. The Bank maintains a problem loan remediation process that focuses on detection and resolution. The Bank maintains a strong process of internal control that subjects the loan portfolio to periodic internal reviews as well as independent third-party loan review.

**Expansion Opportunities** - Premier believes it is well positioned to take advantage of acquisitions or other business expansion opportunities in and around its market areas, Premier believes it has a track record of successfully accomplishing both acquisitions and de novo branching in its market area, branching. This track record puts the Company Premier in a solid position to enter or expand its business. Premier will continue to be disciplined as well as opportunistic in its approach to future acquisitions and de novo branching with a focus on its primary geographic market area, which it knows well, and has been competing in for a long period of time, as well as surrounding market areas.

#### **Securities**

During 2022, 2023, Premier's securities portfolio was managed in accordance with a written policy adopted by the Board of Directors and administered by the Investment Committee. The Chief Executive Officer, Chief Financial Officer, Chief Lending Credit Officer and Treasurer can each approve transactions up to \$3.0 million. Two of the four officers

are required to approve transactions between \$3.0 million and \$30.0 million. All transactions in excess of \$30.0 million must be approved by the Bank's Asset Liability Committee ("ALCO").

Premier's securities portfolio is classified as either "available-for-sale" or "held-to-maturity." In addition, Premier held equity securities totaling \$7.8 million at December 31, 2022 December 31, 2023, which must be marked to market through the income statement. Securities classified as "available-for-sale" may be sold prior to maturity due to changes in interest rates, prepayment risks, and availability of alternative investments, or to meet the Company's Premier's liquidity needs.

The carrying value of securities at December 31, 2022 December 31, 2023, by contractual maturity is shown below. Expected maturities will differ from contractual maturities because issuers may have the right to call or prepay obligations with or without call or prepayment penalties.

The carrying value of investment securities is as follows:

|  | December 31         |                     |                   | December 31,      |                     |                     |
|--|---------------------|---------------------|-------------------|-------------------|---------------------|---------------------|
|  | 2022                | 2021                | 2020              | 2023              | 2022                | 2021                |
|  | (In Thousands)      |                     |                   | (In Thousands)    |                     |                     |
| <b>Available-for-sale securities:</b>                    |                     |                     |                   |                   |                     |                     |
| Obligations of U.S. government corporations and agencies | \$ 144,107          | \$ 174,710          | \$ 40,940         | \$ 150,775        | \$ 144,107          | \$ 174,710          |
| Obligations of states and political subdivisions         | 221,594             | 273,202             | 237,518           | 204,258           | 221,594             | 273,202             |
| CMOs and mortgage-backed securities                      | 417,394             | 466,919             | 383,481           | 392,275           | 417,394             | 466,919             |
| Asset-backed securities                                  | 192,504             | 220,536             | 30,546            | 136,980           | 192,504             | 220,536             |
| Corporate bonds  | 64,482              | 70,893              | 44,169            | 62,420            | 64,482              | 70,893              |
| <b>Total</b>   | <b>\$ 1,040,081</b> | <b>\$ 1,206,260</b> | <b>\$ 736,654</b> | <b>\$ 946,708</b> | <b>\$ 1,040,081</b> | <b>\$ 1,206,260</b> |

For additional information regarding Premier's investment portfolio, refer to Note 4 – Investment Securities in the Consolidated Financial Statements.

## Residential Loan Servicing Activities

Servicing mortgage loans for investors involves a contractual right to receive a fee for processing and administering loan payments on mortgage loans that are not owned by the Company and are not included on the Company's balance sheet. This processing involves collecting monthly mortgage payments on behalf of investors, reporting information to those investors on a monthly basis and maintaining custodial escrow accounts for the payment of principal and interest to investors and property taxes and insurance premiums on

behalf of borrowers. At December 31, 2022 December 31, 2023, the Company serviced loans totaling \$3.0 billion \$2.9 billion in principal. The vast majority of the loans serviced for others are fixed rate conventional mortgage loans. The Company primarily sells its loans to, and then services for, Freddie Mac, Fannie Mae and the FHLB.

As compensation for its mortgage servicing activities, the Company receives servicing fees, usually approximating 0.25% per annum of the loan balances serviced, plus any late charges collected from delinquent borrowers and other fees incidental to the services provided. In the event of a default by the borrower, the Company receives no servicing fees until the default is cured. Loan servicing fees decrease as the principal balance on the outstanding loan decreases and as the remaining time to maturity of the loan shortens.

## Lending Activities

**General** – Financial institutions are limited in the amount of loans they may make to one borrower. At December 31, 2022 December 31, 2023, the Bank's legal limit on loans-to-one borrower was \$128.2 million \$142.7 million.

**Loan Portfolio Composition** – The Total loans net increase in net loans receivable of undisbursed loan funds and deferred fees increased over the prior year was by \$278.8 million for 2023 and \$1.2 billion for 2022 and a net decrease of \$195.1 million for 2021. The loan portfolio contains no foreign loans. The Company's loan portfolio is concentrated geographically in northwest, northeast and central Ohio, northeast Indiana, Morgantown, West Virginia, western Pennsylvania and southeast Michigan market areas. Management has identified lending for income-generating rental multifamily properties within commercial real estate as an industry concentration. Total loans for income-generating rental from multifamily property totaled \$2.4 billion \$642.7 million at December 31, 2022 December 31, 2023, which represents 33.4% 9.2% of the Company's loan portfolio.

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The following table sets forth the composition of the Company's loan portfolio by type of loan at the dates indicated.

| December 31  |        |        |                                    |                                 | December 31,                    |                                 |                                 |   |   |
|--|--------|--------|------------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---|---|
| 2022   | 2021   | 2020   | 2019                               | 2018                            | 2023                            | 2022                            | 2021                            | 2020  | 2019                                      |
| A  | A      | A      | A                                  | A                               |                                 |                                 |                                 |   |   |
| mo   | mo     | mo     | mo                                 | mo                              |                                 |                                 |                                 |   |   |
| un   | un     | un     | un                                 | un                              |                                 |                                 |                                 |   |   |
| t  | %      | t      | %                                  | t                               | %                               | t                               | %                               | t   | %   |
| (Dollars in Thousands)                                       |        |        |                                    |                                 | (Dollars in Thousands)          |                                 |                                 |   |   |
| Real<br>estat<br>e:  |        |        |                                    |                                 |                                 |                                 |                                 |   |   |
| Re<br>sid<br>en<br>tial<br>re<br>al<br>est<br>at<br>e        | 1<br>, | 1<br>, | 1<br>5<br>3<br>5<br>1<br>7<br>\$ 4 | 1<br>2<br>0<br>7<br>4<br>0<br>6 | 1<br>2<br>2<br>4<br>0<br>0<br>. | 1<br>3<br>2<br>4<br>1<br>1<br>% | 1<br>3<br>2<br>4<br>1<br>1<br>% | 1,810,265<br>\$ 1,535,574<br>\$ 1,167,466<br>\$ 1,201,051<br>\$ 324,773 | 25.8%<br>21.6%<br>20.2%<br>20.5%<br>11.3% |
| Co<br>m<br>m<br>er<br>cia<br>l<br>re<br>al<br>est<br>at<br>e | 2<br>, | 2<br>, | 2<br>7<br>6<br>2<br>8<br>1<br>1    | 2<br>3<br>8<br>0<br>3<br>.      | 1<br>5<br>0<br>6<br>2<br>.      | 1<br>4<br>0<br>4<br>2<br>.      | 1<br>4<br>0<br>4<br>2<br>.      | 2,839,905<br>2,762,311<br>2,450,349<br>2,383,001<br>1,506,026           | 40.5%<br>38.8%<br>42.5%<br>40.8%<br>52.4% |





|       |      |      |      |      |              |              |              |              |              |        |
|-------|------|------|------|------|--------------|--------------|--------------|--------------|--------------|--------|
| All   |      |      |      |      |              |              |              |              |              |        |
| ow    |      |      |      |      |              |              |              |              |              |        |
| an    |      |      |      |      |              |              |              |              |              |        |
| ce    |      |      |      |      |              |              |              |              |              |        |
| for   |      |      |      |      |              |              |              |              |              |        |
| cr    | 7    | 6    | 8    | 3    | 2            |              |              |              |              |        |
| edi   | 2    | 6    | 2    | 1    | 8            |              |              |              |              |        |
| t     | ,    | ,    | ,    | ,    | ,            |              |              |              |              |        |
| los   | 8    | 4    | 0    | 2    | 3            |              |              |              |              |        |
| se    | 1    | 6    | 7    | 4    | 3            |              |              |              |              |        |
| s     | 6    | 8    | 9    | 3    | 1            | 76,512       | 72,816       | 66,468       | 82,079       | 31,243 |
| Net   | 6    | 5    | 5    | 2    | 2            |              |              |              |              |        |
| loans | ,    | ,    | ,    | ,    | ,            |              |              |              |              |        |
|       | 3    | 2    | 4    | 7    | 5            |              |              |              |              |        |
|       | 8    | 2    | 0    | 4    | 1            |              |              |              |              |        |
|       | 7    | 9    | 9    | 6    | 1            |              |              |              |              |        |
|       | ,    | ,    | ,    | ,    | ,            |              |              |              |              |        |
|       | 8    | 7    | 1    | 3    | 7            |              |              |              |              |        |
|       | 0    | 0    | 6    | 2    | 0            |              |              |              |              |        |
| \$ 4  | \$ 0 | \$ 1 | \$ 1 | \$ 8 | \$ 6,662,875 | \$ 6,387,804 | \$ 5,229,700 | \$ 5,409,161 | \$ 2,746,321 |        |

In addition to the loans reported above, Premier had \$145.6 million, \$115.3 million, \$162.9 million, \$221.6 million, \$18.0 million, and \$6.6 million \$18.0 million in loans classified as held for sale at December 31, 2022 December 31, 2023, 2022, 2021, 2020 2019 and 2018 2019, respectively. The fair value of such loans, which consist of single-family residential mortgage and other commercial real estate loans, approximated their carrying value for all years presented.

**Contractual Principal, Repayments and Interest Rates** – The following table sets forth the dollar amount of gross loans due more than one year from December 31, 2022 December 31, 2023, which have fixed interest rates or which have floating or adjustable interest rates.

|                | Floating or  |              |              | Floating or  |              |              |
|----------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                | Fixed        | Adjustable   |              | Fixed        | Adjustable   |              |
|                | Rates        | Rates        | Total        | Rates        | Rates        | Total        |
| (In Thousands) |              |              |              |              |              |              |
| Real estate    | \$ 2,545,450 | \$ 1,805,543 | \$ 4,350,993 | \$ 2,728,378 | \$ 2,013,485 | \$ 4,741,863 |
| Commercial     | 398,758      | 207,838      | 606,596      | 376,268      | 208,950      | 585,218      |
| Other          | 201,509      | 1,623        | 203,132      | 184,138      | 445          | 184,583      |
|                | \$ 3,145,717 | \$ 2,015,004 | \$ 5,160,721 | \$ 3,288,784 | \$ 2,222,880 | \$ 5,511,664 |

The following table shows the maturity distribution of loans outstanding as of December 31, 2022 December 31, 2023.

(1) Total loans are net of undisbursed loan funds and deferred fees and costs

**Originations, Purchases and Sales of Loans** – The lending activities of Premier are subject to the written, non-discriminatory underwriting standards and loan origination procedures established by the Board of Directors and management. Loan originations are obtained from a variety of sources, including referrals from existing customers, real estate brokers, developers and builders, newspaper, internet and radio advertising, and walk-in customers. The Bank's loan approval process for all types of loans is intended to assess the borrower's ability to repay the loan, the viability of the loan and the adequacy of the value of the collateral that will secure the loan.

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The following table shows total loans originated, loan reductions, and the net increase (decrease) in the Company's total loans net of undisbursed loan funds and deferred fees and loans held for sale during the periods indicated:

|                             | Years Ended December 31 |            |              |
|-----------------------------|-------------------------|------------|--------------|
|                             | 2022                    | 2021       | 2020         |
|                             | (In Thousands)          |            |              |
| <b>Loan originations:</b>   |                         |            |              |
| Residential real estate     | \$ 729,083              | \$ 947,089 | \$ 1,123,587 |
| Commercial real estate      | 476,635                 | 539,680    | 488,898      |
| Construction                | 919,829                 | 754,757    | 461,283      |
| Commercial                  | 597,331                 | 626,358    | 581,858      |
| Home equity and improvement | 144,731                 | 156,805    | 86,740       |

|  |                |              |              |
|--|----------------|--------------|--------------|
| Consumer finance   | 161,104        | 71,937       | 36,363       |
| Total loans originated   | 3,028,713      | 3,096,626    | 2,778,729    |
| Loans acquired in acquisitions   | —              | —            | 2,340,701    |
| Loans purchased  | —              | —            | —            |
| Loan payoffs, sales and repayments   | (1,721,110)    | (3,235,740)  | (1,943,026)  |
| Net increase (decrease) in total loans and loans held for sale   | \$ 1,307,603   | \$ (139,114) | \$ 3,176,404 |
| Years Ended December 31,   |                |              |              |
|  | 2023           | 2022         | 2021         |
|  | (In Thousands) |              |              |
| Loan originations:   |                |              |              |
| Residential real estate  | \$ 306,859     | \$ 729,083   | \$ 947,089   |
| Commercial real estate   | 316,804        | 476,635      | 539,680      |
| Construction   | 809,202        | 919,829      | 754,757      |
| Commercial   | 253,949        | 597,331      | 626,358      |
| Home equity and improvement  | 91,082         | 144,731      | 156,805      |
| Consumer finance   | 55,558         | 161,104      | 71,937       |
| Total loans originated   | 1,833,454      | 3,028,713    | 3,096,626    |
| Loans acquired in acquisitions   | —              | —            | —            |
| Loans purchased  | —              | —            | —            |
| Loan payoffs, sales and repayments   | (1,524,297)    | (1,721,110)  | (3,235,740)  |
| Net increase (decrease) in loans net of undisbursed loan funds and deferred fees and loans held for sale | \$ 309,157     | \$ 1,307,603 | \$ (139,114) |

#### Asset Quality

Premier's credit policy establishes guidelines to manage credit risk and asset quality. These guidelines include loan review and early identification of problem loans to ensure sound credit decisions. Premier's credit policies and review procedures are meant to minimize the risks and uncertainties inherent in lending. In following the policies and procedures, management must rely on estimates, appraisals and evaluations of loans and the possibility that changes in these could occur because of changing economic conditions.

**Delinquent Loans** — The following table sets forth information concerning delinquent loans at December 31, 2022 December 31, 2023, in dollar amount and as a percentage of Premier's total loan portfolio. The amounts presented represent the total outstanding principal balances of the related loans, rather than the actual payment amounts that are past due.

|                         | 30 to 59 Days |     | 60 to 89 Days |     | 90 Days and Over |    | Total |    | 30 to 59 Days |        | 60 to 89 Days |        | 90 Days and Over |        | Total      |        |            |
|-------------------------|---------------|-----|---------------|-----|------------------|----|-------|----|---------------|--------|---------------|--------|------------------|--------|------------|--------|------------|
|                         | Days          |     | Days          |     | and Over         |    | Total |    | Days          |        | Days          |        | and Over         |        | Total      |        |            |
|                         | Am            | cen | Am            | cen | cen              | Am | cen   | Am | cen           | Amount | Percentage    | Amount | Percentage       | Amount | Percentage | Amount | Percentage |
| (Dollars in Thousands)  |               |     |               |     |                  |    |       |    |               |        |               |        |                  |        |            |        |            |
| Residential real estate |               |     |               |     |                  |    |       |    |               | 1      |               |        |                  |        |            |        |            |
|                         | 6             |     |               |     |                  |    |       |    |               | 2      |               |        |                  |        |            |        |            |
|                         | ,             |     | 6,            |     | ,                |    |       |    |               |        |               |        |                  |        |            |        |            |
|                         | 2             | 0.  | 3             | 0.  | 2                | 0. | 8     | 0. |               |        |               |        |                  |        |            |        |            |
|                         | 7             | 0   | 5             | 1   | 0                | 1  | 3     | 2  |               |        |               |        |                  |        |            |        |            |
|                         | \$ 9          | 0%  | \$ 0          | 0%  | \$ 3             | 0% | \$ 2  | 0% | \$ 152        | 0.00%  | \$ 8,302      | 0.12%  | \$ 11,216        | 0.17%  | \$ 19,670  | 0.29%  |            |
| Commercial real estate  |               |     |               |     |                  |    |       |    |               | 1      |               |        |                  |        |            |        |            |
|                         |               |     |               |     |                  |    |       |    |               | 2      |               |        |                  |        |            |        |            |
|                         |               |     |               |     |                  |    |       |    |               | ,      |               |        |                  |        |            |        |            |
|                         | 1             |     |               |     |                  |    |       |    |               |        |               |        |                  |        |            |        |            |
|                         | 3             | 0.  | 8             | 0.  | 4                | 0. | 6     | 0. |               |        |               |        |                  |        |            |        |            |
|                         | 2             | 0   | 7             | 0   | 7                | 1  | 8     | 2  |               |        |               |        |                  |        |            |        |            |
|                         | 7             | 1%  | 8             | 1%  | 7                | 8% | 2     | 0% | 163           | 0.00%  | 312           | 0.00%  | 1,275            | 0.02%  | 1,750      | 0.03%  |            |

Overall, the level of delinquencies of 0.61% at December 31, 2022 decreased from the levels at December 31, 2021, when Premier reported that 0.74% of its outstanding loans were at least 30 days delinquent. The level of total loans 90 or more days delinquent has decreased to 0.44% at December 31, 2022, down from 0.48% at December 31, 2021. The level of total loans 60-89 days delinquent decreased to 0.21% at December 31, 2023, up from 0.15% at December 31, 2022, down from 0.20% at December 31, 2021. The level of loans that were 30 to 59 days past due increased to 0.08% at December 31, 2023, down from 0.14% at December 31, 2022, up from 0.07% at December 31, 2021. Management has assessed the collectability of all loans that are 90 days or more delinquent as part of its procedures in establishing the allowance for credit losses. Management believes the improving trends continued stability in the economy contributed to the decrease seen in 2022.

**Non-performing Assets** – All loans are reviewed on a regular basis and are placed on non-accrual status when, in the opinion of management, the collectability of additional interest is not expected. Generally, Premier places all loans 90 days or more past due on non-accrual status. Premier also places loans on non-accrual status when the loan is paying as agreed but the Company believes the financial condition of the borrower is such that this classification is warranted. When a loan is placed on non-accrual status, total unpaid interest accrued to date is reversed. Subsequent payments are generally applied to the outstanding principal balance but may be recorded as interest income, depending on the assessment of the ultimate collectability of the loan. Premier considers a loan individually evaluated when, based on current information and events, it is probable that the Bank will be unable to collect all amounts due (both principal and interest) according to the contractual terms of the loan agreement. Premier measures impairment based on the present value of expected future cash flows discounted at the loan's effective interest rate, the loan's observable market price, or the fair value of the collateral, if collateral dependent. If the estimated recoverability of the individually evaluated loan is less than the recorded investment, Premier will recognize impairment by allocating a portion of the allowance for credit

losses on cash flow dependent loans and by charging off the deficiency on collateral dependent loans. See Note 6 of the Notes to the Consolidated Financial Statements for additional information.

Real estate acquired by foreclosure is classified as real estate owned until such time as it is sold. Premier also repossesses other assets securing loans, consisting primarily of automobiles. When such property is acquired it is recorded at fair value less cost to sell. Costs relating to development and improvement of property are capitalized, whereas costs relating to holding the property are expensed. Valuations are periodically performed by management and a write-down of the value is recorded with a corresponding charge to operations if it is determined that the carrying value of property exceeds its estimated net realizable value. The balance of real estate owned at December 31, 2023, was \$243,000. During 2023, there was \$15,000 of expense related to write-downs in fair value of real estate acquired by foreclosure or acquisition. The balance of real estate owned at December 31, 2022, was \$619,000. During 2022, there was \$8,600 of expense related to write-downs in fair value of real estate acquired by foreclosure or acquisition. The balance of real estate owned at December 31, 2021 was \$171,000. During 2021, there was \$81,000 of expense related to write-downs in fair value of real estate acquired by foreclosure or acquisition.

As of December 31, 2022 December 31, 2023, Premier's total non-performing loans amounted to \$33.8 million \$35.5 million or 0.52% 0.53% of total loans (net of undisbursed loan funds and deferred fees and costs), compared to \$48.0 million \$33.8 million or 0.91% 0.52% of total loans, at December 31, 2021 December 31, 2022. Non-performing loans are loans which are 90 days or more past due or on non-accrual.

The following table sets forth the amounts and categories of Premier's non-performing assets (excluding individually evaluated loans not considered non-performing) and troubled debt restructurings at the dates indicated.

|  | December 31            |                  |                  |                  |                  |
|--|------------------------|------------------|------------------|------------------|------------------|
|  | 2022                   | 2021             | 2020             | 2019             | 2018             |
|  | (Dollars in Thousands) |                  |                  |                  |                  |
| <b>Non-performing loans:</b>   |                        |                  |                  |                  |                  |
| Residential real estate  | \$ 7,724               | \$ 9,034         | \$ 10,178        | \$ 2,411         | \$ 3,640         |
| Commercial real estate   | 13,396                 | 14,621           | 11,980           | 7,609            | 10,357           |
| Construction   | —                      | —                | 806              | —                | —                |
| Commercial   | 4,862                  | 11,531           | 1,365            | 2,961            | 4,500            |
| Home equity and improvement  | 1,637                  | 2,051            | 1,537            | 449              | 393              |
| Consumer finance   | 2,401                  | 1,873            | 1,624            | 7                | 126              |
| Purchase Credit Deteriorated ("PCD")   | 3,802                  | 8,904            | 24,192           | —                | —                |
| <b>Total non-performing loans</b>  | <b>33,822</b>          | <b>48,014</b>    | <b>51,682</b>    | <b>13,437</b>    | <b>19,016</b>    |
| Real estate owned  | 619                    | 171              | 343              | 100              | 1,205            |
| <b>Total repossessed assets</b>  | <b>619</b>             | <b>171</b>       | <b>343</b>       | <b>100</b>       | <b>1,205</b>     |
| <b>Total non-performing assets</b>   | <b>\$ 34,441</b>       | <b>\$ 48,185</b> | <b>\$ 52,025</b> | <b>\$ 13,537</b> | <b>\$ 20,221</b> |
| Restructured loans, accruing   | \$ 6,587               | \$ 7,768         | \$ 8,486         | \$ 11,573        | \$ 13,770        |
| Total non-performing assets as a percentage of total assets                              | 0.41%                  | 0.64%            | 0.72%            | 0.39%            | 0.64%            |
| Total non-performing loans as a percentage of total loans*                               | 0.52%                  | 0.91%            | 0.96%            | 0.49%            | 0.75%            |
| Total non-performing assets as a percentage of total loans plus other real estate owned* | 0.53%                  | 0.91%            | 0.96%            | 0.49%            | 0.80%            |
| Allowance for credit losses as a percent of total non-performing assets                  | 211.42%                | 137.94%          | 157.77%          | 230.80%          | 140.11%          |
| <b>December 31,</b>  |                        |                  |                  |                  |                  |
|  | 2023                   | 2022             | 2021             | 2020             | 2019             |
|  | (Dollars in Thousands) |                  |                  |                  |                  |
| <b>Non-performing loans:</b>   |                        |                  |                  |                  |                  |
| Residential real estate  | \$ 13,028              | \$ 7,724         | \$ 9,034         | \$ 10,178        | \$ 2,411         |

|  |                  |                  |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|------------------|
| Commercial real estate   | <b>5,971</b>     | 13,396           | 14,621           | 11,980           | 7,609            |
| Construction   | —                | —                | —                | 806              | —                |
| Commercial   | <b>8,649</b>     | 4,862            | 11,531           | 1,365            | 2,961            |
| Home equity and improvement  | <b>1,417</b>     | 1,637            | 2,051            | 1,537            | 449              |
| Consumer finance   | <b>3,433</b>     | 2,401            | 1,873            | 1,624            | 7                |
| Purchase Credit Deteriorated ("PCD")   | <b>2,993</b>     | 3,802            | 8,904            | 24,192           | —                |
| Total non-performing loans   | <b>35,491</b>    | 33,822           | 48,014           | 51,682           | 13,437           |
| Real estate owned  | <b>243</b>       | 619              | 171              | 343              | 100              |
| Total repossessed assets   | <b>243</b>       | 619              | 171              | 343              | 100              |
| Total non-performing assets  | <b>\$ 35,734</b> | <b>\$ 34,441</b> | <b>\$ 48,185</b> | <b>\$ 52,025</b> | <b>\$ 13,537</b> |
| Total non-performing assets as a percentage of total assets                              | <b>0.41 %</b>    | <b>0.41 %</b>    | <b>0.64 %</b>    | <b>0.72 %</b>    | <b>0.39 %</b>    |
| Total non-performing loans as a percentage of total loans*                               | <b>0.53 %</b>    | <b>0.52 %</b>    | <b>0.91 %</b>    | <b>0.96 %</b>    | <b>0.49 %</b>    |
| Total non-performing assets as a percentage of total loans plus other real estate owned* | <b>0.53 %</b>    | <b>0.53 %</b>    | <b>0.91 %</b>    | <b>0.96 %</b>    | <b>0.49 %</b>    |
| Allowance for credit losses as a percent of total non-performing assets                  | <b>214.12 %</b>  | <b>211.42 %</b>  | <b>137.94 %</b>  | <b>157.77 %</b>  | <b>230.80 %</b>  |

\* Total loans are net of undisbursed loan funds and deferred fees and costs.

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**Allowance for credit losses** – Premier adopted the current expected credit losses ("CECL") accounting standard in 2020. As a result, 2023, 2022, 2021 and 2020 credit loss and provision are not comparable to years prior to 2020 allowance for loan loss data. Premier maintains an allowance for credit losses to absorb current expected losses in the loan portfolio. The allowance for credit losses is made up of two components. The first is a general reserve, which is used to record credit loss reserves for groups of homogenous loans in which the Company estimates the current expected credit losses in the portfolio based on quantitative and qualitative factors. Premier adopted the current expected credit losses ("CECL") accounting standard in 2020. As a result, 2022, 2021 and 2020 credit loss and provision are not comparable to years prior to 2020 allowance for loan loss data.

The second component of the allowance for credit losses is the specific reserve in which the Company sets aside reserves based on the analysis of individual credits. In evaluating the adequacy of its allowance each quarter, management grades all loans in the commercial portfolio. See "Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations – Allowance for credit losses" for further discussion on management's evaluation of the allowance for credit losses.

Loans are charged against the allowance when such loans meet the Company's established policy on loan charge-offs and the allowance itself is adjusted quarterly by recording a provision for credit losses. As such, actual losses and losses provided for should be approximately the same if the overall quality, composition and size of the portfolio remained static along with a static economic environment. To the extent that the portfolio grows at a rapid rate or overall quality or the economic environment deteriorates, the provision generally will exceed charge-offs. However, in certain circumstances, net charge-offs may exceed the provision for credit losses when management determines that loans previously provided for in the allowance for credit losses are uncollectible and should be charged-off or as overall credit or the economic environment improves. Although management believes that it uses the best information available to make such determinations, future adjustments to the allowance may be necessary, and net earnings could be significantly affected, if circumstances differ substantially from the assumptions used in making the initial determinations.

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At December 31, 2022 December 31, 2023, Premier's allowance for credit losses totaled \$72.8 million \$76.5 million compared to \$66.5 million \$72.8 million at December 31, 2021 December 31, 2022. The following table sets forth the activity in Premier's allowance for credit losses during the periods indicated.

|   | Years Ended December 31 |           |           |           |           |  |
|---|-------------------------|-----------|-----------|-----------|-----------|--|
|   | 2022                    |           | 2021      |           | 2020      |  |
|   | (Dollars in Thousands)  |           |           |           |           |  |
| Allowance at beginning of year                      | \$ 66,468               | \$ 82,079 | \$ 31,243 | \$ 28,331 | \$ 26,683 |  |
| Impact of ASC 326 Adoption                          | —                       | —         | 2,354     | —         | —         |  |
| Acquisition related allowance for credit loss (PCD) | —                       | —         | 7,698     | —         | —         |  |

|  |                  |                  |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|------------------|
| Provision (benefit) for credit losses                                    | <b>12,503</b>    | (6,733)          | 43,154           | 2,905            | 1,176            |
| <b>Charge-offs:</b>  |                  |                  |                  |                  |                  |
| Residential real estate  | (1,025)          | (110)            | (302)            | (515)            | (261)            |
| Commercial real estate   | (443)            | (3,776)          | (65)             | (148)            | (1,387)          |
| Construction   | (16)             | —                | (1)              | —                | —                |
| Commercial   | (5,341)          | (6,958)          | (687)            | (528)            | (724)            |
| Home equity and improvement  | (303)            | (63)             | (164)            | (245)            | (269)            |
| Consumer finance   | (963)            | (476)            | (279)            | (289)            | (233)            |
| PCD  | (440)            | (2)              | (4,854)          | —                | —                |
| Total charge-offs  | <b>(8,531)</b>   | (11,385)         | (6,352)          | (1,725)          | (2,874)          |
| Recoveries   | <b>2,376</b>     | 2,507            | 3,982            | 1,732            | 3,346            |
| Net (charge-offs) recoveries   | <b>(6,155)</b>   | (8,878)          | (2,370)          | 7                | 472              |
| Ending allowance   | <b>\$ 72,816</b> | <b>\$ 66,468</b> | <b>\$ 82,079</b> | <b>\$ 31,243</b> | <b>\$ 28,331</b> |
| Allowance for credit losses to total non-performing loans at end of year | <b>215.29 %</b>  | 138.43 %         | 158.82 %         | 232.51 %         | 148.99 %         |
| Allowance for credit losses to total loans at end of year*               | <b>1.13 %</b>    | 1.26 %           | 1.49 %           | 1.12 %           | 1.12 %           |
| Net charge-offs (recoveries) for the year to average loans               | <b>0.10 %</b>    | 0.16 %           | 0.05 %           | —                | (0.02) %         |

|  | Years Ended December 31, |                  |                  |                  |                  |
|--|--------------------------|------------------|------------------|------------------|------------------|
|  | 2023                     |                  | 2022             |                  | 2021             |
|  | (Dollars in Thousands)   | \$               | \$               | \$               | \$               |
| Allowance at beginning of year   | <b>\$ 72,816</b>         | <b>\$ 66,468</b> | <b>\$ 82,079</b> | <b>\$ 31,243</b> | <b>\$ 28,331</b> |
| Impact of ASC 326 Adoption   | —                        | —                | —                | 2,354            | —                |
| Acquisition related allowance for credit loss (PCD)                      | —                        | —                | —                | 7,698            | —                |
| Provision (benefit) for credit losses                                    | <b>7,742</b>             | <b>12,503</b>    | <b>(6,733)</b>   | <b>43,154</b>    | <b>2,905</b>     |
| <b>Charge-offs:</b>  |                          |                  |                  |                  |                  |
| Residential real estate  | (320)                    | (1,025)          | (110)            | (302)            | (515)            |
| Commercial real estate   | (2,319)                  | (443)            | (3,776)          | (65)             | (148)            |
| Construction   | —                        | (16)             | —                | (1)              | —                |
| Commercial   | (2,334)                  | (5,341)          | (6,958)          | (687)            | (528)            |
| Home equity and improvement  | (160)                    | (303)            | (63)             | (164)            | (245)            |
| Consumer finance   | (1,478)                  | (963)            | (476)            | (279)            | (289)            |
| PCD  | (153)                    | (440)            | (2)              | (4,854)          | —                |
| Total charge-offs  | <b>(6,764)</b>           | <b>(8,531)</b>   | <b>(11,385)</b>  | <b>(6,352)</b>   | <b>(1,725)</b>   |
| Recoveries   | <b>2,718</b>             | <b>2,376</b>     | <b>2,507</b>     | <b>3,982</b>     | <b>1,732</b>     |
| Net (charge-offs) recoveries   | <b>(4,046)</b>           | <b>(6,155)</b>   | <b>(8,878)</b>   | <b>(2,370)</b>   | <b>7</b>         |
| Ending allowance   | <b>\$ 76,512</b>         | <b>\$ 72,816</b> | <b>\$ 66,468</b> | <b>\$ 82,079</b> | <b>\$ 31,243</b> |
| Allowance for credit losses to total non-performing loans at end of year | <b>215.58 %</b>          | 215.29 %         | 138.43 %         | 158.82 %         | 232.51 %         |
| Allowance for credit losses to total loans at end of year*               | <b>1.14 %</b>            | 1.13 %           | 1.26 %           | 1.49 %           | 1.12 %           |
| Net charge-offs (recoveries) for the year to average loans               | <b>0.06 %</b>            | 0.10 %           | 0.16 %           | 0.05 %           | —                |

\* Total loans are net of undisbursed loan funds and deferred fees and costs.

The provision for credit losses increased decreased in 2022 2023 primarily due to the growth in loan balances, lower volume. Refer to Notes 2 and 6 to the Consolidated Financial Statements for additional information. Management feels that the level of the allowance for credit losses at December 31, 2022 December 31, 2023, is sufficient to cover losses that may be incurred over the lifetime of loans in the portfolio.

The following table sets forth information concerning the allocation of Premier's allowance for credit losses by loan categories at the dates indicated. For information about the percent of total loans in each category to total loans, see "Lending Activities-Loan Portfolio Composition" above.

| December 31 | December 31, |
|-------------|--------------|
|-------------|--------------|

| 2022   | 2021  | 2020  | 2019  | 2018  | 2023                                      | 2022                      | 2021                      | 2020                      | 2019                      |             |        |             |        |             |       |
|--|---|---|---|---|---|---------------------------|---------------------------|---------------------------|---------------------------|-------------|--------|-------------|--------|-------------|-------|
| Pe<br>rce<br>nt<br>of<br>tot<br>al<br>loa<br>ns            | Pe<br>rce<br>nt<br>of<br>tot<br>al<br>loa<br>ns | Pe<br>rce<br>nt<br>of<br>tot<br>al<br>loa<br>ns | Pe<br>rce<br>nt<br>of<br>tot<br>al<br>loa<br>ns | Pe<br>rce<br>nt<br>of<br>tot<br>al<br>loa<br>ns | Percent of<br>total loans                 | Percent of<br>total loans | Percent of<br>total loans | Percent of<br>total loans | Percent of<br>total loans |             |        |             |        |             |       |
| A by<br>mo un<br>t ory                                     | A by<br>mo un<br>t ory                          | A by<br>mo un<br>t ory                          | A by<br>mo un<br>t ory                          | A by<br>mo un<br>t ory                          | Amount                                    | by category               | Amount                    | by category               | Amount                    | by category | Amount | by category | Amount | by category |       |
| (Dollars in Thousands)                                     |   |   |   |   |   |                           |                           |                           |                           |             |        |             |        |             |       |
| Resid<br>ential<br>real<br>estat<br>e                      | 1<br>6<br>,                                     | 1<br>2<br>,                                     | 1<br>7<br>,                                     | 1<br>2<br>,                                     | 1<br>2<br>,                               | 1<br>7,215                | 25.8%                     | 16,711                    | 21.6%                     | 12,029      | 20.2%  | 17,534      | 20.5%  | 2,867       | 11.3% |
| Com<br>merci<br>al<br>real<br>estat<br>e                   | 3<br>4<br>,                                     | 3<br>2<br>,                                     | 4<br>3<br>,                                     | 4<br>0<br>,                                     | 1<br>6<br>,                               | 1<br>5<br>,               | 40.5%                     | 34,218                    | 38.8%                     | 32,399      | 42.5%  | 43,417      | 40.8%  | 16,302      | 52.4% |
| Cons<br>tructi<br>on                                       | 4<br>0<br>2<br>5<br>7<br>9<br>8<br>8<br>%       | 3<br>1<br>0<br>5<br>0<br>1<br>9<br>%            | 2<br>1<br>1<br>4<br>0<br>0<br>0<br>%            | 4<br>4<br>5<br>5<br>2<br>0<br>2<br>%            | 1<br>1<br>1<br>5<br>1<br>6<br>2<br>%      | 36,053                    | 12.0%                     | 4,025                     | 17.9%                     | 3,004       | 15.0%  | 2,741       | 11.4%  | 996         | 10.6% |
| Com<br>merci<br>al<br>loans                                | 1<br>1<br>7<br>4<br>9<br>9<br>8<br>8<br>%       | 1<br>3<br>1<br>5<br>1<br>0<br>0<br>0<br>%       | 1<br>1<br>1<br>4<br>0<br>0<br>0<br>%            | 1<br>1<br>2<br>6<br>6<br>0<br>0<br>%            | 1<br>1<br>1<br>1<br>1<br>1<br>1<br>%      | 3,159                     | 15.1%                     | 11,769                    | 14.8%                     | 13,410      | 15.5%  | 11,665      | 20.6%  | 9,003       | 20.1% |
| Hom<br>e<br>equit<br>y and<br>impro<br>veme<br>nt<br>loans | 4<br>0<br>4<br>3<br>4<br>9<br>4<br>3<br>%       | 4<br>2<br>4<br>3<br>0<br>9<br>5<br>0<br>%       | 4<br>7<br>3<br>4<br>0<br>7<br>2<br>1<br>%       | 4<br>7<br>4<br>3<br>0<br>7<br>2<br>1<br>%       | 1<br>7<br>1<br>1<br>0<br>1<br>3<br>1<br>% | 15,489                    | 3.8%                      | 4,044                     | 3.9%                      | 4,221       | 4.6%   | 4,739       | 4.7%   | 1,700       | 4.3%  |
| Cons<br>umer<br>loans                                      | 2<br>,  | 1<br>,  | 1<br>,  | 1<br>,  | 1<br>,                                    | 2,703                     | 3.8%                      | 4,044                     | 3.9%                      | 4,221       | 4.6%   | 4,739       | 4.7%   | 1,700       | 4.3%  |
| (Dollars in Thousands)                                     |   |   |   |   |   |                           |                           |                           |                           |             |        |             |        |             |       |
|  | 9<br>9<br>0<br>0<br>%                           | 5<br>5<br>0<br>0<br>%                           | 2<br>2<br>0<br>0<br>%                           | 3<br>3<br>1<br>1<br>%                           | 3<br>3<br>1<br>1<br>%                     | 1,893                     | 2.8%                      | 2,049                     | 3.0%                      | 1,405       | 2.2%   | 1,983       | 2.1%   | 375         | 1.3%  |

## Sources of Funds

**General** – Deposits are the primary source of Premier's funds for lending and other investment purposes. In addition to deposits, Premier derives funds from loan principal repayments. Loan repayments are a relatively stable source of funds, while deposit inflows and outflows are significantly influenced by general interest rates and money other market conditions. Borrowings from the FHLB may be used on a short-term basis to compensate for reductions in the availability of funds from other sources. They may also be used on a longer-term basis for general business purposes.

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**Deposits** – Premier's deposits are attracted principally from within Premier's primary market area through the offering of a broad selection of deposit instruments, including checking accounts, money market accounts, savings accounts, and term certificate accounts. Deposit account terms vary, with the principal differences being the minimum balance required, the time periods the funds must remain on deposit, and the interest rate.

To supplement its funding needs, Premier also has the ability to utilize the national market for certificates of deposit, deposit and syndicated brokered deposits. Premier has used these deposits in the past and could in the future if necessary. Premier had no national market certificates of deposit \$341.9 million and \$143.7 million in brokered deposits as of December 31, 2022 or 2021. December 31, 2023 and 2022.

Deposits are backed by the federal government for at least \$250,000 per depositor. At December 31, 2022 December 31, 2023 and 2021 2022, the Bank had approximately approximately \$2.4 billion and \$2.5 billion and \$1.9 billion, respectively, in uninsured deposits.

Average balances and average rates paid on deposits are as follows:

|  | Years Ended December 31 |      |         |      |         |      | Years Ended December 31, |        |              |        |              |        |
|--|-------------------------|------|---------|------|---------|------|--------------------------|--------|--------------|--------|--------------|--------|
|  | 2022                    |      | 2021    |      | 2020    |      | 2023                     |        | 2022         |        | 2021         |        |
|  | Rate                    |      | Rate    |      | Rate    |      | Amount                   |        | Rate         |        | Amount       |        |
|  | Amount                  | e    | Amount  | e    | Amount  | e    | Amount                   | Rate   | Amount       | Rate   | Amount       | Rate   |
| (Dollars in Thousands)                 |                         |      |         |      |         |      |                          |        |              |        |              |        |
| Noninterest-bearing<br>demand deposits | 1,791                   |      | 1,676   |      | 1,311   |      | \$ 1,616,919             | —      | \$ 1,791,712 | —      | \$ 1,676,006 | —      |
| Interest-bearing<br>demand deposits    | 3,097                   | 0.   | 2,872   | 0.   | 2,240   | 0.   | 3,120,290                | 2.32 % | 3,097,317    | 0.55 % | 2,872,755    | 0.20 % |
| Savings deposits                       | 822,8                   | 0.   | 770,7   | 0.   | 626,4   | 0.   | 741,157                  | 0.02 % | 822,813      | 0.02 % | 770,770      | 0.02 % |
| Time deposits                          | 787,8                   | 0.   | 968,0   | 0.   | 1,183   | 1.   | 1,159,443                | 2.99 % | 787,896      | 0.86 % | 968,000      | 0.79 % |
| Brokered deposits                      | 33,80                   | 3.   | —       | —    | —       | —    | 307,499                  | 5.13 % | 33,802       | 3.08 % | —            | —      |
| Totals                                 | 6,533                   | 0.   | 6,287   | 0.   | 5,362   | 0.   | \$ 6,945,308             | 1.77 % | \$ 6,533,539 | 0.37 % | \$ 6,287,531 | 0.21 % |
|  | \$ ,712                 | —    | \$ ,006 | —    | \$ ,478 | —    |                          |        |              |        |              |        |
|  | 3,017                   | 0.   | 2,755   | 0.   | 2,133   | 0.   | 3,120,290                | 2.32 % | 3,097,317    | 0.55 % | 2,872,755    | 0.20 % |
|  | 13                      | 02 % | 70      | 02 % | 13      | 03 % | 741,157                  | 0.02 % | 822,813      | 0.02 % | 770,770      | 0.02 % |
|  | 96                      | 86 % | 00      | 79 % | ,793    | 36 % | 1,159,443                | 2.99 % | 787,896      | 0.86 % | 968,000      | 0.79 % |
|  | 33,80                   | 3.   | —       | —    | —       | —    | 307,499                  | 5.13 % | 33,802       | 3.08 % | —            | —      |
|  | 2                       | 08 % | —       | —    | —       | —    |                          |        |              |        |              |        |

The following table sets forth the maturities of Premier's retail certificates of deposit having principal amounts \$250,000 or greater at December 31, 2022 December 31, 2023 (in thousands):

Retail certificates of deposit maturing in quarter ending:  
March 31, 2023 \$ 76,602

|   |                   |
|---|-------------------|
| June 30, 2023   | 45,295            |
| September 30, 2023  | 34,948            |
| December 31, 2023   | 39,628            |
| After December 31, 2023   | 68,268            |
| Total retail certificates of deposit with balances \$250,000 or greater | <u>\$ 264,741</u> |

|   |                   |
|---|-------------------|
| Retail certificates of deposit maturing in quarter ending:              |                   |
| March 31, 2024  | \$ 254,241        |
| June 30, 2024   | 161,637           |
| September 30, 2024  | 58,105            |
| December 31, 2024   | 30,808            |
| After December 31, 2024   | 21,408            |
| Total retail certificates of deposit with balances \$250,000 or greater | <u>\$ 526,199</u> |

For additional information regarding Premier's deposits see Note 10 to the Consolidated Financial Statements.

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**Borrowings** – The FHLB system functions as a central reserve bank providing credit for its member institutions and certain other financial institutions. As a member in good standing of the FHLB, Premier is authorized to apply for advances, provided certain standards of creditworthiness have been met. At December 31, 2022 December 31, 2023, Premier could borrow up to \$2.0 billion. The Bank had \$280 million in advances outstanding at December 31, 2023 and \$428.0 million in advances outstanding at December 31, 2022 and no outstanding advances at December 31, 2021. For additional information regarding Premier's FHLB advances and other debt, see Notes 11 and 13 to the Consolidated Financial Statements.

**Subordinated Debentures** – For additional information regarding the Company's subordinated debentures see Note 12 to the Consolidated Financial Statements.

**Effect of Environmental Regulation** - Compliance with federal, state and local provisions regulating the discharge of materials into the environment, or otherwise relating to the protection of the environment, has not had a material effect upon the capital expenditures, earnings or competitive position of Premier or its subsidiaries. Premier believes the nature of the operations of its subsidiaries has little, if any, environmental impact. As a result, Premier anticipates no material capital expenditures for environmental control facilities for Premier's current fiscal year or for the foreseeable future.

Premier believes its primary exposure to environmental risk is through the lending activities of the Bank. In cases where management believes environmental risk potentially exists, the Bank mitigates environmental risk exposures by requiring environmental site assessments at the time of loan origination to confirm collateral quality as to commercial real estate parcels posing higher than normal potential for environmental impact, as determined by reference to present and past uses of the subject property and adjacent sites. In addition, environmental assessments are typically required prior to any foreclosure activity involving non-residential real estate collateral.

## 11

### Human Capital

Premier had 1,206 1,023 employees at December 31, 2022 December 31, 2023 (comprised of 92.2% 92.3% full-time employees and 7.8% 7.7% part-time employees). None of these employees are represented by a collective bargaining agent, and Premier believes that it maintains good relationships with its personnel. Premier's talent acquisition processes are designed to attract top talent in the financial services industry and foster an inclusive, respectful and rewarding workplace. All employees receive training on the Company's Mission, Vision and Core Values. The Company is committed to fostering an environment that encourages diverse viewpoints, backgrounds and experiences and continues to explore additional diversity, equity, and inclusion efforts. The Company offers a comprehensive compensation and benefits package to employees designed to attract, retain, motivate, and reward employees. The Company provides health benefits, including medical, dental and vision benefits, short- and long-term disability, and life insurance.

### Competition

Competition in originating commercial real estate and commercial loans comes mainly from commercial banks with banking center offices in the Company's market area. Competition for the origination of mortgage loans arises mainly from savings associations, commercial banks, and mortgage companies. The distinction among market participants is based on a combination of price, the quality of customer service and name recognition. The Company competes for loans by offering competitive interest rates and product types and by seeking to provide a higher level of personal service to borrowers than is furnished by competitors.

Management believes that the Bank's most direct competition for deposits comes from local financial institutions. The distinction among market participants is based on price and the quality of customer service and name recognition. The Bank's cost of funds fluctuates with general market interest rates. During certain interest rate environments, additional significant competition for deposits may be expected from corporate and governmental debt securities, as well as from money market mutual funds. The Bank competes for conventional deposits by emphasizing quality of service, extensive product lines and competitive pricing.

#### **Regulation**

**General** – Premier is subject to regulation, examination and oversight by the Federal Reserve Board ("Federal Reserve"). The Bank is subject to regulation, examination and oversight by the Ohio Division of Financial Institutions ("ODFI"). The **Banks** **Bank's** primary federal regulator is the FDIC. In addition, the Bank is subject to regulations of the Consumer Financial Protection Bureau ("CFPB") which was established by the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act, as amended ("Dodd-Frank Act") and has broad powers to adopt and enforce consumer protection regulations.

**Holding Company Regulation** – Premier is subject to the requirements of the Bank Holding Company Act of 1956, as amended ("BHC Act"), and examination and regulation by the Federal Reserve. Premier elected to become a financial holding company in 2020. The Federal Reserve has extensive enforcement authority over bank holding companies and financial holding companies, including, among other things, the ability to assess civil money penalties, issue cease and desist or removal orders, and require that a bank holding company divest subsidiaries (including its banking subsidiaries). In general, the Federal Reserve may initiate enforcement action for violations of laws and regulations and unsafe or unsound practices.

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A bank holding company is required by law and Federal Reserve policy to serve as a source of financial strength to each subsidiary bank and to commit resources to support those subsidiary banks. The Federal Reserve may require a bank holding company to contribute additional capital to an undercapitalized subsidiary bank and may disapprove of the payment of dividends to the shareholders of the bank holding company if the Federal Reserve believes the payment would be an unsafe or unsound practice. The Federal Reserve also requires bank holding companies to provide advance notification of planned dividends under certain circumstances.

The BHC Act requires the prior approval of the Federal Reserve in any case where a bank holding company proposes to: acquire direct or indirect ownership or control of more than 5% of the voting shares of any bank that is not already majority-owned by the bank holding company; acquire all or substantially all of the assets of another bank or bank holding company; or merge or consolidate with any other bank holding company.

In order to become a financial holding company, all of a bank holding company's subsidiary depository institutions must be well capitalized and well managed under federal banking regulations, and such depository institutions must have received a rating of at least satisfactory under the Community Reinvestment Act ("CRA"). In addition, the holding company must be well managed and must be well capitalized.

Financial holding companies may engage in a wide variety of financial activities, including any activity that the Federal Reserve and the Treasury Department consider financial in nature or incidental to financial activities, and any activity that the Federal Reserve determines to be complementary to a financial activity and which does not pose a substantial safety and soundness risk. These activities include securities underwriting and dealing activities, insurance and underwriting activities and merchant banking/equity investment activities. Because it has authority to engage in a broad array of financial activities, a financial holding company may have several affiliates that are functionally regulated by financial regulators other than the Federal Reserve, such as the SEC and state insurance regulators.

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If a financial holding company or a subsidiary bank fails to meet the requirements for the holding company to remain a financial holding company, the financial holding company must enter into a written agreement with the Federal Reserve within 45 days to comply with all applicable capital and management requirements. Until the Federal Reserve determines that the holding company and its subsidiary banks meet the requirements, the Federal Reserve may impose additional limitations or conditions on the conduct or activities of the financial holding company or any affiliate that the Federal Reserve finds to be appropriate or consistent with federal banking laws. If the deficiencies are not corrected within 180 days, the financial holding company may be required to divest ownership or control of all subsidiary banks. If restrictions are imposed on the activities of the holding company, such restrictions may not be made publicly available pursuant to confidentiality regulations of the banking regulators.

In April 2020, the Federal Reserve adopted a final rule to revise its regulations related to determinations of whether a company has the ability to exercise a controlling influence over another company for purposes of the BHC Act. The final rule expands and codifies the presumptions for use in such determinations. By codifying the presumptions, the final rule provides greater transparency on the types of relationships that the Federal Reserve generally views as supporting a facts-and-circumstances determination that one company controls another company. The Federal Reserve's final rule applies to questions of control under the BHC Act, but does not extend to the Change in Bank Control Act.

**Regulation of Ohio State-Chartered Banks** – As an Ohio state-chartered bank, the Bank is supervised and regulated primarily by the ODFI and the FDIC. In addition, the Bank's deposits are insured up to applicable limits by the FDIC, and the Bank will be subject to the applicable provisions of the Federal Deposit Insurance Act, as amended, and certain other regulations of the FDIC.

Various requirements and restrictions under the laws of the United States and the State of Ohio will affect the operations of the Bank, including requirements to maintain reserves against deposits, restrictions on the nature and amount of loans that may be made and the interest that may be charged thereon, restrictions relating to investments and other activities, limitations on credit exposure to correspondent banks, limitations on activities based on capital and surplus, limitations on payment of dividends, limitations on branching and increasingly extensive consumer protection laws and regulations.

**Economic Growth, Regulatory Relief and Consumer Protection Act** - On May 25, 2018, the Economic Growth, Regulatory Relief and Consumer Protection Act (the "Regulatory Relief Act") was enacted, which repealed or modified certain provisions of the Dodd-Frank Act and eased regulations on all but the largest banks (those with consolidated assets in excess of \$250 billion). Bank holding companies with consolidated assets of less than \$100 billion, including Premier, are no longer subject to enhanced prudential standards. The Regulatory Relief Act also relieves bank holding companies and banks with consolidated assets of less than \$100 billion, including Premier, from certain record-keeping, reporting and disclosure requirements. Certain other regulatory requirements applied only to banks with consolidated assets in excess of \$50 billion and so did not apply to the Company even before the enactment of the Regulatory Relief Act.

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**Regulatory Capital Requirements and Prompt Corrective Action** – The federal banking regulators have adopted risk-based capital guidelines for financial institutions and their holding companies, as well as state member banks, companies. The guidelines provide a systematic analytical framework, which makes regulatory capital requirements sensitive to differences in risk profiles among banking organizations, takes off-balance sheet exposures expressly into account in evaluating capital adequacy and incentivizes holding liquid, low-risk assets. Capital levels as measured by these standards are also used to categorize financial institutions for purposes of certain prompt corrective action regulatory provisions.

The risk-based capital guidelines adopted by the federal banking agencies are based on the "International Convergence of Capital Measurement and Capital Standard," published by the Basel Committee on Banking Supervision. New capital Capital rules applicable to smaller banking organizations (the "Basel III Capital Rules"), which also implement implemented certain of the provisions of the Dodd-Frank Act became effective commencing on January 1, 2015. Compliance with the new minimum capital requirements was required effective January 1, 2015, whereas a new capital conservation buffer and deductions from common equity capital phased in from January 1, 2016, through January 1, 2019, and most deductions from common equity tier 1 capital phased in from January 1, 2015 through January 1, 2019.

The Basel III Capital Rules include (i) a minimum common equity tier 1 ("CET1") capital ratio of 4.5%, (ii) a minimum tier 1 capital ratio of 6.0%, (iii) a minimum total capital ratio of 8.0%, and (iv) a minimum leverage ratio of 4%.

Common equity for the CET1 capital ratio includes common stock (plus related surplus) and retained earnings, plus limited amounts of minority interests in the form of common stock, less the majority of certain regulatory deductions.

Tier 1 capital includes common equity as defined for the CET1 capital ratio, plus certain non-cumulative preferred stock and related surplus, cumulative preferred stock and related surplus, trust preferred securities that have been grandfathered (but which are not otherwise permitted), and limited amounts of minority interests in the form of additional tier 1 capital instruments, less certain deductions.

Tier 2 capital, which can be included in the total capital ratio, includes certain capital instruments (such as subordinated debentures) and limited amounts of the allowance for credit losses, subject to specified eligibility criteria, less applicable deductions.

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The deductions from CET1 capital include goodwill and other intangibles, certain deferred tax assets, mortgage-servicing assets above certain levels, gains on sale in connection with a securitization, investments in a banking organization's own capital instruments and investments in the capital of unconsolidated financial institutions (above certain levels).

Under the guidelines, capital is compared to the relative risk included in the balance sheet. To derive the risk included in the balance sheet, one of several risk weights is applied to different balance sheet and off-balance sheet assets, primarily based on the relative credit risk of the counterparty. The capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings and other factors.

The Basel III Capital Rules also place restrictions on the payment of capital distributions, including dividends, and certain discretionary bonus payments to executive officers if the company does not hold a capital conservation buffer of greater than 2.5% composed of CET1 capital above its minimum risk-based capital requirements, or if its eligible retained income is negative in that quarter and its capital conservation buffer ratio was less than 2.5% at the beginning of the quarter.

The federal banking agencies have established a system of "prompt corrective action" to resolve certain problems of undercapitalized banks. This system is based on five capital level categories for insured depository institutions: "well capitalized," "adequately capitalized," "undercapitalized," "significantly undercapitalized" and "critically undercapitalized." The federal banking agencies may (or in some cases must) take certain supervisory actions depending upon a bank's capital level. For example, the banking agencies must appoint a receiver or conservator for a bank within 90 days after it becomes "critically undercapitalized" unless the bank's primary regulator determines, with the concurrence of the FDIC, that other action would better achieve regulatory purposes. Banking operations otherwise may be significantly affected depending on a bank's capital category. For example, a bank that is not "well capitalized" generally is prohibited from accepting brokered deposits and offering interest rates on deposits higher than the prevailing rate in its market, and the holding company of any undercapitalized depository institution must guarantee, in part, specific aspects of the bank's capital plan for the plan to be acceptable.

In accordance with the Basel III Capital Rules, in order to be "well-capitalized" under the prompt corrective action guidelines, a financial institution must have a CET1 capital ratio of 6.5%, a total risk-based capital ratio of at least 10.0%, a tier 1 risk-based capital of at least 8.0% and a leverage ratio of at least 5.0%, and the institution must not be subject to any written agreement, order, capital directive or prompt corrective action directive to meet and maintain a specific capital level for any capital measure. As of **December 31, 2022** **December 31, 2023**, the Bank met the capital ratio requirements to be deemed "well-capitalized" according to the guidelines described above. See Note 16 of the Notes to the Consolidated Financial Statements for additional information.

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In December 2019, the federal banking agencies issued a final rule to address regulatory treatment of credit loss allowances under the CECL accounting standard. The rule revised the federal banking agencies' regulatory capital rules to identify which credit loss allowances under the CECL model are eligible for inclusion in regulatory capital and to provide banking organizations the option to phase in over three years the day-one adverse effects on regulatory capital that may result from the adoption of the CECL model. Concurrent with the enactment of the Coronavirus Aid, Relief, and Economic Security Act of 2020, as amended (the "CARES Act"), discussed below, federal banking agencies issued an interim final rule that delayed the estimated impact on regulatory capital resulting from the adoption of CECL. The interim final rule provided banking organizations that implemented CECL prior to the end of 2020 the option to delay for two years the estimated impact of CECL on regulatory capital relative to regulatory capital determined under the prior incurred loss methodology, followed by a three-year transition period to phase out the aggregate amount of capital benefit provided during the initial two-year delay. On August 26, 2020, the federal banking agencies issued a final rule that made certain technical changes to the interim final rule, including expanding the pool of eligible institutions. The changes in the final rule applied only to those banking organizations that elected the CECL transition relief provided for under the rule. Premier adopted CECL on January 1, 2020.

In September 2019, consistent with Section 201 of the Regulatory Relief Act, the Federal Reserve, along with the other federal bank regulatory agencies, issued a final rule, effective January 1, 2020, that gave community banks, including the Bank, the option to calculate a simple leverage ratio to measure capital adequacy if the community banks met certain requirements. Under the rule, a community bank was eligible to elect the Community Bank Leverage Ratio ("CBLR") framework if it had less than \$10 billion in total consolidated assets, limited amounts of certain trading assets and liabilities, limited amounts of off-balance sheet exposures and a leverage ratio greater than 9.0%. Pursuant to the CARES Act, on August 26, 2020, the federal banking agencies adopted a final rule, effective on October 1, 2020, that temporarily lowered the CBLR threshold and provided a gradual transition back to the prior level. Specifically, the CBLR threshold was reduced to 8.0% for the remainder of 2020, increased to 8.5% for 2021, and returned to 9.0% on January 1, 2022. Premier did not utilize the CBLR in assessing capital adequacy.

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**Dividends** – There are various legal limitations on the extent to which a subsidiary bank may finance or otherwise supply funds to its parent holding company. Under applicable federal and state laws, a subsidiary bank may not, subject to certain limited exceptions, make loans or extensions of credit to, or investments in the securities of, its parent holding company. A subsidiary bank is also subject to collateral security requirements for any loan or extension of credit permitted by such exceptions. The Bank paid **\$26.5 million in dividends and received \$29.8 million in a cash contribution from Premier in 2023 and paid net \$58.0 million in net dividends to Premier in 2022 and \$35.0 million in 2021.** First Insurance paid **\$43.0 million and \$2.0 million in dividends to Premier in 2022** **2023 and 2021.** Premier Risk Management **did not pay dividends to Premier in 2023 and paid \$1.6 million in dividends to Premier in 2022 and \$1.8 million in 2022.** PFC Capital **did not pay dividends in 2021.** PFC Capital **2023 and received \$3.0 million in a cash infusion contribution in 2022 and paid \$7.5 million in dividends in 2021.**

Premier's ability to pay dividends to its shareholders is primarily dependent on its receipt of dividends from the Subsidiaries. The Federal Reserve expects Premier to serve as a source of strength for the Bank and may require Premier to retain capital for further investment in the Bank, rather than pay dividends to Premier shareholders. Payment of dividends by Premier or the Bank may be restricted at any time at the discretion of its applicable regulatory authorities if they deem such dividends to constitute an unsafe or unsound practice. These provisions could have the effect of limiting Premier's ability to pay dividends on its common shares.

**Deposit Insurance** – The FDIC maintains the Deposit Insurance Fund ("DIF"), which insures the deposit accounts of the Bank to the maximum amount provided by law. The general insurance limit is \$250,000 per separately insured depositor. This insurance is backed by the full faith and credit of the U. S. government.

As insurer, the FDIC is authorized to conduct examinations of, and to require reporting by, federally-insured institutions. It also may prohibit any federally-insured institution from engaging in any activity the FDIC determines by regulation or order to pose a serious threat to the DIF and it has the authority to take enforcement actions against insured institutions. Insurance of deposits may be terminated by the FDIC upon a finding that the institution has engaged or is engaging in unsafe or unsound practices, is in an unsafe or unsound condition to continue operations or has violated any applicable law, regulation, rule, order or condition imposed by the FDIC or written agreement entered into with the FDIC.

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The Federal Deposit Insurance Act, as amended ("FDIA") requires the FDIC's Board of Directors to set a target or Designated Reserve Ratio ("DRR") for the DIF annually. The DRR is the total of the DIF divided by the total estimated insured deposits of the industry. Under the long-range plan, the FDIC set the DRR at 2.0% and set a schedule of assessment rates that would progressively decrease when the DRR reached 2.0% and 2.5%. The FDIC views the 2.0% DRR as a long-term goal and the minimum level needed to withstand future crises of the magnitude of past crises. Extraordinary growth in insured deposits during the first and second quarters of 2020 caused the DRR to decline below the statutory

minimum of 1.35% as of June 30, 2020. In September 2020, the FDIC Board of Directors adopted a restoration plan to restore the DRR to at least 1.35% by 2028, absent extraordinary circumstances, as required by the FDIA. The restoration plan maintained the assessment rate schedules in place at the time and required the FDIC to update its analysis and projections for the DIF balance and DRR at least semiannually. In the semiannual update for the restoration plan in June 2022, the FDIC projected that the DRR was at risk of not reaching the statutory minimum of 1.35% by September 30, 2028, the statutory deadline to restore the DRR. Based on this update, the FDIC Board approved an amended restoration plan, and concurrently proposed an increase in initial base deposit insurance assessment rate schedules uniformly by two basis points, applicable to all insured depository institutions. In October 2022, the FDIC Board finalized the increase with an effective date of January 1, 2023, applicable to the first quarterly assessment period of 2023. The revised assessment rate schedules are intended to increase the likelihood that the DRR reaches the statutory minimum level of 1.35% by September 30, 2028.

**Consumer Protection Laws and Regulations** – Banks are subject to periodic examination to ensure compliance with federal statutes and regulations applicable to their business, including consumer protection statutes and implementing regulations. The Dodd-Frank Act established the CFPB, which has extensive regulatory and enforcement powers over consumer financial products and services. The CFPB has adopted numerous rules with respect to consumer protection laws and has commenced related enforcement actions. The following are just a few of the consumer protection laws applicable to the Bank:

- Community Reinvestment Act of 1977 ("CRA"): imposes a continuing and affirmative obligation to fulfill the credit needs of its entire community, including low- and moderate-income neighborhoods.
- Equal Credit Opportunity Act: prohibits discrimination in any credit transaction on the basis of any of various criteria.
- Truth in Lending Act: requires that credit terms are disclosed in a manner that permits a consumer to understand and compare credit terms more readily and knowledgeably.
- Fair Housing Act: makes it unlawful for a lender to discriminate in its housing-related lending activities against any person on the basis of any of certain criteria.
  
- Home Mortgage Disclosure Act: requires financial institutions to collect data that enables regulatory agencies to determine whether the financial institutions are serving the housing credit needs of the communities in which they are located.

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▪Real Estate Settlement Procedures Act: requires that lenders provide borrowers with disclosures regarding the nature and cost of real estate settlements and prohibits abusive practices that increase borrowers' costs.

▪Privacy provisions of the Gramm-Leach-Bliley Act: requires financial institutions to establish policies and procedures to restrict the sharing of non-public customer data with non-affiliated parties and to protect customer information from unauthorized access.

The banking regulators also use their authority under the Federal Trade Commission Act to take supervisory or enforcement action with respect to unfair or deceptive acts or practices by banks that may not necessarily fall within the scope of specific banking or consumer finance law.

On July 22, 2020, the CFPB issued a final small dollar loan rule related to payday, vehicle title and certain high cost installment loans (the "Small Dollar Rule") that modified a former rule that was issued in November 2013. Specifically, the Small Dollar Rule revokes provisions contained in the 2013 rule that: (i) provide that it is an unfair and abusive practice for a lender to make a covered short-term or longer-term balloon-payment loan, including payday and vehicle title loans, without reasonably determining that consumers have the ability to repay those loans according to their terms; (ii) prescribe mandatory underwriting requirements for making the ability-to-repay determination; (iii) exempt certain loans from mandatory underwriting requirements; and (iv) establish related definitions, reporting, and recordkeeping requirements. However, due to continuing appellate litigation regarding the constitutionality of the CFPB's funding structure, which stems, in part, from legal challenges to the Small Dollar Rule, the effective date for nationwide compliance with the Small Dollar Rule remains uncertain at this time.

Further, the federal bank regulatory agencies issued interagency guidance on May 20, 2020, to encourage banks, savings associations, and credit unions to offer responsible small-dollar loans to customers for consumer and small business purposes. The Small Dollar Rule did not have a material effect on Premier's financial condition or results of operations on a consolidated basis in 2021, 2023.

**15 Federal Reserve System** - The Federal Reserve requires all depository institutions to maintain reserves at specified levels against their transaction accounts, primarily checking accounts. In response to the COVID-19 pandemic, the Federal Reserve reduced reserve requirement ratios to zero percent effective on March 26, 2020, to support lending to households and businesses. At December 31, 2023, the reserve requirement ratio remains at zero percent.

**Transactions with Affiliates; Insider Loans** - Sections 23A and 23B of the Federal Reserve Act and Federal Reserve Board Regulation W generally:

- limit the extent to which a bank or its subsidiaries may engage in "covered transactions" with any one affiliate to an amount equal to 10.0% of the bank's capital stock and surplus;

- limit the extent to which a bank or its subsidiaries may engage in "covered transactions" with all affiliates to an amount equal to 20.0% of the bank's capital and surplus; and
- require that all such transactions be on terms substantially the same, or at least as favorable to the bank or subsidiary, as those provided to a non-affiliate.

An affiliate of a bank is any company or entity that controls, is controlled by or is under common control with the bank. The term "covered transaction" includes the making of loans to the affiliate, the purchase of assets from the affiliate, the issuance of a guarantee on behalf of the affiliate, the purchase of securities issued by the affiliate and other similar types of transactions.

A bank's authority to extend credit to executive officers, directors and greater than 10.0% shareholders, as well as entities such persons control, is subject to Sections 22(g) and 22(h) of the Federal Reserve Act and Regulation O promulgated thereunder by the Federal Reserve Board. Among other things, these loans must be made on terms (including interest rates charged and collateral required) substantially similar to those offered to unaffiliated individuals or be made as part of a benefit or compensation program on terms widely available to employees and must not involve a greater than normal risk of repayment. In addition, the amount of loans a bank may make to these persons is based, in part, on the bank's capital position, and specified approval procedures must be followed in making loans which exceed specified amounts.

**CRA** - Under the CRA, every FDIC-insured institution is obligated, consistent with safe and sound banking practices, to help meet the credit needs of its entire community, including low- and moderate-income neighborhoods. The CRA requires the appropriate federal banking regulator, in connection with the examination of an insured institution, to assess the institution's record of meeting the credit needs of its community and to consider this record in its evaluation of certain applications to banking regulators, such as an application for approval of a merger or the establishment of a branch. An unsatisfactory rating may be used as the basis for the denial of an application to acquire another financial institution or open a new branch. As of its last examination, the Bank received a CRA rating of "satisfactory."

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On October 24, 2023, the federal banking agencies, including the FDIC, issued a final rule designed to strengthen and modernize the regulations implementing the CRA. The changes are designed to encourage banks to expand access to credit, investment and banking services in low- and moderate-income communities, adapt to changes in the banking industry, including mobile and internet banking, provide greater clarity and consistency in the application of the CRA regulations and tailor CRA evaluations and data collection to bank size and type. The applicability date for the majority of the changes to the CRA regulations is January 1, 2026, and additional requirements will be applicable on January 1, 2027. The impact the changes to the CRA will have on the Bank's operations cannot be predicted at this time.

**Patriot Act** - In response to the terrorist events of September 11, 2001, the Uniting and Strengthening of America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, as amended (the "Patriot Act") was signed into law in October 2001. The Patriot Act gives the U. S. U.S. government powers to address terrorist threats through enhanced domestic security measures, expanded surveillance powers, increased information sharing and broadened anti-money laundering requirements. Title III of the Patriot Act and related regulations require regulated financial institutions to establish a program specifying procedures for obtaining identifying information from customers seeking to open new accounts and establish enhanced due diligence policies, procedures and controls designed to detect and report suspicious activity. The Bank has established policies and procedures that it considers to be in compliance with the requirements of the Patriot Act.

**Volcker Rule** - The Volcker Rule, which became effective under the Dodd-Frank Act in 2015, prohibits banks and their affiliates from engaging in proprietary trading and investing in and sponsoring hedge funds, otherwise known as "covered funds." On July 9, 2019, the five federal agencies that adopted the Volcker Rule issued a final rule to exempt certain community banks, including the Bank, from such rule, consistent with the Regulatory Relief Act. Under the final rule, community banks with \$10 billion or less in total consolidated assets and total trading assets and liabilities of 5.0% or less of total consolidated assets were excluded from the restrictions of the Volcker Rule. On June 25, 2020, the federal bank regulatory agencies also finalized a rule modifying the Volcker Rule's prohibition on banking entities investing in or sponsoring covered funds. Such rule permits certain banking entities to offer financial services and engage in other activities that do not raise concerns that the Volcker Rule was originally intended to address. To the extent that the Bank engages in any of the trading activities or has any ownership interest in or relationship with any of the types of funds regulated by the Volcker Rule, Premier believes that its activities and relationships comply with such rule, as amended.

**Office of Foreign Assets Control Regulation** - The U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") administers and enforces economic and trade sanctions against targeted foreign countries and regimes, under authority of various laws, including designated foreign countries, nationals and others. OFAC publishes lists of specially designated targets and countries. Premier is responsible for, among other things, blocking accounts of, and transactions with, such targets and countries, prohibiting unlicensed trade and financial transactions with them and reporting blocked transactions after their occurrence. Failure to comply with these sanctions could have serious financial, legal and reputational consequences, including causing applicable bank regulatory authorities not to approve merger or acquisition transactions when regulatory approval is required or to prohibit such transactions even if approval is not required. Regulatory authorities have imposed cease and desist orders and civil money penalties against institutions found to be violating these obligations. The Bank has established policies and procedures that it considers to be in compliance with OFAC requirements.

**Cybersecurity** - In March 2015, federal regulators issued two related statements regarding cybersecurity. One statement indicates that financial institutions should design multiple layers of security controls to establish several lines of defense and to ensure that their risk management processes also address the risk posed by compromised customer credentials, including security measures to reliably authenticate customers accessing Internet-based services of the financial institution. The

other statement indicates that a financial institution's management is expected to maintain sufficient business continuity planning processes to ensure the rapid recovery, resumption and maintenance of the financial institution's operations after a cyber-attack involving destructive malware. A financial institution is also expected to develop appropriate processes to enable recovery of data and business operations and address rebuilding network capabilities and restoring data if the financial institution or its critical service providers fall victim to this type of cyber-attack. If Premier fails to observe the regulatory guidance, it could be subject to various regulatory sanctions, including financial penalties.

In February 2018, the SEC published interpretive guidance to assist public companies in preparing disclosures about cybersecurity risks and incidents. These SEC guidelines, and any other regulatory guidance, are in addition to notification and disclosure requirements under state and federal banking law and regulations.

In November 2021, the OCC, the Federal Reserve and the FDIC issued a final rule that became effective in May 2022 requiring banking organizations that experience a computer-security incident to notify certain entities. A computer-security incident occurs when actual or potential harm to the confidentiality, integrity or availability of an information system or the information occurs, or there is a violation or imminent threat of a violation to banking security policies and procedures. The affected bank must notify its respective federal regulator of the computer-security incident as soon as possible and no later than 36 hours after the bank determines a computer-security incident that rises to the level of a notification incident has occurred. These notifications are intended to promote early awareness of threats to banking organizations and will help banks react to those threats before they manifest into larger incidents. This rule also requires bank service providers to notify their bank organization customers of a computer-security incident that has caused, or is reasonably likely to cause, a material service disruption or degradation for four or more hours.

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Furthermore, once final rules are adopted, the Cyber Incident Reporting for Critical Infrastructure Act, enacted in March 2022, will require certain covered entities to report a covered cyber incident to the U.S. Department of Homeland Security's Cybersecurity & Infrastructure Security Agency ("CISA") within 72 hours after it reasonably believes an incident has occurred. Separate reporting to CISA will also be required within 24 hours, if a ransom payment is made as a result of a ransomware attack.

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On July 26, 2023, the SEC adopted final rules that require public companies to promptly disclose material cybersecurity incidents in a Current Report on Form 8-K and detailed information regarding their cybersecurity risk management, strategy, and governance on an annual basis in an Annual Report on Form 10-K. Companies are required to report on Form 8-K any cybersecurity incident they determine to be material within four business days of making that determination. See "ITEM 1C CYBERSECURITY". These SEC rules, and any other regulatory guidance, are in addition to notification and disclosure requirements under state and federal banking law and regulations.

State regulators have also been increasingly active in implementing privacy and cybersecurity standards and regulations. Recently, several states have adopted regulations requiring certain financial institutions to implement cybersecurity programs and providing detailed requirements with respect to these programs, including data encryption requirements. Many states have also recently implemented or modified their data breach notification and data privacy requirements. Premier expects this trend of state-level activity in those areas to continue and is continually monitoring developments in the states in which its customers are located.

**Executive and Incentive Compensation** – Public companies will be required once stock exchanges adopt additional listing requirements under the Dodd-Frank Act and rules adopted by the SEC in October 2022, to adopt and implement "clawback" procedures policies for incentive compensation payments and to disclose the details of the procedures which allow recovery of incentive compensation that was paid on the basis of erroneous financial information necessitating an accounting restatement due to material noncompliance with financial reporting requirements. This clawback policy is intended to apply to compensation paid within the three completed fiscal years immediately preceding the date the issuer is required to prepare a restatement a three-year look-back window of the restatement and would cover all executives (including former executives) who received incentive awards. Premier has implemented a clawback policy and it is posted under the "Overview – Governance Documents" tab of the "Investor Relations" page of Premier's Internet website.

#### **Item 1A. Risk Factors**

The risks listed below present risks that could have a material impact on the Company's financial condition, results of operations, or business. The risks and uncertainties described below are not the only ones facing the Company. Additional risks and uncertainties that management is not aware of or that management currently deems immaterial may also impair the Company's business operations.

#### **Economic and Market Risks**

Premier's financial condition, results of operation, and stock price may be negatively impacted by unrelated bank failures and negative depositor confidence in depository institutions.

The economic impact recent bank failures of COVID-19 or any other pandemic could Silicon Valley Bank in California, Signature Bank in New York, and First Republic Bank in California, and the decision of Silvergate Bank in California to voluntarily liquidate its assets and wind down operations, each of which occurred during the first

and second quarters of 2023, have caused uncertainty in the investor community and negative confidence among bank customers generally.

While Premier does not believe that the circumstances of these banks' failures and liquidations are indicators of broader issues with the banking system, the failures may reduce customer confidence, affect sources of funding and liquidity, increase regulatory requirements and costs, adversely affect financial markets and/or have a negative reputational ramifications for the financial services industry, including us. These bank failures led to volatility and declines in the market for bank stocks and questions about depositor confidence in depository institutions, which in turn led to a greater focus by institutions, investors, and regulators on the on-balance sheet liquidity of and funding sources for financial institutions and the composition of its deposits. Notwithstanding, the Company's business, efforts to promote deposit insurance coverage with our customers and otherwise effectively manage our liquidity, deposit portfolio retention, and other related matters, our financial condition, liquidity, cash flows, and results of operations.

COVID-19 has negatively impacted global, national operation, and local economies, disrupted global stock price may be adversely affected by future negative events within the banking sector and national supply chains, lowered equity market valuations, and created significant volatility and disruption in financial markets. The extent adverse customer or investor responses to which COVID-19 will continue to impact Premier's business, results of operations, and financial condition, as well as Premier's regulatory capital and liquidity ratios, will depend on future developments, which are highly uncertain and cannot be predicted.

As of December 31, 2022, we hold and service Paycheck Protection Program ("PPP") loans. These PPP loans are subject to the provisions of the CARES Act and to complex and evolving rules and guidance issued by the Small Business Administration ("SBA") and other government agencies. While a large number of our PPP borrowers have applied for and received full or partial forgiveness of their loan obligations, we still have credit risk on the remaining PPP loans in the event the SBA determines that there is a deficiency in the manner in which we originated, funded or serviced such PPP loans, including any issue with the eligibility of a borrower to receive funding. We could face additional risks in our administrative capabilities to service our PPP loans and to properly determine loan forgiveness. In the event of a loss resulting from a default on a PPP loan and a determination by the SBA that there was a deficiency in the manner in which we originated, funded or serviced the PPP loan, the SBA may deny its liability under the guaranty, reduce the amount of the guaranty, or, if the SBA has already paid under the guaranty, seek recovery of any loss related to the deficiency events.

Premier's loan portfolio includes a concentration of commercial real estate loans and commercial loans, which involve risks specific to real estate value and the successful operations of these businesses.

At December 31, 2022 December 31, 2023, the Bank's portfolio of commercial real estate loans totaled \$2.8 billion, or approximately 38.8% 40.5% of total loans. The Bank's commercial real estate loans typically have higher principal amounts than residential real estate loans, and many of our commercial real estate borrowers have more than one loan outstanding. As a result, an adverse development on one loan can expose Premier to greater risk of loss on other loans. Additionally, repayment of the loans is generally dependent, in large part, on sufficient income from the properties securing the loans to cover operating expenses and debt service. Economic conditions and events outside of the control of the borrower or lender, including sustained inflation and rising interest rates, could negatively impact the future cash flows and market values of the affected properties.

At December 31, 2022 December 31, 2023, the Bank's portfolio of commercial loans totaled \$1.1 billion, or approximately 14.8% 15.1% of total loans. Commercial loans generally expose Premier to a greater risk of nonpayment and loss than commercial real estate or residential real estate loans since repayment of such loans often depends on the successful operations and income stream of the borrowers. The Bank's commercial loans are primarily made based on the identified cash flow of the borrower and secondarily on the underlying collateral provided by the borrower such as accounts receivable, inventory, machinery or real estate. In the case of loans secured by accounts receivable, the availability of funds for the repayment of these loans may be substantially dependent on the ability of the borrower to collect amounts due from its customers. The collateral securing other loans may depreciate over time, may be difficult to appraise and

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may fluctuate in value based on the success of the business. Credit support provided by the borrower for most of these loans and the probability of repayment is based on the liquidation of the pledged collateral and enforcement of a personal guarantee, if any exists.

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Premier targets its business lending towards small- and medium-sized businesses, many of which have fewer financial resources than larger companies and may be more susceptible to economic downturns. If general economic conditions negatively impact these businesses, Premier's results of operations and financial condition may be adversely affected.

If Premier's actual credit losses exceed its allowance for credit losses, Premier's net income will decrease.

In accordance with U.S. generally accepted accounting principles ("GAAP"), Premier must maintain an allowance for credit losses that it believes is a reasonable estimate of the expected credit losses within the CECL model. Premier's allowance for credit losses is based upon a number of relevant factors, including, but not limited to, trends in the level of nonperforming assets and classified loans, current and projected economic conditions in the primary lending area, prior experience, possible

losses arising from specific problem loans, and management's evaluation of the risks in the current portfolio. However, there are many factors that can result in actual credit losses exceeding the allowance.

For instance, in deciding whether to extend credit or enter into other transactions with customers and counterparties, Premier may rely on information provided to it by customers and counterparties, including financial statements and other financial information. Premier may also rely on representations of customers and counterparties as to the accuracy and completeness of that information and, with respect to financial statements, on reports of independent auditors. Such information may not turn out to be accurate. Further, Premier's loan customers may not repay their loans according to their terms, and the collateral securing the payment of these loans may be insufficient to pay any remaining loan balance. As a result, Premier may experience significant credit losses, which could have a material adverse effect on its operating results.

The amount of future losses also is susceptible to changes in economic, operating and other conditions, including changes in unemployment and interest rates that may be beyond management's control, and these losses may exceed current estimates. Further, federal regulatory agencies, as an integral part of their examination process, review Premier's loans and allowance for credit losses and may require that Premier increase its allowance. Moreover, the Financial Accounting Standards Board ("FASB") has changed its requirements for establishing the allowance, which became effective for Premier in the first quarter of 2020. Under the CECL model, we are required to use historical information, current conditions and reasonable and supportable forecasts to estimate the expected credit losses. That accounting change exposes Premier to increased risk of failure to establish a sufficient allowance due to incorrect or inadequate methodologies and assumptions and the possibility that Premier will need to increase its allowance substantially through an increase to the provision for credit losses, which will adversely affect Premier's net income.

As a result of any of the above factors, Premier's allowance for credit losses may not be adequate to cover actual credit losses, and future provisions for credit losses could have a material adverse effect on Premier's operating results. There is no assurance that Premier will not further increase the allowance for credit losses. Either of these occurrences could have a material adverse effect on Premier's financial condition and results of operations.

#### **Changes in interest rates can adversely affect Premier's profitability.**

Premier's earnings and cash flows are largely dependent upon its net interest income, which is the difference between interest income earned on interest-earning assets such as loans and securities, and interest expense paid on interest-bearing liabilities such as deposits and borrowed funds. Interest rates are highly sensitive to many factors that are beyond Premier's control, including general economic conditions and policies of various governmental and regulatory agencies and, in particular, the Federal Reserve. Changes in monetary policy, including changes in interest rates, could influence not only the interest Premier receives on loans and securities and the amount of interest it pays on deposits and borrowings, but such changes could also affect Premier's ability to originate loans and obtain deposits, the fair value of Premier's financial assets and liabilities, and the average duration of certain assets and liabilities. If the interest rates paid on deposits and other borrowings increase at a faster rate than the interest rates received on loans and other investments, Premier's net interest income, and therefore earnings, could be adversely affected. Earnings could also be adversely affected if the interest rates received on loans and other investments fall more quickly than the interest rates paid on deposits and other borrowings. While we generally invest in securities with limited credit risk, certain investment securities we hold possess higher credit risk, especially in light of the current economic landscape, since they represent beneficial interests in structured investments collateralized by residential mortgages. All investment securities are subject to changes in market value due to changing interest rates and implied credit spreads. Any substantial, unexpected, or prolonged change in market interest rates could have a material adverse effect on Premier's results of operations and financial condition.

The Bank originates a significant amount of residential mortgage loans that it sells in the secondary market. The origination of residential mortgage loans is highly dependent on the local real estate market and the current interest rates. Increasing interest rates tend to reduce the origination of loans for sale and consequently fee income, which Premier reports as mortgage banking income. Conversely, decreasing interest rates have the effect of causing clients to refinance mortgage loans faster than anticipated. This causes the value of mortgage servicing rights on the loans sold to be lower than originally anticipated. If this happens, Premier may be required to write down the value of its mortgage servicing rights faster than anticipated, which will increase expense and lower earnings. Accelerated

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repayments on loans and mortgage-backed securities could result in the reinvestment of funds at lower rates than the loans or securities were paying.

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#### **Legal and Regulatory Risks**

##### **Laws, regulations and periodic regulatory reviews may affect Premier's results of operations.**

The financial services industry is extensively regulated. Premier is subject to extensive state and federal regulation, supervision and legislation that govern almost all aspects of its operations. Laws and regulations may change from time to time and are primarily intended for the protection of consumers, depositors, borrowers, the DIF and the banking system as a whole, and not to benefit Premier's shareholders. Regulations affecting banks and financial services businesses are undergoing continuous changes, and management cannot predict the effect of these changes. The impact of any changes to laws and regulations or other actions by regulatory

agencies may negatively impact Premier and its ability to increase the value of its business, possibly limiting the services it provides, increasing the potential for competition from non-banks, or requiring it to change the way it operates.

Regulatory authorities have extensive discretion in connection with their supervisory and enforcement activities, including the imposition of restrictions on the operation of an institution, the classification of assets held by an institution, the adequacy of an institution's allowance for credit losses and the ability to complete acquisitions. Additionally, actions by regulatory agencies against Premier could cause it to devote significant time and resources to defending its business and may lead to penalties that materially affect Premier and its shareholders. Even the reduction of regulatory restrictions could have an adverse effect on Premier and its shareholders if such lessening of restrictions increases competition within Premier's industry or market area.

In addition to laws, regulations and actions directed at the operations of banks, proposals to reform the housing finance market could negatively affect Premier's ability to sell loans.

The laws and regulations applicable to the banking industry could change at any time. The potential exists for new laws and regulations, and bank regulatory agencies are expected to be active in responding to concerns and trends identified in examinations. Increased regulation could increase Premier's cost of compliance and reduce its income to the extent that they limit the manner in which Premier may conduct business, including its ability to offer new products, charge fees for specific products and services, obtain financing, attract deposits, make loans and achieve satisfactory interest spreads.

**Changes in tax laws could adversely affect Premier's financial condition and results of operations.**

Premier is subject to extensive federal, state and local taxes, including income, excise, sales/use, payroll, franchise, withholding and ad valorem taxes. Changes to the tax laws could have a material adverse effect on Premier's results of operations. In addition, Premier's customers are subject to a wide variety of federal, state and local taxes. Changes in taxes paid by customers, including changes in the deductibility of mortgage loan related expenses, may adversely affect their ability to finance activities or purchase properties or consumer products, which could adversely affect their demand for Premier's loans and deposit products. In addition, such negative effects on Premier's customers could result in defaults on the loans already made and decrease the value of mortgage-backed securities in which Premier has invested.

**Increasing scrutiny and evolving expectations from customers, regulators, investors, and other stakeholders with respect to our environmental, social and governance practices may impose additional costs on us or expose us to new or additional risks.**

Companies are facing increasing scrutiny from customers, regulators, investors, and other stakeholders related to their environmental, social and governance ("ESG") practices and disclosure. Investor advocacy groups, investment funds and influential investors are also increasingly focused on these practices, especially as they relate to the environment, health and safety, diversity, labor conditions and human rights. Increased ESG-related compliance costs for us as well as among our third party vendors and various other parties within our supply chain could result in increases to our overall operational costs. Failure to adapt to or comply with regulatory requirements or investor or stakeholder expectations and standards could negatively impact our reputation, ability to do business with certain partners, access to capital, and the price of our common shares.

**Business and Operational Risks**

**Premier's ability to meet cash flow needs on a timely basis at a reasonable cost may adversely affect net income.**

Premier's principal sources of liquidity are local deposits and wholesale funding sources such as FHLB advances, Federal Funds purchased, securities sold under repurchase agreements, and brokered or other out-of-market certificate of deposit purchases. Premier also maintains a portfolio of securities that can be used as a secondary source of liquidity. Premier's access to funding sources in amounts adequate to finance or capitalize its activities or on terms that are acceptable could be impaired by factors that affect Premier directly or the financial services industry or economy in general, such as further disruptions in the financial markets or negative views and expectations about the prospects for the financial services industry.

Other possible sources of liquidity include the sale or securitization of loans, the issuance of additional collateralized borrowings beyond those currently utilized with the FHLB, the issuance of debt securities and the issuance of preferred or common securities in public or private transactions, or borrowings from a commercial bank.

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Any decline in available funding could adversely impact our ability to originate loans, invest in securities, meet our expenses, pay dividends to our shareholders, or fulfill obligations such as repaying Premier's borrowings or meeting deposit withdrawal demands, any of which could have a material adverse impact on our liquidity, business, results of operations and financial condition.

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In addition, prior debt offerings could potentially have important consequences to Premier and its debt and equity investors, including:

- requiring a substantial portion of its cash flow from operations to make interest payments;
- making it more difficult to satisfy debt service and other obligations;

- increasing the risk of a future credit ratings downgrade of its debt, which could increase future debt costs and limit the future availability of debt financing;
- increasing its vulnerability to general adverse economic and industry conditions;
- reducing the cash flow available to fund capital expenditures and other corporate purposes and to grow its business;
- limiting its flexibility in planning for, or reacting to, changes in its business and the industry;
- placing it at a competitive disadvantage relative to its competitors that may not be as highly leveraged with debt; and
- limiting its ability to borrow additional funds as needed or to take advantage of business opportunities as they arise, pay cash dividends or repurchase securities.

We are continuing to evaluate these risks on an ongoing basis.

**Competition affects Premier's earnings.**

Premier's continued profitability depends on its ability to continue to effectively compete to originate loans and attract and retain deposits. Competition for both loans and deposits is intense in the financial services industry. The Company competes in its market area by offering superior service and competitive rates and products. The types of institutions Premier competes with include large regional commercial banks, smaller community banks, savings institutions, mortgage banking firms, credit unions, finance companies, brokerage firms, insurance agencies and mutual funds. As a result of their size and ability to achieve economies of scale, certain of Premier's competitors can offer a broader range of products and services than the Company can offer. In addition, an inability to timely adapt to technological advances could pose a risk to the future success of our business operations. Digital or cryptocurrencies, blockchain, and other "fintech" technologies are designed to enhance transactional security and have the potential to disrupt the financial industry, change the way banks do business, and reduce the need for banks as financial deposit-keepers and intermediaries. Consumers may move money out of bank deposits in favor of other investments, including digital or cryptocurrency. Consumers can also shop for higher deposit interest rates at banks across the country, which may offer higher rates because they have few or no physical branches. To stay competitive in its market area, Premier may need to adjust the interest rates on its products to match rates of its competition, which could have a negative impact on net interest margin and results of operations.

**Negative public opinion could damage our reputation and impact business operations and revenues.**

As a financial institution, our earnings and capital are subject to risks associated with negative public opinion. Negative public opinion could result from our actual or alleged conduct in any number of activities, including lending practices, the failure of any product or service sold by us to meet our clients' expectations or applicable regulatory requirements, corporate governance and acquisitions, social media and other marketing activities, the implementation of environmental, social, and governance practices, or from actions taken by government regulators and community organizations in response to any of the foregoing. Negative public opinion could affect our ability to attract or retain clients, could expose us to litigation and regulatory action, and could have a material adverse effect on our stock price or result in heightened volatility. Negative public opinion could also affect our ability to borrow funds in the unsecured wholesale debt markets.

**The increasing complexity of Premier's operations presents varied risks that could affect its earnings and financial condition.**

Premier processes a large volume of transactions on a daily basis and is exposed to numerous types of risks related to internal processes, people and systems. These risks include, but are not limited to, the risk of fraud by persons inside or outside the Company, the execution of unauthorized transactions by employees, errors relating to transaction processing and systems, breaches of data security and our internal control system and compliance with a complex array of consumer and safety and soundness regulations. Premier could also experience additional loss as a result of potential legal actions that could arise as a result of operational deficiencies or as a result of noncompliance with applicable laws and regulations.

Premier has established and maintains a system of internal controls that provides management with information on a timely basis and allows for the monitoring of compliance with operational standards. These systems have been designed to manage operational risks at an appropriate, cost effective level. Procedures exist that are designed to ensure that policies relating to conduct, ethics, and business practices are followed. Losses from operational risks may still occur, however, including losses from the effects of operational errors.

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**Unauthorized disclosure of sensitive or confidential client or customer information or confidential trade secrets, whether through a breach of the Company's computer systems or otherwise, could severely harm its business.**

Potential misuse of funds or information by Premier's employees or by third parties could result in damage to Premier's customers for which Premier could be held liable, subject Premier to regulatory sanctions and otherwise adversely affect Premier's financial condition and results of operations.

Premier's employees handle a significant amount of funds, as well as financial and personal information. Premier also depends upon third-party vendors who have access to funds and personal information about customers. Cybersecurity breaches of other companies, such as the breach of the systems of a credit bureau, may result in criminals using personal information obtained from such other source to impersonate a customer of Premier and obtain funds from customer accounts. Further, Premier may be affected by data breaches at retailers and other third parties who participate in data interchanges with Premier's customers that involve the theft of customer credit and debit card data, which may include the theft of debit card personal identification numbers and commercial card information used to make purchases at such retailers and other third parties. Such data breaches could result in Premier incurring significant expenses to reissue debit cards and cover losses, which could result in a material adverse effect on Premier's results of operations.

Although Premier has implemented systems to minimize the risk of fraudulent taking or misuse of funds or information, there can be no assurance that such systems will be adequate or that a taking or misuse of funds or information by employees, by third parties who have authorized access to funds or information, or by third parties who are able to access funds or information without authorization will never occur. Premier could be held liable for such an event and could also be subject to regulatory sanctions. Premier could also incur the expense of developing additional controls and investing in additional equipment or contracts to prevent future such occurrences. Although Premier has insurance to cover such potential losses, Premier cannot provide assurance that such insurance will be adequate to meet any liability, and insurance premiums may rise substantially if Premier suffers such an event. In addition, any loss of trust or confidence placed in Premier by our customers could result in a loss of business, which could adversely affect our financial condition and results of operations, or result in a loss of investor confidence, adversely affecting Premier's stock price and ability to acquire capital in the future. Premier could also lose revenue by the wrongful appropriation of confidential information about its business operations by competitors who use the information to compete with Premier.

**Premier could suffer a material adverse impact from interruptions in the effective operation of, or security breaches affecting, Premier's computer systems.**

Premier relies heavily on its own information systems and those of vendors to conduct business and to process, record, and monitor transactions. Risks to the system could result from a variety of factors, including the potential for bad acts on the part of hackers, criminals, employees and others. As one example, some banks have experienced denial of service attacks in which individuals or organizations flood the bank's website with extraordinarily high volumes of traffic, with the goal and effect of disrupting the ability of the bank to process transactions. Other businesses have been victims of a ransomware attack in which a business becomes unable to access its own information and is presented with a demand to pay a ransom in order to once again have access to its information. Premier is also at risk for the impact of natural disasters, terrorism and international hostilities on its systems or for the effects of outages or other failures involving power or communications systems operated by others. These risks also arise from the same types of threats to businesses with which Premier deals.

Potential adverse consequences of attacks on Premier's computer systems or other threats include damage to Premier's reputation, loss of customer business, costs of incentives to customers or business partners in order to maintain their relationships, loss of investor confidence and a reduction in Premier's stock price, litigation, increased regulatory scrutiny and potential enforcement actions, repairs of system damage, increased investments in cybersecurity (such as obtaining additional technology, making organizational changes, deploying additional personnel, training personnel and engaging consultants), and increased insurance premiums, all of which could result in financial loss and material adverse effects on Premier's results of operations and financial condition.

**If Premier forecloses on collateral property resulting in Premier's ownership of the underlying real estate, Premier may be subject to the increased costs associated with the ownership of real property, resulting in reduced income.**

A significant portion of Premier's loan portfolio is secured by real property. During the ordinary course of business, Premier may foreclose on and take title to properties securing certain loans. In doing so, there is a risk that hazardous or toxic substances could be found on these properties. If hazardous or toxic substances are found, Premier may be liable for remediation costs, as well as for personal injury and property damage.

In addition, when Premier forecloses on real property, the amount Premier realizes after a default is dependent upon factors outside of Premier's control, including, but not limited to, economic conditions, neighborhood real estate values, interest rates, real estate taxes, operating expenses of the mortgaged properties, zoning laws, governmental rules, regulations and fiscal policies, and acts of God. Certain expenditures associated with the ownership of real estate, principally real estate taxes and maintenance costs, may adversely affect the income from the real estate. Therefore, the cost of operating real property may exceed the rental income earned

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from such property, and Premier may have to sell the property at a loss. The foregoing expenditures could adversely affect Premier's financial condition and results of operations.

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Premier's business strategy focuses on planned growth, including strategic acquisitions, and its financial condition and results of operations could be negatively affected if Premier fails to grow or fails to manage its growth effectively.

Premier's ability to grow successfully will depend on a variety of factors, including the continued availability of its successful execution of desirable business opportunities, organic and managed growth in its ability to integrate mergers, core lending and other acquisitions and manage growth and Premier's ability to raise

capital. There can be no assurance that growth opportunities will be available. deposit gathering activities.

Premier may acquire other financial institutions or parts of institutions in the future, open new branches and consider new lines of business and new products or services. Expansions services as part of its business would involve a number growth strategy. Possible risks to the execution of expenses and risks, including: Premier's growth strategy include:

- the time and costs associated with identifying and evaluating potential acquisitions or expansions into new markets;
- the potential inaccuracy of estimates and judgments used to evaluate the business and risks with respect to target institutions;
- the time and costs of hiring local management and opening new offices;
- the delay between commencing making acquisitions or engaging in new activities and the generation of profits from the expansion;
- Premier's ability to finance an expansion and the possible dilution to existing shareholders;
- the diversion of management's attention to the expansion;
- management's lack of familiarity with new market areas; activities;
- the integration of new products and services and new personnel into Premier's existing business;
- the incurrence inability to attract customers to new products and possible impairment of goodwill associated with an acquisition and effects on results of operations; services; and
- the risk of loss of key employees inability to attract or retain sufficient deposits and customers. capital to fund anticipated growth.

If Premier's growth involves the acquisition of companies through mergers or other acquisitions, the success of such acquisitions will depend on, among other things, Premier's ability to combine the businesses in a manner that permits growth opportunities and cost efficiencies, and does not cause inconsistencies in standards, controls, procedures and policies that adversely affect the ability of Premier to maintain relationships with customers and employees or to achieve the anticipated benefits of the acquisitions.

Failure to manage Premier's growth effectively could have a material adverse effect on its business, future prospects, financial condition or results of operations and could adversely affect Premier's ability to successfully implement its business strategy.

**The Bank's ability to pay dividends is subject to regulatory limitations which, to the extent Premier requires such dividends in the future, may affect its ability to pay dividends or repurchase its stock.**

Premier is a separate legal entity from the Bank and does not have significant operations of its own. Dividends from the Bank provide a significant source of capital for Premier. The availability of dividends from the Bank is limited by various statutes and regulations. The federal and state banking regulators require that insured financial institutions and their holding companies should generally only pay dividends out of current operating earnings. It is possible, depending upon the financial condition of the Bank and other factors, that the Bank's primary regulator could assert that the payment of dividends or other payments by the Bank are an unsafe or unsound practice. In the event the Bank is unable to pay dividends to Premier, Premier may not be able to pay its obligations as they become due, repurchase its stock, or pay dividends on its common stock. Consequently, the potential inability to receive dividends from the Bank could adversely affect Premier's business, financial condition, results of operations or prospects.

**Failure to integrate or adopt new technology may undermine Premier's ability to meet customer demands, leading to adverse effects on Premier's financial condition and results of operations.**

The financial services industry is continually undergoing rapid technological change with frequent introductions of new technology-driven products and services. The effective use of technology increases efficiency and enables financial institutions to better serve customers and to reduce costs. Premier's future success depends, in part, upon its ability to address the needs of its customers by using technology to provide products and services that will satisfy customer demands, as well as to create additional efficiencies in operations. Digital or cryptocurrencies, blockchain, and other "fintech" technologies are being developed to change the way banks operate and are eliminating the need for banks as financial deposit-keepers and intermediaries. Premier may not be able to effectively implement or have the resources to implement new technology-driven products and services or be successful in marketing these products and services to its customers. Failure to successfully keep pace with technological change affecting the financial services industry could adversely affect Premier's business, financial condition, or results of operations.

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**The transition away from The London Interbank Offered Rate ("LIBOR") as a reference rate for financial contracts could negatively affect Premier's income and expenses and the value of various financial contracts.**

LIBOR was used extensively in the U.S. and globally as a benchmark for various commercial and financial contracts, including adjustable rate mortgages, corporate debt, interest rate swaps and other derivative financial instruments. LIBOR is set based on interest rate information reported by certain banks, which are set to stop reporting such information after June 30, 2023. In the U.S., the Alternative Reference Rate Committee ("ARRC") has recommended the use of a Secured Overnight Funding Rate ("SOFR") as the set of alternative U.S. dollar reference interest rates. SOFR is different from LIBOR in that it is a backward-looking secured rate rather than a forward-looking unsecured rate.

These differences could lead to a greater disconnect between our costs to raise funds for SOFR as compared to LIBOR. For cash products and loans, ARRC has also recommended Term SOFR, which is a forward looking SOFR based on SOFR futures and may in part reduce differences between SOFR and LIBOR. There are operational issues which may create a delay in the transition to SOFR or other substitute indices, leading to uncertainty across the industry. These consequences

cannot be entirely predicted and could have an adverse impact on the market value for or value of LIBOR-linked securities, loans, and other financial obligations or extensions of credit.

The Bank has ceased originating loans, derivative contracts, borrowings and other financial instruments that are directly or indirectly dependent on LIBOR. The transition from LIBOR could create considerable costs and additional risk for Premier. Since proposed alternative rates are calculated differently, payments under contracts referencing new rates will differ from those referencing LIBOR. The transition will change Premier's market risk profiles, requiring changes to risk and pricing models, valuation tools, product design and hedging strategies. Further, Premier's failure to adequately manage this transition process with its customers could adversely impact its reputation. Although Premier is currently unable to assess what the ultimate impact of the transition from LIBOR will be, any market-wide transition away from LIBOR could have an adverse effect on its business, financial condition and results of operations.

#### **General Risk Factors**

##### **Economic, political and financial market conditions may adversely affect Premier's operations and financial condition.**

Premier's financial performance generally, and in particular the ability of borrowers to pay interest on and repay principal of outstanding loans and the value of collateral securing those loans, as well as demand for loans and other products and services Premier offers, is highly dependent upon the business environment in the markets where the Company operates, mainly in the State of Ohio, Northeast Indiana and Southeast Michigan. A favorable business environment is generally characterized by, among other factors, economic growth, efficient capital markets, low inflation, low unemployment, high business and investor confidence, and strong business earnings. Unfavorable or uncertain economic and market conditions can be caused by declines in economic growth, business activity or investor or business confidence; limitations on the availability of or increases in the cost of credit and capital; increases in inflation or interest rates; high unemployment, natural disasters; or a combination of these or other factors. Conditions such as inflation, recession, unemployment, changes in interest rates, fiscal and monetary policy, tariffs, a U.S. withdrawal from a significant renegotiation of trade agreements, trade wars, and other factors beyond Premier's control may adversely affect its deposit levels and composition, the quality of its assets including investment securities available for purchase, demand for loans, the ability of its borrowers to repay their loans and the value of the collateral securing the loans it makes. Because Premier has a significant amount of real estate loans, decreases in real estate values could adversely affect the value of property used as collateral and Premier's ability to sell the collateral upon foreclosure.

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##### **Premier is at risk of increased losses from fraud.**

Criminals are committing fraud at an increasing rate and are using more sophisticated techniques. In some cases, these individuals are part of larger criminal rings, which allow them to be more effective. Such fraudulent activity has taken many forms, ranging from debit card fraud, check fraud, mechanical devices attached to ATM machines, social engineering and phishing attacks to obtain personal information, or impersonation of clients through the use of falsified or stolen credentials. Additionally, an individual or business entity may properly identify itself, yet seek to establish a business relationship for the purpose of perpetrating fraud. An emerging type of fraud even involves the creation of synthetic identification in which fraudsters "create" individuals for the purpose of perpetrating fraud. Further, in addition to fraud committed directly against it, Premier may suffer losses as a result of fraudulent activity committed against third parties. Increased deployment of technologies, such as chip card technology, defray and reduce certain aspects of fraud; however, criminals are turning to other sources to steal personally identifiable information, such as unaffiliated healthcare providers and government entities, in order to impersonate the consumer and thereby commit fraud.

##### **Premier may be the subject of litigation, which would result in legal liability and damage to its business and reputation.**

From time to time, Premier and its subsidiaries may be subject to claims or legal action from customers, employees or others. Financial institutions like Premier are facing a growing number of significant class actions, including those based on the manner of calculation of interest on loans and the assessment of overdraft fees. Future litigation could include claims for substantial compensatory and/or punitive damages or claims for indeterminate amounts of damages. Premier is also involved from time to time in other reviews, investigations and proceedings (both formal and informal) by governmental and other agencies regarding its businesses. These matters also could result in adverse judgments, settlements, fines, penalties, injunctions or other relief. Like other financial institutions, Premier is also subject to risk from potential employee misconduct, including non-compliance with policies and improper use or disclosure of

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confidential information. Substantial legal liability or significant regulatory action against Premier could materially adversely affect its business, financial condition or results of operations and/or cause significant reputational harm to its business.

##### **Climate change or other adverse external events could significantly impact the Company's business.**

Banking regulators and other supervisory authorities, investors and other stakeholders have increasingly viewed financial institutions as important in helping to address the risks related to climate change both directly and with respect to their customers, which may result in financial institutions coming under increased pressure regarding the disclosure and management of their climate risks and related lending and investment activities. Given that climate change could impose systemic risks upon the

financial sector, either via disruptions in economic activity resulting from the physical impacts of climate change or changes in policies as the economy transitions to a less carbon-intensive environment, we face regulatory risk of increasing focus on our resilience to climate-related risks, including in the context of stress testing for various climate stress scenarios. Ongoing legislative or regulatory changes regarding climate risk management and practices may result in higher regulatory, compliance, credit and reputational risks and costs.

#### **Item 1B. Unresolved Staff Comments**

None.

#### **Item 1C. Cybersecurity**

##### **Risk Management and Strategy**

Premier's risk management program is designed to identify, measure, prioritize, and manage risk, including information security and cybersecurity risk, in relation to the Company's desired risk appetite established by its Board of Directors. Premier uses a risk-based approach to manage and mitigate threats to information technology resources. Periodic risk assessments are conducted to identify, assess, and reduce information security and cybersecurity risks to acceptable levels.

Premier maintains an active Information Security Policy (the "IS Policy") and associated programs, procedures and standards (collectively with the IS Policy, the "ISPP") in alignment with Federal Financial Institutions Examination Council and National Institute of Standards and Technology guidance to help in the mitigation of risks that may impact the Confidentiality, Integrity and Availability (aka "CIA Triad") of systems and information. The components of the IS Program are reviewed and approved annually by senior management and the IS Policy is reviewed and approved annually by either the Risk Committee of the Board of Directors or the full Board of Directors. These annual reviews and approvals ensure the ISPP meets expectations to safeguard Premier and customer confidential information. The ISPP is subject to annual review by our auditors (both internal and external), the FDIC, and the ODFI to ensure it is in alignment with Premier's internal risk management practices, government regulatory expectations and industry best practices. We use auditors and other third party resources, in addition to internal tools and resources, for security monitoring and testing.

Premier maintains an Information Technology Incident Response Policy and an Information Security Incident Response Playbook that together coordinate the identification, reporting and escalation, containment, and remediation responses of any potential information security incident. Each cybersecurity incident is reviewed by the Chief Information Security Officer ("CISO") to determine if the matter

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needs escalated to the Company's Information Response Team, Information Security Oversight Committee ("ISOC"), Enterprise Risk Management Committee ("ERMC"), or the Board of Directors or Board-level Risk Committee.

Premier addresses third-party risks as part of Premier's Vendor Risk Management ("VRM") Policy and Program. The purpose of the VRM is to provide a consistent framework to direct Premier in the assessment, measurement, monitoring and control of risks related to vendors and third parties with whom Premier does business. Premier assesses and monitors the cybersecurity controls of third party service providers and partners. As part of the initial and regular monitoring of the vendor, the Company reviews a vendor's internal controls based on the COSO framework in alignment with their formal SOC II assessments. The focus of the review is on a vendor's internal management and security practices including but not limited to, physical/systems security, business resiliency, application programming practices, systems security monitoring, and systems change control/authorization.

The VRM currently is managed under the direction of the CISO, with a goal of ensuring that vendors meet obligations associated with the confidentiality, integrity, and availability of Company and customer information. Beginning with the establishment of vendor relationships, vendors are risk rated based on their criticality to the operations of Premier and the sensitivity of the information such vendor has or utilizes to provide services to the Company. These assessments include, but are not limited to, a review of financial, operational and security aspects of the vendor. After the establishment of the vendor relationship, vendors are reevaluated on a regular basis based on their criticality and risk rating, with such reevaluations being conducted either annually, every two years or every three years.

Notwithstanding the focus Premier places on cybersecurity, Premier may not be successful in preventing or mitigating a cybersecurity incident that could have a material adverse effect on the Company. As of the date of this Form 10-K, the Company is not aware of any cybersecurity incidents that have materially affected or are reasonably likely to materially affect the Company, including its business strategy, results of operations, or financial condition that are required to be reported in this Form 10-K. For further discussion, please see Item 1A. "Risk Factors" for a discussion of cybersecurity risks.

##### **Governance**

The Premier Board of Directors has assigned to the Board Risk Committee ("BRC"), along with the ERMC, oversight of risk management, including risks associated with information security and cybersecurity. The BRC is comprised of independent directors of Premier with participation from Premier's executive leadership and additional members of management. The ERMC is chaired by the Chief Risk Officer and, in addition to general oversight of risk management, is responsible for documenting all risks for the organization and reporting to the BRC issues of a critical nature. The ERMC meets monthly and is a cross-functional group comprised of all members of executive leadership and additional members of management from different areas of the Company. The ISOC is responsible for managing and mitigating information

security and cybersecurity risks where appropriate and escalates issues to the ERMC. The ISOC is chaired by the CISO and includes select members of executive leadership and representatives from the Risk Management Department and Information Technology Department. The ISOC meets at least monthly. Routine reporting of the status of cybersecurity risks and mitigation activities progress from the ISOC to ERMC and finally to BRC.

The information security and third-party risk management programs of the Company are managed by the CISO who is a member of the Company's Risk Management Department, reporting directly to the Company's Chief Risk Officer who reports directly to the Chief Executive Officer. The CISO's responsibilities include: maintaining the information security risk assessment and related reports to management; monitoring reasonably foreseeable threats, internal and external, that could result in unauthorized disclosure, misuse, alteration or destruction of customer information or data systems; overseeing the development, implementation, enforcement and maintenance of the ISPP; implementing appropriate changes to the program in response to industry or regulatory mandates; monitoring the entire ISPP, reviewing it at least annually, and adjusting as necessary for changing regulation, technology, personnel, procedures and business arrangements; reporting the status of the ISPP periodically; ensuring information security awareness training is provided to all employees on a regular basis; ensuring the ISPP assessments are updated to include control changes for existing/new products, processes, and systems reflecting the associated changes to risk and mitigation methodology; providing guidance to management on emerging risks, cyber threats and regulatory changes; and maintaining information security program strategic goals in alignment with IT and PFC business strategy.

#### Item 2. Properties

At December 31, 2022 December 31, 2023, the Bank conducted its business from its main office at 275 West Federal St., Youngstown, Ohio, and 74 75 other full-service banking centers and 12 9 loan offices in Ohio, Indiana, Michigan, Pennsylvania and West Virginia. First Insurance conducted its business from ten offices in Ohio, Pennsylvania. Premier maintained its headquarters at 601 Clinton St., Defiance, Ohio. A portion of our back-office operation departments, including information technology, loan processing and underwriting, deposit processing, accounting and risk management are located in an operations center located at 25600 Elliott Rd., Defiance, Ohio. See Note 8 to the Consolidated Financial Statements for additional information. The Company owns both its main office and headquarters, as well as the Defiance operations center.

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#### Item 3. Legal Proceedings

Premier and its subsidiaries are involved in various legal proceedings that arise in the ordinary course of its business. While the ultimate liability with respect to litigation matters and claims cannot be determined at this time, management believes any resulting liability and other amounts relating to pending matters are not likely to be material to the Company's consolidated financial position or results of operations.

#### Item 4. Mine Safety Disclosures

Not applicable.

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## PART II

#### Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

The Company's common shares trade on The Nasdaq Global Select Market under the symbol "PFC." As of February 22, 2023 February 22, 2024, the Company had approximately 6,773 6,633 shareholders of record.

The line graph below compares the yearly percentage change in cumulative total shareholder return on Premier common shares and the cumulative total return of the Nasdaq Composite Index, the SNL Nasdaq Bank Index and the SNL Midwest Bank Index. An investment of \$100 on December 31, 2017 December 31, 2018, and the reinvestment of all dividends are assumed. The performance graph represents past performance and should not be considered to be an indication of future performance.

The payment of future cash dividends is at the discretion of our Board of Directors and subject to a number of factors, including results of operations, general business conditions, growth, financial condition, regulatory limitation and other factors deemed relevant by the Board. Further, our ability to pay future cash dividends is subject to certain regulatory requirements and restrictions discussed in the Regulation section in Item 1 above. For further information, see Note 16 to the Consolidated Financial Statements which is incorporated herein by reference.

| Index | Period Ending |          |          |          |          |          | Period Ending |          |          |          |          |          |
|-------|---------------|----------|----------|----------|----------|----------|---------------|----------|----------|----------|----------|----------|
|       | 12/31/17      | 12/31/18 | 12/31/19 | 12/31/20 | 12/31/21 | 12/31/22 | 12/31/18      | 12/31/19 | 12/31/20 | 12/31/21 | 12/31/22 | 12/31/23 |
|       |               |          |          |          |          |          |               |          |          |          |          |          |

|   |     |     |     |     |     |     |        |        |        |        |        |
|---|-----|-----|-----|-----|-----|-----|--------|--------|--------|--------|--------|
| Premier Financial Corp.                   | 100 | 96. | 127 | 97. | 135 | 123 |        |        |        |        |        |
|   | .00 | 43  | .31 | 25  | .26 | .06 | 100.00 | 132.02 | 100.85 | 140.27 | 127.62 |
| Nasdaq Composite Index                    | 100 | 97. | 132 | 192 | 235 | 158 | 100.00 | 136.69 | 198.10 | 242.03 | 163.28 |
|   | .00 | 16  | .81 | .47 | .15 | .65 |        |        |        |        | 236.17 |
| KBW Nasdaq Bank Index                     | 100 | 82. | 112 | 100 | 138 | 109 | 100.00 | 136.13 | 122.09 | 168.88 | 132.75 |
|   | .00 | 29  | .01 | .46 | .97 | .23 |        |        |        |        | 131.57 |
| S&P U.S. BMI Banks - Midwest Region Index | 100 | 85. | 111 | 95. | 126 | 108 | 100.00 | 130.10 | 111.85 | 147.78 | 127.53 |
|   | .00 | 39  | .10 | 52  | .19 | .91 |        |        |        |        | 130.20 |

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The following table provides information regarding Premier's purchases of its common shares during the fourth quarter period ended **December 31, 2022** **December 31, 2023**:

| Period                         | Total Number of Shares Purchased | Average Price Paid Per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs | Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (1) |
|--------------------------------|----------------------------------|------------------------------|--|--|
|                                |                                  |                              |  |  |
| October 1 – October 31, 2022   | —                                | \$ —                         | —  | 1,200,130  |
| November 1 – November 30, 2022 | 65                               | 29.75                        | 65   | 1,200,065  |
| December 1 – December 31, 2022 | 41                               | 27.55                        | 41   | 1,200,024  |
| <b>Total</b>                   | <b>106</b>                       | <b>\$ 28.89</b>              | <b>106</b>   | <b>1,200,024</b>   |

| Period                         | Total Number of Shares Purchased (2) | Average Price Paid Per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs | Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (2) |
|--------------------------------|--------------------------------------|------------------------------|--|--|
|                                |                                      |                              |  |  |
| October 1 – October 31, 2023   | 550                                  | \$ 18.30                     | —  | 1,199,634  |
| November 1 – November 30, 2023 | —                                    | —                            | —  | 1,199,634  |
| December 1 – December 31, 2023 | 3,992                                | 23.87                        | —  | 1,199,634  |
| <b>Total</b>                   | <b>4,542</b>                         | <b>\$ 23.20</b>              | <b>—</b>   | <b>1,199,634</b>   |

(1) On January 26, 2021, Of this amount, 4,336 shares were withheld by Premier in fulfillment of tax obligations from vesting of restricted stock compensation and **part of the Company** publicly announced that its Board of Directors authorized a program for the repurchase of up to 2,000,000 shares of outstanding common program.

(2) On January 25, 2022, the Company announced that its Board of Directors approved an increase in the Company's repurchasing authorization to up to 2,000,000 of outstanding common stock. There is no expiration date for the repurchase program.

The information set forth under the caption "Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters □ Equity Compensation Plans" of Part III of this Form 10-K is incorporated herein by reference.

**Item 6. [Reserved]**

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**Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations**
**Forward-Looking Statements and Factors that Could Affect Future Results**

This annual report, as well as other publicly available documents, including those incorporated herein by reference, may contain certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities

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Exchange Act of 1934, as amended (the "Exchange Act"), and the Private Securities Litigation Reform Act of 1995. These statements may include, but are not limited to, statements regarding projections, forecasts, goals and plans of Premier Financial Corp. and its management, future movements of interests, loan or deposit production levels, future credit quality ratios, future strength in the market area, and growth projections. These statements do not describe historical or current facts and may be identified by words such as "intend," "intent," "believe," "expect," "estimate," "target," "plan," "anticipate," or similar words or phrases, or future or conditional verbs such as "will," "would," "should," "could," "might," "may," "can," or similar verbs. There can be no assurances that the forward-looking statements included in this report or other publicly available documents will prove to be accurate. In light of the significant uncertainties in the forward-looking statements, the inclusion of such information should not be regarded as a representation by Premier or any other persons, that our objectives and plans will be achieved.

Forward-looking statements involve numerous risks and uncertainties, any one or more of which could affect Premier's business and financial results in future periods and could cause actual results to differ materially from plans and projections. These risks and uncertainties include, but not limited to: financial markets, our customers, and our business and results of operation; changes in interest rates; disruptions in the mortgage market; risks and uncertainties inherent in general and local banking, insurance and mortgage conditions; political uncertainty; uncertainty in U.S. fiscal or monetary policy; policy, including interest rate policies of the Federal Reserve; uncertainty concerning or disruptions relating to tensions surrounding the current socioeconomic landscape; competitive factors specific to markets in which Premier and its subsidiaries operate; future interest rates and changes or volatility in interest rate levels; legislative or regulatory rulemaking or actions; capital market conditions; security breaches or unauthorized disclosure of confidential customer or Company information; interruptions in the effective operation of information and transaction processing systems of Premier or Premier's vendors and service providers; failures or delays in integrating or adopting new technology; the impact of the cessation of LIBOR interest rates and implementation of a replacement rate; and other risks and uncertainties detailed from time to time in our Securities and Exchange Commission ("SEC") filings, including this Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q. Any one or more of these factors have affected or could in the future affect Premier's business and financial results in future periods and could cause actual results to differ materially from plans and projections.

This Item 7 presents information to assess the financial condition and results of operations of Premier. This item should be read in conjunction with the Consolidated Financial Statements and the supplemental financial data contained elsewhere in this Form 10-K.

**Non-GAAP Financial Measures**

In addition to results presented in accordance with accounting principles generally accepted in the United States ("GAAP"), this report includes non-GAAP financial measures. The Company believes these non-GAAP financial measures provide additional information that is useful to investors in helping to understand the underlying performance and trends of the Company. The Company monitors the non-GAAP financial measures and the Company's management believes such measures are helpful to investors because they provide an additional tool to use in evaluating the Company's financial and business trends and operating results. In addition, the Company's management uses these non-GAAP measures to compare the Company's performance to that of prior periods for trend analysis and for budgeting and planning purposes.

Non-GAAP financial measures have inherent limitations, which are not required to be uniformly applied and are not audited. Readers should be aware of these limitations and should be cautious with respect to the use of such measures. To mitigate these limitations, the Company has practices in place to ensure that these measures are calculated using the appropriate GAAP or regulatory components in their entirety and to ensure that our performance is properly reflected to facilitate consistent period-to-period comparisons. The Company's method of calculating these non-GAAP measures may differ from methods used by other companies. Although the Company believes the non-GAAP financial measures disclosed in this report enhance investors' understanding of our business and performance, these non-GAAP measures should not be considered in isolation, or as a substitute for those financial measures prepared in accordance with GAAP.

Fully taxable-equivalent ("FTE") is an adjustment to net interest income to reflect tax-exempt income on an equivalent before-tax basis. The following tables present a reconciliation of non-GAAP measures to their respective GAAP measures for the years ended **December 31, 2022** **December 31, 2023** and **2021**.

**Non-GAAP Financial Measures – Net Interest Income on an FTE basis, Net Interest Margin and Efficiency Ratio**

| (In Thousands)  | Years Ended          |                      |
|---|----------------------|----------------------|
|   | December 31,<br>2022 | December 31,<br>2021 |
|   |                      |                      |
| Net interest income (GAAP)                              | \$ 242,921           | \$ 227,369           |
| Add: FTE adjustment                                     | 814                  | 1,013                |
| Net interest income on a FTE basis (1)                  | \$ 243,735           | \$ 228,382           |
| Noninterest income – less securities gains/(losses) (2) | \$ 62,710            | \$ 75,785            |
| Noninterest expense (3)                                 | 164,511              | 157,955              |
| Average interest-earning assets (4)                     | 7,237,621            | 6,732,178            |
| Ratios:   |                      |                      |
| Net interest margin (1) / (4)                           | 3.37 %               | 3.39 %               |
| Efficiency ratio (3) / (1) + (2)                        | 53.68 %              | 51.93 %              |
| (In Thousands)  | Years Ended          |                      |
|   | December 31,<br>2023 | December 31,<br>2022 |
|   |                      |                      |
| Net interest income (GAAP)                              | \$ 217,093           | \$ 242,921           |
| Add: FTE adjustment                                     | 267                  | 814                  |
| Net interest income on a FTE basis (1)                  | 217,360              | 243,735              |
| Noninterest income – less securities gains/(losses) (2) | 91,265               | 62,710               |
| Noninterest expense (3)                                 | 163,231              | 164,511              |
| Average interest-earning assets (4)                     | 7,912,651            | 7,237,621            |
| Ratios:   |                      |                      |
| Net interest margin (1) / (4)                           | 2.75 %               | 3.37 %               |
| Efficiency ratio (3) / (1) + (2)                        | 52.89 %              | 53.68 %              |

**Non-GAAP Financial Measures – Tangible Book Value**

| (In Thousands, except per share data)   | Years Ended          |                      |
|---|----------------------|----------------------|
|   | December 31,<br>2022 | December 31,<br>2021 |
|   |                      |                      |
| Total Shareholders' Equity (GAAP)       | \$ 887,721           | \$ 1,023,496         |
| Less: Goodwill                          | (317,988)            | (317,948)            |
| Intangible assets                       | (19,074)             | (24,129)             |
| Tangible common equity (1)              | \$ 550,659           | \$ 681,419           |
| Common shares outstanding (2)           | 35,591               | 36,384               |
| Tangible book value per share (1) / (2) | \$ 15.47             | \$ 18.73             |
| (In Thousands, except per share data)   | Years Ended          |                      |
|   | December 31,<br>2023 | December 31,<br>2022 |
|   |                      |                      |
| Total Shareholders' Equity (GAAP)       | \$ 975,627           | \$ 887,721           |
| Less: Goodwill                          | (295,602)            | (317,988)            |
| Intangible assets                       | (12,186)             | (19,074)             |
| Tangible common equity (1)              | \$ 667,839           | \$ 550,659           |
| Common shares outstanding (2)           | 35,730               | 35,591               |
| Tangible book value per share (1) / (2) | \$ 18.69             | \$ 15.47             |

**Financial Condition**

Assets at **December 31, 2022** **December 31, 2023** totaled **\$8.46 billion** **\$8.63 billion** compared to **\$7.48 billion** **\$8.46 billion** at **December 31, 2021** **December 31, 2022**, an increase of **\$0.97 billion** **\$170.6 million**, or **13.0%** **2.0%**. The increase in assets was primarily due to an increase in loans offset by a decrease in securities. The net

increase was primarily the result of funded through an increase in total deposits of \$624.7 million and \$236.3 million offset by a decrease in FHLB advances of \$428.0 million \$148.0 million.

#### Securities

The available-for-sale securities portfolio, at fair value, decreased \$172.4 million \$93.4 million, or 14.1% 9.0%, to \$1.0 billion \$946.7 million at December 31, 2022 December 31, 2023. This The portion of this decrease not attributable to changes in market value, along with an increase in deposits of \$624.7 million \$236.3 million, was used to fund an increase in gross loans including held for sale of \$1.1 billion \$309.2 million. For additional information regarding Premier's investment securities, see Note 4 to the Consolidated Financial Statements.

#### Loans

Loans receivable, net of undisbursed loan funds and deferred fees and costs, increased \$1.2 billion \$278.8 million, or 18.0% 4.3%, to \$6.5 billion \$6.7 billion at December 31, 2022 December 31, 2023. The increase was mainly due to an increase in volume of loans. For more details on the loan balances, see Note 6 – Loans to the Consolidated Financial Statements.

The majority of Premier's commercial real estate and commercial loans are to small- and mid-sized businesses. The combined commercial and commercial real estate loan portfolios including PPP, totaled \$3.89 billion and \$3.82 billion at December 31, 2023 and \$3.35 billion at December 31, 2022 and 2021, respectively, and accounted for approximately 59.1% 58.5% and 63.3% 59.1% of Premier's loan portfolio at the end of those respective periods. Multi-family loans make up \$642.7 million, or 16.5% of total commercial loans as of December 31, 2023 and \$660.8 million, or 17.3% as of December 31, 2022. In addition, Manufacturing makes up \$427.7 million, or 11.0% of total commercial loans as of December 31, 2023 and \$399.8 million, or 10.5% as of December 31, 2022. Premier believes it has been able to establish itself as a leader in its market area in commercial and commercial real estate lending by hiring experienced lenders and providing a high level of customer service to its commercial lending clients.

The one-to-four family residential portfolio totaled \$1.54 billion \$1.81 billion at December 31, 2022 December 31, 2023, compared with \$1.17 billion \$1.54 billion at the end of 2021, with 2022, as a result of retaining more loans in the increase due portfolio as opposed to an increase in volume of new originations selling them. At the end of 2022, such loans comprised 21.6% 25.8% of the total loan portfolio, down an increase from 22.1% 21.6% at December 31, 2021 December 31, 2022.

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Construction loans, which include one-to-four residential family and commercial real estate properties, increased decreased to \$557.4 million at December 31, 2023, compared to \$605.5 million at December 31, 2022, compared to \$384.9 million at December 31, 2021, as a result of funding exceeding new loan commitments. These loans accounted for approximately 9.4% 8.3% and 7.3% 9.4% of the total loan portfolio at December 31, 2022 December 31, 2023 and 2021, 2022, respectively.

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Home equity and home improvement loans increased decreased to \$277.6 million \$268.0 million at December 31, 2022 December 31, 2023, from \$264.4 million \$277.6 million at the end of 2021, 2022. At the end of 2022, 2023, those loans comprised 3.9% 3.8% of the total loan portfolio, consistent with 5.0% 3.9% at December 31, 2021 December 31, 2022.

Consumer finance loans were \$213.4 million \$193.8 million at December 31, 2022 up December 31, 2023 down from \$126.4 million \$213.4 million at the end of 2021, 2022. These loans accounted for approximately 3.0% 2.8% and 2.4% 3.0% of the total loan portfolio at December 31, 2022 December 31, 2023 and 2021, 2022, respectively.

In order to properly assess the loans secured by real estate included in its loan portfolio, the Company Bank has established policies regarding the monitoring of the collateral underlying such loans. The Company Bank requires a recent appraisal that is less than one year old or evaluation, depending on loan amount, for all new secured real estate loans, and generally all renewed secured real estate loans where significant new money is extended. The appraisal process is handled administered by the Bank's Credit Department, which has contracted with independent Appraisal Management Companies ("AMCs") to manage the ordering and review of appraisals. The AMCs order appraisals with licensed and qualified appraisers as the Bank selects the appraiser and orders the appraisal. Premier's loan policy prohibits the account officer from talking or communicating with the appraiser to insure that the appraiser is not influenced by a blind bidding process managed by the account officer in any way in making a determination of value. AMCs. The Bank generally does not require updated appraisals for performing loans unless significant new money is requested by the borrower. term of the loan.

When a secured commercial real estate loan of \$500,000 or more is downgraded to classified status, the Bank reviews obtains an updated appraisal. Appraisals are received within approximately 60 days from the most current date ordered. If necessary, the Bank will use the existing appraisal on file and, if appropriate, based on the Bank's assessment taking into account age of the appraisal, such as age, market etc. conditions or any other known facts to potentially apply a discount to the Bank will discount value until the appraisal amount to a more appropriate current value based on inputs from lenders and realtors. This amount may then be discounted further by the Bank's estimation of the selling costs. In most instances, if the updated appraisal is more than twelve to fifteen months old, a new appraisal may be required.

Finally, received. If the loan is considered impaired and collateral dependent the Bank assesses whether there is any collateral short fall, taking into consideration guarantor support and liquidity and determines to determine if a charge-off or specific reserve is necessary.

All loans 90 days or more past due and/or on non-accrual are classified as non-performing loans. Non-performing status automatically occurs in the month in which the 90-day delinquency occurs. When a collateral dependent loan moves to non-performing status, the Bank generally gets a new third party appraisal and charges the loan down appropriately based upon the new appraisal and an estimate of costs to liquidate the collateral. All properties that are moved into the Other Real Estate Owned ("OREO") category are supported by current appraisals, and the OREO is carried at the lower of cost or fair value, which is determined based on appraised value less the Bank's estimate of the liquidation costs.

The Bank does not adjust any appraisals upward without written documentation of this valuation change from the appraiser. When setting reserves and charge-offs on classified loans, appraisal values may be discounted downward based upon the Bank's experience with liquidating similar properties.

All loans 90 days or more past due and/or on non-accrual are classified as non-performing loans. Non-performing status automatically occurs in the month in which the 90-day delinquency occurs. The Bank has established policies to evaluate non-performing loans. This includes requirements for establishing current fair value of collateral and establishing reserves or charge-offs within specified time frames based on borrower segment and/or loan amount.

**Appraisals** All properties that are received within approximately 60 days after they moved into the Other Real Estate Owned ("OREO") category are requested. The supported by current appraisals or evaluations, and the OREO is carried at the lower of cost or fair value, which is determined based on appraised value less the Bank's Special Assets Committee reviews estimate of the amount of each new appraisal and makes any necessary charge-off decisions at its meeting prior to the end of each quarter. liquidation costs.

Any partially charged-off collateral dependent loans are considered non-performing, and as such, would need to show an extended period of time with satisfactory payment performance as well as documented cash flow coverage capability supported by current financial statements capacity before the Bank will consider an upgrade to performing status. The Bank may consider moving the loan to accruing status after approximately six months of satisfactory payment performance. The Bank monitors and tracks its loan to value quarterly to determine accuracy and any necessary charge-offs. Based on these results, changes may occur in the processes used.

Loan modifications constitute a troubled debt restructuring ("TDR") if the Bank, for economic or legal reasons related to the borrower's financial difficulties, grants a concession to the borrower that it would not otherwise consider. For loans that are considered TDRs and the balance is over \$500,000, the Bank either computes the present value of expected future cash flows discounted at the original loan's effective interest rate or it may measure impairment based on the fair value of the collateral. For those loans individually evaluated utilizing the present value of future cash flows method, any discount is carried as a specific reserve in the allowance for credit losses. For those loans individually evaluated utilizing the fair value of the collateral, any shortfall is charged-off or held as a specific reserve. For loans that are considered TDRs and the balance is under \$500,000 a general reserve is carried in the allowance for credit losses based on a general reserve analysis. Loan modifications made as a result of COVID-19 may not be deemed TDR if certain criteria are met based on regulatory guidance. As of December 31, 2022, and December 31, 2021, the Bank had \$6.6 million and \$7.8 million, respectively, of loans that were still performing and which were classified as TDRs.

#### Allowance for Credit Losses ("ACL")

The Company adopted ASU 2016-13, the Current Expected Credit Loss ("CECL") model on January 1, 2020. Under CECL, a valuation reserve was established in the ACL and maintained through expense in the provision for credit losses. Upon adoption of CECL, the Company made a one-time adjustment, net of taxes, to retained earnings for \$1.9 million. The ACL represents management's assessment of the estimated credit losses the Company will incur over the life of the loan. ACL requires a projection of credit losses over the contract lifetime of the credit adjusted for prepayment tendencies. Management analyzes the adequacy of the ACL regularly through reviews of the loan portfolio. Consideration is given to economic conditions, changes in interest rates and the effect of such changes on collateral values and borrowers' ability to pay, changes in the composition of the loan portfolio and trends in past due and non-performing loan balances. The ACL is a material estimate that is susceptible to significant fluctuation and is established through a provision for credit losses based on management's evaluation of the inherent risk in the loan portfolio. In addition to extensive in-house loan monitoring procedures, the Company utilizes an outside party to conduct an independent loan review of commercial loan and commercial real estate loan relationships. The Company's goal is to have 45-50% of the portfolio reviewed annually using a risk based approach. Management utilizes the results of this outside loan review to assess the effectiveness of its internal loan grading system as well as to assist in the assessment of the overall adequacy of the ACL associated with these types of loans.

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The ACL is made up of two basic components. The first component of the allowance for credit loss is the specific reserve in which the Company sets aside reserves based on the analysis of individually analyzed credits. In establishing specific reserves, the Company analyzes all substandard, doubtful and loss graded loans quarterly and makes judgments about the risk of loss based on the cash flow of the borrower, the value of any collateral and the financial strength of any guarantors. If the loan is individually analyzed and cash flow dependent, then a specific reserve is established for the discount on the net present value of expected future cash flows. If the loan is individually analyzed and collateral dependent, then any shortfall is usually charged off. The Company also considers the impacts of any Small Business Administration ("SBA") or Farm Service Agency ("FSA") guarantees. The specific reserve portion of the ACL was \$4.3 million at December 31, 2023, and \$2.4 million at December 31, 2022, and \$7.1 million at December 31, 2021.

The second component is a general reserve, which is used to record credit loss reserves for loans in which the Company estimates the potential losses over the contractual lifetime of the loan adjusted for prepayment tendencies. In addition, the future economic environment is incorporated in projections with loss expectations to revert to the long-run historical mean after such time as management

can no longer make or obtain a reasonable and supportable forecast. For purposes of the general reserve analysis, the six loan portfolio segments are further segregated into fifteen different loan pools to allocate the ACL. Residential real estate is further segregated into owner occupied and nonowner occupied for ACL occupied. Commercial real estate is split into owner occupied, nonowner occupied, multifamily, agriculture land and other commercial real estate. Commercial credits are comprised of commercial working capital, agriculture production, and other commercial credits. Construction is split out into construction residential and construction other. Consumer is further segregated in to into consumer direct, consumer indirect and consumer indirect, home equity. The Company utilizes three different methodologies to analyze loan pools.

Discounted cash flows ("DCF") was selected as the appropriate method for loan segments with longer average lives and regular payment structures. This method is applied to a majority of the Company's real estate loans and consumer indirect. DCF generates cash flow projections at the instrument level where payment expectations are adjusted for prepayment and curtailment to produce an expected cash flow stream. This expected cash flow stream is compared to the contractual cash flows to establish a valuation account for these loans.

The probability of default/loss given default ("PD/LGD") methodology was selected as most appropriate for loan segments with average lives of three years or less and/or irregular payment structures. This methodology was used for home equity and commercial portfolios. A loan is considered to default if one of the following is detected:

- Becomes 90 days or more past due;
- Is placed on nonaccrual;
- Is marked as a TDR; loan modification with financial difficulties; or
- Is partially or wholly charged-off.

The default rate is measured on the current life of the loan segment using a weighted average of the four most recent maximum possible quarters. PD/The PD is then combined with a LGD derived from historical charge-off data to construct a default rate. This loss rate is then supplemented with adjustments for reasonable and supportable forecasts of relevant economic indicators, particularly the unemployment rate forecast from the Federal Open Market Committee's Summary of Economic Projections. LGD is determined on a dollar-ratio basis, measuring the ratio of net charged off principal to defaulted principal.

The consumer portfolio contains loans with many different payment structures, payment streams and collateral. The remaining life method was deemed most appropriate for the consumer direct loans, while the DCF method was deemed appropriate for the consumer indirect loans as stated above. The weighted average remaining life uses an annual charge-off rate over several vintages to estimate credit losses. The average annual charge-off rate is applied to the contractual term adjusted for prepayments.

Additionally, CECL requires a reasonable and supportable forecast when establishing the ACL. The Company estimates losses over an approximate one-year forecast period using Moody's baseline economic forecasts, and then reverts to longer term historical loss experience over a three-year period.

The quantitative general allowance increased to \$28.1 million at December 31, 2023, from \$15.0 million at December 31, 2022, from \$12.3 million at December 31, 2021, primarily due to the increase in loan volume in the portfolio higher quantitative factors, such as loss rates, prepayment speeds and the impact of forecasted unemployment rate, risk migration.

In addition to the quantitative analysis, a qualitative analysis is performed each quarter to provide additional general reserves on the loan portfolios not individually analyzed for various factors. The overall qualitative factors are based on nine sub-factors. The nine sub-factors have been aggregated into three qualitative factors: economic, environment and risk.

#### ECONOMIC

- 1)Changes in international, national and local economic business conditions and developments, including the condition of various market segments.
- 2)Changes in the value of underlying collateral for collateral dependent loans.

#### ENVIRONMENT

- 3)Changes in the nature and volume in the loan portfolio.
- 4)The existence and effect of any concentrations of credit and changes in the level of such concentrations.

- 5)Changes in lending policies and procedures, including underwriting standards and collection, charge-off and recovery practices.
- 6)Changes in the quality and breadth of the loan review process.

RISK

8) Changes in the trends of the volume and severity of delinquent and classified loans, and changes in the volume of non-accrual loans TDRs, and other loan modifications.

9) Changes in the political and regulatory environment.

The qualitative analysis indicated ~~a~~ an additional general reserve of ~~\$55.4 million~~ ~~\$44.1 million~~ at December 31, 2022 December 31, 2023, compared to ~~\$47.1 million~~ ~~\$55.4 million~~ at December 31, 2021 December 31, 2022. The ~~increase~~ ~~decrease~~ was mainly due to changes in the economic environment as a result of inflation and global conditions. Management reviewed the overall economic, environmental and risk factors and determined that it was appropriate to make adjustments to these sub-factors based on that review. The Company's general reserve percentages for main loan segments, not otherwise classified, ranged from ~~0.67%~~ ~~0.5364%~~ for construction loans to ~~1.39%~~ ~~1.399%~~ for ~~home equity/improvement~~ ~~commercial real estate ("CRE")~~ owner occupied loans at December 31, 2022 December 31, 2023.

Under CECL, when loans are purchased with evidence of more than insignificant deterioration of credit, they are accounted for as purchase credit deteriorated ("PCD"). PCD loans acquired in a transaction are marked to fair value and a mark on yield is recorded. In addition, an adjustment is made to the ACL for the expected loss through retained earnings on the acquisition date. These loans are assessed on a regular basis and subsequent adjustments to the ACL are recorded on the income statement. On January 31, 2020, as a result of the merger of United Community Federal Corp. ("UCFC") with and into Premier (the "Merger"), the Company acquired PCD loans with a fair value of \$79.1 million, a recorded adjustment on yield of \$4.1 million and an increase to the ACL of \$7.7 million.

As a result of the quantitative and qualitative analyses, along with the change in specific reserves and the increase in net charge-offs during the year, the Company's provision for credit losses for the year ended December 31, 2022 December 31, 2023 was an expense of ~~\$12.5 million~~ \$7.7 million. This is compared to ~~a recovery~~ ~~an expense of \$6.7 million~~ ~~\$12.5 million~~ for the year ended December 31, 2021 December 31, 2022. The ACL was ~~\$76.5 million~~ at December 31, 2023, and \$72.8 million at December 31, 2022, and \$66.5 million at December 31, 2021. The ACL represented ~~1.13%~~ ~~1.14%~~ of loans, net of undisbursed loan funds and deferred fees and costs at December 31, 2022 December 31, 2023, and ~~1.26%~~ ~~1.13%~~ at December 31, 2021 December 31, 2022. In management's opinion, the overall ACL of ~~\$72.8 million~~ ~~\$76.5 million~~ as of December 31, 2022 December 31, 2023, was adequate to cover anticipated losses over the lifetime of the loans.

Management also assesses the value of OREO as of the end of each accounting period and recognizes write-downs to the value of that real estate in the income statement if conditions dictate. During the year ended December 31, 2022 December 31, 2023, there were ~~\$8,600~~ ~~\$15,000~~ in write-downs of real estate held for sale. Management believes that the values recorded at December 31, 2022 December 31, 2023, for OREO and repossessed assets represent the realizable value of such assets.

Total classified loans ~~decreased~~ ~~increased~~ to \$69.7 million at December 31, 2023, compared to \$43.8 million at December 31, 2022, compared to \$69.5 million at December 31, 2021, a decrease ~~an increase of \$25.7 million~~ \$25.9 million, primarily due to ~~improved asset quality~~ ~~several downgraded relationships~~.

The Company's ratio of ACL to non-performing loans was ~~215.3%~~ ~~215.6%~~ at December 31, 2022 December 31, 2023, compared to ~~138.4%~~ ~~215.3%~~ at December 31, 2021 December 31, 2022. Management monitors collateral values of all loans included on the watch list that are collateral dependent and believes that allowances for such loans at December 31, 2022 December 31, 2023, were appropriate. Of the ~~\$33.8 million~~ ~~\$35.5 million~~ in non-accrual loans at December 31, 2022 December 31, 2023, \$4.9 million ~~\$15.4 million~~, or ~~14.4%~~ ~~43.4%~~, are ~~were~~ less than 90 days past due.

At December 31, 2022 December 31, 2023, the Company had total non-performing assets of ~~\$34.4 million~~ ~~\$35.7 million~~, compared to ~~\$48.2 million~~ ~~\$34.4 million~~ at December 31, 2021 December 31, 2022. Non-performing assets include loans that are on non-accrual, OREO and other assets held for sale. The OREO balance was ~~\$619,000~~ ~~\$243,000~~ and ~~\$171,000~~ ~~\$619,000~~ as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively.

The net charge-offs and non-accrual loan balances as a percentage of total are presented in the table below at December 31, 2022 December 31, 2023 and 2021, 2022.

|                         | For the Year Ended     |              | As of December 31, |            | For the Year Ended     |              | As of December 31, |                 |
|-------------------------|------------------------|--------------|--------------------|------------|------------------------|--------------|--------------------|-----------------|
|                         | December 31, 2022      |              | 2022               |            | December 31, 2023      |              | 2023               |                 |
|                         | % of Total             |              |                    |            | Net                    |              | % of Total Net     |                 |
|                         | Net                    | Net          | Non-               | % of Total | Net                    | Charge-offs  | Non-accrual        | % of Total Non- |
|                         | Charge-offs            | Charge-offs  | accrual            | Non-       | Charge-offs            | Charge-offs  | Non-accrual        | % of Total Non- |
|                         | (Recoveries)           | (Recoveries) | Loans              | Accrual    | (Recoveries)           | (Recoveries) | Loans              | Accrual         |
|                         | s)                     | (Recoveries) | Loans              | Loans      | (Recoveries)           | (Recoveries) | Loans              | Accrual         |
|                         | (Dollars In Thousands) |              |                    |            | (Dollars In Thousands) |              |                    |                 |
| Residential real estate | \$ 202                 | 3.28 %       | \$ 7,724           | 22.84 %    | \$ 235                 | 5.81 %       | \$ 13,028          | 36.71 %         |

|                             |          |          |           |          |          |          |           |          |
|-----------------------------|----------|----------|-----------|----------|----------|----------|-----------|----------|
| Commercial real estate      | (159)    | -2.58 %  | 13,396    | 39.61 %  | 1,442    | 35.64 %  | 5,971     | 16.82 %  |
| Construction                | 13       | 0.21 %   | —         | 0.00 %   | —        | 0.00 %   | —         | 0.00 %   |
| Commercial                  | 4,945    | 80.34 %  | 4,862     | 14.38 %  | 925      | 22.86 %  | 8,649     | 24.37 %  |
| Home equity and improvement | 12       | 0.19 %   | 1,637     | 4.84 %   | 46       | 1.14 %   | 1,417     | 3.99 %   |
| Consumer finance            | 790      | 12.84 %  | 2,401     | 7.10 %   | 1,262    | 31.19 %  | 3,433     | 9.67 %   |
| PCD                         | 352      | 5.72 %   | 3,802     | 11.24 %  | 136      | 3.36 %   | 2,993     | 8.43 %   |
| Total                       | \$ 6,155 | 100.00 % | \$ 33,822 | 100.00 % | \$ 4,046 | 100.00 % | \$ 35,491 | 100.00 % |

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|                             | For the Year Ended     |              | As of December 31, |            | For the Year Ended |              | As of December 31, |                 |
|-----------------------------|------------------------|--------------|--------------------|------------|--------------------|--------------|--------------------|-----------------|
|                             | December 31, 2021      |              | 2021               |            | December 31, 2022  |              | 2022               |                 |
|                             | % of Total             |              |                    |            | % of Total Net     |              |                    |                 |
|                             | Net                    | Net          | Non-               | % of Total | Net                | Charge-offs  | Non-accrual        | % of Total Non- |
|                             | Charge-offs            | Charge-offs  | accrual            | Non-       | Charge-offs        | Charge-offs  | Non-accrual        | Non-            |
|                             | (Recoveries)           | (Recoveries) | Loans              | Accrual    | (Recoveries)       | (Recoveries) | Loans              | Accrual         |
|                             | s)                     | (Recoveries) | Loans              | Loans      | (Recoveries)       | (Recoveries) | Loans              | Accrual         |
|                             | (Dollars In Thousands) |              |                    |            |                    |              |                    |                 |
| Residential                 | \$ (151)               | -1.70 %      | \$ 9,034           | 19.00 %    | \$ 202             | 3.28 %       | \$ 7,724           | 22.84 %         |
| Commercial real estate      | 3,338                  | 37.60 %      | 14,621             | 30.00 %    | (159)              | (2.58) %     | 13,396             | 39.61 %         |
| Construction                | —                      | 0.00 %       | —                  | 0.00 %     | 13                 | 0.21 %       | —                  | 0.00 %          |
| Commercial                  | 5,637                  | 63.49 %      | 11,531             | 24.00 %    | 4,945              | 80.34 %      | 4,862              | 14.38 %         |
| Home equity and improvement | (185)                  | -2.08 %      | 2,051              | 4.00 %     | 12                 | 0.19 %       | 1,637              | 4.84 %          |
| Consumer finance            | 237                    | 2.67 %       | 1,873              | 4.00 %     | 790                | 12.84 %      | 2,401              | 7.10 %          |
| PCD                         | 2                      | 0.02 %       | 8,904              | 19.00 %    | 352                | 5.72 %       | 3,802              | 11.24 %         |
| Total                       | \$ 8,878               | 100.00 %     | \$ 48,014          | 100.00 %   | \$ 6,155           | 100.00 %     | \$ 33,822          | 100.00 %        |

The following table sets forth information concerning the allocation of Premier's allowance for credit losses by loan categories at December 31, 2022 December 31, 2023 and 2021 2022.

|                                   | December 31, 2022 |             |             | December 31, 2021 |                        |  |
|-----------------------------------|-------------------|-------------|-------------|-------------------|------------------------|--|
|                                   | Percent of        |             | Percent of  |                   | Percent of             |  |
|                                   | total loans       |             | total loans |                   | total loans            |  |
|                                   | Amount            | by category | Amount      | by category       | (Dollars in Thousands) |  |
| Residential real estate           |                   |             |             |                   |                        |  |
| Commercial real estate            | \$ 16,711         | 21.6 %      | \$ 12,029   | 20.2 %            |                        |  |
| Construction                      | 34,218            | 38.8 %      | 32,399      | 42.5 %            |                        |  |
| Commercial loans                  | 4,025             | 17.9 %      | 3,004       | 15.0 %            |                        |  |
| Home equity and improvement loans | 11,769            | 14.8 %      | 13,410      | 15.5 %            |                        |  |
| Consumer loans                    | 4,044             | 3.9 %       | 4,221       | 4.6 %             |                        |  |
|                                   | 2,049             | 3.0 %       | 1,405       | 2.2 %             |                        |  |
|                                   | \$ 72,816         | 100.0 %     | \$ 66,468   | 100.0 %           |                        |  |
| December 31, 2023                 |                   |             |             |                   |                        |  |

|                                   | Amount           | Percent of     |                  | Percent of     |        |
|-----------------------------------|------------------|----------------|------------------|----------------|--------|
|                                   |                  | total          |                  | total          |        |
|                                   |                  | by category    | Amount           | by category    | Amount |
| (Dollars in Thousands)            |                  |                |                  |                |        |
| Residential real estate           | \$ 17,215        | 25.8 %         | \$ 16,711        | 21.6 %         |        |
| Commercial real estate            | 36,053           | 40.5 %         | 34,218           | 38.8 %         |        |
| Construction                      | 3,159            | 12.0 %         | 4,025            | 17.9 %         |        |
| Commercial loans                  | 15,489           | 15.1 %         | 11,769           | 14.8 %         |        |
| Home equity and improvement loans | 2,703            | 3.8 %          | 4,044            | 3.9 %          |        |
| Consumer loans                    | 1,893            | 2.8 %          | 2,049            | 3.0 %          |        |
|                                   | <b>\$ 76,512</b> | <b>100.0 %</b> | <b>\$ 72,816</b> | <b>100.0 %</b> |        |

#### Loans Acquired with Impairment

Under ASU Topic 326, when loans are purchased with evidence of more than insignificant deterioration of credit, they are accounted for as PCD. PCD loans acquired in a transaction are marked to fair value and a mark on yield is recorded. In addition, an adjustment is made to the ACL for the expected loss on the acquisition date. These loans are assessed on a regular basis and subsequent adjustments to the ACL are recorded on the income statement.

#### High Loan-to-Value Mortgage Loans

The majority of Premier's mortgage loans are collateralized by one-to-four-family residential real estate, have loan-to-value ratios of 80% or less, and are made to borrowers in good credit standing. The Bank usually requires residential mortgage loan borrowers whose loan-to-value is greater than 80% to purchase private mortgage insurance ("PMI"). Management also periodically reviews and monitors the financial viability of its PMI providers.

The Bank originates and retains a limited number of residential mortgage loans with loan-to-value ratios that exceed 80% where PMI is not required if the borrower possesses other demonstrable strengths. The loan-to-value ratios on these loans are generally limited to 85% and exceptions must be approved by the Bank's Director of Mortgage Operations or the Bank's Chief Credit Officer. Management monitors the balance of one-to-four family residential loans, including home equity loans. The Bank maintains Portfolio Medical Professional and committed lines of credit that exceed certain loan Portfolio CRA programs which allow up to value standards (90% for owner occupied residences, 85% for non-owner occupied residences and one-to-four family construction loans, 75% for developed land and 65% for raw land). These loans are generally paying as agreed. 100% LTV with no PMI based on specific requirements.

Premier does not make interest-only, first-mortgage residential loans, nor does it have residential mortgage loan products or other consumer products that allow negative amortization.

#### Goodwill and Intangible Assets

Goodwill was \$295.6 million at December 31, 2023 compared to \$318.0 million at December 31, 2022 compared to \$317.9 million at December 31, 2021. This increase is decrease was a result of the sale of First Insurance acquiring Benham Insurance Associates, Inc. ("BIA") in June 2023. Core deposit intangibles and other intangible assets decreased to \$19.1 million \$12.2 million at December 31, 2022 December 31, 2023, compared to \$24.1 million \$19.1 million at December 31, 2021 December 31, 2022, due to the recognition of \$5.4 million \$4.6 million of

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amortization partially offset by in addition to a reduction in intangibles recorded as a part from the sale of the BIA acquisition. First Insurance. No impairment of goodwill was recorded in 2022 2023 or 2021, 2022.

#### Deposits

Total deposits at December 31, 2022 December 31, 2023, were \$6.9 billion \$7.1 billion compared to \$6.3 billion \$6.9 billion at December 31, 2021 December 31, 2022, an increase of \$624.7 million \$236.3 million, or 9.9% 3.4%. Noninterest-bearing checking accounts grew decreased by \$144.7 million \$277.5 million, interest-bearing checking accounts and money markets grew

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decreased by \$232.7 million \$8.1 million, savings decreased by \$6.4 million and \$119.9 million, retail certificates of deposit decreased grew by \$109.9 million \$443.6 million and brokered deposits increased \$198.2 million. Management can utilize the national market for certificates of deposit to supplement its funding needs if necessary. For more details on the deposit balances in general see Note 10 – Deposits to the Consolidated Financial Statements.

#### Borrowings

Premier had \$428.0 million \$280.0 million in FHLB advances or securities sold with agreements to repurchase at December 31, 2022 December 31, 2023 compared to no outstanding \$428.0 million at December 31, 2022. Premier did not need the same level of advances at December 31, 2021. This increase, along with an in 2023 as a result of the increase in deposits and a decrease in security balances, was used to fund the increase in loan balances in 2022 securities.

#### Subordinated Debentures

Subordinated debentures were \$85.1 million \$85.2 million at December 31, 2022 December 31, 2023, compared to \$85.0 million \$85.1 million at December 31, 2021 December 31, 2022. In 2020, the Company issued \$50.0 million aggregate principal amount fixed-to-floating rate subordinated notes due in 2030 in a private offering exempt from the registration requirements under the Securities Act of 1933, as amended. These notes carry a fixed rate of 4.00% for five years then a floating rate equal to the three-month SOFR rate plus 388.5 basis points. The Company may, at its option, redeem the notes, in whole or part, from time to time, subject to certain conditions, beginning on September 30, 2025. The net proceeds of the sale were approximately \$48.8 million, after deducting the offering expenses.

#### Equity

Total stockholders' equity decreased \$135.8 million increased \$87.9 million to \$975.6 million at December 31, 2023, compared to \$887.7 million at December 31, 2022, compared to \$1.02 billion at December 31, 2021. The decrease increase in stockholders' equity was primarily the result of net income of \$111.3 million and a decrease \$19.7 million increase in accumulated other comprehensive income which was primarily related due to a \$138.2 million negative the recording of positive valuation adjustment adjustments on the available-for-sale securities portfolio. Also contributing to the decline was the payment of \$42.8 million of common stock dividends portfolio and the repurchase of 884,000 shares of common stock totaling \$26.9 million. This was interest rate swaps. These increases were partially offset by the recording net income payment of \$102.2 million \$44.3 million of common stock dividends.

#### Results of Operations

##### Summary

Premier reported net income of \$102.2 million \$111.3 million for the year ended December 31, 2022 December 31, 2023, compared to \$126.1 million \$102.2 million and \$63.1 million \$126.1 million for the years ended December 31, 2021 December 31, 2022 and 2020, 2021, respectively. On a diluted per common share basis, Premier earned \$3.11 in 2023, \$2.85 in 2022 and \$3.39 in 2021 and \$1.75 in 2020, 2021. The results for 2020 2023 include eleven six months of income and expenses from UCFC First Insurance compared to twelve months in 2022 and 2021, as well as \$1.01 \$36.3 million in Merger-related expense gains, \$3.7 million in transaction costs and additional provision cost as a result \$8.5 million in taxes all related to the sale of the Merger and the adoption of CECL First Insurance.

##### Net Interest Income

Premier's net interest income is determined by its interest rate spread (i.e., the difference between the yields on its interest-earning assets and the rates paid on its interest-bearing liabilities) and the relative amounts of average interest-earning assets and interest-bearing liabilities.

Net interest income was \$242.9 million \$217.1 million for the year ended December 31, 2022 December 31, 2023, compared to \$227.4 million \$242.9 million and \$208.0 million \$227.4 million for the years ended December 31, 2021 December 31, 2022 and 2020, 2021, respectively. The tax-equivalent net interest margin was 3.37% 2.75%, 3.39% 3.37% and 3.52% 3.39% for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively. The margin decreased 262 basis points between 2022 2023 and 2021 2022 primarily due to the sharp increase in interest rates and inversion of the yield curve which negatively impacted funding costs. Interest-earning asset yields increased 22 77 basis points (to 4.62% in 2023 from 3.85% in 2022 from 3.63% in 2021) 2022 while the cost of interest-bearing liabilities between the two periods increased 34 186 basis points (to 2.54% in 2023 from 0.68% in 2022 from 0.34% in 2021) 2022.

Total interest income increased by \$87.8 million, or 31.6%, to \$365.5 million for the year ended December 31, 2023, from \$277.7 million for the year ended December 31, 2022. This increase was primarily due to an increase in loan income. Interest income from loans increased to \$332.2 million for 2023 compared to \$249.6 million in 2022, which represents an increase of 33.1%. The average balance of loans receivable increased \$806.7 million to \$6.69 billion for 2023, from \$5.89 billion for 2022. The average yield on loans increased 72 basis points to 4.96% in 2023 from 4.24% in 2022.

During the same period, the average balance of investment securities (excluding valuation adjustments) decreased to \$1.15 billion in 2023 from \$1.26 billion for the year ended December 31, 2022. Interest income from investment securities increased to \$28.5 million in 2023 compared to \$26.1 million in 2022.

Interest expense increased by \$113.6 million to \$148.4 million in 2023 compared to \$34.8 million 2022. This increase was mainly due to a 148 basis point increase in the average cost of funds in 2023 and a \$757.3 million increase in the average balance of interest-bearing liabilities. The average balance of interest-bearing deposits increased \$586.6 million to \$5.33 billion in 2023, from \$4.74 billion in 2022. Interest expense related to interest-bearing deposits was \$122.4 million in 2023 compared to \$24.9 million in 2022.

Interest expense on FHLB advances was \$21.5 million in 2023 and \$6.6 million in 2022. The increase in FHLB advances expense was due to increased utilization in 2023 as a result of increased loans. Interest expense recognized by the Company related to subordinated debentures was \$4.5 million in 2023 and \$3.3 million in 2022, which increased due to variable rates.

Total interest income increased by \$34.1 million, or 14.0%, to \$277.7 million for the year ended December 31, 2022, from \$243.6 million for the year ended December 31, 2021. This increase was primarily due to an increase in loan and security income. Interest income from loans increased to \$249.6 million for 2022 compared to \$223.8 million in 2021, which represents an increase of 11.5%. The average balance of loans receivable increased \$412.3 million to \$5.89 billion for 2022, from \$5.47 billion for 2021. The average yield on loans increased 15 basis points to 4.24% in 2022 from 4.09% in 2021.

During the same period, the average balance of investment securities increased to \$1.26 billion in 2022 from \$1.14 billion for the year ended December 31, 2021. Interest income from investment securities increased to \$26.1 million in 2022 compared to \$19.4 million in 2021.

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Interest expense increased by \$18.6 million to \$34.8 million in 2022 compared to \$16.2 million 2021. This increase was mainly due to a 26 basis point increase in the average cost of funds in 2022 and a \$0.38 billion increase in the average balance of interest-bearing liabilities. The average balance of interest-bearing deposits increased \$0.13 billion to \$4.74 billion in 2022, from \$4.61 billion in 2021. Interest expense related to interest-bearing deposits was \$24.9 million in 2022 compared to \$13.5 million in 2021.

Interest expense on FHLB advances was \$6.6 million in 2022 and \$23,000 in 2021. The increase in FHLB advance advances expense was due to increased utilization in 2022 as a result of increased loans. Interest expense recognized by the Company related to subordinated debentures was \$3.3 million in 2022 and \$2.7 million in 2021.

Total interest income increased by \$5.6 million, or 2.4%, to \$243.6 million for the year ended December 31, 2021, from \$237.9 million for the year ended December 31, 2020. This increase was primarily due to an increase in securities income offset partly by a decrease in loans income. Interest income from loans decreased to \$223.8 million for 2021 compared to \$225.1 million in 2020, which represents a decrease of 0.6%. The average balance of loans receivable increased \$249.3 million to \$5.47 billion for 2021, from \$5.22 billion for 2020. However, the average yield on loans decreased 0.22% to 4.09% in 2021 from 4.31% in 2020.

During the same period, the average balance of investment securities increased to \$1.14 billion in 2021 from \$0.54 billion for the year ended December 31, 2020, primarily as a result of increasing deposits and decreasing loans. Interest income from investment securities increased to \$19.4 million in 2021 compared to \$11.5 million in 2020.

Interest expense decreased by \$13.7 million to \$16.2 million in 2021 compared to \$19.9 million 2020. This decrease was mainly due to a 28 basis point decrease in the average cost of funds in 2021 offset by a \$0.42 billion increase in the average balance of interest-bearing liabilities. The average balance of interest-bearing deposits increased \$0.56 billion to \$4.61 billion in 2021, from \$40.5 billion in 2020. Interest expense related to interest-bearing deposits was \$13.5 million in 2021 compared to \$26.9 million in 2020.

Interest expense on FHLB advances was \$23,000 in 2021 and \$1.7 million in 2020. The decrease in FHLB advance expense was due to lower utilization in 2021 as a result of increased deposits. Interest expense recognized by the Company related to subordinated debentures was \$2.7 million in 2021 and \$1.3 million in 2020, with the increase primarily due to the recognition of a full year of expense in 2021 compared to a partial year in 2020.

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The following table shows an analysis of net interest margin on a tax equivalent basis for the years ended December 31, 2022 December 31, 2023, 2021 and 2020: 2021:

| Year Ended December 31,         |             |           |             |             |           |             |             |           | Year Ended December 31, |              |                |                    |              |                |                    |              |                |       |
|---------------------------------|-------------|-----------|-------------|-------------|-----------|-------------|-------------|-----------|-------------------------|--------------|----------------|--------------------|--------------|----------------|--------------------|--------------|----------------|-------|
| (Dollars in Thousands)          |             |           |             |             |           |             |             |           | (Dollars in Thousands)  |              |                |                    |              |                |                    |              |                |       |
| 2022                            |             |           | 2021        |             |           | 2020        |             |           | 2023                    |              |                | 2022               |              |                | 2021               |              |                |       |
| Ave<br>rage                     | Yie<br>rest | Id/<br>Ra | Ave<br>rage | Yie<br>rest | Id/<br>Ra | Ave<br>rage | Yie<br>rest | Id/<br>Ra | Average<br>Balance      | Interest(2)  | Yield/<br>Rate | Average<br>Balance | Interest(3)  | Yield/<br>Rate | Average<br>Balance | Interest(1)  | Yield/<br>Rate |       |
| nce                             | (1)         | te        | nce         | (1)         | te        | nce         | (1)         | te        |                         |              |                |                    |              |                |                    |              |                |       |
| Interest-<br>Earning<br>Assets: |             |           |             |             |           |             |             |           |                         |              |                |                    |              |                |                    |              |                |       |
| Loans                           | 5.8         | 24        |             | 5.4         | 22        |             | 5.2         | 22        |                         |              |                |                    |              |                |                    |              |                |       |
| receiva-<br>ble (4)             | 85.         | 9.        | 4.          | 73.         | 3.        | 4.          | 24.         | 5.        | 4.                      |              |                |                    |              |                |                    |              |                |       |
|                                 | 96          | 58        | 2           | 66          | 82        | 0           | 35          | 17        | 3                       |              |                |                    |              |                |                    |              |                |       |
|                                 | \$ 9        | \$ 6      | 4%          | \$ 8        | \$ 3      | 9%          | \$ 7        | \$ 9      | 1%                      | \$ 6,692,631 | \$ 332,231     | 4.96%              | \$ 5,885,969 | \$ 249,586     | 4.24%              | \$ 5,473,668 | \$ 223,823     | 4.09% |
| Securiti-<br>es (5)             | 1.2         |           |             | 1.1         |           |             |             |           |                         |              |                |                    |              |                |                    |              |                |       |
|                                 | 58.         | 26        | 2.          | 35.         | 20        | 1.          | 54          | 12        | 2.                      |              |                |                    |              |                |                    |              |                |       |
|                                 | 90          | ,8        | 1           | 43          | ,3        | 7           | 4.6         | ,3        | 2                       |              |                |                    |              |                |                    |              |                |       |
|                                 | 1           | 84        | 4%          | 4           | 46        | 9%          | 43          | 93        | 8%                      | 1,150,966    | 28,458         | 2.47%              | 1,258,901    | 26,884         | 2.14%              | 1,135,434    | 20,346         | 1.79% |

|             |           |       |    |         |       |     |       |       |           |  |  |  |  |  |  |  |  |  |  |  |
|-------------|-----------|-------|----|---------|-------|-----|-------|-------|-----------|--|--|--|--|--|--|--|--|--|--|--|
| Interest    |           |       |    |         |       |     |       |       |           |  |  |  |  |  |  |  |  |  |  |  |
| -           |           |       |    |         |       |     |       |       |           |  |  |  |  |  |  |  |  |  |  |  |
| earning     | 70,       | 1.    | 11 | 0.      | 12    | 0.  |       |       |           |  |  |  |  |  |  |  |  |  |  |  |
| deposit     | 91        | 83    | 1  | 1,4     | 19    | 1   | 4,0   | 43    | 3         |  |  |  |  |  |  |  |  |  |  |  |
| s           | 7         | 1     | 7% | 33      | 8     | 8%  | 11    | 5     | 5%        |  |  |  |  |  |  |  |  |  |  |  |
| FHLB        | 21,       | 1,    | 5. | 11,     | 2.    | 38, | 2.    |       |           |  |  |  |  |  |  |  |  |  |  |  |
| stock       | 83        | 22    | 6  | 64      | 23    | 0   | 95    | 95    | 4         |  |  |  |  |  |  |  |  |  |  |  |
|             | 4         | 5     | 1% | 3       | 3     | 0%  | 4     | 8     | 6%        |  |  |  |  |  |  |  |  |  |  |  |
|             |           |       |    |         |       |     |       |       |           |  |  |  |  |  |  |  |  |  |  |  |
| Total       |           |       |    |         |       |     |       |       |           |  |  |  |  |  |  |  |  |  |  |  |
| interest    | 7,2       | 27    |    | 6.7     | 24    |     | 5.9   | 23    |           |  |  |  |  |  |  |  |  |  |  |  |
| -           | 37,       | 8,    | 3. | 32,     | 4,    | 3.  | 31,   | 8,    | 4.        |  |  |  |  |  |  |  |  |  |  |  |
| earning     | 62        | 52    | 8  | 17      | 60    | 6   | 96    | 96    | 0         |  |  |  |  |  |  |  |  |  |  |  |
| assets      | 1         | 6     | 5% | 8       | 0     | 3%  | 5     | 5     | 3%        |  |  |  |  |  |  |  |  |  |  |  |
| Noninter-   |           |       |    |         |       |     |       |       |           |  |  |  |  |  |  |  |  |  |  |  |
| rest-       | 69        |       |    | 75      |       |     | 66    |       |           |  |  |  |  |  |  |  |  |  |  |  |
| earning     | 4,7       |       |    | 0.4     |       |     | 0.6   |       |           |  |  |  |  |  |  |  |  |  |  |  |
| assets      | 77        |       |    | 00      |       |     | 68    |       |           |  |  |  |  |  |  |  |  |  |  |  |
| Total       | 7,9       |       |    | 7.4     |       |     | 6.5   |       |           |  |  |  |  |  |  |  |  |  |  |  |
| Assets      | 32,       |       |    | 82,     |       |     | 92,   |       |           |  |  |  |  |  |  |  |  |  |  |  |
|             | 39        |       |    | 57      |       |     | 63    |       |           |  |  |  |  |  |  |  |  |  |  |  |
|             | \$ 8      |       |    | \$ 8    |       |     | \$ 3  |       |           |  |  |  |  |  |  |  |  |  |  |  |
| Interest    |           |       |    |         |       |     |       |       |           |  |  |  |  |  |  |  |  |  |  |  |
| -           |           |       |    |         |       |     |       |       |           |  |  |  |  |  |  |  |  |  |  |  |
| Bearing     |           |       |    |         |       |     |       |       |           |  |  |  |  |  |  |  |  |  |  |  |
| Liabiliti-  |           |       |    |         |       |     |       |       |           |  |  |  |  |  |  |  |  |  |  |  |
| es:         |           |       |    |         |       |     |       |       |           |  |  |  |  |  |  |  |  |  |  |  |
| Interest    |           |       |    |         |       |     |       |       |           |  |  |  |  |  |  |  |  |  |  |  |
| -           | 4,7       |       |    | 4.6     |       |     | 4.0   |       |           |  |  |  |  |  |  |  |  |  |  |  |
| bearing     | 41,       | 24    | 0. | 11,     | 13    | 0.  | 50,   | 26    | 0.        |  |  |  |  |  |  |  |  |  |  |  |
| deposit     | 82        | ,9    | 5  | 52      | ,4    | 2   | 95    | ,9    | 6         |  |  |  |  |  |  |  |  |  |  |  |
| s           | \$ 7      | \$ 09 | 3% | \$ 5    | \$ 82 | 9%  | \$ 8  | \$ 18 | 6%        |  |  |  |  |  |  |  |  |  |  |  |
| FHLB        | 26        | 6,    | 2. | 12,     | 0.    | 18  | 1,    | 0.    |           |  |  |  |  |  |  |  |  |  |  |  |
| advanc-     | 3,5       | 55    | 4  | 58      | 1     | 7,7 | 69    | 9     |           |  |  |  |  |  |  |  |  |  |  |  |
| es          | 51        | 0     | 9% | 6       | 23    | 8%  | 45    | 1     | 0%        |  |  |  |  |  |  |  |  |  |  |  |
| Subordi-    |           |       |    |         |       |     |       |       |           |  |  |  |  |  |  |  |  |  |  |  |
| nated       | 85,       | 3,    | 3. | 84,     | 2,    | 3.  | 48,   | 1,    | 2.        |  |  |  |  |  |  |  |  |  |  |  |
| debent      | 03        | 32    | 9  | 91      | 71    | 2   | 47    | 30    | 6         |  |  |  |  |  |  |  |  |  |  |  |
| ures        | 6         | 7     | 1% | 1       | 3     | 0%  | 1     | 0     | 8%        |  |  |  |  |  |  |  |  |  |  |  |
| Other       |           |       |    |         |       |     |       |       |           |  |  |  |  |  |  |  |  |  |  |  |
| borrowi-    | 2.        |       |    | 0.      |       |     | 0.    |       |           |  |  |  |  |  |  |  |  |  |  |  |
| ngs         | 18        |       | 7  |         | 7     |     | 6,0   |       | 5         |  |  |  |  |  |  |  |  |  |  |  |
| Total       | 3         | 5     | 3% | 52      | —     | 5%  | 47    | 32    | 3%        |  |  |  |  |  |  |  |  |  |  |  |
| interest    |           |       |    |         |       |     |       |       |           |  |  |  |  |  |  |  |  |  |  |  |
| -           |           |       |    |         |       |     |       |       |           |  |  |  |  |  |  |  |  |  |  |  |
| bearing     | 5,0       |       |    | 4,7     |       |     | 4,2   |       |           |  |  |  |  |  |  |  |  |  |  |  |
| liabilitie- | 90,       | 34    | 0. | 09,     | 16    | 0.  | 93,   | 29    | 0.        |  |  |  |  |  |  |  |  |  |  |  |
| s           | 59        | ,7    | 6  | 07      | ,2    | 3   | 22    | ,9    | 7         |  |  |  |  |  |  |  |  |  |  |  |
|             | 7         | 91    | 8% | 4       | 18    | 4%  | 1     | 41    | 0%        |  |  |  |  |  |  |  |  |  |  |  |
|             |           |       |    |         |       |     |       |       |           |  |  |  |  |  |  |  |  |  |  |  |
|             | 5,847,944 |       |    | 148,417 |       |     | 2.54% |       | 5,090,597 |  |  |  |  |  |  |  |  |  |  |  |
|             |           |       |    |         |       |     |       |       |           |  |  |  |  |  |  |  |  |  |  |  |
|             |           |       |    |         |       |     |       |       |           |  |  |  |  |  |  |  |  |  |  |  |



|                                    |        |        |        |        |        |        |  |
|------------------------------------|--------|--------|--------|--------|--------|--------|--|
| Average interest                   |        |        |        |        |        |        |  |
| -                                  |        |        |        |        |        |        |  |
| earning assets to average interest |        |        |        |        |        |        |  |
| -                                  |        |        |        |        |        |        |  |
| bearing liabilities                | 1.4.2. | 1.4.3. | 1.3.8. |        |        |        |  |
| s                                  | 2%     | 0%     | 2%     |        |        |        |  |
|                                    |        |        |        | 135.3% |        |        |  |
|                                    |        |        |        |        | 142.2% |        |  |
|                                    |        |        |        |        |        | 143.0% |  |

(1) Interest on certain tax exempt loans and tax-exempt securities in 2023, 2022 **2021** and **2020 2021** is not taxable for Federal income tax purposes. In order to convert the tax-exempt yields on these assets to taxable yields, the interest earned on these assets is adjusted to a pre-tax equivalent amount based on the marginal corporate federal income tax rate of 21%.

(2) Interest rate spread is the difference in the yield on interest-earning assets and the cost of interest-bearing liabilities.

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(3) Net interest margin is net interest income divided by average interest-earning assets excluding average unrealized gains/losses. See Non-GAAP Financial Measure discussion above for further details.

(4) For the purpose of the computation for loans, non-accrual loans are included in the average loans outstanding.

(5) Securities yield = annualized interest income divided by the average balance of securities, excluding average unrealized gains/losses.

See Non-GAAP Financial Measure discussion above for further details.

The following table describes the extent to which changes in interest rates and changes in volume of interest-related assets and liabilities have affected Premier's tax-equivalent interest income and interest expense during the periods indicated. For each category of interest-earning assets and interest-bearing liabilities, information is provided on changes attributable to (i) changes in volume (change in volume multiplied by prior year rate), (ii) change in rate (change in rate multiplied by prior year volume), and (iii) total change in rate and volume. The combined effect of changes in both rate and volume has been allocated proportionately to the change due to rate and the change due to volume.

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| Interest-Earning Assets | Year Ended December 31, |               |             |               |               |             | Year Ended December 31, |               |            |               |               |            |
|-------------------------|-------------------------|---------------|-------------|---------------|---------------|-------------|-------------------------|---------------|------------|---------------|---------------|------------|
|                         | (In Thousands)          |               |             |               |               |             | (In Thousands)          |               |            |               |               |            |
|                         | 2022 vs. 2021           |               |             | 2021 vs. 2020 |               |             | 2023 vs. 2022           |               |            | 2022 vs. 2021 |               |            |
|                         | Increase                | Increase      | Increase    | Increase      | Increase      | Increase    | Increase                | Increase      | Total      | Increase      | Increase      | Total      |
|                         | (decrease)              | (decrease)    | (increase)  | (decrease)    | (decrease)    | (increase)  | (decrease)              | (decrease)    | increase   | (decrease)    | (decrease)    | increase   |
|                         | due to rate             | due to volume | due to ease | due to rate   | due to volume | due to ease | due to rate             | due to volume | (decrease) | due to rate   | due to volume | (decrease) |
| Interest-Earning Assets |                         |               |             |               |               |             |                         |               |            |               |               |            |
| Loans                   | 25,                     | (12           | (1,         |               |               |             |                         |               |            |               |               |            |
|                         | 8,8                     | 16,9          | 76          | ,04           | 10,6          | 35          |                         |               |            |               |               |            |
|                         | \$ 29                   | \$ 34         | \$ 3        | \$ 2)         | \$ 86         | \$ 6)       | \$ 42,379               | \$ 40,266     | \$ 82,645  | \$ 8,829      | \$ 16,934     | \$ 25,763  |

|                                     |      |        |      |       |       |       |             |           |            |           |           |
|-------------------------------------|------|--------|------|-------|-------|-------|-------------|-----------|------------|-----------|-----------|
| Securities                          |      | (5,    |      |       |       |       |             |           |            |           |           |
|                                     | 4,4  | 2,13   | 6,5  | 56    | 13,5  | 7,9   |             |           |            |           |           |
|                                     | 06   | 2      | 38   | 4)    | 17    | 53    | 4,154       | (2,580)   | 1,574      | 4,406     | 2,132     |
| Interest-earning deposits           | 70   |        | 63   | (18   |       | (23   |             |           |            |           |           |
|                                     | 2    | (69)   | 3    | 9)    | (48)  | 7)    | 3,957       | (2,310)   | 1,647      | 702       | (69)      |
| FHLB stock                          | 78   |        | 99   |       | (72   |       |             |           |            |           |           |
|                                     | 8    | 204    | 2    | (54)  | (671) | 5)    | 537         | 848       | 1,385      | 788       | 204       |
| Total interest-earning assets       | 14,  |        | 33,  | (17   |       |       |             |           |            |           |           |
|                                     | 72   | 19,2   | 92   | .84   | 23,4  | 5,6   |             |           |            |           |           |
|                                     | \$ 5 | \$ 01  | \$ 6 | \$ 9) | \$ 84 | \$ 35 | \$ 51,027   | \$ 36,224 | \$ 87,251  | \$ 14,725 | \$ 19,201 |
| <b>Interest-Bearing Liabilities</b> |      |        |      |       |       |       |             |           |            |           |           |
| Deposits                            | 11,  |        | 11,  | (17   |       | (13   |             |           |            |           |           |
|                                     | 38   |        | 42   | .06   | 3,62  | .43   |             |           |            |           |           |
|                                     | \$ 0 | \$ 47  | \$ 7 | \$ 3) | \$ 7  | \$ 6) | \$ 83,930   | \$ 13,568 | \$ 97,498  | \$ 11,380 | \$ 47     |
| FHLB advances                       | 6,0  |        | 6,5  |       | (1,   |       |             |           |            |           |           |
|                                     | 88   | 439    | 27   | (91)  | 78)   | 9)    | 6,457       | 8,472     | 14,929     | 6,088     | 439       |
| Subordinated                        | 60   |        | 61   | 44    |       | 1,4   |             |           |            |           |           |
| Debentures                          | 4    | 10     | 4    | 2     | 971   | 13    | 1,199       | 5         | 1,204      | 604       | 10        |
| Notes Payable                       | 4    | 1      | 5    | —     | (32)  | (32)  | —           | (5)       | (5)        | 4         | 1         |
| Total interest-bearing liabilities  | 18,  |        | 18,  | (16   |       | (13   |             |           |            |           |           |
|                                     | 07   |        | 57   | .71   | 2,98  | .72   |             |           |            |           |           |
|                                     | \$ 6 | \$ 497 | \$ 3 | \$ 2) | \$ 8  | \$ 4) | \$ 91,586   | \$ 22,040 | \$ 113,626 | \$ 18,076 | \$ 497    |
| Increase in net interest income     |      |        | 15,  |       | 19,   |       |             |           |            |           |           |
|                                     |      |        | 35   |       | 35    |       |             |           |            |           |           |
|                                     |      |        | \$ 3 |       | \$ 9  |       |             |           |            |           |           |
| Change in net interest income       |      |        |      |       |       |       | \$ (26,375) |           |            |           | \$ 15,353 |

(1) The change in interest rates due to both rate and volume has been allocated between the factors in proportion to the relationship of the absolute dollar amounts change in each.

**Provision for credit losses** – Premier's provision for credit losses was an expense of \$5.2 million, an expense of \$14.3 million, and a recovery of \$7.1 million and an expense of \$44.3 million for the years ended December 31, 2022 December 31, 2023, 2022, and 2021, and 2020, respectively. The increase in provision for 2020 included \$25.9 million related to acquisition accounting under CECL for the Merger with the remaining increase generally due to the larger loan portfolio post-Merger and the impact of the COVID-19 pandemic. The decrease for 2021 2023 is primarily due to improved conditions as a decline in loan volume whereas, the economy and credit environment recovers from the COVID-19 pandemic. The increase in 2022 was mainly due to the an increase in volume loan volume. Net loans increased \$275.1 million in loans 2023 versus an increase of \$1.2 billion in 2022.

Provisions for credit losses are charged to earnings to bring the total allowance for credit losses to a level deemed appropriate by management to absorb anticipated losses over the life of the loan. Factors considered by management include identifiable risk in the portfolios, historical experience, the volume and type of lending conducted by Premier, the amount of non-performing loans, the amount of loans graded by management as substandard, doubtful, or loss, general economic conditions (particularly as they relate to Premier's market areas) and other factors related to the collectability of Premier's loan portfolio. See also Allowance for Credit Losses in this Management's Discussion and Analysis and Note 6 to the Consolidated Financial Statements.

**Noninterest Income** – Noninterest income increased by \$28.7 million, or 46.2%, to \$90.8 million in 2023 primarily due to a \$36.3 million gain recognized on the sale of First Insurance partially offset by declines in insurance commissions and mortgage banking. Noninterest income decreased by \$17.2 million, or 21.6%, in 2022 to \$62.2 million in 2022 primarily due to a decrease in mortgage banking income and losses on securities. Noninterest income decreased by \$465,000, or 0.6%, in 2021 to \$79.3 million down from \$79.8 million for the year ended December 31, 2020 December 31, 2021.

Service fees and other charges increased to \$25.9 million \$27.3 million for the year ended December 31, 2022 December 31, 2023, from \$24.2 million \$25.9 million for 2021 2022 and from \$22.1 million \$24.2 million in 2020 2021. The increase in service fees and other charges in 2022 2023 is primarily due to increased customer activity for interchange and ATM/NSF charges.

Noninterest income also includes gains, losses and **impairment** on investment securities. In **2022**, Premier recognized **\$550,000** of securities losses compared to **\$550,000** in securities losses in **2022** and **\$4.2 million** in **security** gains in **2021**. These amounts reflect both realized and **\$1.6 million** unrealized gains and/or losses with the realized portions of these amounts in **gains** in **2020**, **2023** and **2022** being a gain of **\$201,000** and a gain of **\$1.3 million**, respectively.

Mortgage banking income includes gains from the sale of mortgage loans, fees for servicing mortgage loans for others, an offset for amortization of mortgage servicing rights, and adjustments for **impairment** in the value of mortgage servicing rights. Mortgage banking income totaled **\$9.9 million** in **2023**, **\$6.7 million**, **\$9.9 million** and **\$21.9 million** in **2023**, **2022** and **\$28.2 million** in **2021**, respectively. The **\$3.1 million** decrease in **2023** from **2022** is primarily attributable to a negative valuation adjustment of **\$69,000** in **2023** compared to a positive valuation adjustment of **\$2.0 million** in **2022** and **2021**, respectively, along with a decrease in the gain on sale of loans of **\$1.4 million**. Premier originated less residential mortgages for sale into the secondary market in **2023** compared with **2022** as long term interest rates stabilized resulting in less refinance activity. The balance of the mortgage servicing right valuation allowance was **\$756,000** at the end of **2023**.

The **\$12.1 million** decrease in **2022** from **2021** is primarily attributable to a decrease in the gain on sale of loans of **\$10.7 million** offset partly by a **\$2.5 million** benefit from lower mortgage servicing rights amortization. Premier originated less residential mortgages for sale into the secondary market in **2022** compared with **2021** as long term interest rates stabilized resulting in less refinance activity. The balance of the mortgage servicing right valuation allowance was **\$687,000** at the end of **2022**.

**The \$6.3 million** decrease in **mortgage banking income** in **2021** from **2020** was primarily attributable to a decrease in the gain on sale of loans of **\$19.9 million** offset partly by a **\$13.8 million** positive change in the valuation adjustments on **mortgage servicing rights**. Premier originated less residential mortgages for sale into the secondary market in **2021** compared with **2020** as long term interest

rates stabilized resulting in less refinance activity. The balance of the mortgage servicing right valuation allowance was **\$2.7 million** at the end of **2021**.

Gains on the sale of non-mortgage loans, which include SBA and FSA loans, totaled **\$0** in **2022** compared to **\$0** in **2021** and **\$324,000** in **2020**. Fluctuations in the volume of eligible SBA loans were the reasons for the difference in income year to year to year.

Insurance commission income decreased to **\$8.9 million** in **2023**, from **\$16.2 million** in **2022** as a result of only recognizing six months of income in **2023** as First Insurance was sold in June **2023**. Insurance commission income increased to **\$16.2 million** in **2022**, up **\$448,000** from **\$15.8 million** in **2021** primarily due to higher new/renewal commissions. Insurance commission income decreased to **\$15.8 million** in **2021**, down **\$1.0 million** from **\$16.8 million** in **2020** primarily due to lower contingent commissions.

Income from bank owned life insurance ("BOLI") decreased **\$1.2 million** increased **\$1.1 million** in **2022** to **\$5.0 million** up from **\$3.9 million** down from **\$5.1 million** in **2022**. Income in **2021** primarily due to **\$1.1 million** was **\$5.1 million**. Premier recognized **\$875,000** and **\$1.4 million** in proceeds from claim gains in **2023** and **2021**, respectively. There was no recognition of claim gains recognized in **2021**. Income in **2020** was **\$3.3 million**.

Wealth income increased **\$494,000** to **\$6.3 million** in **2023** from **\$5.8 million** in **2022**. Wealth income decreased **\$199,000** to **\$5.8 million** in **2022** from **\$6.0 million** in **2021**. Wealth

Premier sold First Insurance to Risk Strategies Corporation in the second quarter of **2023** and recognized a gain on the sale of **\$36.3 million**.

Other noninterest income decreased **\$132,000** to **\$6.0 million** in **2023** compared to **\$544,000** in **2021** as a result of six months income from **\$6.2 million** First Insurance in **2020**.

**2023** compared to a full year of income in **2022**. Other noninterest income decreased to **\$984,000** in **2022** compared to **\$2.1 million** in **2021** primarily due to a **\$1.3 million** non-recurring settlement payment in **2021**. Other noninterest income increased to **\$2.1 million** in **2021** compared to **\$1.9 million** in **2020**.

**Noninterest Expense** – Total noninterest expense for **2022** was **\$164.5 million** compared to **\$163.2 million** for the year ended December 31, **2022**, and **\$157.3 million** for the year ended December 31, **2021**.

Compensation and benefits decreased **\$4.8 million**, and **\$164.3 million** for the year ended December 31, **2020**, or 4.9%, to **\$92.6 million** in **2023** from **\$97.4 million** in **2022**. The **increase** decrease from **2021** **2022** is primarily due to an **increase** the sale of First Insurance and cost savings initiatives that began in **compensation** and **benefits** and other **non-interest** expense the second quarter of **2023** partially offset by **costs** related to higher staffing levels from our **2022** growth initiatives and higher base compensation, including **2022** mid-year adjustments and **2023** annual adjustments. Premier recognized **\$3.7 million** in transaction costs related to the sale of First Insurance in the second quarter of **2023**. Data processing costs were **\$16.2 million** in **2023**, compared to **\$13.8 million** in **2022** with the increase primarily due to year-over-year growth. FDIC insurance premiums increased **\$2.2 million** to **\$5.8 million** in **2023** compared to **\$3.6 million** in **2022** primarily due to a **decrease** two basis point increase in **occupancy**, the base deposit insurance assessment in **2023**.

Compensation and benefits increased \$6.8 million, or 7.5%, to \$97.4 million in 2022 up from \$90.6 million in 2021. The increase is mainly related to higher staffing levels for growth initiatives and higher base compensation including mid-year adjustments. Occupancy expense decreased \$1.5 million, to \$14.0 million in 2022, compared to \$15.5 million in 2021 and other noninterest expenses increased \$1.6 million to \$26.1 million in 2022 from \$24.4 million in 2021.

Compensation and benefits increased \$13.4 million, or 17.4%, to \$90.6 million in 2021 up from \$77.2 million in 2020. The increase is mainly related to increased staffing, merit increases and increases in health care. Occupancy expense decreased \$819,000 to \$15.5 million in 2021 compared to \$16.3 million in 2020 and data processing expense decreased \$1.1 million to \$13.6 million in 2021 from \$14.7 million in 2020. Other noninterest expenses increased \$1.8 million to \$25.1 million in 2021 from \$23.3 million in 2020.

**Income Taxes** – Income taxes totaled \$28.2 million in 2023 compared to \$24.1 million in 2022 compared to and \$30.4 million in 2021 and \$16.2 million in 2020, 2021. The effective tax rates for those years were 19.1% 20.2%, 19.4% 19.1%, and 20.4% 19.4%, respectively. The tax rate is lower than the statutory 21% tax rate for the Company mainly because of investments in tax-exempt securities. The earnings on bank owned life insurance and tax-exempt securities that are not subject to federal income tax. See Note 17 – Income Taxes to the Consolidated Financial Statements for further details.

#### Concentrations of Credit Risk

Financial institutions such as Premier generate income primarily through lending and investing activities. The risk of loss from lending and investing activities includes the possibility that losses may occur from the failure of another party to perform according to the terms of the loan or investment agreement. This possibility is known as credit risk.

Lending or investing activities that concentrate assets in a way that exposes the Company to a material loss from any single occurrence or group of occurrences increases credit risk. Diversifying loans and investments to prevent concentrations of risks is one way a financial institution can reduce potential losses due to credit risk. Examples of asset concentrations would include multiple loans made to a single borrower and loans of inappropriate size relative to the total capitalization of the institution. Management believes adherence to its loan and investment policies allows it to control its exposure to concentrations of credit risk at acceptable levels. As of December 31, 2022 December 31, 2023. Premier's loan portfolio was concentrated geographically in its northeast, northwest and central Ohio, northeast Indiana, and southeast Michigan market areas. Management has also identified lending for income-generating rental multifamily properties within commercial real estate as an industry concentration. Total loans for income-generating rental from multifamily property totaled \$2.4 billion \$642.7 million at December 31, 2022 December 31, 2023, which represents 33.4% 9.2% of the Company's loan portfolio. Management believes it has the skill and experience to manage any risks associated with this type of lending. Loans in this category are generally paying as agreed without any unusual or unexpected levels of delinquency. The delinquency rate in this category, which is any loan 30 days or more past due, was 0.01% 0.0% at December 31, 2022 December 31, 2023. There are no other industry concentrations that exceed 10% of the Company's loan portfolio.

#### Liquidity and Capital Resources

The Company's primary source of liquidity is its core deposit base, raised through the Bank's branch network, along with wholesale sources of funding and its capital base. These funds, along with investment securities, provide the ability to meet the needs of depositors while funding new loan demand and existing commitments.

Cash (used in) generated from operating activities was \$180.1 million \$77.3 million, \$165.9 million \$180.1 million and (\$55.6) million \$165.2 million in 2023, 2022 and 2021, respectively. These fluctuations are mainly due to changes in the volume of loans sold from year to year and 2020, respectively, the sale of First Insurance in 2023. The adjustments to reconcile net income to cash provided by or used in operations during the periods presented consist primarily of proceeds from the sale of loans (less the origination of loans held for sale), the provision for credit losses, depreciation expense, the origination, amortization and impairment of mortgage servicing rights and increases and decreases in other assets and liabilities. The negative cash from operating activities in 2020 was primarily due to the Company's decision to originate and sell construction loans held for sale for the first time. Due to the time it takes to complete the construction and sell the loans, the cash used in the origination of loans held for sale greatly exceeded the proceeds from the sale of loans held for sale. Since this is strictly a timing difference, the Company was comfortable paying out dividends on its common stock in 2020 even with the negative cash provided by operating activities.

The primary investing activity of Premier is lending and the purchase of available-for-sale securities, which are funded with cash provided from operating and financing activities, as well as proceeds from payment on existing loans and proceeds from maturities of investment securities. The net cash used for investing activities was \$1.2 billion \$124.7 million, \$333.5 million \$1.2 billion and \$541.9 million \$332.8 million in 2023, 2022 and 2021, and 2020, respectively. These fluctuations are mainly due to the change in volume of loans from one year to the next.

Principal financing activities include the gathering of deposits, the utilization of FHLB advances, and the sale of securities under agreements to repurchase such securities and borrowings from other banks. The net cash provided by financing activities was \$993.4 million \$33.9 million, \$993.4 million and \$169.9 million in 2023, 2022 and \$625.5 million 2021, respectively. These fluctuations are mainly a result of changes in 2022, 2021 deposit balances and 2020, respectively, borrowings from

FHLB year over year. For additional information about cash flows from Premier's operating, investing and financing activities, see the Consolidated Statements of Cash Flows and related Notes included in the Consolidated Financial Statements.

At December 31, 2022 December 31, 2023, Premier had the following commitments to fund deposits, borrowing obligations, leases and post-retirement benefits:

| Contractual Obligations       | Maturity Dates by Period at December 31, 2022 |        |           |       |         | Maturity Dates by Period at December 31, 2023 |              |            |           |           |
|-------------------------------|---|--------|-----------|-------|---------|---|--------------|------------|-----------|-----------|
|                               | More  |        |           |       |         | More than                                     |              |            |           |           |
|                               | Less than                                     |        | 3-5       |       | 5 years | Total   |              | Less than  |           | 5 years   |
| Contractual Obligations       | Total   | 1 year | 1-3 years | years | 5 years | Total   | 1 year       | 1-3 years  | 3-5 years | 5 years   |
| (In Thousands)                |   |        |           |       |         |   |              |            |           |           |
| Certificates of deposit       | 588,72  | 292,58 | 28,61     |       |         | \$ 910,059                                    | \$ 3         | \$ 5       | \$ 8      | 133       |
| Brokered deposits             |   |        |           |       |         |   |              |            |           |           |
| Subordinated debentures       | 85,103  | —      | —         | —     | 3       |   |              |            |           |           |
| FHLB advances                 |   |        |           |       |         |   |              |            |           |           |
| Lease obligations             |   |        |           |       |         | 20,675  | 2,436        | 3,700      | 2,687     | 2         |
| Post-retirement benefits      | 1,797   | 193    | 415       | 383   | 806     |   |              |            |           |           |
| Total contractual obligations | 1,017,6                                       | 591,35 | 296,70    | 31,68 | 97,89   | \$ 34   | \$ 2         | \$ 0       | \$ 8      | \$ 4      |
|                               |   |        |           |       |         | \$ 2,423,092                                  | \$ 2,204,507 | \$ 102,986 | \$ 18,904 | \$ 96,695 |

To meet its obligations, management can adjust the rate of savings certificates to retain deposits in changing interest rate environments; it can sell or securitize mortgage and non-mortgage loans; and it can turn to other sources of financing including FHLB advances, the Federal Reserve, and brokered certificates of deposit. At December 31, 2022 December 31, 2023, Premier had additional borrowing capacity of \$1.1 billion \$1.3 billion under its agreements with the FHLB.

The Bank is subject to various capital requirements. At December 31, 2022 December 31, 2023, the Bank had capital ratios that exceeded the standard to be considered "well capitalized." For additional information about Premier and the Bank's capital requirements, see Note 16 – Regulatory Matters to the Consolidated Financial Statements.

#### Critical Accounting Policies and Estimates

Premier has established various accounting policies that govern the application of GAAP in the preparation of its Consolidated Financial Statements. The significant accounting policies of Premier are described in the Notes to the Consolidated Financial Statements. Certain accounting policies involve significant judgments and assumptions by management, which have a material impact on the carrying value of certain assets and liabilities and management considers such accounting policies to be critical accounting policies. The judgments and assumptions used by management are based on historical experience and other factors, which are believed to be reasonable under the circumstances. Because of the nature of the judgments and assumptions made by management, actual results could differ from these judgments and estimates, which could have a material impact on the carrying value of assets and liabilities and the results of operations of Premier.

**Allowance for credit losses** - Premier believes the allowance for credit losses is a critical accounting policy that requires the most significant judgments and estimates used in preparation of its Consolidated Financial Statements. In determining the appropriate estimate for the allowance for credit losses, management considers a number of factors relative to both specific credits in the loan portfolio and macro-economic factors relative to the economy of the U.S. as a whole and the economies of the areas in which the Company does business.

ACL requires a projection of credit losses over the contract lifetime of the credit adjusted for prepayment tendencies. Management analyzes the adequacy of the ACL regularly through reviews of the loan portfolio. Consideration is given to economic conditions, changes in interest rates and the effect of such changes on collateral values and borrower's ability to pay, changes in the composition of the loan portfolio and

trends in past due and non-performing loan balances. The ACL is a material estimate that is susceptible to significant fluctuation and is established through a provision for credit losses based on management's evaluation of the inherent risk in the loan portfolio.

Factors relative to specific credits that are considered include a customer's payment history, a customer's recent financial performance, an assessment of the value of collateral held, knowledge of the customer's character, the financial strength and commitment of any guarantors, the existence of any customer or industry concentrations, changes in a customer's competitive environment and any other issues that may impact a customer's ability to meet his obligations.

Economic factors that are considered include levels of unemployment and inflation, GDP growth, Federal Reserve stimulus and broad global and national economic conditions.

In addition to the identification of specific customers who may be potential credit problems, management considers its historical losses, the results of independent loan reviews, an assessment of the adherence to underwriting standards, and other factors in providing for credit losses that have not been specifically classified. Management believes that the level of its allowance for credit losses is sufficient to cover the current expected credit losses. Refer to Allowance for credit losses in this Management's Discussion and Analysis and Note 2 - Statement of Accounting Policies for a further description of the Company's estimation process and methodology related to the allowance for credit losses.

**Goodwill and Intangibles** - Premier has two reporting units: the Bank and First Insurance. At December 31, 2022 December 31, 2023, Premier had goodwill of \$318.0 million, including \$295.6 million in the Bank and \$22.4 million in First Insurance. The carrying value of Company tests goodwill is tested at least annually for impairment or and, more frequently, if events or changes in circumstances indicate that it may be more likely than not that there is determined appropriate. a possible impairment. Due to the ongoing impacts from the closure of large, well-known regional banks in early 2023 that led to a significant decline in bank stock prices, the Company conducted a quantitative interim goodwill impairment assessment at September 30, 2023. The evaluation for impairment involves comparing assessment compares the current estimated fair value of each identified reporting unit to its units with their carrying value, including goodwill amount (including goodwill). If the current estimated fair value carrying amount of a reporting unit exceeds its carrying value, no additional testing is required and impairment loss is not recorded. If the estimated fair value, of a reporting unit is less than the carrying value, further valuation procedures are performed and could result in impairment of goodwill being recorded. Further valuation procedures would include allocating the estimated fair value to all assets and liabilities of the reporting unit to determine an implied goodwill value. If the implied value of goodwill of a reporting unit is less than the carrying amount of that goodwill, an impairment loss is recognized in an amount equal to the excess. The Company's interim assessment estimated fair value on an income approach that excess.

Premier evaluated incorporated a discounted cash flow model that involves management assumptions and consideration of future economic forecasts available. This impairment test used methodologies and key assumptions such as Management's internal revenue and expense forecasts, growth rate estimates, discount rates, and economic forecasts, all of which may be subjective and can impact results. Results of the interim assessment indicated no goodwill impairment as of December 31, 2022 September 30, 2023. The Company will continue to monitor its goodwill for possible impairment. The Company also performs sensitivity analyses around assumptions as well as relevant events or circumstances in order to assess the reasonableness of assumptions, and resulted the resulting estimated fair value. While the Company's sensitivity analyses did not indicate risk of impairment as of September 30, 2023, future potential changes in no additional testing or impairment. If, for any future period Premier determines that there has been impairment in assumptions may impact the estimated fair value of a reporting unit and cause the fair value of the reporting unit to be below its carrying value. Additionally, a reporting unit's carrying value could change based on market conditions, asset growth, or the risk profile of goodwill balances, Premier will record a charge to earnings, those reporting units, which could have impact whether the fair value of a material adverse effect on net income, but not risk-based capital ratios. reporting unit is less than carrying value.

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Premier has core deposit and other intangible assets resulting from acquisitions which are subject to amortization. Premier determines the amount of identifiable intangible assets based upon independent core deposit and customer relationship analyses at the time of the acquisition. Intangible assets with finite useful lives are evaluated for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. No events or changes in circumstances that would indicate that the carrying amount of any identifiable intangible assets may not be recoverable had occurred during the years ended December 31, 2022 December 31, 2023 and 2021, 2022.

#### Item 7A. Quantitative and Qualitative Disclosures About Market Risk

##### Asset/Liability Management

A significant portion of the Company's revenues and net income is derived from net interest income and, accordingly, the Company strives to manage its interest-earning assets and interest-bearing liabilities to generate an appropriate contribution from net interest income. Asset and liability management seeks to control the volatility of the Company's performance due to changes in interest rates. The Company attempts to achieve an appropriate relationship between rate sensitive assets and rate sensitive liabilities.

Premier monitors interest rate risk on a quarterly basis through simulation analysis that measures the impact changes in interest rates can have on net interest income. The simulation technique analyzes the effect of a presumed 100 basis point shift in interest rates (which is consistent with management's estimate of the range of potential interest rate fluctuations) and takes into account prepayment speeds on amortizing financial instruments, loan and deposit volumes and rates, borrowings, derivative positions and non-maturity deposit assumptions and capital requirements. It should be noted that other areas of Premier's income statement, such as gains from sales of mortgage loans and amortization of mortgage servicing rights are also impacted by fluctuations in interest rates, but are not considered in the simulation of net interest income.

The table below presents, for the twelve months subsequent to December 31, 2022 December 31, 2023, and December 31, 2021 December 31, 2022, an estimate of the change in net interest income that would result from an immediate parallel (shock) change in interest rates, moving in a parallel fashion over the entire yield curve, relative to the measured base case scenario. Based on our net interest income simulation as of a static balance sheet. The Company did not complete an earnings at risk analysis December 31, 2023, net interest income sensitivity to changes in interest rates for the down 300 basis point or down 400 basis point scenarios at December 31, 2021 twelve months subsequent to December 31, 2023, decreased in the rising rate environment and increased in the falling rate environment for the shock compared to the sensitivity profile for the twelve months subsequent to December 31, 2022. The change in modeling results from the prior period shown is largely due to increased re-pricing expectations on deposits which increased liability sensitivity for the level period.

|   | Impact on Future Annual Net Interest Income |                   |
|---|---|-------------------|
|   | December 31, 2023                           | December 31, 2022 |
| <b>Immediate Change in Interest Rates</b> |   |                   |
| +400                                      | (9.9)%                                      | (0.22)%           |
| +300                                      | (7.3)%                                      | 0.07 %            |
| +200                                      | (4.7)%                                      | 0.12 %            |
| +100                                      | (2.3)%                                      | 0.10 %            |
| -100                                      | 2.5%  | 1.44 %            |
| -200                                      | 5.0%  | 2.12 %            |
| -300                                      | 7.3%  | 0.66 %            |
| -400                                      | 9.2%  | (1.63)%           |

To analyze the impact of changes in interest rates.

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| (dollars in thousands)                    | Impact on Future Annual Net Interest Income |                   |
|---|---|-------------------|
|   | December 31, 2022                           | December 31, 2021 |
| <b>Immediate Change in Interest Rates</b> |   |                   |
| +400                                      | -0.22 %                                     | 3.87 %            |
| +300                                      | 0.07 %                                      | 3.16 %            |
| +200                                      | 0.12 %                                      | 2.16 %            |
| +100                                      | 0.10 %                                      | 1.10 %            |
| -100                                      | 1.44 %                                      | (3.21)%           |
| -200                                      | 2.12 %                                      | (5.36)%           |
| -300                                      | 0.66 %                                      | N/A               |
| -400                                      | (1.63)%                                     | N/A               |

rates in a more realistic manner, non-parallel interest rate scenarios are also simulated. These non-parallel interest rate scenarios indicate that net interest income may increase from the base case scenario should the yield curve change by different increments on different points on the curve. The results of all the simulation scenarios are within the Board mandated guidelines as of December 31, 2022 December 31, 2023. Management reviews the Board policy limits in all scenarios to determine if they are adequate and if any changes should be made to Board mandated guidelines.

In addition to the simulation analysis, the Bank Premier also prepares uses an economic value of equity ("EVE") analysis. This analysis to measure risk in the balance sheet incorporating all cash flows over the estimated remaining life of all balance sheet positions. The EVE analysis generally calculates the net present value of the Bank's Premier's assets and liabilities in rate shock environments that range from -400 -400 basis points to +400 basis points. The results of this analysis are reflected in the following table.

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| Change in Rates | December 31, 2022        |          | December 31, 2021        |          |
|-----------------|--------------------------|----------|--------------------------|----------|
|                 | Economic Value of Equity |          | Economic Value of Equity |          |
|                 | % Change                 | % Change | % Change                 | % Change |
| + 400 bp        |                          | (5.39)%  |                          | 7.01 %   |
| + 300 bp        |                          | (3.39)%  |                          | 6.61 %   |
| + 200 bp        |                          | (2.32)%  |                          | 5.39 %   |
| + 100 bp        |                          | (1.25)%  |                          | 3.10 %   |
| 0 bp            |                          | —        |                          | —        |
| - 100 bp        |                          | 0.39 %   |                          | (6.83)%  |
| - 200 bp        |                          | 0.49 %   |                          | N/A      |
| - 300 bp        |                          | (1.46)%  |                          | N/A      |
| - 400 bp        |                          | (5.98)%  |                          | N/A      |

| Change in Rates | December 31, 2023 |         | December 31, 2022 |         |
|-----------------|-------------------|---------|-------------------|---------|
|                 | % Change EVE      |         | % Change EVE      |         |
| + 400 bp        |                   | (30.7)% |                   | (5.39)% |
| + 300 bp        |                   | (23.4)% |                   | (3.39)% |
| + 200 bp        |                   | (15.7)% |                   | (2.32)% |
| + 100 bp        |                   | (7.7)%  |                   | (1.25)% |
| 0 bp            |                   | —       |                   | —       |
| - 100 bp        |                   | 7.1%    |                   | 0.39 %  |
| - 200 bp        |                   | 12.4%   |                   | 0.49 %  |
| - 300 bp        |                   | 16.3%   |                   | (1.46)% |
| - 400 bp        |                   | 12.9%   |                   | (5.98)% |

In evaluating the Bank's exposure to interest rate risk, certain shortcomings inherent in each of the methods of analysis presented must be considered. For example, although certain assets and liabilities may have similar maturities or periods to repricing, they may react in different degrees to changes in market interest rates. Also, the interest rates on certain types of assets and liabilities may fluctuate in advance of changes in market rates while interest rates on other types of financial instruments may lag behind current changes in market rates. Furthermore, in the event of changes in rates, prepayments and early withdrawal levels could differ significantly from the assumptions in calculating the table and the results therefore may differ from those presented.

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#### Item 8. Financial Statements and Supplementary Data

##### Management's Report on Internal Control Over Financial Reporting

The management of Premier Financial Corp. is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) promulgated under the Securities Exchange Act of 1934 as a process designed by, or under the supervision of our principal executive and principal financial officers and effected by the Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles and includes those policies and procedures that:

1. Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management;

directors; and

3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

Based on our evaluation under the framework in the 2013 Internal Control – Integrated Framework, management concluded that our internal control over financial reporting was effective as of **December 31, 2022** **December 31, 2023**.

Crowe LLP, the independent registered public accounting firm that audited the consolidated financial statements of the Company included in this Annual Report on Form 10-K, has issued a report on the effectiveness of the Company's internal control over financial reporting as of **December 31, 2022** **December 31, 2023**. The report, which expresses an unqualified opinion on the effectiveness of the Company's internal control over financial reporting as of **December 31, 2022** **December 31, 2023**, is included in this Item 8.

*/s/ Gary M. Small*

Gary M. Small

President and Chief Executive Officer

*/s/ Paul Nungester*

Paul Nungester

Executive Vice President and

Chief Financial Officer

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#### REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

**Stockholders** **Stockholders'** and the Board of Directors of

Premier Financial Corp.

Defiance, Ohio

#### **Opinions on the Financial Statements and Internal Control over Financial Reporting**

We have audited the accompanying consolidated statements of financial condition of Premier Financial Corp. (the "Company") as of **December 31, 2022** **December 31, 2023** and **2021, 2022**, the related consolidated statements of income, comprehensive income, changes in stockholders' equity, and cash flows for each of the years in the three-year period ended **December 31, 2022** **December 31, 2023**, and the related notes (collectively referred to as the "financial statements"). We also have audited the Company's internal control over financial reporting as of **December 31, 2022** **December 31, 2023**, based on criteria established in Internal Control – Integrated Framework: (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of **December 31, 2022** **December 31, 2023** and **2021, 2022**, and the results of its operations and its cash flows for each of the years in the three-year period ended **December 31, 2022** **December 31, 2023** in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of **December 31, 2022** **December 31, 2023**, based on criteria established in Internal Control – Integrated Framework: (2013) issued by **COSO**.

#### **Basis for Opinions**

The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the financial statements included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in

the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

#### **Definition and Limitations of Internal Control Over Financial Reporting**

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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#### **Critical Audit Matter Matters**

The critical audit matter matters communicated below is a matter are matters arising from the current period audit of the consolidated financial statements that was were communicated or required to be communicated to the audit committee and that: (1) relates relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter matters below, providing a separate opinion opinions on the critical audit matter matters or on the accounts or disclosures to which it relates. they relate.

#### **Allowance for Credit Losses on Loans Receivable ("ACL") – Qualitative Factors**

As described in Notes 2 and 6 to the financial statements, the Company recognizes expected losses expected to be incurred over the contractual lives of financial assets carried at amortized cost, including loans receivable, using the Current Expected Credit Losses ("CECL") methodology. The ACL was \$72,816,000 \$76,512,000 at December 31, 2022 December 31, 2023, and consists of two components: a specific reserve based on the analysis of individually evaluated loans, and a general reserve which represents current expected credit losses on loans sharing common risk characteristics ("general reserve"). The general reserve includes amounts from both a quantitative and a qualitative analysis. The Company has segregated the portfolio into segments with similar risk characteristics and generally uses two methodologies, discounted cash flow and probability of default/loss given default, to determine the quantitative factors.

Determination of the qualitative factors, which are added to the quantitative factors to adjust the general reserve for the current environment, incorporates subjective factors, including economic, environmental, and other risk factors. The incorporation of qualitative factors added \$55,351,000 \$44,100,000 to the ACL as of December 31, 2022 December 31, 2023. We have identified auditing the qualitative factors as a critical audit matter as management's determination of the qualitative factors is subjective and involves significant management judgments; and our audit procedures related to certain of the qualitative factors involved a high degree of auditor judgment and required significant audit effort, including the need to involve more experienced audit personnel.

The primary procedures we performed to address this critical audit matter included:

- Testing the design and operating effectiveness of controls over the evaluation of the support used to estimate that ensured the qualitative factors reasonable basis, including controls addressing:
  - Management's review of the relevance and reliability of data inputs used as the basis for the qualitative factors.
  - Management's review of the reasonableness of significant judgments and assumptions used to develop the qualitative factors.
  - Management's review of the mathematical accuracy of the qualitative factors calculation.
- Substantively testing management's determination of the qualitative factors, including evaluating their judgments and assumptions including:
  - Testing management's process for developing the qualitative factors and assessing the relevance and reliability of data used to develop the adjustment including evaluating their significant judgments and assumptions for reasonableness. Among other procedures, our evaluation considered evidence internal and external sources and whether significant judgments and assumptions were applied consistently from period to period.
  - Analytically evaluating the qualitative factors for directional consistency and reasonableness.
  - Testing the mathematical accuracy of the qualitative factors used in the general reserve.

Goodwill Impairment Assessment as of September 30, 2023

As described in Notes 2 and 9 to the financial statements, the Company's goodwill balance totaled \$295,602,000 as of December 31, 2023, which is allocated to the Company's single reporting unit. The Company performs a goodwill impairment test annually as of November 30, or in between annual tests if events or changes in circumstances indicate that it is more likely than not that the fair value of the reporting unit is less than the carrying amount. Due to the sustained decline in the Company's stock price, management performed

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a quantitative assessment of goodwill for impairment as of September 30, 2023, concluding goodwill was not impaired. The impairment assessment compared the fair value of the Company's single reporting unit with its carrying amount (including goodwill). If the carrying amount of a reporting unit exceeds its fair value, an impairment loss is recognized in an amount equal to the excess. The Company's assessment estimated fair value using an income approach that incorporated a discounted cash flow model that involves management assumptions based upon future projections.

We identified the auditing of the impairment assessment of goodwill as of September 30, 2023 as a critical audit matter due to the high degree of auditor judgment and subjectivity needed to evaluate the fair value of the reporting unit due to the judgments made by management in the estimation of the Company's reporting unit fair value. In addition, the audit procedures involved the use of specialists to assist with the evaluation.

The primary procedures performed to address this critical audit matter included:

- Testing the design and operative effectiveness of management's review control over the appropriateness of the valuation method, the completeness, accuracy of internal data, relevance and reliability of external data, and reasonableness of estimates and assumptions in the valuation.
- Evaluating the appropriateness of the valuation method used to determine the fair value of the reporting unit.
- Testing the mathematical accuracy of the fair value computation including testing of the completeness and accuracy of the data used in the analysis to determine the estimate.
- Evaluating the reasonableness of the prospective financial information.
- Utilization of specialists to assist with the evaluation of the appropriateness of the valuation method, management assumptions, and overall reasonableness of the fair value of the reporting unit.

/s/Crowe LLP

Crowe LLP

We have served as the Company's auditor since 2005.

Cleveland, Ohio

March 1, 2023 February 28, 2024

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**Premier Financial Corp. PREMIER FINANCIAL CORP.**

**Consolidated Statements of Financial Condition**

(Dollars in Thousands, except per share data)

|   | December 31 |           | December 31, |           |
|---|-------------|-----------|--------------|-----------|
|   | 2022        | 2021      | 2023         | 2022      |
| <b>Assets</b>                                     |             |           |              |           |
| Cash and cash equivalents:                        |             |           |              |           |
| Cash and amounts due from depository institutions | \$ 88,257   | \$ 54,858 | \$ 81,973    | \$ 88,257 |
| Interest-bearing deposits                         |             | 106,70    |              |           |
|   | 39,903      | 8         | 32,783       | 39,903    |

|   |               |               |                     |                     |
|---|---------------|---------------|---------------------|---------------------|
|   | <b>128,16</b> | 161,56        |                     |                     |
| Securities available-for-sale, carried at fair value  | <b>0</b>      | 6             | <b>114,756</b>      | 128,160             |
|   | <b>1,040,</b> | 1,206,        |                     |                     |
|   | <b>081</b>    | 260           | <b>946,708</b>      | 1,040,081           |
| Equity securities, carried at fair value  | <b>7,832</b>  | 14,097        | <b>5,773</b>        | <b>7,832</b>        |
|   | <b>1,047,</b> | 1,220,        |                     |                     |
|   | <b>913</b>    | 357           | <b>952,481</b>      | 1,047,913           |
| Loans held for sale, at fair value at December 31, 2022   | <b>115,25</b> | 162,94        |                     |                     |
|   | <b>1</b>      | 7             |                     |                     |
| Loans receivable, net of allowance for credit losses of \$72,816 and \$66,468 at December 31, 2022 and 2021, respectively | <b>6,387,</b> | 5,229,        |                     |                     |
|   | <b>804</b>    | 700           |                     |                     |
| Loans held for sale, at fair value at December 31, 2023   |               |               | <b>145,641</b>      | 115,251             |
| Loans receivable, net of allowance for credit losses of \$76,512 and \$72,816 at December 31, 2023 and 2022, respectively |               |               | <b>6,662,875</b>    | 6,387,804           |
| Mortgage servicing rights   | <b>21,171</b> | 19,538        | <b>18,696</b>       | 21,171              |
| Accrued interest receivable   | <b>28,709</b> | 20,767        | <b>33,446</b>       | 28,709              |
| Federal Home Loan Bank (FHLB) stock   | <b>29,185</b> | 11,585        | <b>21,760</b>       | 29,185              |
| Bank owned life insurance   | <b>170,71</b> | 166,76        |                     |                     |
|   | <b>3</b>      | 7             | <b>181,544</b>      | 170,713             |
| Premises and equipment  | <b>55,541</b> | 55,602        | <b>56,878</b>       | 55,541              |
| Real estate and other assets held for sale (OREO)   | <b>619</b>    | 171           | <b>243</b>          | 619                 |
| Goodwill  | <b>317,98</b> | 317,94        |                     |                     |
|   | <b>8</b>      | 8             | <b>295,602</b>      | 317,988             |
| Core deposit and other intangibles  | <b>19,074</b> | 24,129        | <b>12,186</b>       | 19,074              |
| Other assets  | <b>133,21</b> |               |                     |                     |
|   | <b>4</b>      | 90,325        | <b>129,841</b>      | 133,214             |
| Total assets  | <b>8,455,</b> | 7,481,        |                     |                     |
|   | <b>\$ 342</b> | <b>\$ 402</b> | <b>\$ 8,625,949</b> | <b>\$ 8,455,342</b> |
| <b>Liabilities and stockholders' equity</b>   |               |               |                     |                     |
| Liabilities:  |               |               |                     |                     |
| Deposits:   |               |               |                     |                     |
| Noninterest-bearing   | <b>1,869,</b> | 1,724,        |                     |                     |
|   | <b>\$ 509</b> | <b>\$ 772</b> | <b>\$ 1,591,979</b> | <b>\$ 1,869,509</b> |
| Interest-bearing  | <b>4,893,</b> | 4,557,        |                     |                     |
|   | <b>502</b>    | 279           | <b>5,209,123</b>    | <b>4,893,502</b>    |
| Brokered deposits   | <b>143,70</b> |               |                     |                     |
|   | <b>8</b>      | —             | <b>341,944</b>      | <b>143,708</b>      |
| Total   | <b>6,906,</b> | 6,282,        |                     |                     |
|   | <b>719</b>    | <b>051</b>    | <b>7,143,046</b>    | <b>6,906,719</b>    |
| Advances from the Federal Home Loan Bank  | <b>428,00</b> |               |                     |                     |
|   | <b>0</b>      | —             | <b>280,000</b>      | <b>428,000</b>      |
| Subordinated debentures   | <b>85,103</b> | 84,976        | <b>85,229</b>       | <b>85,103</b>       |
| Advance payments by borrowers   | <b>34,188</b> | 24,716        | <b>23,277</b>       | <b>34,188</b>       |
| Reserve for credit losses - unfunded commitments  | <b>6,816</b>  | 5,031         | <b>4,307</b>        | <b>6,816</b>        |
| Other liabilities   | <b>106,79</b> |               |                     |                     |
|   | <b>5</b>      | 61,132        | <b>114,463</b>      | <b>106,795</b>      |
| Total liabilities   | <b>7,567,</b> | 6,457,        |                     |                     |
|   | <b>621</b>    | <b>906</b>    | <b>7,650,322</b>    | <b>7,567,621</b>    |
| Commitments and Contingent Liabilities (Note 5)   |               |               |                     |                     |
| Stockholders' equity:   |               |               |                     |                     |
| Preferred stock, \$.01 par value per share: 37,000 shares authorized; no shares issued                                    | —             | —             |                     |                     |

|   |        |         |              |              |
|---|--------|---------|--------------|--------------|
| Preferred stock, \$.01 par value per share: 4,963,000 shares authorized; no shares issued   | —      | —       |              |              |
| Common stock, \$.01 par value per share: 50,000,000 shares authorized; 43,297,260 and 43,297,260 shares issued and 35,591,277 and 36,383,613 shares outstanding, respectively | 306    | 306     |              |              |
| Preferred stock, \$.01 par value per share: 37,000 shares authorized; no shares issued  | —      | —       |              |              |
| Preferred stock, \$.01 par value per share: 4,963,000 shares authorized; no shares issued   | —      | —       |              |              |
| Common stock, \$.01 par value per share: 50,000,000 shares authorized; 43,297,260 and 43,297,260 shares issued and 35,729,593 and 35,591,277 shares outstanding, respectively | 306    | 306     |              |              |
| Additional paid-in capital  | 691,45 | 691,13  |              |              |
|   | 3      | 2       | 690,585      | 691,453      |
| Accumulated other comprehensive (loss)/income, net of tax of \$(46,323) and \$(912), respectively   | (173,4 |         |              |              |
|   | 60)    | (3,428) |              |              |
| Accumulated other comprehensive loss, net of tax of \$(40,862) and \$(46,323), respectively   |        |         | (153,719)    | (173,460)    |
| Retained earnings   | 502,90 | 443,51  |              |              |
|   | 9      | 7       | 569,937      | 502,909      |
| Treasury stock, at cost, 7,705,983 and 6,913,647 shares respectively  | (133,4 | (108,0  |              |              |
|   | 87)    | 31)     |              |              |
| Treasury stock, at cost, 7,567,667 and 7,705,983 shares, respectively   |        |         | (131,482)    | (133,487)    |
| Total stockholders' equity  | 887,72 | 1,023,  |              |              |
|   | 1      | 496     | 975,627      | 887,721      |
| Total liabilities and stockholders' equity  | 8,455, | 7,481,  |              |              |
|   | \$ 342 | \$ 402  | \$ 8,625,949 | \$ 8,455,342 |

See accompanying notes

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**PREMIER FINANCIAL CORP.**  
**Consolidated Statements of Income**  
(Dollar Amounts in Thousands, except per share data)

|                           | Years Ended December 31 |        |        | Years Ended December 31, |            |            |
|---------------------------|-------------------------|--------|--------|--------------------------|------------|------------|
|                           | 2022                    | 2021   | 2020   | 2023                     | 2022       | 2021       |
|                           | \$ 1                    | \$ 7   | \$ 4   | \$                       | \$ 249,561 | \$ 223,787 |
| <b>Interest Income</b>    |                         |        |        |                          |            |            |
| Loans                     | <b>249,56</b>           | 223,78 | 225,08 |                          |            |            |
|                           | \$ 1                    | \$ 7   | \$ 4   | \$ 332,208               | \$ 249,561 | \$ 223,787 |
| Investment securities:    |                         |        |        |                          |            |            |
| Tax-exempt                | 3,406                   | 3,898  | 3,509  |                          |            |            |
| Taxable                   | 22,689                  | 15,471 | 7,960  |                          |            |            |
| Interest-bearing deposits | 831                     | 198    | 435    |                          |            |            |
| FHLB stock dividends      | 1,225                   | 233    | 958    |                          |            |            |
| Total interest income     | <b>277,71</b>           | 243,58 | 237,94 |                          |            |            |
|                           | 2                       | 7      | 6      | 365,510                  | 277,712    | 243,587    |
| <b>Interest Expense</b>   |                         |        |        |                          |            |            |
| Deposits                  | <b>24,909</b>           | 13,482 | 26,918 |                          |            |            |
|                           | 24,909                  | 13,482 | 26,918 | 122,407                  | 24,909     | 13,482     |

|   |                |                |                  |                   |                   |                   |
|---|----------------|----------------|------------------|-------------------|-------------------|-------------------|
| Federal Home Loan Bank advances and other             | <b>6,550</b>   | 23             | 1,691            | <b>21,479</b>     | 6,550             | 23                |
| Subordinated debentures                               | <b>3,327</b>   | 2,713          | 1,300            | <b>4,531</b>      | 3,327             | 2,713             |
| Notes payable   | <b>5</b>       | —              | —                | —                 | 5                 | —                 |
| Securities sold under agreement to repurchase         | —              | —              | 32               |                   |                   |                   |
| Total interest expense                                | <b>34,791</b>  | 16,218         | 29,941           | <b>148,417</b>    | 34,791            | 16,218            |
| Net interest income                                   | <b>242,92</b>  | 227,36         | 208,00           | <b>217,093</b>    | 242,921           | 227,369           |
| Credit loss (benefit) expense - loans and leases      | <b>12,503</b>  | (6,733)        | 43,154           | <b>7,742</b>      | 12,503            | (6,733)           |
| Credit loss (benefit) expense - unfunded commitments  | <b>1,784</b>   | (319)          | 1,096            | <b>(2,508)</b>    | 1,784             | (319)             |
| Net interest income after provision for credit losses | <b>228,63</b>  | 234,42         | 163,75           | <b>211,859</b>    | 228,634           | 234,421           |
| <b>Non-interest Income</b>                            |                |                |                  |                   |                   |                   |
| Service fees and other charges                        | <b>25,853</b>  | 24,168         | 22,138           | <b>27,325</b>     | 25,853            | 24,168            |
| Mortgage banking income                               | <b>9,871</b>   | 21,925         | 28,199           | <b>6,743</b>      | 9,871             | 21,925            |
| Insurance commissions                                 | <b>16,228</b>  | 15,780         | 16,156           | <b>8,856</b>      | 16,228            | 15,780            |
| Gain on sale of non-mortgage loans                    | —              | —              | 324              | <b>165</b>        | —                 | —                 |
| Gain on sale of securities available for sale         | <b>1</b>       | 2,218          | 1,464            | <b>37</b>         | 1                 | 2,218             |
| (Loss) Gain on equity securities                      | <b>(551)</b>   | 1,954          | 90               | <b>(453)</b>      | (551)             | 1,954             |
| Gain on sale of insurance agency                      |                |                |                  | <b>36,296</b>     | —                 | —                 |
| Wealth management income                              | <b>5,828</b>   | 6,027          | 6,159            | <b>6,322</b>      | 5,828             | 6,027             |
| Income from Bank Owned Life Insurance                 | <b>3,946</b>   | 5,121          | 3,306            | <b>5,014</b>      | 3,946             | 5,121             |
| Other non-interest income                             | <b>984</b>     | 2,133          | 1,955            | <b>544</b>        | 984               | 2,133             |
| Total non-interest income                             | <b>62,160</b>  | 79,326         | 79,791           | <b>90,849</b>     | 62,160            | 79,326            |
| <b>Non-interest Expense</b>                           |                |                |                  |                   |                   |                   |
| Compensation and benefits                             | <b>97,396</b>  | 90,646         | 77,336           | <b>92,609</b>     | 97,396            | 90,646            |
| Occupancy   | <b>14,039</b>  | 15,501         | 16,320           | <b>13,358</b>     | 14,039            | 15,501            |
| FDIC insurance premium                                | <b>3,647</b>   | 2,896          | 3,355            | <b>5,803</b>      | 3,647             | 2,896             |
| Financial institutions tax                            | <b>4,110</b>   | 4,079          | 4,173            | <b>3,563</b>      | 4,110             | 4,079             |
| Data processing                                       | <b>13,780</b>  | 13,550         | 14,742           | <b>16,191</b>     | 13,780            | 13,550            |
| Acquisition related charges                           | —              | —              | 19,485           |                   |                   |                   |
| Transaction costs                                     |                |                |                  | <b>3,652</b>      | —                 | —                 |
| Amortization of intangibles                           | <b>5,450</b>   | 6,208          | 6,449            | <b>4,604</b>      | 5,450             | 6,208             |
| Other non-interest expense                            | <b>26,089</b>  | 24,444         | 22,417           | <b>23,451</b>     | 26,089            | 24,444            |
| Total non-interest expense                            | <b>164,51</b>  | 157,32         | 164,27           |                   |                   |                   |
|   | <b>1</b>       | 4              | 7                | <b>163,231</b>    | 164,511           | 157,324           |
| Income before income taxes                            | <b>126,28</b>  | 156,42         |                  |                   |                   |                   |
|   | <b>3</b>       | 3              | 79,269           | <b>139,477</b>    | 126,283           | 156,423           |
| Federal income taxes                                  | <b>24,096</b>  | 30,372         | 16,192           | <b>28,182</b>     | 24,096            | 30,372            |
| Net Income  | <b>102,18</b>  | 126,05         |                  |                   |                   |                   |
|   | <b>\$ 7</b>    | <b>\$ 1</b>    | <b>\$ 63,077</b> | <b>\$ 111,295</b> | <b>\$ 102,187</b> | <b>\$ 126,051</b> |
| Earnings per common share (Note 3)                    |                |                |                  |                   |                   |                   |
| Basic   | <b>\$ 2.86</b> | <b>\$ 3.39</b> | <b>\$ 1.75</b>   | <b>\$ 3.11</b>    | <b>\$ 2.86</b>    | <b>\$ 3.39</b>    |
| Diluted   | <b>\$ 2.85</b> | <b>\$ 3.39</b> | <b>\$ 1.75</b>   | <b>\$ 3.11</b>    | <b>\$ 2.85</b>    | <b>\$ 3.39</b>    |

See accompanying notes

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**PREMIER FINANCIAL CORP.**  
**Consolidated Statements of Comprehensive Income**  
(Dollar Amounts in Thousands)

|   | For the Years Ended December 31 |             |             | For the Years Ended December 31, |                    |                   |
|---|---------------------------------|-------------|-------------|----------------------------------|--------------------|-------------------|
|   | 2022                            | 2021        | 2020        | 2023                             | 2022               | 2021              |
|   | \$ 7                            | \$ 1        | \$ 7        | \$ 111,295                       | \$ 102,187         | \$ 126,051        |
| Net income  | <b>102,18</b>                   | 126,05      | 63,07       |                                  |                    |                   |
| Change in securities available-for-sale (AFS):  |                                 |             |             |                                  |                    |                   |
| Unrealized holding gains (losses) on available-for-sale securities                        | <b>(174,95</b>                  | (21,96      | 14,43       |                                  |                    |                   |
| arising during the period   | 3)                              | 7)          | 1           | <b>19,281</b>                    | (174,953)          | (21,967)          |
| Reclassification adjustment for (gains) losses realized in income                         | 1                               | (2,218      | 4)          | (37)                             | 1                  | (2,218)           |
| Net unrealized gains (losses)   | <b>(174,95</b>                  | (24,18      | 12,96       | <b>19,244</b>                    | (174,952)          | (24,185)          |
| Income tax effect   | 2)                              | 5)          | 7           | (4,041)                          | 36,739             | 5,079             |
| Net of tax amount   | <b>(138,21</b>                  | (19,10      | 10,24       | <b>15,203</b>                    | (138,213)          | (19,106)          |
| 3)  | 6)                              | 4           |             |                                  |                    |                   |
| Change in cash flow hedge derivatives:  |                                 |             |             |                                  |                    |                   |
| Unrealized holding gains (losses) on balance sheet swap                                   |                                 |             | 14,43       |                                  |                    |                   |
|   | <b>(40,494</b>                  | 3,025       | 1           | <b>(3,626</b>                    | (40,494)           | 3,025             |
| Reclassification adjustment for cash flow hedge derivative (gains)                        |                                 |             |             |                                  |                    |                   |
| losses included in income   | (392)                           | (2,172)     | —           | <b>9,381</b>                     | (392)              | (2,172)           |
| Net unrealized gains (losses)   |                                 |             | 14,43       |                                  |                    |                   |
|   | <b>(40,886</b>                  | 853         | 1           | <b>5,755</b>                     | (40,886)           | 853               |
| Income tax effect   |                                 |             |             |                                  |                    |                   |
|   | <b>8,586</b>                    | (179)       | 3)          | <b>(1,208</b>                    | 8,586              | (179)             |
| Net of tax amount   |                                 |             | 11,70       |                                  |                    |                   |
|   | <b>(32,300</b>                  | 674         | 8           | <b>4,547</b>                     | (32,300)           | 674               |
| Change in unrealized gain/(loss) on postretirement benefit:                               |                                 |             |             |                                  |                    |                   |
| Net gain (loss) on defined benefit postretirement medical plan realized during the period | 599                             | 13          | 195         | 11                               | 599                | 13                |
| Net amortization and deferral   | 10                              | (13)        | 13          | (23)                             | 10                 | (13)              |
| Net gain (loss) activity during the period  | <b>609</b>                      | —           | 208         | <b>(12)</b>                      | 609                | —                 |
| Income tax effect   | (128)                           | —           | (43)        | 3                                | (128)              | —                 |
| Net of tax amount   | <b>481</b>                      | —           | 165         | <b>(9)</b>                       | 481                | —                 |
| Total other comprehensive income (loss)   | <b>(170,03</b>                  | (18,43      | 10,40       | <b>19,741</b>                    | (170,032)          | (18,432)          |
|   | 2)                              | 2)          | 9           |                                  |                    |                   |
| Comprehensive income (loss)   |                                 | 107,61      | 73,48       |                                  |                    |                   |
|   | <b>\$ (67,845)</b>              | <b>\$ 9</b> | <b>\$ 6</b> | <b>\$ 131,036</b>                | <b>\$ (67,845)</b> | <b>\$ 107,619</b> |

See accompanying notes

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**PREMIER FINANCIAL CORP.**  
**Consolidated Statements of Changes in Stockholders' Equity**  
(Dollar Amounts In Thousands, except number of shares)

|   | Accumulated |       |     |       |        |      |       |        |        |        | Accumulated |         |               |               |          |            |        |               |  |  |
|---|-------------|-------|-----|-------|--------|------|-------|--------|--------|--------|-------------|---------|---------------|---------------|----------|------------|--------|---------------|--|--|
|   | Pref        | Com   | Co  | ional | Compr  | er   | mon   | mm     | Paid-  | ehensi | Retai       | Treas   | Stockh        | Preferred     | Common   | Additional | Other  | Total         |  |  |
|   | d           | Stock | on  | In    | ve     | ned  | Treas | Stockh | Stock  | Shares | Stock       | Common  | Paid-In       | Comprehensive | Retained | Treasury   | Stock  | Stockholder's |  |  |
|   | ck          | Sto   | ck  | al    | (Loss) | ngs  | Stock | Equity | Stock  | Shares | Stock       | Capital | Income (Loss) | Earnings      | Stock    | Stock      | Equity |               |  |  |
| Balance at December 31, 2019                  |             | 19,7  | 1   | 16    |        | 32   | (69   |        |        |        |             |         |               |               |          |            |        |               |  |  |
|   |             | 29,8  | 2   | 1,9   | 4,59   | 9,1  | ,68   | 426,   |        |        |             |         |               |               |          |            |        |               |  |  |
|   |             | \$ —  | 86  | \$ 7  | \$ 55  | \$ 5 | \$ 75 | \$ 5)  | \$ 167 |        |             |         |               |               |          |            |        |               |  |  |
| Net income                                    |             |       |     |       |        | 63,  |       |        |        |        |             |         |               |               |          |            |        |               |  |  |
|   |             |       |     |       |        | 07   |       |        |        |        |             |         |               |               |          |            |        |               |  |  |
| Other comprehensive income                    |             |       |     |       |        | 7    |       |        |        |        |             |         |               |               |          |            |        |               |  |  |
| Adoption of ASC 326                           |             |       |     |       |        | (2,  |       |        |        |        |             |         |               |               |          |            |        |               |  |  |
|   |             |       |     |       |        | 56   |       |        |        |        |             |         |               |               |          |            |        |               |  |  |
|   |             |       |     |       |        | 6)   |       |        |        |        |             |         |               |               |          |            |        |               |  |  |
| Deferred compensation plan                    |             | 7,52  |     |       |        |      |       |        |        |        |             |         |               |               |          |            |        |               |  |  |
| Stock based compensation                      |             | 4     |     | 24    |        |      | (24)  |        |        |        |             |         |               |               |          |            |        |               |  |  |
| expense                                       |             |       |     |       |        |      |       |        |        |        |             |         |               |               |          |            |        |               |  |  |
| Capital stock issuance related to acquisition | 17,9        | 1     | 52  |       |        |      |       |        |        |        |             |         |               |               |          |            |        |               |  |  |
| issuance related to acquisition               | 26,1        | 7     | 7,1 |       |        |      |       |        |        |        |             |         |               |               |          |            |        |               |  |  |
|   | 74          | 9     | 32  |       |        |      |       |        |        |        |             |         |               |               |          |            |        |               |  |  |
| Vesting of incentive plans                    |             |       | (1, |       |        |      |       |        |        |        |             |         |               |               |          |            |        |               |  |  |
| plans   | 39,5        |       | 86  |       |        |      | 49    | (1,3   |        |        |             |         |               |               |          |            |        |               |  |  |
|   | 48          |       | 4)  |       |        |      | 3     | 71)    |        |        |             |         |               |               |          |            |        |               |  |  |
| Shares issued under stock option plan, net    | 11,4        |       | (12 |       |        |      | 12    |        |        |        |             |         |               |               |          |            |        |               |  |  |
|   | 08          |       | 2)  |       |        |      | 2     |        |        |        |             |         |               |               |          |            |        |               |  |  |
| Restricted share issuance                     | 13,3        |       | 19  |       | (37    |      | 17    |        |        |        |             |         |               |               |          |            |        |               |  |  |
|   | 49          |       | 8   |       | 4)     |      | 6     |        |        |        |             |         |               |               |          |            |        |               |  |  |
| Restricted share forfeitures                  | (2,2        |       |     |       |        |      |       |        |        |        |             |         |               |               |          |            |        |               |  |  |
|   | 65)         |       | 13  |       |        |      | (13)  |        |        |        |             |         |               |               |          |            |        |               |  |  |
| Shares issued from direct stock sales         | 1,14        |       |     |       |        |      |       |        |        |        |             |         |               |               |          |            |        |               |  |  |
|   | 8           |       |     |       |        |      | 18    |        |        |        |             |         |               |               |          |            |        |               |  |  |
| Shares repurchased                            |             |       |     |       |        |      | (10   |        |        |        |             |         |               |               |          |            |        |               |  |  |
|   | (435        |       |     |       |        |      | ,18   | (10,   |        |        |             |         |               |               |          |            |        |               |  |  |
|   | ,292)       |       |     |       |        |      | 3)    | 183)   |        |        |             |         |               |               |          |            |        |               |  |  |
| Common stock dividends paid                   |             |       | (32 |       |        |      | ,89   | (32,   |        |        |             |         |               |               |          |            |        |               |  |  |
| (\$0.88 per share)                            |             |       |     |       |        |      | 8)    | 898)   |        |        |             |         |               |               |          |            |        |               |  |  |



|  |       |    |      |       |         |       |        |        |      |            |        |            |              |            |              |            |
|--|-------|----|------|-------|---------|-------|--------|--------|------|------------|--------|------------|--------------|------------|--------------|------------|
| Restricted share issuance                        | 81,4  | 41 | 1,4  |       |         |       |        |        |      |            |        |            |              |            |              |            |
|  | 12    | 8) | 18   | —     |         |       |        |        |      |            |        |            |              |            |              |            |
| Restricted share forfeitures                     | (13,  | 19 | (52  |       |         |       |        |        |      |            |        |            |              |            |              |            |
|  | 746)  | 3  | 7)   | (334) |         |       |        |        |      |            |        |            |              |            |              |            |
| Shares repurchased                               |       |    | (26  |       |         |       |        |        |      |            |        |            |              |            |              |            |
|  | (884  |    | ,87  | (26,  |         |       |        |        |      |            |        |            |              |            |              |            |
|  | ,142) |    | 0)   | 870)  |         |       |        |        |      |            |        |            |              |            |              |            |
| Common stock dividend payment                    |       |    | (42  |       |         |       |        |        |      |            |        |            |              |            |              |            |
|  |       |    | ,79  | (42,  |         |       |        |        |      |            |        |            |              |            |              |            |
| (\$1.20 per share)                               |       |    | 5)   | 795)  |         |       |        |        |      |            |        |            |              |            |              |            |
| Balance at December 31, 2022                     | 35,5  | 3  | 69   | 50    | (13     |       |        |        |      |            |        |            |              |            |              |            |
|  | 91,2  | 0  | 1,4  | (173, | 2,9     | 3,4   | 887,   |        |      |            |        |            |              |            |              |            |
|  | \$ —  | 77 | \$ 6 | \$ 53 | \$ 460) | \$ 09 | \$ 87) | \$ 721 | \$ — | 35,591,277 | \$ 306 | \$ 691,453 | \$ (173,460) | \$ 502,909 | \$ (133,487) | \$ 887,721 |
| Net income                                       |       |    |      |       |         |       |        |        |      |            |        |            |              |            |              |            |
| Other comprehensive income                       |       |    |      |       |         |       |        |        |      |            |        |            |              |            |              |            |
| Deferred compensation plan                       |       |    |      |       |         |       |        |        |      | 9,196      |        | 36         |              |            |              |            |
| Stock based compensation expenses                |       |    |      |       |         |       |        |        |      | 4,114      |        | 1,508      |              |            |              |            |
| Vesting of incentive plans                       |       |    |      |       |         |       |        |        |      | 66,780     |        | (1,159)    |              |            |              |            |
| Shares issued under stock option plan            |       |    |      |       |         |       |        |        |      | 1,865      |        | (18)       |              |            |              |            |
| Restricted share issuance                        |       |    |      |       |         |       |        |        |      | 92,427     |        | (1,309)    |              |            |              |            |
| Restricted share forfeitures                     |       |    |      |       |         |       |        |        |      | (35,675)   |        | 74         |              |            |              |            |
| Shares repurchased                               |       |    |      |       |         |       |        |        |      | (391)      |        |            |              |            |              |            |
| Common stock dividend payment (\$1.24 per share) |       |    |      |       |         |       |        |        |      |            |        |            |              |            |              |            |
|  |       |    |      |       |         |       |        |        |      |            |        |            |              |            |              |            |
| Balance at December 31, 2023                     | \$ —  |    |      |       |         |       |        |        |      | 35,729,593 | \$ 306 | \$ 690,585 | \$ (153,719) | \$ 569,937 | \$ (131,482) | \$ 975,627 |

See accompanying notes

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**PREMIER FINANCIAL CORP.**  
**Consolidated Statements of Cash Flows**  
(Dollar Amounts in Thousands)

| Years Ended December 31, |      |      | Years Ended December 31, |      |      |
|--------------------------|------|------|--------------------------|------|------|
| 2022                     | 2021 | 2020 | 2023                     | 2022 | 2021 |

| <b>Operating Activities</b>   |  |             |            |           |            |             |            |   |  |  |
|---|--|-------------|------------|-----------|------------|-------------|------------|---|--|--|
| Net income  |  | \$ 102,187  | \$ 126,051 | \$ 63,077 | \$ 111,295 | \$ 102,187  | \$ 126,051 |   |  |  |
| Adjustments to reconcile net income to net cash provided by operating activities:             |  |             |            |           |            |             |            |   |  |  |
| Provision for credit losses   |  | 14,287      | (7,052)    | 44,250    | 5,234      | 14,287      | (7,052)    |   |  |  |
| Depreciation  |  | 5,631       | 6,306      | 6,512     | 5,334      | 5,631       | 6,306      |   |  |  |
| Net amortization of premium and discounts on loans, securities, deposits and debt obligations |  | 8,497       | (284)      | (5,157)   | 5,677      | 8,497       | (284)      |   |  |  |
| Amortization of mortgage servicing rights, net of impairment charges/recoveries               |  | 3,380       | 2,086      | 15,456    | 5,113      | 3,380       | 2,086      |   |  |  |
| Amortization of intangibles   |  | 5,450       | 6,208      | 6,449     | 4,604      | 5,450       | 6,208      |   |  |  |
| Mortgage banking gain, net  |  | (5,787)     | (16,437)   | (36,683)  | (4,429)    | (5,787)     | (16,437)   |   |  |  |
| Gain/loss on sale / write-down of real estate and other assets held for sale                  |  | (58)        | (6)        | (10)      |            |             |            |   |  |  |
| Gain on sale of insurance agency, net   |  |             |            |           | (32,644)   |             | —          | — |  |  |
| Loss (Gain) on sale / write-down of real estate and other assets held for sale                |  |             |            |           | 138        | (58)        | (6)        |   |  |  |
| Gain on sale of available for sale securities   |  | (1)         | (2,218)    | (1,464)   | (37)       | (1)         | (2,218)    |   |  |  |
| Loss (gain) on equity securities  |  | 551         | (1,954)    | (90)      |            |             |            |   |  |  |
| Loss (Gain) on equity securities  |  |             |            |           | 453        | 551         | (1,954)    |   |  |  |
| Change in deferred taxes  |  | (1,306)     | 5,393      | (9,781)   | (2,934)    | (1,306)     | 5,393      |   |  |  |
| Proceeds from sale of loans held for sale   |  | 426,398     | 867,522    | 847,141   | 255,809    | 426,398     | 867,522    |   |  |  |
| Origination of loans held for sale  |  | (377,928)   | (800,887)  | (967,861) | (284,408)  | (377,928)   | (800,887)  |   |  |  |
| Stock based compensation expense  |  | 2,016       | 2,827      | 2,312     | 1,875      | 2,016       | 2,827      |   |  |  |
| Restricted stock forfeits for taxes and option exercises                                      |  | (334)       | (703)      | (1,371)   | (742)      | (334)       | (703)      |   |  |  |
| Income from bank owned life insurance   |  | (3,946)     | (5,121)    | (3,306)   | (4,139)    | (3,946)     | (5,121)    |   |  |  |
| Changes in:   |  |             |            |           |            |             |            |   |  |  |
| Accrued interest receivable and other assets  |  | (8,072)     | (5,755)    | (14,729)  | (5,329)    | (8,072)     | (5,755)    |   |  |  |
| Other liabilities   |  | 9,131       | (10,813)   | (363)     | 16,465     | 9,131       | (10,813)   |   |  |  |
| Net cash provided by operating activities   |  | 180,096     | 165,163    | (55,618)  | 77,335     | 180,096     | 165,163    |   |  |  |
| <b>Investing Activities</b>   |  |             |            |           |            |             |            |   |  |  |
| Proceeds from maturities, calls and paydowns of available-for-sale securities                 |  | 97,445      | 149,197    | 124,731   | 92,683     | 97,445      | 149,197    |   |  |  |
| Proceeds from sale of available-for-sale securities   |  | 9,641       | 158,012    | 52,420    | 25,300     | 9,641       | 158,012    |   |  |  |
| Proceeds from sale of equity securities   |  | 8,714       | —          | —         | 1,606      | 8,714       | —          |   |  |  |
| Proceeds from sale of OREO  |  | 638         | 488        | 1,081     | 1,477      | 638         | 488        |   |  |  |
| Purchases of available-for-sale securities  |  | (122,456)   | (806,083)  | (362,426) | (10,093)   | (122,456)   | (806,083)  |   |  |  |
| Purchases of equity securities  |  | (3,000)     | (11,053)   | (1,000)   | —          | (3,000)     | (11,053)   |   |  |  |
| Purchases of office properties and equipment  |  | (5,570)     | (3,023)    | (5,361)   | (7,113)    | (5,570)     | (3,023)    |   |  |  |
| Investment in bank owned life insurance   |  | —           | (18,307)   | —         | (6,692)    | —           | (18,307)   |   |  |  |
| Proceeds from bank owned life insurance death benefit   |  | —           | 1,445      | —         | —          | —           | 1,445      |   |  |  |
| Net change in Federal Home Loan Bank stock  |  | (17,600)    | 4,441      | 8,642     | 7,425      | (17,600)    | 4,441      |   |  |  |
| Net cash received (paid) in acquisitions  |  | (435)       | —          | 52,448    |            |             |            |   |  |  |
| Proceeds from sale of non-mortgage loans  |  | —           | —          | 5,241     |            |             |            |   |  |  |
| Net cash received in disposition (paid in acquisition)  |  |             |            |           | 47,354     | (435)       | —          |   |  |  |
| Net (increase) decrease in loans receivable   |  | (1,174,347) | 192,069    | (417,630) | (276,597)  | (1,174,347) | 192,069    |   |  |  |
| Net cash used in investing activities   |  | (1,206,970) | (332,814)  | (541,854) | (124,650)  | (1,206,970) | (332,814)  |   |  |  |
| <b>Financing Activities</b>   |  |             |            |           |            |             |            |   |  |  |
| Net increase in deposits and advance payments by borrowers                                    |  | 635,080     | 238,474    | 1,088,832 | 226,174    | 635,080     | 238,474    |   |  |  |
| Net change in Federal Home Loan Bank advances   |  | 428,000     | —          | (466,063) | (148,000)  | 428,000     | —          |   |  |  |
| Proceeds from subordinated debentures   |  | —           | —          | 48,777    |            |             |            |   |  |  |
| Decrease in securities sold under repurchase agreements                                       |  | —           | —          | (2,999)   |            |             |            |   |  |  |
| Cash dividends paid on common stock   |  | (42,795)    | (38,948)   | (32,898)  | (44,267)   | (42,795)    | (38,948)   |   |  |  |

|  |            |            |            |            |            |            |
|--|------------|------------|------------|------------|------------|------------|
| Net cash paid for repurchase of common stock                                   | (26,870)   | (29,583)   | (10,183)   | (11)       | (26,870)   | (29,583)   |
| Proceeds from exercise of stock options  | 53         | 8          | —          | 15         | 53         | 8          |
| Proceeds from direct stock sales   | —          | —          | 18         |            |            |            |
| Net cash provided by financing activities                                      | 993,468    | 169,951    | 625,484    | 33,911     | 993,468    | 169,951    |
| Increase (decrease) in cash and cash equivalents                               | (33,406)   | 2,300      | 28,012     |            |            |            |
| (Decrease) Increase in cash and cash equivalents                               |            |            |            | (13,404)   | (33,406)   | 2,300      |
| Cash and cash equivalents at beginning of period                               | 161,566    | 159,266    | 131,254    | 128,160    | 161,566    | 159,266    |
| Cash and cash equivalents at end of period                                     | \$ 128,160 | \$ 161,566 | \$ 159,266 | \$ 114,756 | \$ 128,160 | \$ 161,566 |
| <b>Supplemental cash flow information:</b>                                     |            |            |            |            |            |            |
| Interest paid  | \$ 32,730  | \$ 16,357  | \$ 30,536  | \$ 135,924 | \$ 32,730  | \$ 16,357  |
| Income taxes paid  | 17,540     | 27,055     | 32,390     | 27,823     | 17,540     | 27,055     |
| Transfers from loans to other real estate owned and other assets held for sale | —          | 220        | 192        | —          | —          | 220        |
| Initial recognition of right-of-use asset                                      | 680        | 500        | 10,106     | 804        | 680        | 500        |
| Initial recognition of lease liability   | 680        | 500        | 10,254     | 804        | 680        | 500        |
| Initial recognition ASU 326  | —          | —          | 2,566      |            |            |            |

See accompanying notes.

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## Notes to the Consolidated Financial Statements

### 1. Basis of Presentation

Premier Financial Corp. ("Premier" or the "Company") is a bank financial holding company that conducts business through its wholly-owned subsidiaries, Premier Bank (the "Bank"), PFC Risk Management Inc. ("PFC Risk Management"), PFC Capital, LLC ("PFC Capital") and First Insurance Group of the Midwest, Inc. ("First Insurance"), PFC Risk Management Inc. ("PFC Risk Management") and PFC Capital, LLC ("PFC Capital"). All significant intercompany transactions and balances are eliminated in consolidation. Premier's stock is traded on the NASDAQ Global Select Market under the ticker PFC.

The Bank is primarily engaged in community banking. It attracts deposits from the general public through its offices and website, and uses those and other available sources of funds to originate residential real estate loans, commercial real estate loans, commercial loans, home improvement and home equity loans and consumer loans. In addition, the Bank invests in U.S. Treasury and federal government agency obligations, obligations of states and political subdivisions, mortgage-backed securities ("MBS") that are issued by federal agencies, including real estate mortgage investment conduits ("REMICs") and residential collateralized mortgage obligations ("CMOs"), and corporate bonds. The Bank's deposits are insured by the Federal Deposit Insurance Corporation ("FDIC"). The Bank is a member of the Federal Home Loan Bank ("FHLB") System.

First Insurance is an insurance agency that conducts business throughout Premier's markets. First Insurance offers property and casualty insurance, life insurance and group health insurance.

PFC Risk Management is a wholly-owned insurance company subsidiary of the Company that insures the Company and its subsidiaries against certain risks unique to the operations of the Company and for which insurance may not be currently available or economically feasible in today's insurance marketplace. PFC Risk Management pools resources with several other similar insurance company subsidiaries of financial institutions to help minimize the risk allocable to each participating insurer.

PFC Capital was formed as an Ohio limited liability company by UCFC in 2016 for the purpose of providing mezzanine funding for customers of the Bank. Mezzanine loans are offered by PFC Capital to customers in the Company's market area and are expected to be repaid from the cash flow from operations of the borrowing businesses.

First Insurance was an insurance agency that conducted business throughout Premier's markets. First Insurance offered property and casualty insurance, life insurance and group health insurance. On June 30, 2023, the Company completed the sale of substantially all of the assets (including \$24.7 million of goodwill and intangibles) of First Insurance to Risk Strategies Corporation ("Buyer"). Consideration included a combination of cash and a subordinated note resulting in net cash received of \$47.4 million after certain transaction costs at closing, the assumption of certain leases, and contingent consideration subject to certain performance criteria by the Buyer to be

determined after the year ended December 31, 2026. The Company recorded a pre-tax gain on sale of \$36.3 million, transaction costs of \$3.7 million and taxes of \$8.5 million for a \$24.1 million increase to equity in 2023.

PFC Risk Management was a wholly-owned insurance company subsidiary of the Company that was formed to insure the Company and its subsidiaries against certain risks unique to the operations of the Company and for which insurance was not available or economically feasible in the insurance marketplace. PFC Risk Management pooled resources with several other similar insurance company subsidiaries of financial institutions to help minimize the risk allocable to each participating insurer. Due to pending changes in tax law, PFC Risk Management was dissolved and liquidated in December 2023.

Due to sustained inflation and rising interest rates, business and consumer customers of the Bank are experiencing varying degrees of financial distress, which is expected to continue over the coming months and will likely adversely affect their ability to pay interest and principal on their loans. Further, value of the collateral securing their obligations may decline. These uncertainties may negatively impact the Statement of Financial Condition, the Statement of Income and the Statement of Cash Flows of the Company.

## **2. Statement of Accounting Policies**

### **Use of Estimates**

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. These estimates and assumptions affect the amounts reported in the financial statements and the disclosures provided, and actual results could differ.

### **Earnings Per Common Share**

Basic earnings per common share is computed by dividing net income applicable to common shares (net income less dividend requirements for preferred stock, accretion of preferred stock discount and redemption of preferred stock) by the weighted average number of shares of common stock outstanding during the period. All outstanding unvested share-based payment awards that contain rights to nonforfeitable dividends are considered participating securities for the calculation. Diluted earnings per common share includes the dilutive effect of additional potential common shares issuable under stock options, warrants, restricted stock awards and stock grants. See also Note 3.

### **Comprehensive Income**

Comprehensive income consists of net income and other comprehensive income (loss). Other comprehensive income (loss) includes unrealized gains and losses on available-for-sale securities, unrealized gains and losses on cash flow hedges and the net unrecognized actuarial losses and unrecognized prior service costs associated with the Company's Defined Benefit Postretirement Medical Plan. All items included in other comprehensive income are reported net of tax. See also Notes 4, 15 and 24 and the Consolidated Statements of Comprehensive Income.

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### **Cash Flows**

For purposes of the statement of Cash flows, Premier considers all highly liquid investments with a term of three months or less to be cash equivalents. Net cash flows are reported for loan and deposit transactions, interest-bearing deposits in other financial institutions and repurchase agreements.

### **Investment Securities**

Securities are classified as held-to-maturity when Premier has the positive intent and ability to hold the securities to maturity and are reported at amortized cost, adjusted for premiums and discounts that are recognized in interest income using the interest method over the period to maturity. In addition, Premier may purchase equity securities for its portfolio. Equity securities are a separate category of investments as changes in market value must be run through earnings as a gain (loss) on equity securities.

Securities available-for-sale consists of those securities which might be sold prior to maturity due to changes in interest rates, prepayment risks, yield and availability of alternative investments, liquidity needs or other factors. Available-for-sale securities are stated at fair value, with the unrealized gains and losses, net of tax, reported in other comprehensive income (loss) until realized. Realized gains and losses are included in gains (losses) on securities or other-than-temporary impairment losses on securities. Realized gains and losses on securities sold are recognized on the trade date based on the specific identification method.

Interest income includes amortization of purchase premiums and discounts. Premiums and discounts are amortized on the level-yield method without anticipating prepayments, except for mortgage-backed securities where prepayments are expected.

Quarterly, the Company 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, the Company performs further analysis. See to Footnote 4 - Investment Securities for further discussion.

## **Equity Securities**

These securities are reported at fair value utilizing Level 1 inputs where the Company obtains fair value measurement from a broker.

## **FHLB Stock**

The Bank is a member of the FHLB system. Members are required to own a certain amount of stock based on the level of borrowings and other factors. FHLB stock is carried at cost, classified as a restricted security, and periodically evaluated for impairment based on ultimate recovery of par value. Both cash and stock dividends are reported as income. At **December 31, 2022** **December 31, 2023** and **2021**, **2022**, the Company held **\$29.2** **\$21.8** million and **\$11.6** **\$29.2** million, respectively, at the FHLB of Cincinnati.

## **Loans Receivable**

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at the principal amount outstanding, net of deferred loan fees and costs, purchase premiums and discounts and the allowance for credit losses. Deferred fees net of deferred incremental loan origination costs, are amortized to interest income generally over the contractual life of the loan using the interest method without anticipating prepayments. The recorded investment in loans includes accrued interest receivable, unamortized premiums and discounts, and net deferred fees and costs and undisbursed loan amounts.

Mortgage loans originated and intended for sale in the secondary market are classified as loans held for sale and are carried at fair value, as determined by market pricing from investors. Net unrealized gains and losses are recorded as a part of mortgage banking income on the Consolidated Statement of Income. Mortgage loans held for sale are generally sold with servicing rights retained. The carrying value of mortgage loans sold is reduced by the amount allocated to the servicing right. Gains or losses on sales of mortgage loans are based on the difference between the selling price and the carrying value of the related loan sold.

The Company may incur losses pertaining to loans sold to Fannie Mae and Freddie Mac but repurchased due to underwriting issues. Repurchase losses are recognized when the Company determines they are probable and estimable.

Interest receivable is accrued on loans and credited to income as earned. The accrual of interest on loans 90 days delinquent or those loans individually analyzed is discontinued when, in management's opinion, the borrower may be unable to meet payments as they become due. For these loans, interest accrual is only to the extent cash payments are received. The accrual of interest on these loans is generally resumed after a pattern of repayment has been established and the collection of principal and interest is reasonably assured.

## **Purchased Credit Deteriorated ("PCD") Loans**

The Company acquires loans individually and in groups or portfolios. At acquisition, the Company reviews each loan to determine whether there is evidence of more than insignificant deterioration of credit quality since origination. The Company determines whether each such loan is to be accounted for individually or whether such loans will be assembled into pools of loans based on common risk characteristics (loan type and date of origination).

PCD loans acquired in a transaction are marked to fair value and a mark on yield is recorded. In addition, an adjustment is made to the ACL for the expected loss on the acquisition date. These loans are assessed on a regular basis and subsequent adjustments to the ACL are recorded on the income statement.

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## **Allowance for credit losses**

On January 1, 2020, the Company adopted ASU 2016-13 Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, as amended, which replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost, including loan receivables and held-to-maturity debt securities. It also applies to off-balance sheet credit exposures not accounted for as insurance (loan commitments, standby letters of credit, financial guarantees, and other similar instruments) and net investments in leases recognized by a lessor in accordance to Topic 842 on leases. In addition, ASC 326 made changes to the accounting for available-for-sale debt securities.

The Company adopted ASC 326 using the prospective transition approach for financial assets purchased with credit deterioration that were previously classified as purchased credit impaired ("PCI") and accounted for under ASC 310-30. In accordance with the standard, management did not reassess whether PCI assets met the criteria of PCD assets as of the date of adoption. As a part of the merger, the Bank recognized \$7.6 million of the allowance for credit losses related to PCD loans. The remaining noncredit discount (based on the adjusted amortized cost basis) will be accreted into interest income at the effective interest rate as of the merger date.

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at amortized cost. Amortized cost is the principal balance outstanding, net of purchase premiums and discounts, adjustments, and deferred loan fees and costs. Accrued interest receivable was reported in other assets and is excluded from the estimate of credit losses.

Management estimates the allowance balance using relevant available information, from internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts. Historical credit loss experience provides the basis for the estimation of expected credit losses. Adjustments to historical loss information are made for differences in current loan-specific risk characteristics such as differences in underwriting standards, portfolio mix, delinquency level, nature or volume of the Company's financial assets, changes in experience in staff, as well as changes in environmental conditions, such as changes in unemployment rates, property values and other external factors, such as regulatory, legal and technological environments.

The allowance for credit losses is measured on a collective pool basis when similar risk characteristics exist. Loans that do not share risk characteristics are evaluated on an individual basis and included in the collective evaluation. A loan is individually analyzed when, based on current information and events, it is probable that the Company will be unable to collect all amounts due according to the contractual terms of the loans agreement. Loans, for which terms have been modified The Company analyzes all substandard, doubtful and for which loss graded loans quarterly and make judgments about the risk of loss based on the cash flow of the borrower, is experiencing the value of the collateral and the financial difficulties, are considered troubled debt restructurings. strength of the guarantors. When a loan is considered individually analyzed, an analysis of the net present value of estimated cash flows is performed and an allowance may be established based on the outcome of that analysis, or if the loan is deemed to be collateral dependent an allowance is established based on the fair value of collateral. All modifications are reviewed by the bank's Chief Credit Officer or Chief Credit Administration Officer to determine whether or not the modification constitutes a troubled debt restructure. Commercial and commercial real estate loan relationships greater than \$500,000 are individually evaluated. If a loan is individually analyzed, a portion of the allowance is allocated so that the loan is reported net of the allowance allocation which is determined based on the present value of estimated future cash flows using the loan's existing rate or at the fair value of collateral if repayment is expected solely from the collateral. Loan relationships less than \$500,000 are aggregated by loan segment and risk level and given a specific reserve based on the general reserve factor for that loan segment and risk level. Large groups of smaller balance homogeneous loans, such as consumer and residential real estate loans, are collectively evaluated, and accordingly, they are not separately identified for disclosure.

**Troubled Debt Restructurings ("TDR"):** A loan The Company estimates expected credit losses for which terms have been modified resulting off-balance sheet credit exposures over the contractual period in a concession, and for which the borrower Company is experiencing financial difficulties, exposed to credit risk via a contractual obligation to extend credit, unless that obligation is considered unconditionally cancellable by the Company. Adjustments to be a TDR. The allowance for credit loss on a TDR is measured using the same method as all other loans held for investment, except when the value of a concession is measured using the discounted cash flow method, the allowance for off-balance sheet credit loss is determined by discounting the expected future cash flow at the original interest rate losses run through expense. The estimate includes consideration of the loan. If a TDR is considered to be a collateral dependent loan, the loan is reported, net, at the fair value likelihood that funding will occur and an estimate of the collateral. For TDRs that subsequently default, the Company determines the amount of the allowance on that loan in accordance with the accounting policy for the allowance for expected credit losses on loans individually identified. The Company incorporates recent historical experience related commitments expected to TDRs including the performance of TDRs that subsequently default into the calculation of the allowance by loan portfolio segment. See Footnote 6 – Loans for further discussion on TDRs. be funded over its estimated life.

#### Servicing Rights

Servicing rights are recognized separately when they are acquired through sales of loans. Servicing rights are initially recorded at fair value with the income statement effect recorded in gains on sales of loans. Fair value is based on market prices for comparable mortgage servicing contracts, when available, or alternatively, is based on a valuation model that calculates the present value of estimated future net servicing income. The valuation model incorporates assumptions that market participants would use in estimating future net servicing income, such as the cost to service, the discount rate, the custodial earnings rate, an inflation rate, ancillary income, prepayment speeds and default rates and losses. The Company compares the valuation model inputs and results to published industry data in order to validate the model results and assumptions. All classes of servicing assets are subsequently measured using the amortization method which

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requires servicing rights to be amortized into noninterest income in proportion to, and over the period of, the estimated future net servicing income of the underlying loans, driven, generally, by changes in market interest rates.

Servicing assets are evaluated for impairment based upon the fair value of the rights as compared to carrying amount. Impairment is determined by stratifying rights into groupings based on predominant risk characteristics, such as interest rate, loan type, loan terms, year of origination and investor type. Impairment is recognized through a valuation allowance for an individual grouping, to the extent that fair value is less than the carrying amount. If the Company later determines that all or a portion of the impairment no longer exists for a particular grouping, a reduction of the allowance may be recorded as an increase to income. Changes in valuation allowances are reported within mortgage banking income on the income statement. The fair values of servicing rights are subject to significant fluctuations as a result of changes in estimated and actual prepayment speeds and default rates and losses.

Servicing fee income, which is reported on the income statement with mortgage banking income, is recorded for fees earned for servicing loans. The fees are based on a contractual percentage of the outstanding principal, or a fixed amount per loan, and are recorded as income when earned. The amortization of mortgage servicing rights is netted against loan servicing fee income. Servicing fees totaled \$7.5 million, \$7.5 million and \$7.6 million for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021, respectively. Late fees and ancillary fees related to loan servicing are not material. See Note 7.

#### **Bank Owned Life Insurance**

The Company has purchased life insurance policies for certain key employees. Bank owned life insurance is recorded at the amount that can be realized under the insurance contract at the balance sheet date, which is the cash surrender value adjusted for other charges or other amounts due that are probable at settlement.

#### **Premises and Equipment and Long Lived Assets**

Land is carried at cost. Premises and equipment are carried at cost less accumulated depreciation and amortization computed principally by the straight-line method over the following estimated useful lives:

|                                   |                |
|-----------------------------------|----------------|
| Buildings and improvements        | 20 to 50 years |
| Furniture, fixtures and equipment | 3 to 15 years  |

Long-lived assets to be held and those to be disposed of and certain intangibles are periodically evaluated for impairment. See Note 8.

#### **Goodwill and Other Intangibles**

Goodwill resulting from business combinations after January 1, 2009, is generally determined as the excess of the fair value of the consideration transferred, plus the fair value of any non-controlling interests in the acquiree, over the fair value of the net assets acquired and liabilities assumed as of the acquisition date. Goodwill and intangible assets acquired in a purchase business combination and determined to have an indefinite useful life are not amortized, but tested for impairment at least annually. The Company has selected November 30 as the date to perform the annual impairment test. Intangible assets with **definite** **finite** useful lives are amortized over their estimated useful lives to their estimated residual values. Goodwill is the only intangible asset with an indefinite life on Premier's balance sheet.

Other intangible assets consist of core deposit and acquired customer relationship intangible assets arising from whole bank and branch acquisitions, as well as, wealth management and insurance agency acquisitions. They are initially recorded at fair value and then amortized on an accelerated basis over their estimated lives, which range from five years for non-compete agreements to 10 years for core deposit and customer relationship intangibles. See Note 9.

#### **Real Estate and Other Assets Held for Sale**

Real estate and other assets held for sale are comprised of properties or other assets acquired through foreclosure proceedings or acceptance of a deed in lieu of foreclosure. These assets are initially recorded at fair value less costs to sell when acquired, establishing a new cost basis. Losses arising from the acquisition of such property are charged against the allowance for credit losses at the time of acquisition. These properties are carried at the lower of cost or fair value, less estimated costs to dispose. If fair value declines subsequent to foreclosure, the property is written down against expense. Costs after acquisition are expensed.

#### **Stock Compensation Plans**

Compensation cost is recognized for stock options and restricted share awards issued to employees and directors, based on the fair value of these awards at the date of grant. A Black-Scholes model is utilized to estimate the fair value of stock options. Restricted shares awards are valued at the market value of Company stock at the date of the grant. Compensation cost is recognized over the required service period, generally defined as the vesting period. For awards with graded vesting, compensation cost is recognized on a straight-line basis over the requisite service period for the entire award. See Note 19.

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#### **Fair Value of Financial Instruments**

Fair values of financial instruments are estimated using relevant market information and other assumptions, as more fully disclosed in Note 21. Fair value estimates involve uncertainties and matters of significant judgment regarding interest rates, credit risk, prepayments, and other factors, especially in the absence of broad markets for particular items. Changes in assumptions or in market conditions could significantly affect the estimates.

#### **Transfers of Financial Assets**

Transfers of financial assets are accounted for as sales, when control over the assets has been relinquished. Control over transferred assets is deemed to be surrendered when the assets have been isolated from the Company, the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred assets and the Company does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity.

#### **Mortgage Banking Derivatives**

Commitments to fund mortgage loans (interest rate locks) to be sold into the secondary market and forward commitments for the future delivery of these mortgage loans are accounted for as free standing derivatives. Fair values of these mortgage derivatives are estimated based on changes in mortgage interest rates from the date the interest on the loan is locked. The Company enters into forward commitments for the future delivery of mortgage loans when interest rate locks are entered into, in order to hedge the change in interest.

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rates resulting from its commitments to fund the loans. Changes in fair values of these derivatives are included in mortgage banking income.

#### **Interest Rate Swaps**

The Company periodically enters into interest rate swap agreements with its commercial customers who desire a fixed rate loan term that is longer than the Company is willing to extend. The Company then enters into a reciprocal swap agreement with a third party that offsets the interest rate risk from the interest rate swap extended to the customer. The interest rate swaps are derivative instruments which are carried at fair value on the statement of financial condition. The Company uses an independent third party to perform a market valuation analysis for both swap positions.

The Company also enters into cash flow hedge derivative instruments to hedge the risk of variability in cash flows (future interest payments) attributable to changes in contractually specified **LIBOR SOFR** benchmark interest rate on the Company's floating rate loan pool. the Company uses an independent third party to perform a market valuation analysis for the derivatives.

**The Company may also periodically enter into derivatives contracts to hedge the risk of variability from changes in interest rates on the cash flows from and/or the fair value of certain Company assets and/or liabilities. The change in fair value of hedges designated as cash flow hedges are recorded to other comprehensive income while any changes in the fair value of hedges designated as fair value hedges are generally offset by the changes in valuation of the corresponding hedged item(s). The Company uses independent third parties to perform market valuation analysis, effectiveness testing, etc. for these derivatives.**

#### **Operating Segments**

Management considers the following factors in determining the need to disclose separate operating segments: (1) the nature of products and services, which are all financial in nature; (2) the type and class of customer for the products and services; in Premier's case retail customers for retail bank and insurance products and commercial customers for commercial loan, deposit, life, health and property and casualty insurance needs; (3) the methods used to distribute products or provide services; such services are delivered through banking **and insurance** offices **and** through bank **and insurance** customer contact representatives. Retail and commercial customers are frequently targets for **both banking and insurance products; banking**; (4) the nature of the regulatory environment; **both the banking and insurance entities are entity is** subject to **various** regulatory bodies and a number of specific regulations.

**Quantitative thresholds as stated in FASB ASC Topic 280, Segment Reporting are monitored. For the year ended December 31, 2022, the reported revenue for First Insurance was 5.3% of total revenue for Premier. Total revenue includes interest income plus noninterest income. Net income for First Insurance for the year ended December 31, 2022, was 2.4% of consolidated net income. Total assets of First Insurance at December 31, 2022, were 0.4% of total assets. First Insurance does not meet any of the quantitative thresholds of FASB ASC Topic 280.** Accordingly, all of the financial service operations are considered by management to be aggregated in one reportable segment.

#### **Dividend Restriction**

Banking regulations require maintaining certain capital levels and may limit the dividends paid by the Bank to Premier. See Note 16 for further details on restrictions.

#### **Loan Commitments and Related Financial Instruments**

Financial instruments include off-balance sheet credit instruments, such as commitments to make loans and commercial letters of credit, issued to meet customer financing needs. The face amount for these items represents the exposure to loss, before considering customer collateral or ability to repay. Such financial instruments are recorded when they are funded.

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#### **Loss Contingencies**

Loss contingencies, including claims and legal actions arising in the ordinary course of business, are recorded as liabilities when the likelihood of loss is probable and an amount or range of loss can be reasonably estimated. Management does not believe there are any such matters that will have a material effect on the financial statements.

#### **Income Taxes**

Income tax expense is the total of the current year income tax due or refundable and the change in deferred tax assets and liabilities. Deferred tax assets and liabilities are the expected future tax amounts for the temporary differences between carrying amounts and tax bases of assets and liabilities, computed using enacted tax rates. A valuation allowance, if needed, reduces deferred tax assets to the amount expected to be realized. Realization of deferred tax assets is dependent upon the generation of a sufficient level of future taxable income and recoverable taxes paid in prior years. Although realization is not assured, management believes it is more likely than not that all of the deferred tax assets will be realized. The Company recognizes interest and/or penalties related to income tax matters in income tax expense.

An effective tax rate of 21% is used to determine after-tax components of other comprehensive income (loss) included in the statements **statement of change in stockholders' equity**. See Note 17.

A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded.

#### Retirement Plans

Pension expense is the net of service and interest cost, return on plan assets and amortization of gains and losses not immediately recognized. Employee 401(k) plan expense is the amount of matching contributions. Deferred compensation and supplemental retirement plan expense allocates the benefits over years of service. See Notes 15 and 18.

#### Revenue Recognition

ASC 606, Revenue from Contracts with Customers ("ASC 606"), establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts to provide goods or services to customers. The core principle requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration that it expects to be entitled to receive in exchange for those goods or services recognized as performance obligations are satisfied.

The majority of the Company's revenue-generating transactions are not subject to ASC 606, including revenue generated from financial instruments, such as loans, letters of credit, and investment securities, as well as revenue related to mortgage servicing activities, as these activities are subject to other GAAP discussed elsewhere within the Company's disclosures. Descriptions of the Company's revenue-generating activities that are within the scope of ASC 606, which are presented in the Company's statement of income as components of noninterest income are as follows:

- Service charges on deposit accounts - these represent general service fees for monthly account maintenance and activity or transaction-based fees and consist of transaction-based revenue, time-based revenue (service period), item-based revenue or some other individual attribute-based revenue. Revenue is recognized when our performance obligation is completed which is generally monthly for account maintenance services or when a transaction has been completed (such as a wire transfer). Payment for such performance obligations are generally received at the time the performance obligations are satisfied. Service charges on deposit accounts that are within the scope of ASC 606 were **\$13.3 million in 2023, \$12.8 million in 2022 and \$11.2 million in 2021 and \$10.2 million in 2020.** Income from services charges on deposit accounts is included in service fees and other charges in noninterest income.
- Interchange income - this represents fees earned from debit and credit cardholder transactions. Interchange fees from cardholder transactions represent a percentage of the underlying transaction value and are recognized daily, concurrent with the transaction processing services provided to the cardholder. Interchange fees were **\$11.1 million in 2023, \$10.8 million in 2022 and \$10.9 million in 2021, and \$9.3 million in 2020**, which are reported net of network related charges. Interchange income is included in service fees and other charges in noninterest income.
- Wealth management income - this represents monthly fees due from wealth management customers as consideration for managing the customers' assets. Wealth management and trust services include custody of assets, investment management, escrow services, and fees for trust services and similar fiduciary activities. Revenue is recognized when our performance obligation is completed each month, which is generally the time that payment is received. Also included are fees received from a third party broker-dealer as part of a revenue-sharing agreement for fees earned from customers that we refer to the third party. These fees are paid to us by the third party on a quarterly basis and recognized ratably throughout the quarter as our performance obligation is satisfied. Revenues from wealth management were **\$6.3 million, \$5.8 million and \$6.0 million in 2023, 2022 and \$6.2 million in 2022, 2021, and 2020**, respectively, and are included in total noninterest income.

- Gain/loss on sales of other real estate owned ("OREO") - the Company records a gain or loss from the sale of OREO when control of the property transfers to the buyer, which generally occurs at the time of an executed deed. When the Company finances the sale of OREO to the buyer, the Company assesses whether the buyer is committed to perform their obligations under the contract and whether collectability of the transaction price is probable. Once these criteria are met, the OREO asset is derecognized and the gain or loss on sale is recorded upon the transfer of control of the property to the buyer. In determining the gain or loss on the sale, the Company adjusts the transaction price and related gain or loss on sale if a significant financing component is present. Income from the gain/loss on sales of OREO were **(loss)gains of \$(118,000), \$66,000 and \$3,000 in 2023, 2022 and 2021, and losses of \$19,000 in 2020.** Income from the gain or loss on sales of OREO is included in total noninterest income.
- Insurance commissions - this represents new commissions that are recognized when the Company sells insurance policies to customers. The Company entitled to renewal commissions and, in some cases, contingent commissions in the form of profit sharing which are recognized in subsequent periods. The commission is recognized when the insurance policy is sold to a customer. Renewal commission is variable consideration and is recognized in subs

periods when the uncertainty around variable consideration is subsequently resolved (e.g., when customer renews the policy). Contingent commission is variable consideration that is not recognized until the variability surrounding realization of revenue is resolved. Another source of variability is the ability of the policy holder to cancel the policy anytime and in such cases, the Company may be required, under the terms of the contract, to return part of the commission received. The variability related to cancellation of the policy is not deemed significant and thus, does not impact the amount of revenue recognized. In the event the policyholder chooses to cancel the policy at any time, the revenue for amounts which qualify for claw-back are reversed in the period the cancellation occurs. Management views the income sources from insurance commissions in two

**ASU No. 2023-09, Income Taxes (Topic 740) – Improvements to Income Tax Disclosures:** On December 14, 2023, the FASB issued ASU 2023-09 “Income Taxes (Topic 740): Improvements to Income Tax Disclosures,” to address requests for improved income tax disclosures from investors, lenders, creditors and other allocators of capital that use the financial statements to make capital allocation decisions. The Update is intended to improve the transparency of tax disclosures by requiring (1) consistent categories and greater disaggregation of information in the rate reconciliation and (2) income taxes paid disaggregated by jurisdiction, in addition to certain other amendments intended to improve the effectiveness of income tax disclosures. For public business entities, the Update is effective for annual periods beginning after December 15, 2024. For other entities, the Update is effective for annual periods beginning after December 15, 2025. Early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance. This Update is not expected to have a material effect on the Company’s consolidated financial statements.

### 3. Earnings Per Common Share

Basic earnings per share is calculated using the two-class method. The two-class method is an earnings allocation formula under which earnings per share is calculated from common stock and participating securities according to dividends declared and participation rights in undistributed earnings. Under this method, all earnings distributed and undistributed, are allocated to participating securities and common shares based on their respective rights to receive dividends. Unvested share-based payment awards that contain non-forfeitable rights to dividends are considered participating securities (i.e. unvested restricted stock), not subject to performance based measures.

The following table sets forth the computation of basic and diluted earnings per common share for the years ended December 31:

|  | 2022                             | 2021           | 2020           | 2023                             |                |  | 2022                             |               |                | 2021                             |  |  |
|--|----------------------------------|----------------|----------------|----------------------------------|----------------|--|----------------------------------|---------------|----------------|----------------------------------|--|--|
|  | (In Thousands, Except Per Share) |                |                | (In Thousands, Except Per Share) |                |  | (In Thousands, Except Per Share) |               |                | (In Thousands, Except Per Share) |  |  |
|  | Amounts)                         |                |                |                                  |                |  |                                  |               |                |                                  |  |  |
| <b>Basic Earnings Per Share:</b>   |                                  |                |                |                                  |                |  |                                  |               |                |                                  |  |  |
| Net income available to common shareholders                                    | <b>102,18</b>                    |                |                |                                  |                |  |                                  |               |                |                                  |  |  |
|  | \$ 7                             | \$ 126,051     | \$ 63,077      |                                  | \$ 111,295     |  | \$ 102,187                       |               | \$ 126,051     |                                  |  |  |
| Less: Income allocated to participating securities                             | <b>103</b>                       | <b>123</b>     | <b>89</b>      |                                  | <b>178</b>     |  |                                  | <b>103</b>    |                | <b>123</b>                       |  |  |
| Net income allocated to common shareholders                                    | <b>102,08</b>                    |                |                |                                  |                |  |                                  |               |                |                                  |  |  |
|  | \$ 4                             | \$ 125,928     | \$ 62,988      |                                  | \$ 111,117     |  | \$ 102,084                       |               | \$ 125,928     |                                  |  |  |
| Weighted average common shares outstanding Including participating securities  | <b>35,715</b>                    | <b>37,145</b>  | <b>35,952</b>  |                                  | <b>35,750</b>  |  |                                  | <b>35,715</b> |                | <b>37,145</b>                    |  |  |
| Less: Participating securities   | <b>36</b>                        | <b>36</b>      | <b>50</b>      |                                  | <b>57</b>      |  |                                  | <b>36</b>     |                | <b>36</b>                        |  |  |
| Average common shares  | <b>35,679</b>                    | <b>37,109</b>  | <b>35,902</b>  |                                  | <b>35,693</b>  |  |                                  | <b>35,679</b> |                | <b>37,109</b>                    |  |  |
| Basic earnings per common share  | <b>\$ 2.86</b>                   | <b>\$ 3.39</b> | <b>\$ 1.75</b> |                                  | <b>\$ 3.11</b> |  | <b>\$ 2.86</b>                   |               | <b>\$ 3.39</b> |                                  |  |  |
| <b>Diluted Earnings Per Share:</b>   |                                  |                |                |                                  |                |  |                                  |               |                |                                  |  |  |
| Net income allocated to common shareholders                                    | <b>102,08</b>                    |                |                |                                  |                |  |                                  |               |                |                                  |  |  |
|  | \$ 4                             | \$ 125,928     | \$ 62,988      |                                  | \$ 111,117     |  | \$ 102,084                       |               | \$ 125,928     |                                  |  |  |
| Weighted average common shares outstanding for basic earnings per common share | <b>35,679</b>                    | <b>37,109</b>  | <b>35,902</b>  |                                  | <b>35,693</b>  |  |                                  | <b>35,679</b> |                | <b>37,109</b>                    |  |  |
| Add: Dilutive effects of stock options and restricted stock units              | <b>130</b>                       | <b>91</b>      | <b>47</b>      |                                  | <b>88</b>      |  |                                  | <b>130</b>    |                | <b>91</b>                        |  |  |
| Average shares and dilutive potential common shares                            | <b>35,809</b>                    | <b>37,200</b>  | <b>35,949</b>  |                                  | <b>35,781</b>  |  |                                  | <b>35,809</b> |                | <b>37,200</b>                    |  |  |
| Diluted earnings per common share  | <b>\$ 2.85</b>                   | <b>\$ 3.39</b> | <b>\$ 1.75</b> |                                  | <b>\$ 3.11</b> |  | <b>\$ 2.85</b>                   |               | <b>\$ 3.39</b> |                                  |  |  |

Shares subject to issue upon exercise of options and vesting requirements of restricted stock units of 110,233 in 2023, 37,910 in 2022 and 34,065 in 2021 and 97,724 in 2020 were excluded from the diluted earnings per common share calculation as they were anti-dilutive.

#### 4. Investment Securities

The following tables summarize the amortized cost and fair value of available-for-sale securities at December 31, 2022 December 31, 2023 and 2021, 2022, and the corresponding amounts of gross unrealized and unrecognized gains and losses:

|  | 2022           |            |               |                | 2023           |                     |               |                     |                   |
|--|----------------|------------|---------------|----------------|----------------|---------------------|---------------|---------------------|-------------------|
|  | Gross          |            | Gross         |                | Gross          |                     | Gross         |                     |                   |
|  | Amortized      | Unrealized | Unrealized    | Fair           | Amortized      | Unrealized          | Unrealized    | Fair                |                   |
|  | Cost           | Gains      | Losses        | Value          | Cost           | Gains               | Losses        | Value               |                   |
|  | (In Thousands) |            |               |                | (In Thousands) |                     |               |                     |                   |
| <b>2022</b>  |                |            |               |                |                |                     |               |                     |                   |
| Available-for-sale                                       |                |            |               |                |                |                     |               |                     |                   |
| <b>2023</b>  |                |            |               |                |                |                     |               |                     |                   |
| Available-for-sale securities:                           |                |            |               |                |                |                     |               |                     |                   |
| Obligations of U.S. government corporations and agencies | 173,13         |            | (29,03        | 144,10         | \$ 7           | \$ 0                | \$ 7          | \$ 101,598          |                   |
| Mortgage-backed securities                               | 200,54         |            | (32,95        | 167,58         | 8              | —                   | 9             | 156,508             |                   |
| Collateralized mortgage obligations                      | 299,73         |            | (49,92        | 249,80         | 1              | —                   | 6             | 235,767             |                   |
| Asset-backed securities                                  | 200,31         |            | 192,50        |                | 2              | 517                 | (8,325)       | 136,980             |                   |
| Corporate bonds  | 71,543         |            | (7,061)       | 64,482         | 71,543         | —                   | (8,672)       | 62,420              |                   |
| Obligations of states and political subdivisions         | 274,85         |            | (53,35        | 221,59         | 6              | 92                  | 4             | 204,258             |                   |
| <b>Total Available-for-Sale</b>                          | <b>1,220,1</b> |            | <b>(180,6</b> | <b>1,040,0</b> | <b>\$ 27</b>   | <b>\$ 609</b>       | <b>\$ 55</b>  | <b>\$ 81</b>        |                   |
| US Treasuries  |                |            |               |                |                | 55,732              | —             | (6,555) 49,177      |                   |
| <b>Total Available-for-sale securities</b>               |                |            |               |                |                | <b>\$ 1,107,510</b> | <b>\$ 294</b> | <b>\$ (161,096)</b> | <b>\$ 946,708</b> |

|  | 2021           |            |            |        | 2022           |            |            |           |
|--|----------------|------------|------------|--------|----------------|------------|------------|-----------|
|  | Gross          |            | Gross      |        | Gross          |            | Gross      |           |
|  | Amortized      | Unrealized | Unrealized | Fair   | Amortized      | Unrealized | Unrealized | Fair      |
|  | Cost           | Gains      | Losses     | Value  | Cost           | Gains      | Losses     | Value     |
|  | (In Thousands) |            |            |        | (In Thousands) |            |            |           |
| <b>2021</b>  |                |            |            |        |                |            |            |           |
| Available-for-sale                                       |                |            |            |        |                |            |            |           |
| <b>2022</b>  |                |            |            |        |                |            |            |           |
| Available-for-sale securities:                           |                |            |            |        |                |            |            |           |
| Obligations of U.S. government corporations and agencies | 174,64         |            | 174,71     |        | \$ 4           | \$ 984     | \$ (918)   | \$ 95,909 |
| Mortgage-backed securities                               | 208,28         |            | (2,38      | 206,75 | 1              | 851        | 1)         | 167,589   |

|  |                |             |                     |                |               |     |                     |                     |
|--|----------------|-------------|---------------------|----------------|---------------|-----|---------------------|---------------------|
| Collateralized mortgage obligations              | 264,54         | (4,73       | 260,16              |                |               |     |                     |                     |
|  | 1              | 363         | 6)                  | 8              | 299,731       | —   | (49,926)            | 249,805             |
| Asset-backed securities                          | 221,54         | (1,61       | 220,53              |                |               |     |                     |                     |
|  | 5              | 610         | 9)                  | 6              | 200,312       | 517 | (8,325)             | 192,504             |
| Corporate bonds                                  |                | 1,16        |                     |                |               |     |                     |                     |
|  | 70,008         | 0           | (275)               | 70,893         | 71,543        | —   | (7,061)             | 64,482              |
| Obligations of states and political subdivisions | 272,33         | 5,89        | (5,03               | 273,20         |               |     |                     |                     |
|  | 4              | 8           | 0)                  | 2              | 274,856       | 92  | (53,354)            | 221,594             |
| <b>Total Available-for-Sale</b>                  | <b>1,211,3</b> | <b>9,86</b> | <b>(14,9</b>        | <b>1,206,2</b> |               |     |                     |                     |
|  | <b>\$ 53</b>   | <b>\$ 6</b> | <b>\$ 59)</b>       | <b>\$ 60</b>   |               |     |                     |                     |
| US Treasuries                                    |                |             | 55,987              |                | —             |     | (7,789)             | 48,198              |
| <b>Total Available-for-sale securities</b>       |                |             | <b>\$ 1,220,127</b> |                | <b>\$ 609</b> |     | <b>\$ (180,655)</b> | <b>\$ 1,040,081</b> |

The amortized cost and fair value of the investment securities portfolio at **December 31, 2022** **December 31, 2023**, is shown below by contractual maturity. Expected maturities will differ from contractual maturities if borrowers have the right to call or prepay obligations with or without call

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or prepayment penalties. For purposes of the maturity tables below, mortgage-backed securities, collateralized mortgage obligations, and asset-backed securities which are not due at a single maturity date, have not been allocated over maturity groupings.

| Available-for-sale                     | Available-for-Sale  |                     |                     |                   | Available-for-Sale |  |                |  |  |  |  |  |
|--|---------------------|---------------------|---------------------|-------------------|--------------------|--|----------------|--|--|--|--|--|
|  | Amortized           |                     | Fair                |                   | Amortized          |  | Fair           |  |  |  |  |  |
|  | Cost                | Value               | Cost                | Value             | (In Thousands)     |  | (In Thousands) |  |  |  |  |  |
| <b>Available-for-sale securities:</b>  |                     |                     |                     |                   |                    |  |                |  |  |  |  |  |
| <b>Available-for-sale securities:</b>  |                     |                     |                     |                   |                    |  |                |  |  |  |  |  |
| Due in one year or less                | \$ 1,553            | \$ 1,554            | \$ 305              | \$ 305            |                    |  |                |  |  |  |  |  |
| Due after one year through five years  | 44,190              | 40,478              | 79,887              | 73,574            |                    |  |                |  |  |  |  |  |
| Due after five years through ten years | 235,899             | 203,662             | 199,596             | 172,071           |                    |  |                |  |  |  |  |  |
| Due after ten years                    | 237,894             | 184,489             | 214,638             | 171,503           |                    |  |                |  |  |  |  |  |
| MBS/CMO/ABS                            | 700,591             | 609,898             | 613,084             | 529,255           |                    |  |                |  |  |  |  |  |
| <b>Total</b>                           | <b>\$ 1,220,127</b> | <b>\$ 1,040,081</b> | <b>\$ 1,107,510</b> | <b>\$ 946,708</b> |                    |  |                |  |  |  |  |  |

Securities pledged at year-end **2022** **2023** and **2021** **2022** had a carrying amount of **\$ 759.8** **638.2** million and **\$ 564.4** **759.8** million, respectively, and were pledged against unrealized losses on balance sheet and mortgage hedges, and to secure public deposits and Federal Reserve Bank Discount Window capacity.

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The following table summarizes Premier's securities that were in an unrealized loss position at **December 31, 2022** **December 31, 2023**, and **December 31, 2021** **December 31, 2022**:

| At December 31, 2023 | Duration of Unrealized Loss Position |            |                     |            |       |            |
|----------------------|--------------------------------------|------------|---------------------|------------|-------|------------|
|                      | Less than 12 Months                  |            | 12 Months or Longer |            | Total |            |
|                      | Gross                                |            | Gross               |            |       |            |
|                      | Fair                                 | Unrealized | Fair                | Unrealized | Fair  | Unrealized |
|                      | Value                                | Loss       | Value               | Loss       | Value | Loss       |
|                      | (In Thousands)                       |            |                     |            |       |            |

At December 31, 2023

|  |  |  |  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|--|--|--|
| Available-for-sale securities:                           |  |  |  |  |  |  |  |  |  |  |  |  |
| Obligations of U.S. government corporations and agencies |  |  |  |  |  |  |  |  |  |  |  |  |
| Mortgage-backed securities                               |  |  |  |  |  |  |  |  |  |  |  |  |
| Collateralized mortgage obligations                      |  |  |  |  |  |  |  |  |  |  |  |  |
| Asset-backed securities                                  |  |  |  |  |  |  |  |  |  |  |  |  |
| Corporate Bonds  |  |  |  |  |  |  |  |  |  |  |  |  |
| Obligations of states and political subdivisions         |  |  |  |  |  |  |  |  |  |  |  |  |
| US Treasuries  |  |  |  |  |  |  |  |  |  |  |  |  |
| Total temporarily impaired securities                    |  |  |  |  |  |  |  |  |  |  |  |  |

| At December 31, 2022                                     | Duration of Unrealized Loss Position |            |       |                     |            |         | Duration of Unrealized Loss Position |            |       |                     |            |       |                     |            |       |       |
|--|--------------------------------------|------------|-------|---------------------|------------|---------|--------------------------------------|------------|-------|---------------------|------------|-------|---------------------|------------|-------|-------|
|  | Less than 12 Months                  |            |       | 12 Months or Longer |            |         | Total                                |            |       | Less than 12 Months |            |       | 12 Months or Longer |            |       | Total |
|  | Months                               |            | Gross | Months              |            | Gross   | Months                               |            | Gross | Months              |            | Gross | Months              |            | Gross |       |
|  | Fair                                 | Unrealized |       | Fair                | Unrealized |         | Fair                                 | Unrealized |       | Fair                | Unrealized |       | Fair                | Unrealized |       |       |
|  | Value                                | Loss       |       | Value               | Loss       |         | Value                                | Loss       |       | Value               | Loss       |       | Value               | Loss       |       |       |
|  | (In Thousands)                       |            |       |                     |            |         | (In Thousands)                       |            |       |                     |            |       |                     |            |       |       |
| Available-for-sale securities:                           |                                      |            |       |                     |            |         |                                      |            |       |                     |            |       |                     |            |       |       |
| Obligations of U.S. government corporations and agencies | 84,2                                 | (14,6      | 59,82 | (14,42              | 144,1      | (29,0   |                                      |            |       |                     |            |       |                     |            |       |       |
|  | \$ 85                                | \$ 06      | \$ 2  | \$ 4                | \$ 07      | \$ 30   |                                      |            |       |                     |            |       |                     |            |       |       |
| Mortgage-backed securities                               | 40,9                                 | (4,18      | 126,6 | (28,77              | 167,5      | (32,9   |                                      |            |       |                     |            |       |                     |            |       |       |
|  | 08                                   | 4)         | 81    | 5)                  | 89         | 59)     |                                      |            |       |                     |            |       |                     |            |       |       |
| Collateralized mortgage obligations                      | 60,6                                 | (11,9      | 159,1 | (37,94              | 219,8      | (49,9   |                                      |            |       |                     |            |       |                     |            |       |       |
|  | 76                                   | 85)        | 29    | 1)                  | 05         | 26)     |                                      |            |       |                     |            |       |                     |            |       |       |
| Asset-backed securities                                  | 45,5                                 | (1,49      | 113,5 |                     | 159,1      | (8,32   |                                      |            |       |                     |            |       |                     |            |       |       |
|  | 34                                   | 9)         | 80    | (6,826)             | 14         | 5)      |                                      |            |       |                     |            |       |                     |            |       |       |
| Corporate Bonds  | 49,1                                 | (4,96      | 15,36 |                     | 64,48      | (7,06   |                                      |            |       |                     |            |       |                     |            |       |       |
|  | 14                                   | 0)         | 8     | (2,101)             | 2          | 1)      |                                      |            |       |                     |            |       |                     |            |       |       |
| Obligations of states and political subdivisions         | 106,                                 | (13,3      | 98,06 | (39,97              | 204,6      | (53,3   |                                      |            |       |                     |            |       |                     |            |       |       |
|  | 610                                  | 78)        | 3     | 6)                  | 73         | 54)     |                                      |            |       |                     |            |       |                     |            |       |       |
| US Treasuries  |                                      |            |       |                     |            |         |                                      |            |       |                     |            |       |                     |            |       |       |
| Total temporarily impaired securities                    | 387,                                 | (50,6      | 572,6 | (130,0              | 959,7      | (180,   |                                      |            |       |                     |            |       |                     |            |       |       |
|  | \$ 127                               | \$ 12      | \$ 43 | \$ 43)              | \$ 70      | \$ 655) |                                      |            |       |                     |            |       |                     |            |       |       |

| At December 31, 2021                                     | Duration of Unrealized Loss Position |            |       |                     |            |          | Duration of Unrealized Loss Position |            |       |                     |            |       |                     |            |       |
|--|--------------------------------------|------------|-------|---------------------|------------|----------|--------------------------------------|------------|-------|---------------------|------------|-------|---------------------|------------|-------|
|  | Less than 12 Months                  |            |       | 12 Months or Longer |            |          | Total                                |            |       | Less than 12 Months |            |       | 12 Months or Longer |            |       |
|  | Months                               |            | Gross | Months              |            | Gross    | Months                               |            | Gross | Months              |            | Gross | Months              |            | Gross |
|  | Fair                                 | Unrealized |       | Fair                | Unrealized |          | Fair                                 | Unrealized |       | Fair                | Unrealized |       | Fair                | Unrealized |       |
|  | Value                                | Loss       |       | Value               | Loss       |          | Value                                | Loss       |       | Value               | Loss       |       | Value               | Loss       |       |
|  | (In Thousands)                       |            |       |                     |            |          | (In Thousands)                       |            |       |                     |            |       |                     |            |       |
| Available-for-sale securities:                           |                                      |            |       |                     |            |          |                                      |            |       |                     |            |       |                     |            |       |
| Obligations of U.S. government corporations and agencies | 73,8                                 |            |       |                     |            |          | 73,81                                |            |       |                     |            |       |                     |            |       |
|  | \$ 10                                | \$ (918)   | \$ —  | \$ —                | \$ 0       | \$ (918) |                                      |            |       |                     |            |       |                     |            |       |
| Mortgage-backed securities                               | 167,                                 | (2,04      | 13,68 |                     |            |          | 181,0                                | (2,38      |       |                     |            |       |                     |            |       |
|  | 379                                  | 8)         | 9     | (333)               |            |          | 68                                   | 1)         |       |                     |            |       |                     |            |       |
| Collateralized mortgage obligations                      | 222,                                 | (4,73      |       |                     |            |          | 222,1                                | (4,73      |       |                     |            |       |                     |            |       |
|  | 134                                  | 6)         | —     | —                   |            |          | 34                                   | 6)         |       |                     |            |       |                     |            |       |
| Asset-backed securities                                  | 140,                                 | (1,58      |       |                     |            |          | 142,9                                | (1,61      |       |                     |            |       |                     |            |       |
|  | 226                                  | 9)         | 2,705 | (30)                |            |          | 31                                   | 9)         |       |                     |            |       |                     |            |       |
| Corporate Bonds  | 24,1                                 |            |       |                     |            |          | 24,67                                |            |       |                     |            |       |                     |            |       |
|  | 73                                   | (270)      | 504   | (5)                 | 7          | (275)    |                                      |            |       |                     |            |       |                     |            |       |
| Obligations of states and political subdivisions         | 99,1                                 | (3,35      | 34,54 |                     |            |          | 133,7                                | (5,03      |       |                     |            |       |                     |            |       |
|  | 99                                   | 5)         | 8     | (1,675)             |            |          | 47                                   | 0)         |       |                     |            |       |                     |            |       |

|                                       |        |        |       |            |       |        |
|---------------------------------------|--------|--------|-------|------------|-------|--------|
| Total temporarily impaired securities | 726,   | (12,9  | 51,44 | 778,3      | (14,9 |        |
|                                       | \$ 921 | \$ 16) | \$ 6  | \$ (2,043) | \$ 67 | \$ 59) |

Quarterly, the Company evaluates if any security has a fair value less than its amortized cost. The Company did not recognize unrealized losses in income because it has the ability and the intent to hold and does not expect to be required to sell these securities until the recovery of their cost basis. Once these securities are identified, in order to determine whether a decline in fair value resulted from a credit loss or other factors, the Company 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 rating companies.
- Any security that has a loss rate greater than 3%, and a credit rating below investment grade or not rated by a third-party credit ratings company would be subjected to additional analysis that may include, but is not limited to: changes in market interest

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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 the Company 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 the Company records will be limited to the amount by which the amortized cost exceeds the fair value. As of December 31, 2022 December 31, 2023, management had determined that no credit loss exists.

In 2022 2023 and 2021, 2022, management determined there was no OTTI. Net realized gains from the sales of investment securities totaled \$37,000 (\$29,230 after tax), \$1,000 (\$790 after tax), and \$2.2 million (\$1.8 million after tax) in 2023, 2022 and \$1.5 million (\$1.2 million after tax) in 2022, 2021, and 2020, respectively.

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The proceeds from sales of securities and the associated gains and losses for the years ended December 31 are listed below:

|                       | 2022     |            | 2021           |           | 2020     |            | 2023 |  | 2022           |  | 2021 |  |
|-----------------------|----------|------------|----------------|-----------|----------|------------|------|--|----------------|--|------|--|
|                       |          |            | (In Thousands) |           |          |            |      |  | (In Thousands) |  |      |  |
| Proceeds              | \$ 9,641 | \$ 158,012 | \$ 52,420      | \$ 25,300 | \$ 9,641 | \$ 158,012 |      |  |                |  |      |  |
| Gross realized gains  | 1,375    | 2,987      | 1,471          | 322       | 1,375    | 2,987      |      |  |                |  |      |  |
| Gross realized losses | (48)     | (769)      | (7)            | (121)     | (48)     | (769)      |      |  |                |  |      |  |

At December 31, 2022 December 31, 2023, the Company also owned \$7.8 5.8 million of equity securities. During 2022 2023, the Company recognized a net loss of \$551,000 453,000 for equity securities. In 2021, At December 31, 2022, the Company owned \$14.1 7.8 million of equity securities, and it recognized a gain net loss of \$2.0 551,000 million associated with the mark to market requirement for equity securities securities during 2022.

## 5. Commitments and Contingent Liabilities

### Loan Commitments

Loan commitments are made to accommodate the financial needs of the Bank's customers. Standby letters of credit commit the Company to make payments on behalf of customers when certain specified future events occur. They primarily are issued to facilitate customers' trade transactions.

Both arrangements have credit risk, essentially the same as that involved in extending loans to customers, and are subject to the Company's normal credit policies. Collateral (e.g., securities, receivables, inventory and equipment) is obtained based on management's credit assessment of the customer.

The Company's maximum obligation to extend credit for loan commitments (unfunded loans and unused lines of credit) and standby letters of credit outstanding on December 31 was as follows (in thousands):

|  | 2022       |               | 2021       |               | 2023       |               | 2022       |               |
|--|------------|---------------|------------|---------------|------------|---------------|------------|---------------|
|  | Fixed Rate | Variable Rate |
|  |            |               |            |               |            |               |            |               |

|                           |            |              |            |              |            |              |            |              |
|---------------------------|------------|--------------|------------|--------------|------------|--------------|------------|--------------|
| Commitments to make loans | \$ 430,890 | \$ 526,643   | \$ 486,807 | \$ 689,109   | \$ 133,455 | \$ 274,077   | \$ 430,890 | \$ 526,643   |
| Unused lines of credit    | 56,501     | 988,374      | 40,254     | 586,094      | 46,017     | 978,821      | 56,501     | 988,374      |
| Standby letters of credit | —          | 18,632       | —          | 10,851       | —          | 17,500       | —          | 18,632       |
| Total                     | \$ 487,391 | \$ 1,533,649 | \$ 527,061 | \$ 1,286,054 | \$ 179,472 | \$ 1,270,398 | \$ 487,391 | \$ 1,533,649 |

Commitments to make loans are generally made for periods of 60 days or less. The fixed rate loan commitments at December 31, 2022 December 31, 2023, had interest rates ranging from 0.00% to 18.00% 20.35% and maturities ranging from less than one year to 35 34 years.

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## 6. Loans

Loans receivable consist of the following:

|  | December 31, 2022   |                     | December 31, 2021   |                     | December 31, 2023 |  | December 31, 2022 |  |
|--|---------------------|---------------------|---------------------|---------------------|-------------------|--|-------------------|--|
|  | (In Thousands)      |                     |                     |                     | (In Thousands)    |  |                   |  |
|  |                     |                     |                     |                     |                   |  |                   |  |
| <b>Real Estate:</b>                          |                     |                     |                     |                     |                   |  |                   |  |
| Residential                                  | \$ 1,535,574        | \$ 1,167,466        | \$ 1,810,265        | \$ 1,535,574        |                   |  |                   |  |
| Commercial                                   | 2,762,311           | 2,450,349           | 2,839,905           | 2,762,311           |                   |  |                   |  |
| Construction                                 | 1,278,255           | 862,815             | 838,823             | 1,278,255           |                   |  |                   |  |
|  | 5,576,140           | 4,480,630           | 5,488,993           | 5,576,140           |                   |  |                   |  |
| <b>Other Loans:</b>                          |                     |                     |                     |                     |                   |  |                   |  |
| Commercial                                   | 1,055,180           | 895,638             | 1,056,803           | 1,055,180           |                   |  |                   |  |
| Home equity and improvement                  | 277,613             | 264,354             | 267,960             | 277,613             |                   |  |                   |  |
| Consumer Finance                             | 213,405             | 126,417             | 193,830             | 213,405             |                   |  |                   |  |
|  | 1,546,198           | 1,286,409           | 1,518,593           | 1,546,198           |                   |  |                   |  |
| <b>Total loans</b>                           | <b>7,122,338</b>    | <b>5,767,039</b>    | <b>7,007,586</b>    | <b>7,122,338</b>    |                   |  |                   |  |
| <b>Deduct:</b>                               |                     |                     |                     |                     |                   |  |                   |  |
| Undisbursed loan funds                       | (672,775)           | (477,890)           | (281,466)           | (672,775)           |                   |  |                   |  |
| Net deferred loan origination fees and costs | 11,057              | 7,019               | 13,267              | 11,057              |                   |  |                   |  |
| Allowance for credit loss                    | (72,816)            | (66,468)            | (76,512)            | (72,816)            |                   |  |                   |  |
| <b>Totals</b>                                | <b>\$ 6,387,804</b> | <b>\$ 5,229,700</b> | <b>\$ 6,662,875</b> | <b>\$ 6,387,804</b> |                   |  |                   |  |

Loan segments have been identified by evaluating the portfolio based on collateral and credit risk characteristics. The Company has responded to the COVID-19 pandemic in numerous ways, including by actively participating in the PPP and distributing over \$450 million to small businesses in our markets. As of December 31, 2022 and 2021, the Company had \$1.1 million and \$58.9 million in PPP loans, respectively. PPP loans are included in other commercial loans in the loan tables.

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The following table presents the amortized cost basis of collateral-dependent loans by class of loans and collateral type as of December 31, 2022 December 31, 2023 and 2021 2022 (in thousands):

|                     | December 31, 2023 |           |               |          |       |
|---------------------|-------------------|-----------|---------------|----------|-------|
|                     | Equipment and     |           | Inventory and |          |       |
|                     | Real Estate       | Machinery | Receivables   | Vehicles | Total |
| <b>Real Estate:</b> |                   |           |               |          |       |
| Residential         | \$ —              | \$ —      | \$ —          | \$ —     | \$ —  |
| Commercial          | 6,407             | —         | —             | —        | 6,407 |
| Construction        | —                 | —         | —             | —        | —     |

|                             |                 |                 |                 |               |                  |   |
|-----------------------------|-----------------|-----------------|-----------------|---------------|------------------|---|
| Other Loans:                |                 |                 |                 |               |                  |   |
| Commercial                  | 1,297           | 8,781           | 2,309           | 705           | 13,092           |   |
| Home equity and improvement | —               | —               | —               | —             | —                | — |
| Consumer finance            | —               | —               | —               | —             | —                | — |
| <b>Total</b>                | <b>\$ 7,704</b> | <b>\$ 8,781</b> | <b>\$ 2,309</b> | <b>\$ 705</b> | <b>\$ 19,499</b> |   |

| December 31, 2022           |                  |               |                 |                  |       |        |
|-----------------------------|------------------|---------------|-----------------|------------------|-------|--------|
|                             | Equipment and    |               | Inventory and   |                  | Total |        |
|                             | Real Estate      | Machinery     | Receivables     |                  |       |        |
| Real Estate:                |                  |               |                 |                  |       |        |
| Residential                 | \$ 51            | \$ —          | \$ —            | \$ —             | \$ —  | \$ 51  |
| Commercial                  | 10,708           | —             | —               | 2,716            | —     | 13,424 |
| Construction                | —                | —             | —               | —                | —     | —      |
| Other Loans:                |                  |               |                 |                  |       |        |
| Commercial                  | 2,161            | 523           | 3,858           | —                | —     | 6,542  |
| Home equity and improvement | —                | —             | —               | —                | —     | —      |
| Consumer finance            | —                | —             | —               | —                | —     | —      |
| <b>Total</b>                | <b>\$ 12,920</b> | <b>\$ 523</b> | <b>\$ 6,574</b> | <b>\$ 20,017</b> |       |        |

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| December 31, 2021           |                  |               |                  |              |                  |        |
|-----------------------------|------------------|---------------|------------------|--------------|------------------|--------|
|                             | Equipment and    |               | Inventory and    |              | Total            |        |
|                             | Real Estate      | Machinery     | Receivables      | Vehicles     |                  |        |
| Real Estate:                |                  |               |                  |              |                  |        |
| Residential                 | \$ 226           | \$ —          | \$ —             | \$ —         | \$ —             | \$ 226 |
| Commercial                  | 18,399           | —             | —                | —            | —                | 18,399 |
| Construction                | —                | —             | —                | —            | —                | —      |
| Other Loans:                |                  |               |                  |              |                  |        |
| Commercial                  | 1,574            | 160           | 14,023           | 25           | —                | 15,782 |
| Home equity and improvement | —                | —             | —                | —            | —                | —      |
| Consumer finance            | —                | —             | —                | —            | —                | —      |
| <b>Total</b>                | <b>\$ 20,199</b> | <b>\$ 160</b> | <b>\$ 14,023</b> | <b>\$ 25</b> | <b>\$ 34,407</b> |        |

Non-performing loans include both smaller balance homogeneous loans that are collectively evaluated for impairment and individually classified analyzed loans. All loans greater than 90 days or more and greater past due are placed on non-accrual status. Effective January 1, 2020 with the adoption of ASC Topic 326, the Company began including non-accrual PCD loans in its non-performing loans. As such, the non-performing loans as of December 31, 2022 include PCD loans accounted for pursuant to ASC Topic 326 as these loans are individually evaluated. The following table presents the current balance of the aggregate amounts of non-performing assets, comprised of non-performing loans and real estate owned as of the dates indicated:

| As of December 31, 2023     | Non-accrual with no allocated<br>allowance for credit losses |     | Non-accrual with allocated<br>allowance for credit losses |        | Loans past due over 90 days still<br>accruing |
|-----------------------------|--|-----|---|--------|---|
|                             | \$   | 572 | \$  | 12,456 |   |
| Residential real estate     |  |     |   |        |   |
| Commercial real estate      |  |     |   |        |   |
| Construction                |  |     |   |        |   |
| Commercial                  |  |     |   |        |   |
| Home equity and improvement |  |     |   |        |   |
| Consumer finance            |  |     |   |        |   |

|  |                  |  |   |
|--|------------------|--|---|
| PCD  | —                | 2,993  |   |
| <b>Total</b>                                   | <b>\$ 918</b>    | <b>\$ 34,573</b>   | <b>\$ —</b>   |
| <hr/>  |                  |  |   |
|  |                  | December 31, 2022  | December 31, 2021   |
|  |                  | (In Thousands)   |   |
| Non-accrual loans with reserve                 |                  | \$ 20,369  | \$ 35,480   |
| Non-accrual loans without reserve              |                  | \$ 13,453  | \$ 12,534   |
| Loans over 90 days past due and still accruing |                  | —  | —   |
| Total non-performing loans                     |                  | 33,822   | 48,014  |
| Real estate and other assets held for sale     |                  | 619  | 171   |
| Total non-performing assets                    |                  | 34,441   | 48,185  |
| Troubled debt restructuring, still accruing    |                  | 6,587  | 7,768   |
| <hr/>  |                  |  |   |
| <b>As of December 31, 2022</b>                 |                  | <b>Non-accrual with no allocated allowance for credit losses</b> | <b>Non-accrual with allocated allowance for credit losses</b> |
| Residential real estate                        | \$ 419           | \$ 7,305   | \$ —  |
| Commercial real estate                         | 7,844            | 5,552  | —   |
| Construction                                   | —                | —  | —   |
| Commercial                                     | 4,551            | 311  | —   |
| Home equity and improvement                    | —                | 1,637  | —   |
| Consumer finance                               | —                | 2,401  | —   |
| PCD  | 654              | 3,148  | —   |
| <b>Total</b>                                   | <b>\$ 13,468</b> | <b>\$ 20,354</b>   | <b>\$ —</b>   |

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The following table presents the aging of the recorded investment in past due and non-accrual loans as of December 31, 2023, by class of loans (in thousands):

|                             | Current             | 30-59 days      | 60-89 days       | 90+ days         | Total            | Past Due         | Total Non Accrual |
|-----------------------------|---------------------|-----------------|------------------|------------------|------------------|------------------|-------------------|
| <b>Real Estate:</b>         |                     |                 |                  |                  |                  |                  |                   |
| Residential                 | \$ 1,786,537        | \$ 152          | \$ 8,302         | \$ 11,216        | \$ 19,670        | \$ 19,670        | \$ 13,028         |
| Commercial                  | 2,841,209           | 163             | 312              | 1,275            | 1,750            | 1,750            | 5,971             |
| Construction                | 557,249             | —               | 108              | —                | 108              | 108              | —                 |
| <b>Other Loans:</b>         |                     |                 |                  |                  |                  |                  |                   |
| Commercial                  | 1,051,034           | 191             | 2,446            | 1,132            | 3,769            | 3,769            | 8,649             |
| Home equity and improvement | 262,404             | 2,084           | 635              | 958              | 3,677            | 3,677            | 1,417             |
| Consumer finance            | 187,624             | 3,699           | 1,681            | 3,003            | 8,383            | 8,383            | 3,433             |
| PCD                         | 11,922              | 211             | 1,271            | 2,569            | 4,051            | 4,051            | 2,993             |
| <b>Total Loans</b>          | <b>\$ 6,697,979</b> | <b>\$ 6,500</b> | <b>\$ 14,755</b> | <b>\$ 20,153</b> | <b>\$ 41,408</b> | <b>\$ 41,408</b> | <b>\$ 35,491</b>  |

The Company recognized \$1.4 million of interest income on nonaccrual loans during the year ended December 31, 2023.

The following table presents the aging of the recorded investment in past due and non-accrual loans as of December 31, 2022, by class of loans (in thousands):

|                     | Current      | 30-59 days | 60-89 days | 90+ days | Total     | Past Due  | Total Non Accrual |
|---------------------|--------------|------------|------------|----------|-----------|-----------|-------------------|
| <b>Real Estate:</b> |              |            |            |          |           |           |                   |
| Residential         | \$ 1,516,135 | \$ 279     | \$ 6,350   | \$ 6,203 | \$ 12,832 | \$ 12,832 | \$ 7,724          |

|                             |              |          |          |           |           |           |
|-----------------------------|--------------|----------|----------|-----------|-----------|-----------|
| Commercial                  | 2,751,933    | 327      | 878      | 11,477    | 12,682    | 13,396    |
| Construction                | 605,043      | 298      | 139      | —         | 437       | —         |
| Other Loans:                |              |          |          |           |           |           |
| Commercial                  | 1,044,898    | 413      | 128      | 4,635     | 5,176     | 4,862     |
| Home equity and improvement | 269,183      | 4,342    | 489      | 1,190     | 6,021     | 1,637     |
| Consumer finance            | 209,062      | 2,763    | 1,397    | 2,227     | 6,387     | 2,401     |
| PCD                         | 17,082       | 603      | 495      | 2,651     | 3,749     | 3,802     |
| Total Loans                 | \$ 6,413,336 | \$ 9,025 | \$ 9,876 | \$ 28,383 | \$ 47,284 | \$ 33,822 |

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The Company recognized \$858,000 of interest income on nonaccrual loans during the year ended December 31, 2022.

The following table presents the aging of the recorded investment in past due and non-accrual loans as of December 31, 2021, by class of loans (in thousands):

|                             | Current      | 30-59 days | 60-89 days | 90+ days  | Total Past Due |           | Total Non Accrual |
|-----------------------------|--------------|------------|------------|-----------|----------------|-----------|-------------------|
|                             |              |            |            |           |                |           |                   |
| Real Estate:                |              |            |            |           |                |           |                   |
| Residential                 | \$ 1,144,533 | \$ 234     | \$ 5,340   | \$ 7,487  | \$ 13,061      | \$ 9,034  |                   |
| Commercial                  | 2,439,552    | 96         | 847        | 7,168     | 8,111          | 14,621    |                   |
| Construction                | 383,136      | 43         | 1,746      | —         | 1,789          | —         |                   |
| Other Loans:                |              |            |            |           |                |           |                   |
| Commercial                  | 884,025      | 42         | 35         | 867       | 944            | 11,531    |                   |
| Home equity and improvement | 257,055      | 1,851      | 408        | 1,634     | 3,893          | 2,051     |                   |
| Consumer finance            | 124,073      | 1,112      | 819        | 1,728     | 3,659          | 1,873     |                   |
| PCD                         | 25,111       | 225        | 1,005      | 5,996     | 7,226          | 8,904     |                   |
| Total Loans                 | \$ 5,257,485 | \$ 3,603   | \$ 10,200  | \$ 24,880 | \$ 38,683      | \$ 48,014 |                   |

The Company recognized \$2.0 million of interest income on nonaccrual loans during the year ended December 31, 2021.

#### Troubled Debt Restructurings Loan Modifications

As of December 31, 2022 and 2021, January 1, 2023, the Company had a recorded investment in TDRs of \$19.3 million adopted the modified retrospective method under ASU 2022-02, "Trouble Debt Restructurings and \$11.9 million, respectively. The Company allocated \$328,000 and \$378,000 of specific reserves to those loans at December 31, 2022 and 2021, respectively, and committed to lend additional amounts totaling up to \$244,000 and \$348,000 at December 31, 2022 and 2021, respectively. Vintage Disclosures" which eliminated trouble debt restructuring accounting for entities that have adopted ASU 2016-13, the current expected credit losses model.

Occasionally, the Company modifies loans by providing principal forgiveness on certain of its real estate loans. When principal forgiveness is provided, the amortized cost basis of the loan is written off against the allowance for credit losses. The amount of the principal forgiveness is deemed to be uncollectible; therefore, that portion of the loan is written off, resulting in a reduction of amortized cost basis and a corresponding adjustments to the allowance for credit losses. In some cases, the Company offers various will modify a certain loan by providing multiple types of concessions when modifying concessions. Typically, one type of concession, such as a loan, however, forgiveness of principal term extension, is rarely granted. Each TDR is uniquely designed to meet the specific needs of the borrower. Commercial loans modified in a TDR often involve temporary interest-only payments, term extensions, and converting revolving credit lines to term loans. Additional collateral or an additional guarantor is often requested when granting a concession. Commercial real estate loans modified in a TDR often involve temporary interest-only payments, re-amortization of remaining debt in order to lower payments, and sometimes reducing the interest rate lower than the current market rate. Residential mortgage loans modified in a TDR are comprised of loans where monthly payments are lowered, either through interest rate reductions or principal only payments for a period of time, to accommodate the borrowers' financial needs, interest is capitalized into principal, or the term and amortization are extended. Home equity modifications are made infrequently and usually involve providing an interest rate that is lower than granted initially. If the borrower would continue to experience financial difficulty, another concession, such as principal forgiveness or reduction of rate, may be able to obtain due to credit issues. All retail loans where the borrower is in bankruptcy are classified as TDRs regardless of whether or not a concession is made.

Of the loans modified in a TDR, as of December 31, 2023, \$12.7 million are were on non-accrual status and partial charge-offs have in some cases been taken against the outstanding balance. Loans modified as The allowance for credit losses incorporates an estimate of lifetime expected credit losses and is recorded on each loan upon loan origination or acquisition. The starting point for the estimate of the allowance for credit losses is historical loss information, which includes losses from modifications of loans to borrowers experiencing financial difficulty. The company uses probability of default/loss given default, discounted cash flows or remaining life method to determine the allowance for credit losses. An assessment of whether a TDR may have borrower is experiencing financial difficulty is made on the financial date of a modification. Because

the effect of increasing most modifications made to borrowers experiencing financial difficulty is already included in the allowance associated with the loan. If the loan is determined to be collateral dependent, the estimated fair value for credit losses because of the collateral, less any selling costs is measurement methodologies used to determine if there is a need for a specific allowance or charge-off. If the loan is determined to be cash flow dependent, estimate the allowance, a change to the allowance for credit losses is measured based on generally not recorded upon modification.

The following table shows the present value of expected future cash flows discounted amortized cost basis at the loan's pre-modification effective interest rate, end of the reporting period of the loans modified to borrowers experiencing financial difficulty, disaggregated by loan category and type of modification granted during the year ended December 31, 2023. The percentage of the amortized cost basis of loans that were modified to borrowers experiencing financial difficulty as compared to the amortized cost basis of each class of loan category is also presented below:

| Loan Type                   | Loans Modifications Made to Borrowers Experiencing Financial Difficulty |                                    |          |
|-----------------------------|---|------------------------------------|----------|
|                             | December 31, 2023   |                                    |          |
|                             | (Dollars in Thousands)  |                                    |          |
|                             |   | Term Extension                     |          |
|                             |   | Percent of total loans by category |          |
|                             |   | Amortized Cost Basis               | category |
| Real Estate:                |   |                                    |          |
| Residential                 | \$ 109  | 109                                | 0.01%    |
| Commercial                  | 8,791   | 8,791                              | 0.31%    |
| Construction                | —   | —                                  | —        |
| Other Loans:                |   |                                    |          |
| Commercial                  | 4,140   | 4,140                              | 0.39%    |
| Home equity and improvement | —   | —                                  | —        |
| Consumer finance            | —   | —                                  | —        |
| <b>Total</b>                | <b>\$ 13,040</b>  |                                    |          |

The following table presents loans by class modified as TDRs that occurred during describes the years indicated (Dollars in Thousands): financial effect of the modifications made to borrowers experiencing financial difficulty:

| Troubled Debt Restructurings: | Loans Modified as a TDR for the Twelve Months Ended December 31, 2022 |  |                   | Loans Modified as a TDR for the Twelve Months Ended December 31, 2021 |                   |  | Loans Modified as a TDR for the Twelve Months Ended December 31, 2020 |  |                 |
|-------------------------------|---|--|-------------------|---|-------------------|--|---|--|-----------------|
|                               | (\$ in thousands)   |  | (\$ in thousands) |   | (\$ in thousands) |  | (\$ in thousands)   |  |                 |
|                               | Number of Loans   | Recorded Investment (as of period end) | Number of Loans   | Recorded Investment (as of period end)                                | Number of Loans   | Recorded Investment (as of period end) | Number of Loans   | Recorded Investment (as of period end) | Number of Loans |
| Real Estate:                  |   |  |                   |   |                   |  |   |  |                 |
| Residential                   | 11  | \$ 2,097                               | 6                 | \$ 685  | 7                 | \$ 892                                 |   |  |                 |
| Commercial                    | 4   | 5,094                                  | —                 | —   | 6                 | 7,760                                  |   |  |                 |
| Construction                  | —   | —                                      | —                 | —   | —                 | —                                      |   |  |                 |
| Other Loans:                  |   |  |                   |   |                   |  |   |  |                 |
| Commercial                    | 3   | 4,281                                  | 8                 | 2,888   | 9                 | 7,546                                  |   |  |                 |

|                             |           |                  |           |                 |           |                  |
|-----------------------------|-----------|------------------|-----------|-----------------|-----------|------------------|
| Home equity and improvement | 8         | 343              | —         | —               | 4         | 92               |
| Consumer finance            | 10        | 106              | 2         | 7               | —         | —                |
| <b>Total</b>                | <b>36</b> | <b>\$ 11,921</b> | <b>16</b> | <b>\$ 3,580</b> | <b>26</b> | <b>\$ 16,290</b> |

| Loan Type           | Term Extension |  |  | Financial Effect   |  |  |  |  |  |  |
|---------------------|----------------|--|--|--|--|--|--|--|--|--|
|                     |                |  |  |  |  |  |  |  |  |  |
| <b>Real Estate:</b> |                |  |  |  |  |  |  |  |  |  |
| Residential         |                |  |  |  |  |  |  |  |  |  |
| Commercial          |                |  |  | -Term extended from 7 year balloon to 30 years   |  |  |  |  |  |  |
|                     |                |  |  | -Added 12 months to the life of the loan, which reduced monthly payment amounts for the borrower.                            |  |  |  |  |  |  |
|                     |                |  |  | -Term extension 10 yr term/ 20 yr am to 12 month interest only   |  |  |  |  |  |  |
| <b>Other Loans:</b> |                |  |  |  |  |  |  |  |  |  |
| Commercial          |                |  |  |  |  |  |  |  |  |  |
|                     |                |  |  | -Added 84 months to the life of the loan to term out 2 year balloon, which reduced monthly payment amounts for the borrower. |  |  |  |  |  |  |
|                     |                |  |  | -60 day extension  |  |  |  |  |  |  |

| Loan Type           | Rate Reduction |  |  | Financial Effect                         |  |  |  |  |  |  |
|---------------------|----------------|--|--|--|--|--|--|--|--|--|
|                     |                |  |  |  |  |  |  |  |  |  |
| <b>Real Estate:</b> |                |  |  |  |  |  |  |  |  |  |
| Commercial          |                |  |  |  |  |  |  |  |  |  |
|                     |                |  |  | -Interest rate reduction 11.08% to 5.00% |  |  |  |  |  |  |
|                     |                |  |  | -Interest rate reduction 10.65% to 5.00% |  |  |  |  |  |  |
|                     |                |  |  | -Interest rate reduction 7.14% to 4.50%  |  |  |  |  |  |  |

Upon the Company's determination that a modified loan (or portion of a loan) has subsequently been deemed uncollectible, the loan (or a portion of the loan) is written off. Therefore, the amortized cost basis of the loan is reduced by the uncollectible amount and the allowance for credit losses is adjusted by the same amount.

There were no modification loans that had a payment default during the year ended December 31, 2023 and were modified in the twelve months prior to that default to borrowers experiencing financial difficulty.

The Company closely monitors the performance of the loans described above increased the allowance by \$436,000 and \$21,000 and \$660,000 for the years ended December 31, 2022, and 2021 and 2020, respectively.

The following table presents loans by class that were modified as TDRs for which there was a payment default within twelve months following the modification during the indicated:

| TDRs That Subsequently Defaulted: | Loans Modified as a TDR for the Twelve Months Ended December 31, 2022 |   |            |
|-----------------------------------|---|---|------------|
|                                   | (\$ in thousands)   |   |            |
|                                   | Number of<br>Loans  | Recorded Investment<br>(as of period end) |            |
| Real Estate:                      |   |   |            |
| Residential                       | 3   | \$  | 282        |
| Commercial                        | —   | —   | —          |
| Construction                      | —   | —   | —          |
| Other Loans:                      |   |   |            |
| Commercial                        | —   | —   | —          |
| Home equity and improvement       | 1   | \$  | 60         |
| Consumer finance                  | 2   | \$  | 40         |
| <b>Total</b>                      | <b>6</b>  | <b>\$</b>                                 | <b>382</b> |

The TDRs that subsequently defaulted described above increased the allowance by \$17,000 for the year ended December 31, 2022. A default for purposes of this disclosure is a TDR loan in which the borrower is 90 days contractually past due under the modified terms. In order to determine whether a borrower is borrowers experiencing financial difficulty an evaluation is performed regarding to understand the probability that the borrower will be in payment default on any effectiveness of its debt in modification efforts. Six of the foreseeable future without the modification, modified loans are current and three loans pertaining to one commercial relationship are on nonaccrual as of December 31, 2023.

## Credit Quality Indicators

Loans are categorized 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. Loans are analyzed individually by classifying the loans as to credit risk. This analysis includes all non-homogeneous loans, such as commercial and commercial real estate loans and certain homogenous mortgage, home equity and consumer loans. This analysis is performed on a quarterly basis. Premier uses the following definitions for risk ratings with loans not meeting such classifications being considered "unclassified":

**Special Mention.** Loans classified as special mention have a potential weakness that deserves management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or of the institution's credit position at some future date.

**Substandard.** Loans classified as substandard are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the institution will sustain some loss if the deficiencies are not corrected.

**Doubtful.** Loans classified as doubtful have all the weaknesses inherent in those classified as substandard, with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable.

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**Not Graded.** Loans classified as not graded are generally smaller balance residential real estate, home equity and consumer installment loans which are originated primarily by using an automated underwriting system. These loans are monitored based on their delinquency status and are evaluated individually only if they are seriously delinquent.

Loans not meeting the criteria above that are analyzed individually as part of the above described process are considered to be pass rated loans.

As of **December 31, 2022** **December 31, 2023**, and based on the most recent analysis performed, the risk category and recorded investment in loans is as follows (in thousands):

| Class                       | Special             |                   |                  |             | Total classified | Total               |
|-----------------------------|---------------------|-------------------|------------------|-------------|------------------|---------------------|
|                             | Unclassified        | Mention           | Substandard      | Doubtful    |                  |                     |
| <b>Real Estate:</b>         |                     |                   |                  |             |                  |                     |
| Residential                 | \$ 1,791,663        | \$ 594            | \$ 13,950        | \$ —        | \$ 13,950        | \$ 1,806,207        |
| Commercial                  | 2,765,898           | 50,784            | 26,277           | —           | 26,277           | 2,842,959           |
| Construction                | 549,867             | 7,490             | —                | —           | —                | 557,357             |
| <b>Other Loans:</b>         |                     |                   |                  |             |                  |                     |
| Commercial                  | 975,233             | 57,634            | 21,936           | —           | 21,936           | 1,054,803           |
| Home equity and improvement | 264,663             | —                 | 1,418            | —           | 1,418            | 266,081             |
| Consumer finance            | 192,774             | —                 | 3,233            | —           | 3,233            | 196,007             |
| PCD                         | 12,899              | 197               | 2,877            | —           | 2,877            | 15,973              |
| <b>Total Loans (1)</b>      | <b>\$ 6,552,997</b> | <b>\$ 116,699</b> | <b>\$ 69,691</b> | <b>\$ —</b> | <b>\$ 69,691</b> | <b>\$ 6,739,387</b> |

| Class                       | Special             |                  |                  |             | Total classified | Total               |
|-----------------------------|---------------------|------------------|------------------|-------------|------------------|---------------------|
|                             | Unclassified        | Mention          | Substandard      | Doubtful    |                  |                     |
| <b>Real Estate:</b>         |                     |                  |                  |             |                  |                     |
| Residential                 | \$ 1,519,657        | \$ 935           | \$ 8,375         | \$ —        | \$ 8,375         | \$ 1,528,967        |
| Commercial                  | 2,698,292           | 46,029           | 20,294           | —           | 20,294           | 2,764,615           |
| Construction                | 605,480             | —                | —                | —           | —                | 605,480             |
| <b>Other Loans:</b>         |                     |                  |                  |             |                  |                     |
| Commercial                  | 1,016,925           | 26,319           | 6,830            | —           | 6,830            | 1,050,074           |
| Home equity and improvement | 273,613             | —                | 1,591            | —           | 1,591            | 275,204             |
| Consumer finance            | 213,078             | —                | 2,371            | —           | 2,371            | 215,449             |
| PCD                         | 13,904              | 2,590            | 4,337            | —           | 4,337            | 20,831              |
| <b>Total Loans (1)</b>      | <b>\$ 6,340,949</b> | <b>\$ 75,873</b> | <b>\$ 43,798</b> | <b>\$ —</b> | <b>\$ 43,798</b> | <b>\$ 6,460,620</b> |

(1) Total loans are net of undisbursed loan funds and deferred fees and costs

As of December 31, 2021 December 31, 2022, and based on the most recent analysis performed, the risk category of loans by class of loans is as follows (in thousands):

| Class                       | Spe          |          |             |          |       |      | Special      |                 |             |          |           |              | Total classified |  | Total |  |
|-----------------------------|--------------|----------|-------------|----------|-------|------|--------------|-----------------|-------------|----------|-----------|--------------|------------------|--|-------|--|
|                             | Unclassified | Critical | Substandard | Doubtful | Total |      | Unclassified | Special Mention | Substandard | Doubtful |           |              |                  |  |       |  |
| Real Estate:                |              |          |             |          |       |      |              |                 |             |          |           |              |                  |  |       |  |
| Residential                 | 1,14         | 1,       |             |          | 1,1   |      |              |                 |             |          |           |              |                  |  |       |  |
|                             | 6,21         | 31       | 10,         |          | 10,0  | 59   |              |                 |             |          |           |              |                  |  |       |  |
|                             | \$ 2         | \$ 6     | \$ 066      | \$ —     | \$ 66 | \$ 4 | \$ 1,519,657 | \$ 935          | \$ 8,375    | \$ —     | \$ 8,375  | \$ 1,528,967 |                  |  |       |  |
| Commercial                  | 2,32         | 93       |             |          | 2,4   |      |              |                 |             |          |           |              |                  |  |       |  |
|                             | 4,84         | ,6       | 29,         |          | 29,1  | 66   |              |                 |             |          |           |              |                  |  |       |  |
|                             | 6            | 76       | 141         | —        | 41    | 3    | 2,698,292    | 46,029          | 20,294      | —        | 20,294    | 2,764,615    |                  |  |       |  |
| Construction                | 19           |          |             |          | 38    |      |              |                 |             |          |           |              |                  |  |       |  |
|                             | 365,         | ,5       |             |          | 4,9   |      |              |                 |             |          |           |              |                  |  |       |  |
|                             | 403          | 22       | —           | —        | —     | 25   | 605,480      | —               | —           | —        | —         | —            | 605,480          |  |       |  |
| Other Loans:                |              |          |             |          |       |      |              |                 |             |          |           |              |                  |  |       |  |
| Commercial                  | 14           |          |             |          | 88    |      |              |                 |             |          |           |              |                  |  |       |  |
|                             | 856,         | ,8       | 13,         |          | 13,7  | 4,9  |              |                 |             |          |           |              |                  |  |       |  |
|                             | 402          | 15       | 752         | —        | 52    | 69   | 1,016,925    | 26,319          | 6,830       | —        | 6,830     | 1,050,074    |                  |  |       |  |
| Home equity and improvement |              |          |             |          | 26    |      |              |                 |             |          |           |              |                  |  |       |  |
|                             | 258,         |          | 2,0         |          | 2,03  | 0,9  |              |                 |             |          |           |              |                  |  |       |  |
|                             | 914          | —        | 34          | —        | 4     | 48   | 273,613      | —               | 1,591       | —        | 1,591     | 275,204      |                  |  |       |  |
| Consumer finance            | 125,         |          | 1,8         |          | 1,85  | 7,7  |              |                 |             |          |           |              |                  |  |       |  |
|                             | 879          | —        | 53          | —        | 3     | 32   | 213,078      | —               | 2,371       | —        | 2,371     | 215,449      |                  |  |       |  |
| PCD                         | 19,5         | 10       | 12,         |          | 12,6  | 33   |              |                 |             |          |           |              |                  |  |       |  |
|                             | 47           | 1        | 689         | —        | 89    | 7    | 13,904       | 2,590           | 4,337       | —        | 4,337     | 20,831       |                  |  |       |  |
| Total Loans                 | 12           |          |             |          | 5,2   |      |              |                 |             |          |           |              |                  |  |       |  |
|                             | 5,09         | 9,       |             |          | 96,   |      |              |                 |             |          |           |              |                  |  |       |  |
|                             | 7,20         | 43       | 69,         |          | 69,5  | 16   |              |                 |             |          |           |              |                  |  |       |  |
| (1)                         | \$ 3         | \$ 0     | \$ 535      | \$ —     | \$ 35 | \$ 8 | \$ 6,340,949 | \$ 75,873       | \$ 43,798   | \$ —     | \$ 43,798 | \$ 6,460,620 |                  |  |       |  |

(1) Total loans are net of undisbursed loan funds and deferred fees and costs

The table below presents the amortized cost basis of loans by vintage, credit quality indicator and class of loans as of December 31, 2022 December 31, 2023 and 2021 (in thousands):

|   | Term of loans by origination |                |                |                |                |                |                 | Total           |  |
|---|------------------------------|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|--|
|   | 2023                         | 2022           | 2021           | 2020           | 2019           | 2018           | Prior           |                 |  |
| As of December 31, 2022 December 31, 2023 |                              |                |                |                |                |                |                 |                 |  |
| <b>Real Estate</b>                        |                              |                |                |                |                |                |                 |                 |  |
| Residential:                              |                              |                |                |                |                |                |                 |                 |  |
| Current-period gross charge-offs          | \$ —                         | \$ 3           | \$ 218         | \$ —           | \$ 6           | \$ 93          | \$ —            | \$ 320          |  |
| Risk Rating                               |                              |                |                |                |                |                |                 |                 |  |
| Unclassified                              | \$ 18                        | \$ ,993        | \$ ,801        | \$ ,077        | \$ ,03         | \$ ,317        | \$ 2,452        | \$ 1,154        |  |
| Special Mention                           | —                            | —              | 180            | 30 170         | 80 33          | 78 391         | 567             | 935 594         |  |
| Substandard                               | 280 431                      | 1,648 2,757    | 1,614 2,267    | 922 2,061      | 517 1,031      | 3,394 5,403    | —               | 8,375 13,950    |  |
| Doubtful                                  | —                            | —              | —              | —              | —              | —              | —               | —               |  |
| Total                                     | \$ 49                        | \$ ,750        | \$ ,068        | \$ 308         | \$ 67          | \$ ,111        | \$ 3,018        | \$ 1,154        |  |
|   | <u>\$ 49</u>                 | <u>\$ ,750</u> | <u>\$ ,068</u> | <u>\$ 308</u>  | <u>\$ 67</u>   | <u>\$ ,111</u> | <u>\$ 3,018</u> | <u>\$ 1,154</u> |  |
|   |                              |                |                |                |                |                |                 |                 |  |
| Commercial:                               |                              |                |                |                |                |                |                 |                 |  |
| Current-period gross charge-offs          | \$ —                         | \$ —           | \$ —           | \$ 274         | \$ 399         | \$ 1,632       | \$ 14           | \$ 2,319        |  |
| Risk Rating                               |                              |                |                |                |                |                |                 |                 |  |
| Unclassified                              | \$ 446                       | \$ ,860        | \$ ,527        | \$ ,751        | \$ ,114        | \$ ,079        | \$ 21           | \$ ,898         |  |
| Special Mention                           | 161                          | 3,614          | —              | 593 10,361     | 43             | 4              | 705 83          | 46,029 8,124    |  |
| Substandard                               | 115                          | 2,104 732      | 527 3,489      | 4,612 232      | 4,455 1,751    | 3              | 133 30          | 20,294 26,277   |  |
| Doubtful                                  | —                            | —              | —              | —              | —              | —              | —               | —               |  |
| Total                                     | \$ 446                       | \$ ,953        | \$ ,759        | \$ ,307        | \$ ,948        | \$ ,246        | \$ 00           | \$ ,959         |  |
|   | <u>\$ 446</u>                | <u>\$ ,953</u> | <u>\$ ,759</u> | <u>\$ ,307</u> | <u>\$ ,948</u> | <u>\$ ,246</u> | <u>\$ 00</u>    | <u>\$ ,959</u>  |  |
| Construction:                             |                              |                |                |                |                |                |                 |                 |  |
| Current-period gross charge-offs          | \$ —                         | \$ —           | \$ —           | \$ —           | \$ —           | \$ —           | \$ —            | \$ —            |  |
| Risk Rating                               |                              |                |                |                |                |                |                 |                 |  |

|                 |                 |                |                |                |                 |             |             |             |             |             |             |             |
|-----------------|-----------------|----------------|----------------|----------------|-----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Unclassified    | \$ 348,570 51,8 | \$ 182,755 322 | \$ 53,161 125, | \$ 20,994 44,1 | \$ 6,814        | \$ —        | \$ —        | \$ —        | \$ —        | \$ —        | \$ —        | \$ —        |
|                 | 07              | ,097           | 035            | 14             |                 |             |             |             |             |             |             |             |
| Special Mention | —               | 7,490          | —              | —              | —               | —           | —           | —           | —           | —           | —           | —           |
| Substandard     | —               | —              | —              | —              | —               | —           | —           | —           | —           | —           | —           | —           |
| Doubtful        | —               | —              | —              | —              | —               | —           | —           | —           | —           | —           | —           | —           |
|                 |                 |                |                |                |                 |             |             |             |             |             |             |             |
|                 | 348,570 51,8    | 182,755 329    | 53,161 125,    | 20,994 44,1    |                 |             |             |             |             |             |             |             |
| Total           | \$ 07           | \$ ,587        | \$ 035         | \$ 14          | \$ 6,814        | \$ —        | \$ —        | \$ —        | \$ —        | \$ —        | \$ —        | \$ —        |
|                 | <u>\$ 07</u>    | <u>\$ ,587</u> | <u>\$ 035</u>  | <u>\$ 14</u>   | <u>\$ 6,814</u> | <u>\$ —</u> |

#### Other Loans

Commercial:

|                                  |                 |                |               |              |              |              |                |                 |
|----------------------------------|-----------------|----------------|---------------|--------------|--------------|--------------|----------------|-----------------|
| Current-period gross charge-offs | \$ —            | \$ 57          | \$ —          | \$ 1         | \$ 498       | \$ 65        | \$ 1,713       | \$ 2,334        |
| Risk Rating                      |                 |                |               |              |              |              |                |                 |
| Unclassified                     | \$ 266,501 121, | 208,663 248    | 90,014 148,   | 49,887 50,5  | 23,719 28,4  | 22,515 26,7  | 355,626 351    | 1,016,925 975,2 |
|                                  | \$ 527          | \$ ,455        | \$ 220        | \$ 54        | \$ 27        | \$ 99        | \$ ,251        | \$ 33           |
|                                  | 3,913 14,62     | 1,533 10,67    |               |              |              |              | 8,363 14,90    |                 |
| Special Mention                  | 1,891 9,551     | 4,094 2,475    | 5             | 0            | 1,160 1,607  | 5,365 3,805  | 1              | 26,319 57,634   |
|                                  | 3,897 11,20     |                |               |              |              |              |                |                 |
| Substandard                      | 16 —            | 119 929        | 5             | 4 767        | 190 991      | 204 1,170    | 2,400 6,874    | 6,830 21,936    |
| Doubtful                         | —               | —              | —             | —            | —            | —            | —              | —               |
|                                  | 268,408 131,    | 212,876 251    | 97,824 174,   | 51,424 61,9  | 25,069 31,0  | 28,084 31,7  | 366,389 373    | 1,050,074 1,054 |
| Total                            | \$ 078          | \$ ,859        | \$ 050        | \$ 91        | \$ 25        | \$ 74        | \$ ,026        | \$ ,803         |
|                                  | <u>\$ 078</u>   | <u>\$ ,859</u> | <u>\$ 050</u> | <u>\$ 91</u> | <u>\$ 25</u> | <u>\$ 74</u> | <u>\$ ,026</u> | <u>\$ ,803</u>  |

Home equity and improvement:

|  |                     |                    |                    |                    |                    |                    |                       |                       |
|--|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-----------------------|-----------------------|
| Current-period gross charge-offs           | \$ 21               | \$ —               | \$ —               | \$ —               | \$ 7               | \$ 9               | \$ 123                | \$ 160                |
| Risk Rating                                |                     |                    |                    |                    |                    |                    |                       |                       |
|  | <b>30,009 19,55</b> | <b>21,116 24,8</b> | <b>5,387 18,06</b> |                    | <b>30,509 26,9</b> | <b>181,151 167</b> | <b>273,613 264,66</b> |                       |
| Unclassified                               | \$ 4                | \$ 70              | \$ 1               | \$ 3,592 4,405     | \$ 1,843 2,935     | \$ 04              | \$ .934               | \$ 3                  |
| Special Mention                            | —                   | —                  | —                  | —                  | —                  | —                  | —                     | —                     |
| Substandard                                | <b>44</b>           | <b>119</b>         | <b>14</b>          | —                  | <b>28</b>          | <b>32 255</b>      | <b>502 1,030</b>      | <b>971</b>            |
| Doubtful                                   | —                   | —                  | —                  | —                  | —                  | —                  | —                     | —                     |
|  | <b>30,053 19,55</b> | <b>21,130 24,9</b> | <b>5,387 18,07</b> |                    | <b>31,011 27,1</b> | <b>182,122 168</b> | <b>275,204 266,08</b> |                       |
| Total                                      | \$ 4                | \$ 89              | \$ 5               | \$ 3,620 4,405     | \$ 1,881 2,935     | \$ 59              | \$ ,964               | \$ 1                  |
| Consumer Finance:                          |                     |                    |                    |                    |                    |                    |                       |                       |
| Current-period gross charge-offs           | \$ 19               | \$ 437             | \$ 260             | \$ 185             | \$ 95              | \$ 431             | \$ 51                 | \$ 1,478              |
| Risk Rating                                |                     |                    |                    |                    |                    |                    |                       |                       |
|  | <b>133,194 44,7</b> | <b>33,109 98,2</b> | <b>17,219 22,5</b> | <b>13,681 11,0</b> |                    |                    |                       | <b>213,078 192,77</b> |
| Unclassified                               | \$ 35               | \$ 87              | \$ 88              | \$ 67              | \$ 4,022 7,337     | \$ 2,529 1,706     | \$ 9,324 7,054        | \$ 4                  |
| Special Mention                            | —                   | —                  | —                  | —                  | —                  | —                  | —                     | —                     |
| Substandard                                | <b>676 282</b>      | <b>483 1,476</b>   | <b>668 593</b>     | <b>316 505</b>     | <b>62 281</b>      | <b>34 93</b>       | <b>132 3</b>          | <b>2,371 3,233</b>    |
| Doubtful                                   | —                   | —                  | —                  | —                  | —                  | —                  | —                     | —                     |
|  | <b>133,870 45,0</b> | <b>33,592 99,7</b> | <b>17,887 23,1</b> | <b>13,997 11,5</b> |                    |                    |                       | <b>215,449 196,00</b> |
| Total                                      | \$ 17               | \$ 63              | \$ 81              | \$ 72              | \$ 4,084 7,618     | \$ 2,563 1,799     | \$ 9,456 7,057        | \$ 7                  |
| PCD:                                       |                     |                    |                    |                    |                    |                    |                       |                       |
| Current-period gross charge-offs           | \$ —                | \$ —               | \$ —               | \$ —               | \$ —               | \$ 122             | \$ 31                 | \$ 153                |
| Risk Rating                                |                     |                    |                    |                    |                    |                    |                       |                       |
|  |                     |                    |                    |                    |                    | <b>13,117 12,2</b> |                       |                       |
| Unclassified                               | \$ —                | \$ —               | \$ —               | \$ 131             | \$ 369 114         | \$ 64              | \$ 287 521            | \$ 13,904 12,899      |
| Special Mention                            | —                   | —                  | —                  | —                  | —                  | —                  | <b>292 197</b>        | <b>2,298 —</b>        |
| Substandard                                | —                   | —                  | —                  | <b>2</b>           | <b>22</b>          | <b>3,697 2,562</b> | <b>616 315</b>        | <b>4,337 2,877</b>    |
| Doubtful                                   | —                   | —                  | —                  | —                  | —                  | —                  | —                     | —                     |
| Total                                      | \$ —                | \$ —               | \$ —               | \$ 133             | \$ 391             | \$ 17,106          | \$ 3,201              | \$ 20,831             |
| 65   |                     |                    |                    |                    |                    |                    |                       |                       |
| Term of loans by origination               |                     |                    |                    |                    |                    |                    |                       |                       |
| 2021 2020 2019 2018 2017 Prior Loans Total |                     |                    |                    |                    |                    |                    |                       |                       |
| As of December 31, 2021                    |                     |                    |                    |                    |                    |                    |                       |                       |
| Real Estate                                |                     |                    |                    |                    |                    |                    |                       |                       |
| Residential:                               |                     |                    |                    |                    |                    |                    |                       |                       |
| Risk Rating                                |                     |                    |                    |                    |                    |                    |                       |                       |
| Unclassified                               | \$ 219,006          | \$ 373,439         | \$ 112,781         | \$ 65,544          | \$ 71,794          | \$ 301,735         | \$ 1,913              | \$ 1,146,212          |
| Special Mention                            | —                   | 190                | —                  | —                  | 59                 | 109                | 958                   | 1,316                 |

|                                     |                |                   |               |            |            |            |            |                  |
|-------------------------------------|----------------|-------------------|---------------|------------|------------|------------|------------|------------------|
| Substandard                         | 465            | 780               | 1,198         | 1,006      | 2,095      | 4,522      | —          | 10,066           |
| Doubtful                            | —              | —                 | —             | —          | —          | —          | —          | —                |
| Total                               | \$ 219,471     | \$ 374,409        | \$ 113,979    | \$ 66,550  | \$ 73,948  | \$ 306,366 | \$ 2,871   | \$ 1,157,594     |
| <b>Commercial:</b>                  |                |                   |               |            |            |            |            |                  |
| <b>Risk Rating</b>                  |                |                   |               |            |            |            |            |                  |
| Unclassified                        | \$ 514,333     | \$ 493,575        | \$ 388,117    | \$ 230,734 | \$ 237,712 | \$ 451,113 | \$ 9,262   | \$ 2,324,846     |
| Special Mention                     | 294            | 5,349             | 5,533         | 11,055     | 49,993     | 20,662     | 790        | 93,676           |
| Substandard                         | 172            | 570               | 4,920         | 5,525      | 62         | 17,665     | 227        | 29,141           |
| Doubtful                            | —              | —                 | —             | —          | —          | —          | —          | —                |
| Total                               | \$ 514,799     | \$ 499,494        | \$ 398,570    | \$ 247,314 | \$ 287,767 | \$ 489,440 | \$ 10,279  | \$ 2,447,663     |
| <b>Construction:</b>                |                |                   |               |            |            |            |            |                  |
| <b>Risk Rating</b>                  |                |                   |               |            |            |            |            |                  |
| Unclassified                        | \$ 198,221     | \$ 100,606        | \$ 55,707     | \$ 10,039  | \$ 685     | \$ 145     | \$ —       | \$ 365,403       |
| Special Mention                     | —              | 12,500            | —             | 5,996      | 1,026      | —          | —          | 19,522           |
| Substandard                         | —              | —                 | —             | —          | —          | —          | —          | —                |
| Doubtful                            | —              | —                 | —             | —          | —          | —          | —          | —                |
| Total                               | \$ 198,221 114 | \$ 113,106 15,023 | \$ 55,707 836 | \$ 16,035  | \$ 1,711   | \$ 145     | \$ —       | \$ 384,925       |
| <b>Other Loans</b>                  |                |                   |               |            |            |            |            |                  |
| <b>Commercial:</b>                  |                |                   |               |            |            |            |            |                  |
| <b>Risk Rating</b>                  |                |                   |               |            |            |            |            |                  |
| Unclassified                        | \$ 293,644     | \$ 132,703        | \$ 84,668     | \$ 47,421  | \$ 24,269  | \$ 17,038  | \$ 256,659 | \$ 856,402       |
| Special Mention                     | —              | 2,180             | 4,094         | 272        | 1,264      | 4,663      | 2,342      | 14,815           |
| Substandard                         | 136            | 11,550            | 23            | 288        | 388        | 131        | 1,236      | 13,752           |
| Doubtful                            | —              | —                 | —             | —          | —          | —          | —          | —                |
| Total                               | \$ 293,780     | \$ 146,433        | \$ 88,785     | \$ 47,981  | \$ 25,921  | \$ 21,832  | \$ 260,237 | \$ 884,969       |
| <b>Home equity and Improvement:</b> |                |                   |               |            |            |            |            |                  |
| <b>Risk Rating</b>                  |                |                   |               |            |            |            |            |                  |
| Unclassified                        | \$ 24,707      | \$ 6,870          | \$ 4,867      | \$ 2,879   | \$ 5,534   | \$ 31,317  | \$ 182,740 | \$ 258,914       |
| Special Mention                     | —              | —                 | —             | —          | —          | —          | —          | —                |
| Substandard                         | 15             | —                 | 28            | 48         | 27         | 690        | 1,226      | 2,034            |
| Doubtful                            | —              | —                 | —             | —          | —          | —          | —          | —                |
| Total                               | \$ 24,722      | \$ 6,870          | \$ 4,895      | \$ 2,927   | \$ 5,561   | \$ 32,007  | \$ 183,966 | \$ 260,948       |
| <b>Consumer Finance:</b>            |                |                   |               |            |            |            |            |                  |
| <b>Risk Rating</b>                  |                |                   |               |            |            |            |            |                  |
| Unclassified                        | \$ 50,202      | \$ 25,866         | \$ 23,000     | \$ 9,643   | \$ 4,313   | \$ 2,769   | \$ 10,086  | \$ 125,879       |
| Special Mention                     | —              | —                 | —             | —          | —          | —          | —          | —                |
| Substandard                         | 196            | 707               | 619           | 129        | 67         | 131        | 4          | 1,853            |
| Doubtful                            | —              | —                 | —             | —          | —          | —          | —          | —                |
| Total                               | \$ 50,398      | \$ 26,573         | \$ 23,619     | \$ 9,772   | \$ 4,380   | \$ 2,900   | \$ 10,090  | \$ 127,732       |
| <b>PCD:</b>                         |                |                   |               |            |            |            |            |                  |
| <b>Risk Rating</b>                  |                |                   |               |            |            |            |            |                  |
| Unclassified                        | \$ —           | \$ —              | \$ 170        | \$ 1,753   | \$ 1,860   | \$ 12,496  | \$ 3,268   | \$ 19,547        |
| Special Mention                     | —              | —                 | —             | —          | —          | 101        | —          | 101              |
| Substandard                         | —              | —                 | 67            | 28         | 3,242      | 6,490      | 2,862      | 12,689           |
| Doubtful                            | —              | —                 | —             | —          | —          | —          | —          | —                |
| Total                               | \$ —           | \$ —              | \$ 237        | \$ 1,781   | \$ 5,102   | \$ 19,087  | \$ 6,130   | \$ 32,337 15,973 |

|                                | Term of loans by origination |                   |                   |                   |                   |                   |                   |                     |  | Revolving |  |  |  |
|--------------------------------|------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|--|-----------|--|--|--|
|                                | 2022                         | 2021              | 2020              | 2019              | 2018              | Prior             | Loans             | Total               |  |           |  |  |  |
| <b>As of December 31, 2022</b> |                              |                   |                   |                   |                   |                   |                   |                     |  |           |  |  |  |
| <b>Real Estate</b>             |                              |                   |                   |                   |                   |                   |                   |                     |  |           |  |  |  |
| Residential:                   |                              |                   |                   |                   |                   |                   |                   |                     |  |           |  |  |  |
| Risk Rating                    |                              |                   |                   |                   |                   |                   |                   |                     |  |           |  |  |  |
| Unclassified                   | \$ 264,884                   | \$ 474,992        | \$ 335,982        | \$ 93,548         | \$ 51,710         | \$ 296,089        | \$ 2,452          | \$ 1,519,657        |  |           |  |  |  |
| Special Mention                | —                            | —                 | 180               | 30                | 80                | 78                | 567               | 935                 |  |           |  |  |  |
| Substandard                    | 280                          | 1,648             | 1,614             | 922               | 517               | 3,394             | —                 | 8,375               |  |           |  |  |  |
| Doubtful                       | —                            | —                 | —                 | —                 | —                 | —                 | —                 | —                   |  |           |  |  |  |
| <b>Total</b>                   | <b>\$ 265,164</b>            | <b>\$ 476,640</b> | <b>\$ 337,776</b> | <b>\$ 94,500</b>  | <b>\$ 52,307</b>  | <b>\$ 299,561</b> | <b>\$ 3,019</b>   | <b>\$ 1,528,967</b> |  |           |  |  |  |
| Commercial:                    |                              |                   |                   |                   |                   |                   |                   |                     |  |           |  |  |  |
| Risk Rating                    |                              |                   |                   |                   |                   |                   |                   |                     |  |           |  |  |  |
| Unclassified                   | \$ 582,384                   | \$ 506,386        | \$ 517,790        | \$ 324,210        | \$ 194,240        | \$ 557,728        | \$ 15,554         | \$ 2,698,292        |  |           |  |  |  |
| Special Mention                | 161                          | 3,614             | —                 | 593               | 25,395            | 15,561            | 705               | 46,029              |  |           |  |  |  |
| Substandard                    | 115                          | 2,104             | 527               | 4,612             | 4,455             | 8,348             | 133               | 20,294              |  |           |  |  |  |
| Doubtful                       | —                            | —                 | —                 | —                 | —                 | —                 | —                 | —                   |  |           |  |  |  |
| <b>Total</b>                   | <b>\$ 582,660</b>            | <b>\$ 512,104</b> | <b>\$ 518,317</b> | <b>\$ 329,415</b> | <b>\$ 224,090</b> | <b>\$ 581,637</b> | <b>\$ 16,392</b>  | <b>\$ 2,764,615</b> |  |           |  |  |  |
| Construction:                  |                              |                   |                   |                   |                   |                   |                   |                     |  |           |  |  |  |
| Risk Rating                    |                              |                   |                   |                   |                   |                   |                   |                     |  |           |  |  |  |
| Unclassified                   | \$ 348,570                   | \$ 182,755        | \$ 53,161         | \$ 20,994         | \$ —              | \$ —              | \$ —              | \$ 605,480          |  |           |  |  |  |
| Special Mention                | —                            | —                 | —                 | —                 | —                 | —                 | —                 | —                   |  |           |  |  |  |
| Substandard                    | —                            | —                 | —                 | —                 | —                 | —                 | —                 | —                   |  |           |  |  |  |
| Doubtful                       | —                            | —                 | —                 | —                 | —                 | —                 | —                 | —                   |  |           |  |  |  |
| <b>Total</b>                   | <b>\$ 348,570</b>            | <b>\$ 182,755</b> | <b>\$ 53,161</b>  | <b>\$ 20,994</b>  | <b>\$ —</b>       | <b>\$ —</b>       | <b>\$ —</b>       | <b>\$ 605,480</b>   |  |           |  |  |  |
| <b>Other Loans</b>             |                              |                   |                   |                   |                   |                   |                   |                     |  |           |  |  |  |
| Commercial:                    |                              |                   |                   |                   |                   |                   |                   |                     |  |           |  |  |  |
| Risk Rating                    |                              |                   |                   |                   |                   |                   |                   |                     |  |           |  |  |  |
| Unclassified                   | \$ 266,501                   | \$ 208,663        | \$ 90,014         | \$ 49,887         | \$ 23,719         | \$ 22,515         | \$ 355,626        | \$ 1,016,925        |  |           |  |  |  |
| Special Mention                | 1,891                        | 4,094             | 3,913             | 1,533             | 1,160             | 5,365             | 8,363             | 26,319              |  |           |  |  |  |
| Substandard                    | 16                           | 119               | 3,897             | 4                 | 190               | 204               | 2,400             | 6,830               |  |           |  |  |  |
| Doubtful                       | —                            | —                 | —                 | —                 | —                 | —                 | —                 | —                   |  |           |  |  |  |
| <b>Total</b>                   | <b>\$ 268,408</b>            | <b>\$ 212,876</b> | <b>\$ 97,824</b>  | <b>\$ 51,424</b>  | <b>\$ 25,069</b>  | <b>\$ 28,084</b>  | <b>\$ 366,389</b> | <b>\$ 1,050,074</b> |  |           |  |  |  |
| Home equity and Improvement:   |                              |                   |                   |                   |                   |                   |                   |                     |  |           |  |  |  |
| Risk Rating                    |                              |                   |                   |                   |                   |                   |                   |                     |  |           |  |  |  |
| Unclassified                   | \$ 30,009                    | \$ 21,116         | \$ 5,387          | \$ 3,592          | \$ 1,849          | \$ 30,509         | \$ 181,151        | \$ 273,613          |  |           |  |  |  |
| Special Mention                | —                            | —                 | —                 | —                 | —                 | —                 | —                 | —                   |  |           |  |  |  |
| Substandard                    | 44                           | 14                | —                 | 28                | 32                | 502               | 971               | 1,591               |  |           |  |  |  |
| Doubtful                       | —                            | —                 | —                 | —                 | —                 | —                 | —                 | —                   |  |           |  |  |  |
| <b>Total</b>                   | <b>\$ 30,053</b>             | <b>\$ 21,130</b>  | <b>\$ 5,387</b>   | <b>\$ 3,620</b>   | <b>\$ 1,881</b>   | <b>\$ 31,011</b>  | <b>\$ 182,122</b> | <b>\$ 275,204</b>   |  |           |  |  |  |

| Consumer Finance: |                   |                  |                  |                  |                 |                  |                 |                   |  |  |  |  |
|-------------------|-------------------|------------------|------------------|------------------|-----------------|------------------|-----------------|-------------------|--|--|--|--|
| Risk Rating       |                   |                  |                  |                  |                 |                  |                 |                   |  |  |  |  |
| Unclassified      | \$ 133,194        | \$ 33,109        | \$ 17,219        | \$ 13,681        | \$ 4,022        | \$ 2,529         | \$ 9,324        | \$ 213,078        |  |  |  |  |
| Special Mention   | —                 | —                | —                | —                | —               | —                | —               | —                 |  |  |  |  |
| Substandard       | 676               | 483              | 668              | 316              | 62              | 34               | 132             | 2,371             |  |  |  |  |
| Doubtful          | —                 | —                | —                | —                | —               | —                | —               | —                 |  |  |  |  |
| <b>Total</b>      | <b>\$ 133,870</b> | <b>\$ 33,592</b> | <b>\$ 17,887</b> | <b>\$ 13,997</b> | <b>\$ 4,084</b> | <b>\$ 2,563</b>  | <b>\$ 9,456</b> | <b>\$ 215,449</b> |  |  |  |  |
| PCD:              |                   |                  |                  |                  |                 |                  |                 |                   |  |  |  |  |
| Risk Rating       |                   |                  |                  |                  |                 |                  |                 |                   |  |  |  |  |
| Unclassified      | \$ —              | \$ —             | \$ —             | \$ 131           | \$ 369          | \$ 13,117        | \$ 287          | \$ 13,904         |  |  |  |  |
| Special Mention   | —                 | —                | —                | —                | —               | 292              | 2,298           | 2,590             |  |  |  |  |
| Substandard       | —                 | —                | —                | 2                | 22              | 3,697            | 616             | 4,337             |  |  |  |  |
| Doubtful          | —                 | —                | —                | —                | —               | —                | —               | —                 |  |  |  |  |
| <b>Total</b>      | <b>\$ —</b>       | <b>\$ —</b>      | <b>\$ —</b>      | <b>\$ 133</b>    | <b>\$ 391</b>   | <b>\$ 17,106</b> | <b>\$ 3,201</b> | <b>\$ 20,831</b>  |  |  |  |  |

#### Allowance for Credit Losses ("ACL")

The Company has adopted ASU 2016-13 (Topic 326 – Credit Losses) to calculate the ACL, which requires a projection of credit loss over the contract lifetime of the credit adjusted for prepayment tendencies. This valuation account is deducted from the loans amortized cost basis to present the net amount expected to be collected on the loan. The ACL is adjusted through the provision for credit losses and reduced by net charge offs of loans.

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The credit loss estimation process involves procedures that consider the unique characteristics of the Company's portfolio segments. These segments are further disaggregated into the loan pools for monitoring. When computing allowance levels, a model of risk characteristics, such as loss history and delinquency status, along with current conditions and a supportable forecast is used to determine credit loss assumptions.

The Company is generally utilizing two methodologies to analyze loan pools: discounted cash flows ("DCF") and probability of default/loss given default ("PD/LGD").

A default can be triggered by one of several different asset quality factors including past due status, non-accrual status or if the loan has had a charge-off. The PD/LGD utilizes charge off data from the Federal Financial Institutions Examination Council to construct a default rate. The Company estimates losses over an approximate one-year forecast period using Moody's baseline economic forecasts, and then reverts to longer term historical loss experience over a three-year period. This default rate is further segmented based on the risk of the credit assigning a higher default rate to riskier credits.

The DCF methodology was selected as the most appropriate for loan segments with longer average lives and regular payment structures. The DCF model has two key components, the loss driver analysis combined with a cash flow analysis. The contractual cash flow is adjusted for PD/LGD and prepayment speed to establish a reserve level. The prepayment studies are updated **quarterly semi-annually** by a third-party for each applicable pool.

The remaining life method was selected for the consumer **direct** loan segment since the pool contains loans with many different structures and payment streams and collateral. The weighted average remaining life uses an average annual charge-off rate applied to the contractual term, further adjusted for estimated prepayments to determine the unadjusted historical charge-off rate for the remaining balance of assets.

| Portfolio Segments      | Loan Pool                                | Methodology | Loss Drivers          |
|-------------------------|--|-------------|-----------------------|
| Residential real estate | 1-4 Family nonowner occupied             | DCF         | National unemployment |
|                         | 1-4 Family owner occupied                |             | National unemployment |
| Commercial real estate  | Commercial real estate nonowner occupied | DCF         | National unemployment |
|                         | Commercial real estate owner occupied    |             | National unemployment |
|                         | Multi Family                             | DCF         | National unemployment |
|                         | Agriculture Land                         |             | National unemployment |

|                                     |                              |                |                          |
|-------------------------------------|------------------------------|----------------|--------------------------|
|                                     | Other commercial real estate | DCF            | National unemployment    |
| Construction secured by real estate | Construction Other           | PD/LGD         | Call report loss history |
|                                     | Construction Residential     | PD/LGD         | Call report loss history |
| Commercial                          | Commercial working capital   | PD/LGD         | Call report loss history |
|                                     | Agriculture production       | PD/LGD         | Call report loss history |
|                                     | Other commercial             | PD/LGD         | Call report loss history |
| Home equity and improvement         | Home equity and improvement  | PD/LGD         | Call report loss history |
| Consumer finance                    | Consumer direct              | Remaining life | Call report loss history |
|                                     | Consumer indirect            | DCF            | National Unemployment    |

According to the accounting standard an entity may make an accounting policy election not to measure an allowance for credit losses for accrued interest receivable if the entity writes off the applicable accrued interest receivable balance in a timely manner. The Company has made the accounting policy election not to measure an allowance for credit losses for accrued interest receivables for all loan segments. Current policy dictates that a loan will be placed on nonaccrual status, with the current accrued interest receivable balance being written off, upon the loan being 90 days delinquent or when the loan is deemed to be collateral dependent and the collateral analysis shows **less than 1.2 times** discounted collateral coverage **less than policy requirement** based on a current assessment of the value of the collateral.

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In addition, ASC Topic 326 requires the Company to establish a liability for anticipated credit losses for unfunded commitments. To accomplish this, the company must first establish a loss expectation for extended (funded) commitments. This loss expectation,

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expressed as a ratio to the amortized cost basis, is then applied to the portion of unfunded commitments not considered unilaterally cancelable, and considered by the company's management as likely to fund over the life of the instrument. At **December 31, 2022** **December 31, 2023**, the Company had **\$1.71.3** billion in unfunded commitments and set aside **\$6.84.3** million in anticipated credit losses. This reserve is recorded in other liabilities as opposed to the ACL.

The determination of ACL is complex and the Company makes decisions on the effects of factors that are inherently uncertain. Evaluations of the loan portfolio and individual credits require certain estimates, assumptions and judgments as to the facts and circumstances related to particular situations or credits. There may be significant changes in the ACL in future periods determined by prevailing factors at that point in time along with future forecasts.

The following tables disclose the annual activity in the allowance for credit losses for the periods indicated by portfolio segment (in thousands):

| Year ended December 31, 2023 | Commercial       |                  |                 |                  |                 | Home            |                  | Total |
|------------------------------|------------------|------------------|-----------------|------------------|-----------------|-----------------|------------------|-------|
|                              | Residential Real |                  | Real            |                  |                 | Equity          | Consumer         |       |
|                              | Estate           | Estate           | Construction    | Commercial       | Improvement     | Finance         | Consumer         |       |
| Beginning Allowance          | \$ 16,711        | \$ 34,218        | \$ 4,025        | \$ 11,769        | \$ 4,044        | \$ 2,049        | \$ 72,816        |       |
| Charge-Offs                  | (342)            | (2,319)          | —               | (2,362)          | (259)           | (1,482)         | (6,764)          |       |
| Recoveries                   | 87               | 877              | —               | 1,409            | 121             | 224             | 2,718            |       |
| Provision expense (recovery) | 759              | 3,277            | (866)           | 4,673            | (1,203)         | 1,102           | 7,742            |       |
| Ending Allowance             | <u>\$ 17,215</u> | <u>\$ 36,053</u> | <u>\$ 3,159</u> | <u>\$ 15,489</u> | <u>\$ 2,703</u> | <u>\$ 1,893</u> | <u>\$ 76,512</u> |       |

| Year ended December 31, 2022 | Commercial       |           |              |            |             | Home     |           | Total |
|------------------------------|------------------|-----------|--------------|------------|-------------|----------|-----------|-------|
|                              | Residential Real |           | Real         |            |             | Equity   | Consumer  |       |
|                              | Estate           | Estate    | Construction | Commercial | Improvement | Finance  | Consumer  |       |
| Beginning Allowance          | \$ 12,029        | \$ 32,399 | \$ 3,004     | \$ 13,410  | \$ 4,221    | \$ 1,405 | \$ 66,468 |       |
| Charge-Offs                  | (1,052)          | (443)     | (16)         | (5,705)    | (344)       | (971)    | (8,531)   |       |
| Recoveries                   | 867              | 602       | 3            | 398        | 292         | 214      | 2,376     |       |

|                              |           |           |          |           |          |          |           |
|------------------------------|-----------|-----------|----------|-----------|----------|----------|-----------|
| Provision expense (recovery) | 4,867     | 1,660     | 1,034    | 3,666     | (125)    | 1,401    | 12,503    |
| Ending Allowance             | \$ 16,711 | \$ 34,218 | \$ 4,025 | \$ 11,769 | \$ 4,044 | \$ 2,049 | \$ 72,816 |

| Year ended December 31, 2021 | Home             |           |              |            |                 |                  | Total     |  |
|------------------------------|------------------|-----------|--------------|------------|-----------------|------------------|-----------|--|
|                              | Commercial       |           |              | Equity     |                 |                  |           |  |
|                              | Residential Real | Real      | Construction | Commercial | and Improvement | Consumer Finance |           |  |
| Beginning Allowance          | \$ 17,534        | \$ 43,417 | \$ 2,741     | \$ 11,665  | \$ 4,739        | \$ 1,983         | \$ 82,079 |  |
| Charge-Offs                  | (110)            | (3,776)   | —            | (6,960)    | (63)            | (476)            | (11,385)  |  |
| Recoveries                   | 261              | 438       | —            | 1,321      | 248             | 239              | 2,507     |  |
| Provision expense (recovery) | (5,656)          | (7,680)   | 263          | 7,384      | (703)           | (341)            | (6,733)   |  |
| Ending Allowance             | \$ 12,029        | \$ 32,399 | \$ 3,004     | \$ 13,410  | \$ 4,221        | \$ 1,405         | \$ 66,468 |  |

| Year ended December 31, 2020                  | Home             |           |              |            |                 |                  | Total     |  |
|---|------------------|-----------|--------------|------------|-----------------|------------------|-----------|--|
|   | Commercial       |           |              | Equity     |                 |                  |           |  |
|   | Residential Real | Real      | Construction | Commercial | and Improvement | Consumer Finance |           |  |
| Beginning Allowance                           | \$ 2,867         | \$ 16,302 | \$ 996       | \$ 9,003   | \$ 1,700        | \$ 375           | \$ 31,243 |  |
| Impact of ASC 326 Adoption                    | 1,765            | 3,682     | (223)        | (2,263)    | (521)           | (86)             | 2,354     |  |
| Acquisition related allowance for credit loss | (PCD)            | 1,077     | 4,053        | —          | 2,272           | 248              | 48        |  |
| Charge-Offs                                   | (307)            | (4,237)   | (1)          | (1,350)    | (164)           | (293)            | (6,352)   |  |
| Recoveries                                    | 342              | 1,352     | —            | 1,850      | 262             | 176              | 3,982     |  |
| Provision expense (recovery) <sup>(1)</sup>   | 11,790           | 22,265    | 1,969        | 2,153      | 3,214           | 1,763            | 43,154    |  |
| Ending Allowance                              | \$ 17,534        | \$ 43,417 | \$ 2,741     | \$ 11,665  | \$ 4,739        | \$ 1,983         | \$ 82,079 |  |

(1) Provision for the twelve months ended December 31, 2020, includes \$25.9 million as a result of the Merger with UCFC in the first quarter.

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#### Purchased Credit Deteriorated Loan

Under ASU Topic 326, when loans are purchased with evidence of more than insignificant deterioration of credit, they are accounted for as PCD. PCD loans acquired in a transaction are marked to fair value and a mark on yield is recorded. In addition, an adjustment is made to the ACL for the expected loss on the acquisition date. These loans are assessed on a regular basis and subsequent adjustments to the ACL are recorded on the income statement.

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The outstanding balance and related allowance on these loans as of December 31, 2022 December 31, 2023 and December 31, 2021 December 31, 2022 is as follows (in thousands):

|                     | As of December 31, 2022 |             | As of December 31, 2021 |             | As of December 31, 2023 |             | As of December 31, 2022 |             |
|---------------------|-------------------------|-------------|-------------------------|-------------|-------------------------|-------------|-------------------------|-------------|
|                     | Loan Balance            | ACL Balance |
|                     |                         |             |                         |             |                         |             | (Dollars In Thousands)  |             |
| <b>Real Estate:</b> |                         |             |                         |             |                         |             |                         |             |
| Residential         | \$ 11,546               | \$ 139      | \$ 13,396               | \$ 197      | \$ 9,882                | \$ 126      | \$ 11,546               | \$ 139      |
| Commercial          | 1,544                   | 34          | 5,878                   | 151         | 2,040                   | 50          | 1,544                   | 34          |
| Construction        | —                       | —           | —                       | —           | —                       | —           | —                       | —           |
|                     | <b>13,090</b>           | <b>173</b>  | <b>19,274</b>           | <b>348</b>  | <b>11,922</b>           | <b>176</b>  | <b>13,090</b>           | <b>173</b>  |
| <b>Other Loans:</b> |                         |             |                         |             |                         |             |                         |             |

|                             |           |        |           |          |           |        |           |        |
|-----------------------------|-----------|--------|-----------|----------|-----------|--------|-----------|--------|
| Commercial                  | 5,058     | 594    | 9,167     | 1,531    | 1,968     | 351    | 5,058     | 594    |
| Home equity and improvement | 2,409     | 80     | 3,405     | 154      | 1,879     | 54     | 2,409     | 80     |
| Consumer finance            | 274       | 5      | 491       | 7        | 204       | 5      | 274       | 5      |
|                             | 7,741     | 679    | 13,063    | 1,692    | 4,051     | 410    | 7,741     | 679    |
| Total                       | \$ 20,831 | \$ 852 | \$ 32,337 | \$ 2,040 | \$ 15,973 | \$ 586 | \$ 20,831 | \$ 852 |

Loans to executive officers, directors, and their affiliates are as follows:

|   | Years Ended December 31, |           | Years Ended December 31, |           |
|---|--------------------------|-----------|--------------------------|-----------|
|   | 2022                     |           | 2023                     |           |
|   | (Dollars In Thousands)   |           | (Dollars In Thousands)   |           |
| Beginning balance                                   | \$ 18,426                | \$ 23,384 | \$ 20,836                | \$ 18,426 |
| New loans   | 39,434                   | 11,603    | 1,262                    | 39,434    |
| Effect of changes in composition of related parties | —                        | (100)     | —                        | —         |
| Repayments  | (37,024)                 | (16,461)  | (14,893)                 | (37,024)  |
| Ending Balance                                      | \$ 20,836                | \$ 18,426 | \$ 7,205                 | \$ 20,836 |

#### Foreclosure Proceedings

Consumer mortgage loans collateralized by residential real estate property that are in the process of foreclosure totaled \$7.9 million as of December 31, 2023 and \$4.3 million as of December 31, 2022 and \$3.3 million as of December 31, 2021.

#### 7. Mortgage Banking

Net revenues from the sales and servicing of mortgage loans consisted of the following:

|   | For the Year Ended December 31, |                |           |
|---|---------------------------------|----------------|-----------|
|   |                                 |                |           |
|   | 2023                            | 2022           | 2021      |
|   |                                 | (In Thousands) |           |
| Gain from sale of mortgage loans                | \$ 4,429                        | \$ 5,787       | \$ 16,437 |
| Mortgage loan servicing revenue (expense):      |                                 |                |           |
| Mortgage loan servicing revenue                 | 7,427                           | 7,464          | 7,574     |
| Amortization of mortgage servicing rights       | (5,044)                         | (5,399)        | (7,893)   |
| Mortgage servicing rights valuation adjustments | (69)                            | 2,019          | 5,807     |
|   | 2,314                           | 4,084          | 5,488     |
| Net mortgage banking income                     | \$ 6,743                        | \$ 9,871       | \$ 21,925 |

|   | For the Year Ended December 31, |                |           |
|---|---------------------------------|----------------|-----------|
|   |                                 |                |           |
|   | 2022                            | 2021           | 2020      |
|   |                                 | (In Thousands) |           |
| Gain from sale of mortgage loans                | \$ 5,787                        | \$ 16,437      | \$ 36,359 |
| Mortgage loan servicing revenue (expense):      |                                 |                |           |
| Mortgage loan servicing revenue                 | 7,464                           | 7,574          | 7,296     |
| Amortization of mortgage servicing rights       | (5,399)                         | (7,893)        | (7,477)   |
| Mortgage servicing rights valuation adjustments | 2,019                           | 5,807          | (7,979)   |
|   | 4,084                           | 5,488          | (8,160)   |
| Net mortgage banking income                     | \$ 9,871                        | \$ 21,925      | \$ 28,199 |

Activity for capitalized mortgage servicing rights ("MSRs") and the related valuation allowance is as follows:

|  | For the Year Ended December 31, |           |           | For the Year Ended December 31, |           |           |
|--|---------------------------------|-----------|-----------|---------------------------------|-----------|-----------|
|  | 2022                            | 2021      | 2020      | 2023                            | 2022      | 2021      |
|  | (In Thousands)                  |           |           | (In Thousands)                  |           |           |
| <b>Mortgage servicing assets:</b>                          |                                 |           |           |                                 |           |           |
| Balance at beginning of period                             | \$ 22,244                       | \$ 21,666 | \$ 10,801 | \$ 21,858                       | \$ 22,244 | \$ 21,666 |
| Loans sold, servicing retained                             | 5,013                           | 8,471     | 8,595     | 2,638                           | 5,013     | 8,471     |
| <b>Mortgage servicing rights acquired</b>                  | —                               | —         | 9,747     |                                 |           |           |
| Amortization   | (5,399)                         | (7,893)   | (7,477)   | (5,044)                         | (5,399)   | (7,893)   |
| Carrying value before valuation allowance at end of period | 21,858                          | 22,244    | 21,666    | 19,452                          | 21,858    | 22,244    |
| <b>Valuation allowance:</b>                                |                                 |           |           |                                 |           |           |
| Balance at beginning of period                             | (2,706)                         | (8,513)   | (534)     | (687)                           | (2,706)   | (8,513)   |
| Impairment recovery (charges)                              | 2,019                           | 5,807     | (7,979)   | (69)                            | 2,019     | 5,807     |
| Balance at end of period                                   | (687)                           | (2,706)   | (8,513)   | (756)                           | (687)     | (2,706)   |
| Net carrying value of MSRs at end of period                | \$ 21,171                       | \$ 19,538 | \$ 13,153 | \$ 18,696                       | \$ 21,171 | \$ 19,538 |
| Fair value of MSRs at end of period                        | \$ 27,382                       | \$ 20,921 | \$ 13,153 | \$ 28,204                       | \$ 27,382 | \$ 20,921 |

Amortization of mortgage servicing rights is computed based on payments and payoffs of the related mortgage loans serviced.

The Company had no actual losses from secondary market buy-backs in 2023, 2022 2021 or 2020, 2021. Expense (credit) recognized related to the accrual was \$0, \$0 and \$0 for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively.

The Company's servicing portfolio is comprised of the following:

| Investor               | December 31,  |                     |               |                     | December 31,  |                     |               |                     |
|------------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|
|                        | 2022          |                     | 2021          |                     | 2023          |                     | 2022          |                     |
|                        | Number of     | Principal           |
|                        | Loans         | Outstanding         | Loans         | Outstanding         | Loans         | Outstanding         | Loans         | Outstanding         |
| (Dollars In Thousands) |               |                     |               |                     |               |                     |               |                     |
| Fannie Mae             | 7,504         | \$ 957,137          | 7,545         | \$ 913,336          | 7,297         | \$ 914,489          | 7,504         | \$ 957,137          |
| Freddie Mac            | 16,410        | 1,994,469           | 16,987        | 2,012,895           | 15,915        | 1,959,546           | 16,410        | 1,994,469           |
| Federal Home Loan Bank | 56            | 7,513               | 61            | 8,260               | 104           | 22,701              | 56            | 7,513               |
| Other                  | 77            | 5,587               | 90            | 6,805               | 38            | 2,999               | 77            | 5,587               |
| <b>Totals</b>          | <b>24,047</b> | <b>\$ 2,964,706</b> | <b>24,683</b> | <b>\$ 2,941,296</b> | <b>23,354</b> | <b>\$ 2,899,735</b> | <b>24,047</b> | <b>\$ 2,964,706</b> |

Custodial escrow balances maintained in connection with serviced loans were \$31.3 31.2 million and \$32.4 31.3 million at December 31, 2022 December 31, 2023 and 2021, 2022, respectively.

Significant assumptions at December 31, 2022 December 31, 2023, used in determining the value of MSRs include a weighted average prepayment speed assumption ("PSA") of 115117 and a weighted average discount rate of 9.01 9.02%. Significant assumptions at December 31, 2021 December 31, 2022, used in determining the value of MSRs include a weighted average prepayment rate of 204115 PSA and a weighted average discount rate of 8.00 9.01%.

## 8. Premises and Equipment and Leases

Premises and equipment are summarized as follows:

|  | December 31, |      |
|--|--------------|------|
|  | 2023         | 2022 |
|  |              |      |

|   | (In Thousands)   |                  |  |
|---|------------------|------------------|--|
| Cost:   |                  |                  |  |
| Land  | \$ 14,138        | \$ 13,200        |  |
| Land improvements                                 | 1,923            | 1,730            |  |
| Buildings   | 60,463           | 59,376           |  |
| Leasehold improvements                            | 3,219            | 3,706            |  |
| Furniture, fixtures and equipment                 | 44,424           | 42,616           |  |
| Construction in process                           | 4,312            | 3,565            |  |
|   | <u>128,479</u>   | <u>124,193</u>   |  |
| Less allowances for depreciation and amortization | (71,601)         | (68,652)         |  |
|   | <u>\$ 56,878</u> | <u>\$ 55,541</u> |  |

|   | December 31,     |                  |
|---|------------------|------------------|
|   | 2022             | 2021             |
| Cost:   |                  | (In Thousands)   |
| Land  | \$ 13,200        | \$ 13,369        |
| Land improvements                                 | 1,730            | 1,587            |
| Buildings   | 59,376           | 59,167           |
| Leasehold improvements                            | 3,706            | 3,655            |
| Furniture, fixtures and equipment                 | 42,616           | 41,075           |
| Construction in process                           | 3,565            | 315              |
|   | <u>124,193</u>   | <u>119,168</u>   |
| Less allowances for depreciation and amortization | (68,652)         | (63,566)         |
|   | <u>\$ 55,541</u> | <u>\$ 55,602</u> |

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Depreciation expense was \$5.6 million, \$5.3 million and \$5.6 million for the years ended December 31, 2022 December 31, 2023, 2021 and 2020, respectively.

#### Leases

On January 31, 2020, the Company performed a valuation on UCFC's leases to determine an initial right of use asset (ROU asset) and lease liability in connection with the Merger. The Company recorded an initial ROU asset of \$5.0 million and a lease liability of \$5.1 million for these leases.

The Company's lease agreements have maturity dates ranging from January 2023 to September 2044, some of which include options for multiple five and ten year extensions. The weighted average remaining life of the lease term for these leases was 13.29 years as of December 31, 2022 December 31, 2023 and 2021, respectively. The weighted average remaining life of the lease term for finance leases was 6.84 years as of December 31, 2023.

The discount rate used in determining the lease liability for each individual lease was the FHLB fixed advance rate or swap rate which corresponded with the remaining lease term as of January 1, 2019 for leases that existed at adoption and as of the lease commencement date for leases subsequently entered into. The weighted average discount rate for leases was 2.52% and 2.57% as of December 31, 2022 December 31, 2023 and 2021, respectively. The weighted average discount rate for finance leases was 4.81% as of December 31, 2023.

The total operating lease costs were \$2.2 million for the year ended December 31, 2023 and \$2.4 million for the years ended December 31, 2022 and 2021, and \$2.3 million for the year ended December 31, 2020. The right-of-use ROU asset, included in other assets, was \$14.9 million and \$15.4 million at December 31, 2022 December 31, 2023 and 2021, respectively. The lease liabilities, included in other liabilities, were \$15.6 million and \$16.1 million as of December 31, 2022 December 31, 2023 and 2021, respectively.

Undiscounted cash flows included in lease liabilities have expected contractual payments at December 31, 2022 December 31, 2023 as follows: follows (in thousands):

|  | (in thousands) |
|--|----------------|
|--|----------------|

|   |                  |                  |
|---|------------------|------------------|
| 2023                                      | \$ 2,436         |                  |
| 2024                                      | 2,051            | \$ 2,633         |
| 2025                                      | 1,649            | 1,665            |
| 2026                                      | 1,387            | 1,371            |
| 2027                                      | 1,300            | 1,196            |
| 2028                                      |                  | 1,118            |
| Thereafter                                | 11,852           | 10,564           |
| Total undiscounted minimum lease payments | \$ 20,675        | \$ 18,547        |
| Present value adjustment                  | (5,061)          | (4,623)          |
| <b>Total lease liabilities</b>            | <b>\$ 15,614</b> | <b>\$ 13,924</b> |

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## 9. Goodwill and Intangible Assets

### Goodwill

The change in the carrying amount of goodwill for the year is as follows:

|   | December 31,      |                   | December 31,      |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | 2022              |                   | 2023              |                   |
|   | (In Thousands)    |                   | (In Thousands)    |                   |
| Beginning balance                             | \$ 317,948        | \$ 317,948        | \$ 317,988        | \$ 317,948        |
| Goodwill acquired or adjusted during the year | 40                | —                 | —                 | 40                |
| Goodwill from disposal                        |                   |                   | (22,386)          | —                 |
| <b>Ending balance</b>                         | <b>\$ 317,988</b> | <b>\$ 317,948</b> | <b>\$ 295,602</b> | <b>\$ 317,988</b> |

The Company tests goodwill at least annually and, more frequently, if events or changes in circumstances indicate that it may be more likely than not that there is a possible impairment. Due to the ongoing impacts from the closure of large, well-known regional banks in early 2023 that led to a significant decline in bank stock prices, the Company conducted a quantitative interim goodwill impairment assessment at December 31, 2022 September 30, 2023. The impairment assessment compared compares the fair value of identified reporting units with their carrying amount (including goodwill). If the carrying amount of a reporting unit exceeds its fair value, an impairment loss is recognized in an amount equal to the excess. The Company's interim assessment estimated fair value on an income approach that incorporated a discounted cash flow ("DCF") model that involves management assumptions based upon and consideration of future growth projections, economic forecasts available. In addition, the Company completed a qualitative evaluation at the Company's annual impairment evaluation date of November 30th.

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Results of the assessment interim assessments indicated no goodwill impairment as of December 31, 2022. the dates of the assessments. The Company will continue to monitor its goodwill for possible impairment.

### Acquired Intangible Assets

Activity in intangible assets for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, was as follows:

|                                   | Gross     |              |                | Gross    |              |                |
|-----------------------------------|-----------|--------------|----------------|----------|--------------|----------------|
|                                   | Carrying  |              | Accumulated    | Carrying |              | Accumulated    |
|                                   | Amount    | Amortization | Net Value      | Amount   | Amortization | Net Value      |
|                                   |           |              | (In Thousands) |          |              | (In Thousands) |
| Balance as of January 1, 2020     | \$ 20,633 | \$ (16,861)  | \$ 3,772       |          |              |                |
| Intangible assets acquired        | 33,014    | —            | 33,014         |          |              |                |
| Amortization of intangible assets | —         | (6,449)      | (6,449)        |          |              |                |

|  |                  |                    |                  |                  |                    |                  |           |
|--|------------------|--------------------|------------------|------------------|--------------------|------------------|-----------|
| Balance as of December 31, 2020                    | 53,647           | (23,310)           | 30,337           |                  | \$ 53,647          | \$ (23,310)      | \$ 30,337 |
| Balance as of January 1, 2021                      | —                | —                  | —                |                  | —                  | —                | —         |
| Intangible assets acquired                         | —                | (6,208)            | (6,208)          |                  | —                  | (6,208)          | (6,208)   |
| Amortization of intangible assets                  | —                | (6,208)            | (6,208)          |                  | —                  | (6,208)          | (6,208)   |
| Balance as of December 31, 2021                    | 53,647           | (29,518)           | 24,129           | 53,647           | (29,518)           | 24,129           |           |
| Intangible assets acquired                         | 395              | —                  | 395              | 395              | —                  | —                | 395       |
| Amortization of intangible assets                  | —                | (5,450)            | (5,450)          | —                | (5,450)            | (5,450)          |           |
| Balance as of December 31, 2022                    | <b>\$ 54,042</b> | <b>\$ (34,968)</b> | <b>\$ 19,074</b> | 54,042           | (34,968)           | 19,074           |           |
| Intangible assets disposed in First Insurance sale |                  |                    |                  | (2,284)          | —                  | —                | (2,284)   |
| Amortization of intangible assets                  |                  |                    |                  | —                | (4,604)            | (4,604)          |           |
| Balance as of December 31, 2023                    |                  |                    |                  | <b>\$ 51,758</b> | <b>\$ (39,572)</b> | <b>\$ 12,186</b> |           |

Estimated amortization expense for each of the next five years and thereafter is as follows (in thousands):

|              |                  |                  |  |  |
|--------------|------------------|------------------|--|--|
| 2023         | \$ 5,572         |                  |  |  |
| 2024         | 4,273            | \$ 3,872         |  |  |
| 2025         | 3,387            | 3,004            |  |  |
| 2026         | 2,647            | 2,313            |  |  |
| 2027         | 1,946            | 1,645            |  |  |
| 2028         |                  | 1,052            |  |  |
| Thereafter   | 1,249            | 300              |  |  |
| <b>Total</b> | <b>\$ 19,074</b> | <b>\$ 12,186</b> |  |  |

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## 10. Deposits

The following schedule sets forth interest expense by type of deposit:

|                                    | Years Ended December 31, |                  |                  | Years Ended December 31, |                  |                  |
|------------------------------------|--------------------------|------------------|------------------|--------------------------|------------------|------------------|
|                                    | 2022                     | 2021             | 2020             | 2023                     | 2022             | 2021             |
|                                    | (In Thousands)           |                  |                  | (In Thousands)           |                  |                  |
| Checking and money market accounts | \$ 14,927                | \$ 4,754         | \$ 9,710         | \$ 62,295                | \$ 14,927        | \$ 4,754         |
| Savings accounts                   | 174                      | 172              | 222              | 182                      | 174              | 172              |
| Certificates of deposit            | 9,808                    | 8,556            | 16,986           | 59,930                   | 9,808            | 8,556            |
| <b>Totals</b>                      | <b>\$ 24,909</b>         | <b>\$ 13,482</b> | <b>\$ 26,918</b> | <b>\$ 122,407</b>        | <b>\$ 24,909</b> | <b>\$ 13,482</b> |

A summary of deposit balances is as follows:

|  | December 31,        |                     | December 31,        |                     |
|--|---------------------|---------------------|---------------------|---------------------|
|  | 2022                | 2021                | 2023                | 2022                |
|  | (In Thousands)      |                     | (In Thousands)      |                     |
| Noninterest-bearing checking accounts                              | \$ 1,869,509        | \$ 1,724,772        | \$ 1,591,979        | \$ 1,869,509        |
| Interest-bearing checking and money market accounts                | 3,185,440           | 2,952,705           | 3,177,369           | 3,185,440           |
| Savings deposits   | 798,003             | 804,451             | 678,076             | 798,003             |
| Retail certificates of deposit less than \$250,000                 | 645,318             | 636,477             | 827,479             | 645,318             |
| Retail certificates of deposit greater than and equal to \$250,000 | 264,741             | 163,646             | 526,199             | 264,741             |
| Brokered deposits  | 143,708             | —                   | 341,944             | 143,708             |
| <b>Totals</b>  | <b>\$ 6,906,719</b> | <b>\$ 6,282,051</b> | <b>\$ 7,143,046</b> | <b>\$ 6,906,719</b> |

Included in total deposits above are related-party deposits of \$11.6 million and \$2.4 million at December 31, 2022 December 31, 2023 and 2021, 2022, respectively.

Scheduled maturities of certificates of deposit and brokered deposits at December 31, 2022 December 31, 2023, are as follows (in thousands):

|              |           |                |           |                  |
|--------------|-----------|----------------|-----------|------------------|
| 2023         | \$        | 588,723        |           |                  |
| 2024         |           | 260,126        | \$        | 1,579,737        |
| 2025         |           | 32,459         |           | 81,681           |
| 2026         |           | 17,423         |           | 17,858           |
| 2027         |           | 11,195         |           | 8,728            |
| 2028         |           |                |           | 7,484            |
| Thereafter   |           | 133            |           | 134              |
| <b>Total</b> | <b>\$</b> | <b>910,059</b> | <b>\$</b> | <b>1,695,622</b> |

#### 11. Advances from Federal Home Loan Bank

The Bank has the ability to borrow funds from the FHLB. The Bank pledges its single-family residential mortgage loan portfolio, certain commercial real estate loans, and certain agriculture real estate loans as security for these advances. Advances secured by residential mortgages must have collateral of at least 127% of the borrowings. Advances secured by commercial real estate loans, and agriculture real estate loans must have collateral of at least 120% and 122% of the borrowings, respectively. Total loans pledged to the FHLB at December 31, 2022, December 31, 2023 and December 31, 2021, December 31, 2022 were \$2.7 billion and \$2.1 billion, respectively. The Bank could obtain advances of up to approximately \$2.0 billion from the FHLB at December 31, 2022 December 31, 2023.

Each advance is payable at its maturity date, with a prepayment penalty for fixed rate advances. At December 31, 2021 December 31, 2022, the Bank had no \$428.0 million outstanding in FHLB advances. At December 31, 2022 December 31, 2023, advances from the FHLB were as follows: follows (in thousands):

|               |           |                |           |                |
|---------------|-----------|----------------|-----------|----------------|
| 2023          | \$        | 428,000        |           |                |
| 2024          |           | —              | \$        | 280,000        |
| 2025          |           | —              |           | —              |
| 2026          |           | —              |           | —              |
| 2027          |           | —              |           | —              |
| 2028          |           | —              |           | —              |
| Thereafter    |           | —              |           | —              |
| <b>Totals</b> | <b>\$</b> | <b>428,000</b> | <b>\$</b> | <b>280,000</b> |

#### 12. Subordinated Debentures and Junior Subordinated Debentures Owed to Unconsolidated Subsidiary Trust

In September 2020, the Company completed the issuance of \$50.0 million aggregate principal amount, fixed-to-floating rate subordinated notes due September 30, 2030 in a private offering exempt from the registration requirements under the Securities Act of 1933, as amended. The notes carry a fixed rate of 4.0% for five years at which time they will convert to a floating rate based on the secured overnight financing rate, plus a spread of 388.5 basis points. The Company may, at its option, beginning September 30, 2025, redeem the notes, in whole or in part, from time to time, subject to certain conditions. The net proceeds from the sale were approximately \$48.7 million, after deducting the estimated offering expenses. The Company's intent was to use the net proceeds for general corporate purposes, which may include, without limitation, providing capital to support its growth organically or through strategic acquisitions, repaying indebtedness, in financing investments, capital expenditures, repurchasing its common shares and for investments in the Bank as regulatory capital. The subordinated debentures are included in Total Capital under current regulatory guidelines and interpretations.

In March 2007, the Company sponsored an affiliated trust, Premier Statutory Trust II ("Trust Affiliate II") that issued \$15.0 million of Guaranteed Capital Trust Securities (Trust Preferred Securities). In connection with the transaction, the Company issued \$15.5 million of Junior Subordinated Deferrable Interest Debentures ("Subordinated Debentures") to Trust Affiliate II. The Company formed Trust Affiliate II for the purpose of issuing Trust Preferred Securities to third-party investors and investing the proceeds from the sale of these capital securities solely in Subordinated Debentures of the Company. The Subordinated Debentures held by Trust Affiliate II are the sole assets of that trust. The Company is not

considered the primary beneficiary of this Trust (variable interest entity), therefore the trust is not consolidated in the Company's financial statements, but rather the subordinated debentures are shown as a liability. Distributions on the Trust Preferred Securities issued by Trust Affiliate II are payable quarterly at a variable rate equal to the three-month LIBOR rate plus 1.5%. As a result of the discontinuation of LIBOR, beginning with the distribution on December 15, 2023, distributions will be calculated at a variable rate equal to the three-month SOFR rate plus 1.5%. The Coupon rate payable on the Trust Preferred Securities issued by Trust Affiliate II was 6.27% and 1.70% as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively.

The Trust Preferred Securities issued by Trust Affiliate II are subject to mandatory redemption, in whole or part, upon repayment of the Subordinated Debentures. The Company has entered into an agreement that fully and unconditionally guarantees the Trust Preferred Securities subject to the terms of the guarantee. The Trust Preferred Securities and Subordinated Debentures mature on June 15, 2037, but can be redeemed at the Company's option at any time now.

The Company also sponsors an affiliated trust, Premier Statutory Trust I ("Trust Affiliate I") that issued \$20.0 million of Trust Preferred Securities in 2005. In connection with this transaction, the Company issued \$20.6 million of Subordinated Debentures to Trust Affiliate I. Trust Affiliate I was formed for the purpose of issuing Trust Preferred Securities to third-party investors and investing the proceeds from the sale of these capital securities solely in Subordinated Debentures of the Company. The Junior Debentures held by Trust Affiliate I are the sole assets of the trust. The Company is not considered the primary beneficiary of this Trust (variable interest entity), therefore the trust is not consolidated in the Company's financial statements, but rather the subordinated debentures are shown as a liability. Distributions on the Trust Preferred Securities issued by Trust Affiliate I are payable quarterly at a variable rate equal to the three-month LIBOR rate plus 1.38%. As a result of the discontinuation of LIBOR, beginning with the distribution on December 15, 2023, distributions will be calculated at a variable rate equal to the three-month SOFR rate plus 1.38%. The Coupon rate payable on the Trust Preferred Securities issued by Trust Affiliate I was 6.15% and 1.58% as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively.

The Trust Preferred Securities issued by Trust Affiliate I are subject to mandatory redemption, in whole or in part, upon repayment of the Subordinated Debentures. The Company has entered into an agreement that fully and unconditionally guarantees the Trust Preferred Securities subject to the terms of the guarantee. The Trust Preferred Securities and Subordinated Debentures mature on December 15, 2035, but can be redeemed at the Company's option at any time now.

The Subordinated Debentures related to the Trust Preferred Securities may be included in tier 1 capital (with certain limitations applicable) under current regulatory guidelines and interpretations. Interest on both issues of Trust Preferred Securities may be deferred for a period of up to five years at the option of the issuer.

A summary of all junior subordinated debentures issued by the Company to affiliates and subordinated debentures follows. For the junior subordinated debentures, these amounts represent the par value of the obligations owed to these affiliates, including the Company's equity interest in the trusts. For the subordinated debentures, these amounts represent the par value less remaining deferred offering expense associated with the issuance the debentures. Balances were as follows:

|   | December 31,   |           | December 31,   |           |
|---|----------------|-----------|----------------|-----------|
|   | 2022           | 2021      | 2023           | 2022      |
|   | (In Thousands) |           | (In Thousands) |           |
| First Defiance Statutory Trust I due December 2035                            | \$ 20,619      | \$ 20,619 | \$ 20,619      | \$ 20,619 |
| First Defiance Statutory Trust II due June 2037                               | 15,464         | 15,464    | 15,464         | 15,464    |
| Total junior subordinated debentures owed to unconsolidated subsidiary Trusts | \$ 36,083      | \$ 36,083 | \$ 36,083      | \$ 36,083 |
| Subordinated debentures   | \$ 49,020      | \$ 48,893 | \$ 49,146      | \$ 49,020 |

### 13. Securities Sold Under Agreements to Repurchase and Other Short Term Borrowings

The Company has utilized securities sold under agreements to repurchase in the past to facilitate the needs of our customers and to facilitate secured short-term funding needs. Securities sold under agreements to repurchase are stated at the amount of cash received in connection with the transaction. We monitor levels on a continuous basis. We may be required to provide additional collateral based on the fair value of the underlying securities. Securities pledged as collateral under repurchase agreements are maintained with our safekeeping agent.

Total The Company had no outstanding securities sold under agreement to repurchase at December 31, 2022 December 31, 2023 or December 31, 2021 December 31, 2022.

As of December 31, 2022 December 31, 2023 and 2021, 2022, the Company had the following undrawn lines of credit facilities available for short-term borrowing purposes:

A \$20.0 million line of credit with First Horizon Bank. Bank with a maturity date of March 31, 2024. The rate on the line of credit is at three- month SOFR + 2.122.26%, with a floor of 2.50%, which floats quarterly. This line was undrawn upon as of December 31, 2022 December 31, 2023 and 2021, 2022.

A \$50.0 million line of credit with U.S. Bank. Bank with a maturity date of March 31, 2024. The rate on this line of credit is U.S. Bank's federal funds rate, which floats daily. This line was undrawn upon as of December 31, 2022 December 31, 2023 and 2021, 2022.

A \$44.5 531.5 million discount window for short-term or late day borrowing needs with the Federal Reserve Bank of Cleveland. The Company pledges investment security collateral to maintain borrowing capacity. This line was undrawn upon as of December 31, 2022 December 31, 2023 and 2022.

#### 14. Other Noninterest Expense

The following is a summary of other noninterest expense:

|                                    | Years Ended December 31, |           |           | Years Ended December 31, |           |           |
|------------------------------------|--------------------------|-----------|-----------|--------------------------|-----------|-----------|
|                                    | 2022                     | 2021      | 2020      | 2023                     | 2022      | 2021      |
|                                    | (In Thousands)           |           |           | (In Thousands)           |           |           |
| Legal and other professional fees  | \$ 7,622                 | \$ 7,325  | \$ 5,119  | \$ 6,743                 | \$ 7,622  | \$ 7,325  |
| Marketing                          | 2,160                    | 1,940     | 1,938     | 1,714                    | 2,160     | 1,940     |
| OREO expenses and write-downs      | 150                      | 117       | 86        | 220                      | 150       | 117       |
| Printing and office supplies       | 953                      | 941       | 1,032     | 917                      | 953       | 941       |
| Postage                            | 1,279                    | 1,257     | 1,173     | 1,359                    | 1,279     | 1,257     |
| Check charge-offs and fraud losses | 1,350                    | 762       | 870       | 1,937                    | 1,350     | 762       |
| Credit and collection expense      | 584                      | 714       | 550       | 637                      | 584       | 714       |
| Other                              | 11,991                   | 11,388    | 11,649    | 9,924                    | 11,991    | 11,388    |
| Total other noninterest expense    | \$ 26,089                | \$ 24,444 | \$ 22,417 | \$ 23,451                | \$ 26,089 | \$ 24,444 |

#### 15. Postretirement Benefits

Premier The Company sponsors a defined benefit postretirement plan (the Plan) that is intended to supplement Medicare coverage for certain retirees. Plan eligibility and features differ depending on the date of hire, date of retirement, age, years of service, and other specific attributes, with additional variations applicable only to certain mortgage leaders.

For employees (1) hired by the Company before January 31, 2020, excluding employees of acquired businesses even though their original hire date by the prior business may precede January 31, 2020, (2) who meet retire after age 55, and (3) who have a combined age plus years of service of at least 75, the Plan benefit is the contribution by the Company of a specified percentage of \$10,000 in a spending account which can be used toward reimbursement of any eligible health care expenses by the retiree and their spouse. The specified percentage is based on a combination of age plus years of service with a minimum combination of at least 75.

Retirees or active employees who were at least age requirements. 52 on January 1, 2003 (and either retired or actively employed on that date), and Executive Chairman Hileman and his spouse as of December 14, 2021, are eligible to receive medical, prescription, dental, and vision coverage for the retiree and their spouse.

The Bank •For employees who retired prior to or after April 1, 1997, the employee's cost for coverage is based on the employee's combined age and years of service at retirement per the Plan's fee structure.

• For employees who completed retired before April 1, 1967 after 65 years of age and 20 years of service after age 40, receive the cost of coverage is paid in full medical coverage at no cost. by the Company. The surviving spouse pays 50% of the Plan's Fee Structure beginning one year after the retiree's death.

The Bank •For employees retiring before April 1, 1967 after April 1, 1997, are provided medical benefits at a cost based on their combined 55 years of age and 15 years of service at retirement. Surviving spouses are also eligible for continued coverage after age 40, the retiree is deceased at a subsidy level that is 10% less than what and spouse pay 50% of the retiree is eligible for. The Bank employees retiring before July 1, 1997, receive dental and vision care in addition to medical coverage. The Bank employees who retire after July 1, 1997, are not eligible for dental or vision care.

The Bank employees who were born after December 31, 1950, are not eligible for the medical coverage described above at retirement. Plan's Fee Structure. Rather, a one-time medical spending account of up to \$10,000 (based on the participant's age and years of service) will be established to reimburse medical expenses for those individuals. First Insurance employees who were born before December 31, 1950, can continue coverage until they reach age 65, or in lieu of

continuing coverage, can elect the medical spending account option, subject to eligibility requirements. Employees hired or acquired after January 1, 2003, are eligible only for the medical spending account option.

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Included in accumulated other comprehensive income at December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, are the following amounts that have not yet been recognized in net periodic benefit cost:

|  | December 31, |          |                |
|--|--------------|----------|----------------|
|  | 2023         |          | 2022           |
|  |              |          | (In Thousands) |
| Unrecognized prior service cost  | \$ 41        | \$ 47    | \$ 57          |
| Unrecognized actuarial (gain) loss                                     | (538)        | (556)    | 43             |
| Total (gain) loss recognized in Accumulated Other Comprehensive Income | (497)        | (509)    | 100            |
| Income tax effect  | 104          | 107      | (21)           |
| Net (gain) loss recognized in Accumulated Other Comprehensive Income   | \$ (393)     | \$ (402) | \$ 79          |

|  | December 31, |       |                |
|--|--------------|-------|----------------|
|  | 2022         |       | 2021           |
|  |              |       | (In Thousands) |
| Unrecognized prior service cost  | \$ 47        | \$ 57 | \$ 71          |
| Unrecognized actuarial (gain) loss                                     | (556)        | 43    | 29             |
| Total (gain) loss recognized in Accumulated Other Comprehensive Income | (509)        | 100   | 100            |
| Income tax effect  | 107          | (21)  | (21)           |
| Net (gain) loss recognized in Accumulated Other Comprehensive Income   | \$ (402)     | \$ 79 | \$ 79          |

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#### Reconciliation of Funded Status and Accumulated Benefit Obligation

The plan is not currently funded. The following table summarizes benefit obligation and plan asset activity for the plan measured as of December 31 each year:

|   | December 31,   |          | December 31,   |          |
|---|----------------|----------|----------------|----------|
|   | 2022           |          | 2021           |          |
|   | (In Thousands) |          | (In Thousands) |          |
| <b>Change in benefit obligation:</b>        |                |          |                |          |
| Benefit obligation at beginning of year     | \$ 2,759       | \$ 2,787 | \$ 2,119       | \$ 2,759 |
| Service cost                                | 52             | 60       | 28             | 52       |
| Interest cost                               | 67             | 53       | 101            | 67       |
| Participant contribution                    | 27             | 22       | 27             | 27       |
| Actuarial (gains) / losses                  | (599)          | 13       | (11)           | (599)    |
| Benefits paid                               | (187)          | (176)    | (210)          | (187)    |
| Benefit obligation at end of year           | 2,119          | 2,759    | 2,054          | 2,119    |
| <b>Change in fair value of plan assets:</b> |                |          |                |          |
| Balance at beginning of year                | —              | —        | —              | —        |
| Employer contribution                       | 160            | 154      | 183            | 160      |
| Participant contribution                    | 27             | 22       | 27             | 27       |
| Benefits paid                               | (187)          | (176)    | (210)          | (187)    |

|                              |            |            |            |            |
|------------------------------|------------|------------|------------|------------|
| Balance at end of year       | —          | —          | —          | —          |
| Funded status at end of year | \$ (2,119) | \$ (2,759) | \$ (2,054) | \$ (2,119) |

Net periodic postretirement benefit cost includes the following components:

|   | Years Ended December 31, |        |         | Years Ended December 31, |          |        |
|---|--------------------------|--------|---------|--------------------------|----------|--------|
|   | 2022                     | 2021   | 2020    | 2023                     | 2022     | 2021   |
|   | (In Thousands)           |        |         | (In Thousands)           |          |        |
| Service cost-benefits attributable to service during the period                             | \$ 52                    | \$ 60  | \$ 61   | \$ 28                    | \$ 52    | \$ 60  |
| Interest cost on accumulated postretirement benefit obligation                              | 67                       | 53     | 87      | 101                      | 67       | 53     |
| Net amortization and deferral   | 10                       | 13     | 13      | (23)                     | 10       | 13     |
| Net periodic postretirement benefit cost  | 129                      | 126    | 161     | 106                      | 129      | 126    |
| Net (gain) / loss during the year   | (599)                    | 13     | (195)   | (11)                     | (599)    | 13     |
| Amortization of prior service cost and actuarial losses                                     | (10)                     | (13)   | (13)    | 23                       | (10)     | (13)   |
| Total recognized in comprehensive income (loss)   | (609)                    | —      | (208)   | 12                       | (609)    | —      |
| Total recognized in net periodic postretirement benefit cost and other comprehensive income | \$ (480)                 | \$ 126 | \$ (47) | \$ 118                   | \$ (480) | \$ 126 |

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The following assumptions were used in determining the components of the postretirement benefit obligation:

|  | 2022   | 2021   | 2020   | 2023   | 2022   | 2021   |
|--|--------|--------|--------|--------|--------|--------|
| Weighted average discount rates:   |        |        |        |        |        |        |
| Used to determine benefit obligations at December 31                                   | 5.00 % | 2.50 % | 2.00 % | 4.70 % | 5.00 % | 2.50 % |
| Used to determine net periodic postretirement benefit cost for years ended December 31 | 2.50 % | 2.00 % | 3.00 % | 5.00 % | 2.50 % | 2.00 % |
| Assumed health care cost trend rates at December 31:                                   |        |        |        |        |        |        |
| Health care cost trend rate assumed for next year                                      | 6.00 % | 6.50 % | 5.50 % | 5.50 % | 6.00 % | 6.50 % |
| Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)      | 3.90 % | 3.90 % | 4.00 % | 4.00 % | 3.90 % | 3.90 % |
| Year that rate reaches ultimate trend rate   | 2075   | 2075   | 2075   | 2075   | 2075   | 2075   |

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The following benefits are expected to be paid over the next five years and in aggregate for the next five years thereafter. Because the plan is unfunded, the expected net benefits to be paid and the estimated Company contributions are the same amount.

|                   | Expected to be Paid |  | (In Thousands) | Expected to be Paid |  | (In Thousands) |
|-------------------|---------------------|--|----------------|---------------------|--|----------------|
|                   | \$                  |  |                | \$                  |  |                |
| 2023              |                     |  | 193            |                     |  |                |
| 2024              |                     |  | 203            | \$                  |  | 193            |
| 2025              |                     |  | 212            |                     |  | 201            |
| 2026              |                     |  | 224            |                     |  | 210            |
| 2027              |                     |  | 159            |                     |  | 221            |
| 2028 through 2032 |                     |  | 806            |                     |  |                |
| 2028              |                     |  |                |                     |  | 157            |
| 2029 through 2033 |                     |  |                |                     |  | 768            |

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans.

The Company expects to contribute \$193,000 194,000 before reflecting expected Medicare retiree drug subsidy payments in 2022 2023.

#### 16. Regulatory Matters

Premier and the Bank are subject to minimum capital adequacy guidelines. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators, which could have a material impact on Premier's financial statements. Under capital adequacy guidelines, Premier and the Bank must maintain capital amounts in excess of minimum ratios based on quantitative measures of their assets, liabilities, and certain off-balance sheet items as calculated under regulatory accounting practices.

The rules include a minimum common equity tier 1 capital to risk-weighted assets ratio ("CET1") of 4.5% and a capital conservation buffer of 2.5% of risk-weighted assets, which effectively results in a minimum CET1 ratio of 7.0%. Basel III raises the minimum ratio of tier 1 capital to risk-weighted assets from 4.0% to 6.0% (which, with the capital conservation buffer, effectively results in a minimum tier 1 capital ratio of 8.5%), which effectively results in a minimum total capital to risk-weighted assets ratio of 10.5%, and requires a minimum leverage ratio of 4.0%. Basel III also makes changes to risk weights for certain assets and off-balance sheet exposures.

The federal banking agencies have also established a system of "prompt corrective action" to resolve certain problems of undercapitalized banks. The regulatory agencies can initiate certain mandatory actions if the Bank fails to meet the minimum capital requirements, which could have a material effect on Premier's financial statements.

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The following schedule presents Premier consolidated and the Bank's regulatory capital ratios as of December 31, 2022 December 31, 2023 and 2021 2022 (dollars in thousands):

|  | December 31, 2023 |         |  |          |            |        | Minimum Required to be<br>Well Capitalized for<br>Prompt Corrective Action |  |
|--|-------------------|---------|--|----------|------------|--------|--|--|
|  | Actual            |         | Minimum Required for<br>Adequately Capitalized |          | Amount     | Ratio  |  |  |
|  | Amount            | Ratio   | Amount   | Ratio(1) |            |        |  |  |
| <b><u>CET1 Capital (to Risk-Weighted Assets)</u></b>   |                   |         |  |          |            |        |  |  |
| Consolidated   | \$ 826,639        | 11.70 % | \$ 318,003                                     | 4.5 %    | N/A        | N/A    |  |  |
| Premier Bank   | \$ 871,342        | 12.38 % | \$ 316,676                                     | 4.5 %    | \$ 457,421 | 6.5 %  |  |  |
| <b><u>Tier 1 Capital</u></b>                           |                   |         |  |          |            |        |  |  |
| Consolidated   | \$ 861,639        | 10.26 % | \$ 335,772                                     | 4.0 %    | N/A        | N/A    |  |  |
| Premier Bank   | \$ 871,342        | 10.42 % | \$ 334,641                                     | 4.0 %    | \$ 418,301 | 5.0 %  |  |  |
| <b><u>Tier 1 Capital (to Risk Weighted Assets)</u></b> |                   |         |  |          |            |        |  |  |
| Consolidated   | \$ 861,639        | 12.19 % | \$ 424,005                                     | 6.0 %    | N/A        | N/A    |  |  |
| Premier Bank   | \$ 871,342        | 12.38 % | \$ 422,235                                     | 6.0 %    | \$ 562,980 | 8.0 %  |  |  |
| <b><u>Total Capital (to Risk Weighted Assets)</u></b>  |                   |         |  |          |            |        |  |  |
| Consolidated   | \$ 991,873        | 14.04 % | \$ 565,339                                     | 8.0 %    | N/A        | N/A    |  |  |
| Premier Bank   | \$ 951,576        | 13.52 % | \$ 562,980                                     | 8.0 %    | \$ 703,725 | 10.0 % |  |  |

(1) Excludes capital conservation buffer of 2.50% as of December 31, 2023.

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|  | December 31, 2022 |        |  |          |        |       | Minimum Required to be<br>Well Capitalized for<br>Prompt Corrective Action |  |
|--|-------------------|--------|--|----------|--------|-------|--|--|
|  | Actual            |        | Minimum Required for<br>Adequately Capitalized |          | Amount | Ratio |  |  |
|  | Amount            | Ratio  | Amount   | Ratio(1) |        |       |  |  |
| <b><u>CET1 Capital (to Risk-Weighted Assets)</u></b> |                   |        |  |          |        |       |  |  |
| Consolidated   | \$ 728,883        | 9.91 % | \$ 331,019                                     | 4.5 %    | N/A    | N/A   |  |  |

|  |            |        |            |      |            |       |
|--|------------|--------|------------|------|------------|-------|
| Premier Bank   | \$ 775,907 | 10.58% | \$ 330,008 | 4.5% | \$ 476,678 | 6.5%  |
| <b><u>Tier 1 Capital</u></b>                           |            |        |            |      |            |       |
| Consolidated   | \$ 763,883 | 9.37%  | \$ 326,094 | 4.0% | N/A        | N/A   |
| Premier Bank   | \$ 775,907 | 9.55%  | \$ 324,949 | 4.0% | \$ 406,187 | 5.0%  |
| <b><u>Tier 1 Capital (to Risk Weighted Assets)</u></b> |            |        |            |      |            |       |
| Consolidated   | \$ 763,883 | 10.38% | \$ 441,359 | 6.0% | N/A        | N/A   |
| Premier Bank   | \$ 775,907 | 10.58% | \$ 440,011 | 6.0% | \$ 586,681 | 8.0%  |
| <b><u>Total Capital (to Risk Weighted Assets)</u></b>  |            |        |            |      |            |       |
| Consolidated   | \$ 892,663 | 12.14% | \$ 588,478 | 8.0% | N/A        | N/A   |
| Premier Bank   | \$ 854,687 | 11.65% | \$ 586,681 | 8.0% | \$ 733,352 | 10.0% |

(1) Excludes capital conservation buffer of 2.50% as of December 31, 2022.

|  | December 31, 2021 |        |  |          |  |       |
|--|-------------------|--------|--|----------|--|-------|
|  |                   |        | Minimum Required for<br>Adequately Capitalized |          | Minimum Required to be<br>Well Capitalized for<br>Prompt Corrective Action |       |
|  | Actual            | Ratio  | Amount   | Ratio(1) | Amount   | Ratio |
| <b><u>CET1 Capital (to Risk-Weighted Assets)</u></b>   |                   |        |  |          |  |       |
| Consolidated   | \$ 689,930        | 10.92% | \$ 284,394                                     | 4.5%     | N/A  | N/A   |
| Premier Bank   | \$ 725,600        | 11.53% | \$ 283,265                                     | 4.5%     | \$ 409,160   | 6.5%  |
| <b><u>Tier 1 Capital</u></b>                           |                   |        |  |          |  |       |
| Consolidated   | \$ 724,930        | 10.10% | \$ 287,138                                     | 4.0%     | N/A  | N/A   |
| Premier Bank   | \$ 725,600        | 10.16% | \$ 285,664                                     | 4.0%     | \$ 357,080   | 5.0%  |
| <b><u>Tier 1 Capital (to Risk Weighted Assets)</u></b> |                   |        |  |          |  |       |
| Consolidated   | \$ 724,930        | 11.47% | \$ 379,192                                     | 6.0%     | N/A  | N/A   |
| Premier Bank   | \$ 725,600        | 11.53% | \$ 377,686                                     | 6.0%     | \$ 503,582   | 8.0%  |
| <b><u>Total Capital (to Risk Weighted Assets)</u></b>  |                   |        |  |          |  |       |
| Consolidated   | \$ 844,389        | 13.36% | \$ 505,589                                     | 8.0%     | N/A  | N/A   |
| Premier Bank   | \$ 795,059        | 12.63% | \$ 503,582                                     | 8.0%     | \$ 629,477   | 10.0% |

(1) Excludes capital conservation buffer of 2.50% as of December 31, 2021.

Dividend Restrictions - Dividends paid by the Bank to Premier are subject to various regulatory restrictions. The Bank paid \$26.5 million in dividends to Premier and received \$29.8 million cash contribution from Premier in 2023 and paid net dividends of \$58.0 million in net dividends to Premier in 2022 and \$35.0 million in 2021. The Bank may not pay dividends to Premier in excess of its net profits (as defined by statute) for the last two fiscal years, plus any year to date net profits without the approval of the ODFI. As of December 31, 2022 December 31, 2023, the Bank could dividend up to an additional \$125.0 186.4 million to Premier. First Insurance Group paid \$2.0 43.0 million in dividends to Premier in 2022 2023 and \$2.0 million in dividends in 2021. 2022. PFC Risk Management did not pay dividends to Premier in 2023 and paid \$1.6 million in dividends to Premier in 2022 and \$1.8 million in 2021. 2022. PFC Capital did not pay dividends or receive a cash contribution in 2023 and received \$3.0 million in a cash infusion contribution from Premier in 2022 and paid \$7.5 million in dividends in 2021. 2022.

## 17. Income Taxes

The components of income tax expense are as follows:

|                 | Years Ended December 31, |                  |                  | Years Ended December 31, |                  |                  |
|-----------------|--------------------------|------------------|------------------|--------------------------|------------------|------------------|
|                 | 2022                     |                  | 2021             | 2023                     |                  | 2022             |
|                 | (In Thousands)           |                  |                  | (In Thousands)           |                  |                  |
| <b>Current:</b> |                          |                  |                  |                          |                  |                  |
| Federal         | \$ 24,698                | \$ 24,256        | \$ 25,323        | \$ 30,323                | \$ 24,698        | \$ 24,256        |
| State and local | 704                      | 723              | 650              | 793                      | 704              | 723              |
| Deferred        | (1,306)                  | 5,393            | (9,781)          | (2,934)                  | (1,306)          | 5,393            |
|                 | <b>\$ 24,096</b>         | <b>\$ 30,372</b> | <b>\$ 16,192</b> | <b>\$ 28,182</b>         | <b>\$ 24,096</b> | <b>\$ 30,372</b> |

The effective tax rates differ from federal statutory rate applied to income before income taxes due to the following:

|   | Years Ended December 31, |           |           | Years Ended December 31, |           |           |
|---|--------------------------|-----------|-----------|--------------------------|-----------|-----------|
|   | 2022                     | 2021      | 2020      | 2023                     | 2022      | 2021      |
|   | (In Thousands)           |           |           | (In Thousands)           |           |           |
| Tax expense at statutory rate (21%)           | \$ 26,519                | \$ 32,849 | \$ 16,646 | \$ 29,289                | \$ 26,519 | \$ 32,849 |
| Tax expense at statutory rate (21%)           |                          |           |           |                          |           |           |
| Increases (decreases) in taxes from:          |                          |           |           |                          |           |           |
| State income tax – net of federal tax benefit | 557                      | 571       | 513       | 627                      | 557       | 571       |
| Tax exempt interest income, net of TEFRA      | (723)                    | (839)     | (806)     | (484)                    | (723)     | (839)     |
| Bank owned life insurance                     | (829)                    | (1,075)   | (882)     | (1,053)                  | (829)     | (1,075)   |
| Captive insurance                             | (417)                    | (365)     | (445)     | (368)                    | (417)     | (365)     |
| Sale of First Insurance goodwill              |                          |           |           | 1,515                    | —         | —         |
| Other   | (1,011)                  | (769)     | 1,166     | (1,344)                  | (1,011)   | (769)     |
| Totals  | \$ 24,096                | \$ 30,372 | \$ 16,192 | \$ 28,182                | \$ 24,096 | \$ 30,372 |

Deferred federal income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

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Significant components of Premier's deferred federal income tax assets and liabilities are as follows:

|  | December 31,   |           | December 31,   |           |
|--|----------------|-----------|----------------|-----------|
|  | 2022           | 2021      | 2023           | 2022      |
|  | (In Thousands) |           | (In Thousands) |           |
| Deferred federal income tax assets:                  |                |           |                |           |
| Allowance for credit losses                          | \$ 15,291      | \$ 13,958 | \$ 16,068      | \$ 15,291 |
| Allowance for unfunded commitments                   | 1,431          | 1,056     | 905            | 1,431     |
| Interest on nonaccrual loans                         | 672            | 686       | 535            | 672       |
| Postretirement benefit costs                         | 408            | 537       | 394            | 408       |
| Cash flow hedge derivative                           | 8,407          | —         |                |           |
| Cash flow hedge derivatives                          |                |           | 7,261          | 8,407     |
| Deferred compensation                                | 1,841          | 2,216     | 2,069          | 1,841     |
| Individually evaluated loans                         | 568            | 1,138     | 244            | 568       |
| Net unrealized loss on available-for-sale securities | 37,810         | 1,070     | 33,768         | 37,810    |
| Equity securities fair value                         |                |           | 88             | —         |
| Accrued vacation                                     | 10             | 10        | —              | 10        |
| Accrued bonus  | 1,419          | 1,054     | 1,132          | 1,419     |
| Lease liability                                      | 3,279          | 3,391     | 2,924          | 3,279     |
| Net operating loss carryforward                      | 239            | 273       | 204            | 239       |
| Other  | 2,254          | 2,363     | 1,943          | 2,254     |
| Total deferred federal income tax assets             | 73,629         | 27,752    | 67,535         | 73,629    |
| Deferred federal income tax liabilities:             |                |           |                |           |
| Equity securities fair value                         | 35             | 429       | —              | 35        |
| Goodwill   | 4,889          | 4,726     | 3,126          | 4,889     |
| Mortgage servicing rights                            | 4,446          | 4,103     | 3,926          | 4,446     |

|  |           |          |           |           |
|--|-----------|----------|-----------|-----------|
| Cash flow hedge derivative                         | —         | 142      |           |           |
| Cash flow hedge derivatives                        |           | 63       | —         |           |
| Fixed assets                                       | 2,525     | 2,368    | 2,541     | 2,525     |
| Other intangible assets                            | 3,847     | 4,987    | 2,522     | 3,847     |
| Deferred loan origination fees and costs           | 2,203     | 1,266    | 2,607     | 2,203     |
| Prepaid expenses                                   | 1,117     | 881      | 678       | 1,117     |
| Right of use asset                                 | 3,139     | 3,242    | 2,838     | 3,139     |
| Earnout on sale of FIG                             |           | 320      | —         |           |
| Other  | 416       | 663      | 228       | 416       |
| Total deferred federal income tax liabilities      | 22,617    | 22,807   | 18,849    | 22,617    |
| Net deferred federal income tax asset/ (liability) | \$ 51,012 | \$ 4,945 | \$ 48,686 | \$ 51,012 |

The realization of the Company's deferred tax assets is dependent upon the Company's ability to generate taxable income in future periods and the reversal of deferred tax liabilities during the same period. The Company has evaluated the available evidence supporting the realization of its deferred tax assets and determined it is more likely than not that the assets will be realized and thus no valuation allowance was required at December 31, 2022 December 31, 2023.

Retained earnings at December 31, 2022 December 31, 2023, include included approximately \$32.1 million for which no tax provision for federal income taxes has had been made. This amount represents the tax bad debt reserve at December 31, 1987, which is the end of the Company's base year for purposes of calculating the bad debt deduction for tax purposes. If this portion of retained earnings is used in the future for any purpose other than to absorb bad debts, the amount used will be added to future taxable income. The unrecorded deferred tax liability on the above amount at December 31, 2022 December 31, 2023, was approximately \$6.7 million.

The total amount of interest and penalties recorded in the income statement was \$0 for each of the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021. The amount accrued for interest and penalties was \$0 at December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021.

The Company and its subsidiaries are subject to U.S. federal income tax as well as income tax in the states of Indiana and West Virginia. The Company is no longer subject to examination by taxing authorities for years before 2019, 2020. At December 31, 2022 December 31, 2023, the Company also operated in the states of Ohio, Pennsylvania and Michigan, which tax financial institutions based on their equity rather than their income.

The Company's net operating loss of \$1,974,000 million will be carried forward to use against future taxable income. The net operating loss carryforwards begin to expire in the year ending December 31, 2029. This tax benefit is subject to an annual limitation under Internal Revenue Code Section 382; however, Premier and the Bank expect to utilize the full amount of the benefit.

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## 18. Employee Benefit Plans

### 401(k) Plan

Employees of Premier are eligible to participate in the Premier Financial Corp. 401(k) Employee Savings Plan (the "Premier 401(k)") if they meet certain age and service requirements. Under the Premier 401(k), Premier matches 100% of the participants' contributions up to 3% of compensation and then 50% of the participants' contributions for the next 2% of compensation. The Premier 401(k) also provides for a discretionary Premier contribution in addition to the Premier matching contribution. Premier matching contributions totaled \$2.7 2.6 million, \$2.6 2.7 million and \$2.5 2.6 million for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively. There were no discretionary contributions in any of those years.

### Group Life Plan

The executive group life plan covers various employees, including the Company's named executive officers. Under the terms of the group life plan, the Bank will purchase and own life insurance policies covering the lives of employees selected by the Board of Directors of the Bank as participants. There was \$(27,000), \$411,000, and \$(121,000) and \$40,000 of expense/(recovery) recorded for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively, with a liability of \$2.0 million and \$1.7 million for future benefits recorded at December 31, 2022 both December 31, 2023 and 2021, 2022, respectively.

## Deferred Compensation

The deferred compensation plans cover all directors and certain employees that elect to participate. Under the plans, the Company pays each participant, or their beneficiary, the amount of fees deferred plus interest over a defined time period. The deferred compensation plans have approximately \$10.3 million and \$8.0 million in assets and liabilities, respectively, as of December 31, 2022 December 31, 2023, which are matched in terms of investment elections. As of December 31, 2021 December 31, 2022, the deferred compensation plans had approximately \$9.4 million and \$7.4 million in assets and liabilities, respectively, which were matched in terms of investment elections. Every year, other noninterest expense reflects the net changes in fair value of the underlying investments in the assets and liabilities. The net expense (income) recorded for the deferred compensation plan for each of the last three years was \$309,000, \$414,000, and \$(66,000) in 2023, 2022 and \$(11,000) in 2022, 2021, and 2020, respectively.

## 19. Stock Compensation Plans

Premier has established equity based compensation plans for its directors and employees. On February 27, 2018, the Board adopted, and the shareholders approved at the 2018 Annual Shareholders Meeting, the Premier Financial Corp. 2018 Equity Incentive Plan (the "2018 Equity Plan"). The 2018 Equity Plan replaced all existing plans, although the Company's former equity plans remain in existence to the extent there were outstanding grants thereunder at the time the 2018 Equity Plan was approved. In addition, as a result of the Company's merger (the "Merger") with United Community Federal Financial Corp. ("UCFC"), Premier assumed certain outstanding stock options granted under UCFC's Amended and Restated 2007 Long-Term Incentive Plan (the "UCFC 2007 Plan") and UCFC's 2015 Long Term Incentive Plan, which has since been renamed as the "Premier Financial Corp. 2015 Long Term Incentive Plan" (the "2015 Plan"). Premier also assumed the shares available for future issuance under the 2015 Plan as of the effective date of the Merger, with appropriate adjustments to the number of shares available to reflect the Merger. The stock options assumed from UCFC in the Merger remain subject to the terms of the 2015 Plan, but became exercisable solely to purchase shares of Premier, with appropriate adjustments to the number of shares subject to the assumed stock options and the exercise price of such stock options. Besides certain options previously issued under the First Defiance Financial Corp. 2010 Equity Incentive Plan, all awards currently outstanding are issued under the 2018 Equity Plan or the 2015 Plan. The 2018 Equity Plan and the 2015 Plan were each amended and restated in February 2022 to align certain administrative components of the plans in addition to enhancing certain governance components. New awards will be made under either the 2018 Equity Plan or the 2015 Plan as the Company determines. The 2018 Equity Plan allows for issuance of up to 900,000 common shares through the award of options, restricted stock, stock, stock appreciation rights, or other stock-based awards. The 2015 Plan allows for the issuance of up to 1.2 million common shares, as adjusted for the Merger, through the award of options, stock, restricted stock, stock units, stock appreciation rights, or performance stock awards.

Beginning in 2023, directors were able to elect to receive stock in lieu of cash for their director fees. In the twelve months ended December 31, 2023, the Company recognized \$80,000 in expense for 4,114 shares that were issued to directors in lieu of cash fees.

The Company maintains Long-Term Equity Incentive Plans (each, an "LTIP") for select members of management (the "Executive LTIP") and a Key Employee and Commercial Lender Plan (the "Key Plan"). Under the Executive LTIP, participants may earn between 20% to 50% a percentage of their salary for potential payout in the form of (1) equity awards based on the achievement of certain corporate performance targets over a three-year period and (2) beginning in 2023, restricted stock awards ("RSAs"). The Company granted 86,190 66,482 performance stock units ("PSUs") to the participants under the Executive LTIP during 2022, 2023, which represents the maximum target award. The value of PSU awards issued in 2021 2022 and 2022 2023 under the Executive LTIP will be determined individually at the end of each respective 36 month performance period ending December 31. The benefits earned under these LTIPs PSUs will be paid out in equity in the first quarter following the end of the performance period. The participants will receive all or a portion of the award if their employment is terminated by the Company without cause, by the participant in certain situations, or by death, disability or retirement of the participant. The

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Company issued 35,344 actual shares in 2023 to settle PSUs from the 2020 Executive LTIP plan. The RSAs issued under the Executive LTIP vest incrementally over three years, being fully vested upon the third anniversary of the grant date. The Company granted 21,827 RSAs under the Executive LTIP in 2023.

The maximum amount of compensation expense that may be earned for the PSUs at December 31, 2022 December 31, 2023, is approximately \$6.35.8 million in the aggregate. However, the estimated expense that is expected to be earned as of December 31, 2022, December 31, 2023 is \$4.23.9 million, of which \$944,000 1.5 million was unrecognized at December 31, 2022 December 31, 2023, and will be recognized over the remaining performance periods. Total expense of was reduced by \$443,000 and was recorded for \$873,000 and \$1.6 million was recorded for the years ended December 31, 2022 December 31, 2023 and December 31, 2021 December 31, 2022, respectively respectively.

Beginning in 2022, under the Key Plan, the participants are granted restricted stock awards ("RSAs") based upon the achievement of certain targets in the prior year. Prior to 2022, restricted stock units ("RSUs") were issued to participants under the same plan. The participants can earn from 5% to 10% of their salary in RSAs or RSUs that vest three years from the date of grant. The Company granted 25,044 and 19,612 in RSAs and 17,542 RSUs in the first quarter of 2022 2023 and 2021, 2022, respectively, as a payout under the Key Plan.

In the 2022 2023, the Company also granted 37,800 23,188 discretionary RSAs and 22,368 RSAs to directors that vest over a period of time ranging from one to three years. Of these grants, 14,712 were issued to directors and have a one year vesting period. The fair value of all granted restricted shares was determined by the stock price at the date of the grant.

At December 31, 2022, a total of 361,021 restricted grants were outstanding. Compensation expense is recognized over the performance or vesting period. Total expense of \$1.11.9 million and \$1.31.1 million was recorded for the years ended December 31, 2022 December 31, 2023 and 2021, 2022, respectively. Approximately \$2.11.9 million and \$2.72.1 million is included within other liabilities at December 31, 2022 December 31, 2023 and December 31, 2021 December 31, 2022, respectively, related to the cash portion of the Company's Short-Term Incentive Plans.

The following table sets forth Premier's performance and restricted stock activity during the year ended December 31, 2022 December 31, 2023:

|                                     | Performance Stock Units                          |  | Restricted Stock Units                             |  | Restricted Stock Awards                            |  |
|-------------------------------------|--|--|--|--|--|--|
|                                     | Stock Units                                      | Stock Units                                      | Stock Awards                                       | Stock Units  | Stock Units  | Stock Awards                                       |
| Unvested Shares                     | Weighted-<br>s<br>Unvested at<br>January 1, 2022 | Weighted-<br>s<br>Unvested at<br>January 1, 2023 | Weighted-<br>s<br>Unvested at<br>December 31, 2022 | Weighted-<br>s<br>Unvested at<br>December 31, 2023 | Weighted-<br>s<br>Unvested at<br>December 31, 2023 | Weighted-<br>s<br>Unvested at<br>December 31, 2023 |
| Unvested at<br>January 1, 2022      | 164<br>,97<br>0<br>\$ 34                         | 28.<br>51,<br>773                                | 28.<br>58,<br>260                                  | 28.<br>29.<br>\$ 71                                | 229,813<br>\$ 217,562                              | 29.12<br>\$ 28.75                                  |
| Granted                             | 86, 30.<br>190 67 — —                            | 81, 28.<br>412 31                                | 66,482   | 24.78  | 31,796<br>\$ 18,625                                | 28.44<br>\$ 29.52                                  |
| Vested                              | (13, 29.<br>— 637)                               | (35, 27.<br>00 159)                              | (55,435)   | 26.48  | (11,724)<br>\$ 153,779                             | 26.21<br>\$ 25.49                                  |
| Forfeited                           | (21, 29.<br>34 40)                               | (5,1 25)   | (23,298)   | 26.48  | (1,447)  | 32.67<br>\$ 153,779                                |
| Unvested at<br>December 31,<br>2022 | 229<br>,81<br>3<br>\$ 12                         | 31,<br>28.<br>796                                | 99,<br>412   | 29.<br>29.<br>\$ 14                                | 99,412<br>\$ 153,779                               | 29.14<br>\$ 25.49                                  |
| Unvested at<br>December 31,<br>2023 | 217,562<br>\$ 217,562                            | 28.75<br>\$ 28.75                                | 18,625<br>\$ 18,625                                | 29.52<br>\$ 29.52                                  | 153,779<br>\$ 153,779                              | 25.49<br>\$ 25.49                                  |

As of December 31, 2022 December 31, 2023, 29,661 28,175 options to acquire Premier shares were outstanding at option prices based on the market value of the underlying shares on the date the options were granted. All options expire ten years from the date of grant. Vested options of retirees expire on the earlier of the scheduled expiration date or one year after the retirement date.

The fair value of each option award is estimated on the date of grant using the Black-Scholes model. Expected volatilities are based on historical volatilities of the Company's common shares. The Company uses historical data to estimate option exercise and post-vesting termination behavior. The expected term of options granted is based on historical data and represents the period of time that options granted are expected to be outstanding, which takes into account that the options are not transferable. The risk-free interest rate for the expected term of the option is based on the U.S. Treasury yield curve in effect at the time of the grant.

There were no options granted during the years ended December 31, 2022 December 31, 2023 and 2021, 2022.

Following is stock option activity under the plans during the year ended December 31, 2022 December 31, 2023:

|                                      | Options | Weighted    |                           |  | Aggregate<br>Intrinsic<br>Value<br>(in 000's) |  |
|--------------------------------------|---------|-------------|---------------------------|--|---|--|
|                                      |         | Weighted    |                           | Remaining<br>Contractual<br>Value<br>Term (in years) |   |  |
|                                      |         | Outstanding | Average<br>Exercise Price |  |   |  |
| Options outstanding, January 1, 2022 | 35,661  | \$ 21.72    |                           |  |   |  |
| Forfeited or cancelled               | (3,000) | 17.68       |                           |  |   |  |
| Exercised                            | (3,000) | 17.68       |                           |  |   |  |
| Granted                              | —       | —           |                           |  |   |  |

|  |               |          |      |            |
|--|---------------|----------|------|------------|
| Options outstanding, December 31, 2022 | <u>29,661</u> | \$ 25.54 | 4.08 | \$ 131,425 |
| Exercisable at December 31, 2022       | <u>29,661</u> | \$ 25.54 | 4.08 | \$ 131,425 |

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|  | Options | Weighted      |                           | Remaining<br>Contractual<br>Term (in years) | Aggregate<br>Intrinsic<br>Value<br>(in 000's) |  |  |
|--|---------|---------------|---------------------------|---|---|--|--|
|  |         | Outstanding   | Average<br>Exercise Price |   |   |  |  |
|  |         |               |                           |   |   |  |  |
| Options outstanding, January 1, 2023   |         | <u>29,661</u> | \$ 25.54                  |   |   |  |  |
| Forfeited or cancelled                 |         | —             | —                         |   |   |  |  |
| Exercised                              |         | (1,486)       | 10.31                     |   |   |  |  |
| Granted                                |         | —             | —                         |   |   |  |  |
| Options outstanding, December 31, 2023 |         | <u>28,175</u> | \$ 23.18                  | <u>3.26</u>                                 | \$ 61,148                                     |  |  |
| Exercisable at December 31, 2023       |         | <u>28,175</u> | \$ 23.18                  | <u>3.26</u>                                 | \$ 61,148                                     |  |  |

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Proceeds, related tax benefits realized from options exercised and intrinsic value of options exercised were as follows:

|  | Year Ended December 31,                  |       |        | Year Ended December 31,                  |       |       |
|--|--|-------|--------|--|-------|-------|
|  | 2022                                     | 2021  | 2020   | 2023                                     | 2022  | 2021  |
|  | (In Thousands, except per share amounts) |       |        | (In Thousands, except per share amounts) |       |       |
| Intrinsic value of options exercised       | \$ 29                                    | \$ 11 | \$ 189 | \$ 12                                    | \$ 29 | \$ 11 |
| Cash received from option exercises        | 53                                       | 8     | —      | 15                                       | 53    | 8     |
| Tax benefit realized from option exercises | 6  | 2     | 40     | 3  | 6     | 2     |

As of December 31, 2022 December 31, 2023, there was a de minimis amount of total unrecognized compensation costs related to unvested stock options granted under the Company's equity plans. The cost is expected to be recognized over a weighted-average period of one month.

## 20. Parent Company Statements

Condensed parent company financial statements, which include transactions with subsidiaries, are as follow:

| Statements of Financial Condition            | December 31,      |                     | December 31,        |                   |
|--|-------------------|---------------------|---------------------|-------------------|
|  | 2022              | 2021                | 2023                | 2022              |
|  | (In Thousands)    |                     | (In Thousands)      |                   |
| <b>Assets</b>                                |                   |                     |                     |                   |
| Cash and cash equivalents                    | \$ 15,264         | \$ 24,152           | \$ 15,314           | \$ 15,264         |
| Equity securities                            | 7,832             | 14,097              | 5,773               | 7,832             |
| Investment in banking subsidiary             | 909,552           | 1,034,379           | 1,020,329           | 909,552           |
| Investment in non-bank subsidiaries          | 37,191            | 33,102              | 16,053              | 37,191            |
| Other assets                                 | 5,145             | 4,110               | 5,425               | 5,145             |
| <b>Total assets</b>                          | <u>\$ 974,984</u> | <u>\$ 1,109,840</u> | <u>\$ 1,062,894</u> | <u>\$ 974,984</u> |
| <b>Liabilities and stockholders' equity:</b> |                   |                     |                     |                   |
| Subordinated debentures                      | \$ 85,103         | \$ 84,976           | \$ 85,229           | \$ 85,103         |
| Accrued liabilities                          | 2,160             | 1,368               | 2,038               | 2,160             |
| <b>Stockholders' equity</b>                  | <u>887,721</u>    | <u>1,023,496</u>    | <u>975,627</u>      | <u>887,721</u>    |

|  |            |              |              |            |
|--|------------|--------------|--------------|------------|
| Total liabilities and stockholders' equity | \$ 974,984 | \$ 1,109,840 | \$ 1,062,894 | \$ 974,984 |
|--|------------|--------------|--------------|------------|

| Statements of Income  | Years Ended December 31, |            |           | Years Ended December 31, |             |            |
|---|--------------------------|------------|-----------|--------------------------|-------------|------------|
|   | 2022                     | 2021       | 2020      | 2023                     | 2022        | 2021       |
|   | (In Thousands)           |            |           | (In Thousands)           |             |            |
| Dividends from subsidiaries                                       | \$ 58,550                | \$ 46,315  | \$ 25,900 | \$ 69,500                | \$ 58,550   | \$ 46,315  |
| Interest income   | 657                      | 520        | 30        | 465                      | 657         | 520        |
| Interest expense  | (3,327)                  | (2,713)    | (1,308)   | (4,531)                  | (3,327)     | (2,713)    |
| Other income  | —                        | 1,955      | 105       | —                        | —           | 1,955      |
| Noninterest expense   | (1,391)                  | (997)      | (902)     | (1,261)                  | (1,391)     | (997)      |
| Other expense   | (551)                    | —          | —         | (453)                    | (551)       | —          |
| Income before income taxes and equity in earnings of subsidiaries | 53,938                   | 45,080     | 23,825    | 63,720                   | 53,938      | 45,080     |
| Income tax credit   | (969)                    | (259)      | (423)     | (1,214)                  | (969)       | (259)      |
| Income before equity in earnings of subsidiaries                  | 54,907                   | 45,339     | 24,248    | 64,934                   | 54,907      | 45,339     |
| Undistributed equity in earnings of subsidiaries                  | 47,280                   | 80,712     | 38,829    | 46,361                   | 47,280      | 80,712     |
| Net income  | 102,187                  | 126,051    | 63,077    | 111,295                  | 102,187     | 126,051    |
| Other comprehensive income (loss)                                 | (170,032)                | (18,432)   | 10,409    | 19,741                   | (170,032)   | (18,432)   |
| Comprehensive income (loss)                                       | \$ (67,845)              | \$ 107,619 | \$ 73,486 | \$ 131,036               | \$ (67,845) | \$ 107,619 |

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| Statements of Cash Flows  | Years Ended December 31, |            |           | Years Ended December 31, |            |            |
|---|--------------------------|------------|-----------|--------------------------|------------|------------|
|   | 2022                     | 2021       | 2020      | 2023                     | 2022       | 2021       |
|   | (In Thousands)           |            |           | (In Thousands)           |            |            |
| Operating activities:   |                          |            |           |                          |            |            |
| Net income  | \$ 102,187               | \$ 126,051 | \$ 63,077 | \$ 111,295               | \$ 102,187 | \$ 126,051 |
| Adjustments to reconcile net income to net cash (used in) provided by operating activities: |                          |            |           |                          |            |            |
| Undistributed equity in earnings of subsidiaries  | (47,280)                 | (80,712)   | (38,829)  | (46,361)                 | (47,280)   | (80,712)   |
| Return of capital from subsidiary   |                          |            |           | 6,123                    | —          | —          |
| Change in other assets and liabilities  | 156                      | 380        | 1,630     | 1,415                    | 156        | 380        |
| Net cash provided by (used in) operating activities   | 55,063                   | 45,719     | 25,878    | 72,472                   | 55,063     | 45,719     |
| Net cash provided by operating activities   |                          |            |           |                          |            |            |
| Investing activities:   |                          |            |           |                          |            |            |
| Net Cash received for United Community Financial Corp.                                      | —                        | —          | 9,414     |                          |            |            |
| Cash distribution to subsidiary   |                          |            |           | (29,750)                 | —          | —          |
| Sale of equity securities   | 8,714                    | —          | —         | 1,606                    | 8,714      | —          |
| Purchase of equity securities   | (3,000)                  | (11,053)   | (1,000)   | —                        | (3,000)    | (11,053)   |
| Net cash used in investing activities   | 5,714                    | (11,053)   | 8,414     |                          |            |            |
| Net cash provided by (used in) investing activities   |                          |            |           | (28,144)                 | 5,714      | (11,053)   |
| Financing activities:   |                          |            |           |                          |            |            |
| Repurchase of common stock  | (26,870)                 | (29,583)   | (10,183)  | (11)                     | (26,870)   | (29,583)   |
| Cash dividends paid   | (42,795)                 | (38,948)   | (32,898)  | (44,267)                 | (42,795)   | (38,948)   |
| Proceeds from subordinated debentures   | —                        | —          | 48,777    |                          |            |            |
| Direct stock sales  | —                        | —          | 18        |                          |            |            |

|  |                  |           |           |                  |           |           |
|--|------------------|-----------|-----------|------------------|-----------|-----------|
| Net cash used in financing activities                | <b>(69,665)</b>  | (68,531)  | 5,714     | <b>(44,278)</b>  | (69,665)  | (68,531)  |
| Net increase (decrease) in cash and cash equivalents | <b>(8,888)</b>   | (33,865)  | 40,006    | <b>50</b>        | (8,888)   | (33,865)  |
| Cash and cash equivalents at beginning of year       | <b>24,152</b>    | 58,017    | 18,011    | <b>15,264</b>    | 24,152    | 58,017    |
| Cash and cash equivalents at end of year             | <b>\$ 15,264</b> | \$ 24,152 | \$ 58,017 | <b>\$ 15,314</b> | \$ 15,264 | \$ 24,152 |

## 21. Fair Value

FASB ASC Topic 820, Fair Value Measurements, defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability. The price in the principal (or most advantageous) market used to measure the fair value of the asset or liability shall not be adjusted for transaction costs. An orderly transaction is a transaction that assumes exposure to the market for a period prior to the measurement date to allow for marketing activities that are usual and customary for transactions involving such assets and liabilities; it is not a forced transaction. Market participants are buyers and sellers in the principal market that are (i) independent, (ii) knowledgeable, (iii) able to transact and (iv) willing to transact.

FASB ASC Topic 820 requires the use of valuation techniques that are consistent with the market approach, the income approach and/or the cost approach. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The income approach uses valuation techniques to convert future amounts, such as cash flows or earnings, to a single present amount on a discounted basis. The cost approach is based on the amount that currently would be required to replace the service capacity of an asset (replacement cost). Valuation techniques should be consistently applied. Inputs to valuation techniques refer to the assumptions that market participants would use in pricing the asset or liability. Inputs may be observable, meaning those that reflect the assumptions market participants would use in pricing the asset or liability developed based on the best information available. In that regard, FASB ASC Topic 820 established a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

- *Level 1:* Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.
- *Level 2:* Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These might include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (such as interest rates, prepayment speeds, credit risks, etc.) or inputs that are derived principally from or corroborated by market data by a correlation or other means.
- *Level 3:* Unobservable inputs for determining fair value of assets and liabilities that reflect an entity's own assumptions about the assumptions that market participants would use in pricing the assets or liabilities.

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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.

**Available-for-sale securities** - Securities classified as available for sale are generally reported at fair value utilizing Level 2 inputs where the Company obtains fair value measurements from an independent pricing service that uses matrix pricing, which is a mathematical technique widely used in the industry to value debt securities without relying exclusively on quoted prices for the specific securities but rather by relying on the securities' relationship to other benchmark quoted securities (Level 2 inputs). The fair value measurements consider observable data that may include dealer quotes, market spreads, cash flows and the bonds' terms and conditions, among other things. Securities in Level 2 include U.S. federal government agencies, mortgage-backed securities, corporate bonds and municipal securities.

**Equity securities** – These securities are reported at fair value utilizing Level 1 inputs where the Company obtains quoted prices in active markets for identical equity securities.

**Loans held for sale, carried at fair value** – The Company has elected the fair value option for all loans held for **sale originated after January 31, 2020**.

The fair value of conventional loans held for sale is determined using the current 15 day forward contract price for either 15 or 30 year conventional mortgages (Level 2). The fair value of permanent construction loans held for sale is determined using the current 60 day forward contract price for 15 or 30 year conventional mortgages which is then adjusted for unobservable market data such as estimated fall out rates and estimated time from origination to completion of construction (Level 3).

**Collateral Dependent loans** - Fair values for individually analyzed, collateral dependent loans are generally based on appraisals obtained from licensed real estate appraisers and in certain circumstances consideration of offers obtained to purchase properties prior to foreclosure. Appraisals for commercial real estate generally use three methods to derive value: cost, sales or market comparison and income approach. The cost method bases value on the cost to replace the current property. Value of market comparison approach evaluates the sales price of similar properties in the same market area. The income approach considers net operating income generated by the property and an investor's required return. Adjustments are routinely made in the appraisal process by the independent appraisers to adjust for differences between the comparable sales and income data available.

Comparable sales adjustments are based on known sales prices of similar type and similar use properties and duration of time that the property has been on the market to sell. Such adjustments made in the appraisal process are typically significant and result in a Level 3 classification of the inputs for determining fair value.

**Real estate held for sale** - Assets acquired through or instead of loan foreclosure are initially recorded at fair value less costs to sell when acquired, establishing a new cost basis. These assets are then reviewed monthly by members of the asset review committee for valuation changes and are accounted for at lower of cost or fair value less estimated costs to sell. Fair value is commonly based on recent real estate appraisals which may utilize a single valuation approach or a combination of approaches including cost, comparable sales and the income approach. Adjustments are routinely made in the appraisal process by the independent appraisers to adjust for differences between the comparable sales and income data available. Such adjustments may be significant and typically result in a Level 3 classification of the inputs for determining fair value.

Appraisals for both collateral-dependent loans and other real estate owned are performed by certified general appraisers (for commercial properties) or certified residential appraisers (for residential properties) whose qualifications and licenses have been reviewed and verified by the Company. Once received, a member of the Company's asset quality or collections department reviews the assumptions and approaches utilized in the appraisal. Appraisal values are discounted from 0% to 30% to account for other factors that may impact the value of collateral. In determining the value of collateral dependent loans and other real estate owned, significant unobservable inputs may be used, which include but are not limited to: physical condition of comparable properties sold, net operating income generated by the property and investor rates of return.

**Mortgage servicing rights** - On a quarterly basis, mortgage servicing rights are evaluated for impairment based upon the fair value of the rights as compared to the carrying amount. If the carrying amount of an individual tranche exceeds fair value, impairment is recorded on that tranche so that the servicing asset is carried at fair value. Fair value is determined at a tranche level based on a model that calculates the present value of estimated future net servicing income. The valuation model utilizes assumptions that market participants would use in estimating future net servicing income and are validated against available market data (Level 2).

**Mortgage banking derivative** - The fair value of mortgage banking derivatives are evaluated monthly based on derivative valuation models using quoted prices for similar assets adjusted for specific attributes of the commitments and other observable market data at the valuation date (Level 2).

**Interest rate swaps** – The Company periodically enters into interest rate swap agreements with its commercial customers who desire a fixed rate loan term that is longer than the Company is willing to extend. The Company then enters into a reciprocal swap agreement with a third party that offsets the interest rate risk from the interest rate swap extended to the customer. The interest rate swaps are derivative instruments which are carried at fair value on the statement of financial condition. The Company uses an independent third party that performs a market valuation analysis for both swap positions. (Level 2)

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**Cash flow and fair value hedge derivatives** - The Company also periodically enters into cash flow and fair value hedge derivatives derivative instruments to hedge the risk of variability in cash flows (future interest payments) attributable to changes in the contractually specified LIBOR benchmark interest rate on the Company's floating rate loan pool, fixed rate mortgage loan pool and FHLB advances. The Company uses an independent third party to perform a market valuation analysis for these derivatives (Level 2).

The following table summarizes the financial assets measured at fair value on a recurring basis segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value:

#### Assets and Liabilities Measured on a Recurring Basis

|  |         |       |        |        |         |         |         |
|--|---------|-------|--------|--------|---------|---------|---------|
| Asset-backed securities                          | 192,5   | 192,5 |        |        |         |         |         |
|  | — 05    | — 05  |        |        | 136,980 | —       | 136,980 |
| Corporate bonds                                  | 64,48   | 64,48 |        |        |         |         |         |
|  | — 2     | — 2   |        |        | 62,420  | —       | 62,420  |
| Obligations of states and political subdivisions | 221,5   | 221,5 |        |        |         |         |         |
|  | — 94    | — 94  |        |        | 204,258 | —       | 204,258 |
| US Treasuries                                    |         |       | 49,177 |        |         |         |         |
| Equity securities                                | 7,83    |       |        |        |         |         |         |
|  | — 2     | —     | 7,832  | 5,773  | —       | —       | 5,773   |
| Loans held for sale, at fair value               | 23,58   | 91,6  | 115,2  |        |         |         |         |
|  | — 9     | 62    | 51     | —      | 14,397  | 131,244 | 145,641 |
| Interest rate swaps                              | — 4,494 | —     | 4,494  | —      | 2,867   | —       | 2,867   |
| Mortgage banking derivative - asset              | — 1,349 | —     | 1,349  |        |         |         |         |
| Cash flow / Fair value hedge derivatives         |         |       | —      | 299    | —       | —       | 299     |
| Liabilities:                                     |         |       |        |        |         |         |         |
| Interest rate swaps                              | — 4,494 | —     | 4,494  | —      | 2,867   | —       | 2,867   |
| Cash flow hedge derivative                       | 40,03   | —     | 40,03  |        |         |         |         |
|  | — 2     | —     | 2      |        |         |         |         |
| Cash flow / Fair value hedge derivatives         |         |       | —      | 35,392 | —       | —       | 35,392  |
| Mortgage banking derivatives - liability         |         |       | —      | 4,750  | —       | —       | 4,750   |

| December 31, 2021  | Level 1        | Level 2    | Level 3    | Total Fair     |                |        |         |
|--|----------------|------------|------------|----------------|----------------|--------|---------|
|  | Inputs         | Inputs     | Inputs     | Value          |                |        |         |
|  | (In Thousands) |            |            |                |                |        |         |
| <b>December 31, 2022</b>                                 |                |            |            |                |                |        |         |
| Assets:  |                |            |            |                |                |        |         |
| Available for sale securities:                           |                |            |            |                |                |        |         |
| Obligations of U.S. government corporations and agencies | 174,7          |            | 174,7      |                |                |        |         |
|  | \$ — \$ 10     | \$ — \$ 10 | \$ — \$ 10 | \$ — \$ 95,909 | \$ — \$ 95,909 |        |         |
| Mortgage-backed securities                               | 206,7          |            | 206,7      |                |                |        |         |
|  | — 51           | —          | 51         | —              | 167,589        | —      | 167,589 |
| Collateralized mortgage obligations                      | 260,1          |            | 260,1      |                |                |        |         |
|  | — 68           | —          | 68         | —              | 249,805        | —      | 249,805 |
| Asset-backed securities                                  | 220,5          |            | 220,5      |                |                |        |         |
|  | — 36           | —          | 36         | —              | 192,504        | —      | 192,504 |
| Corporate bonds  | 70,89          |            | 70,89      |                |                |        |         |
|  | — 3            | —          | 3          | —              | 64,482         | —      | 64,482  |
| Obligations of states and political subdivisions         | 273,2          |            | 273,2      |                |                |        |         |
|  | — 02           | —          | 02         | —              | 221,594        | —      | 221,594 |
| US Treasuries  |                |            | 48,198     |                |                |        |         |
| Equity securities  | 14,0           |            | 14,09      |                |                |        |         |
|  | 97             | —          | — 7        | 7,832          | —              | —      | 7,832   |
| Loans held for sale, at fair value                       | 28,78          | 134,1      | 162,9      |                |                |        |         |
|  | — 0            | 67         | 47         | —              | 23,589         | 91,662 | 115,251 |
| Interest rate swaps                                      | 1,287          |            | 1,287      |                |                |        |         |
|  | —              | 854        | 854        | —              | 4,494          | —      | 4,494   |
| Cash flow hedge derivative                               | — 854          | —          | 854        |                |                |        |         |
| Mortgage banking derivative - asset                      | — 2,336        | —          | 2,336      |                |                |        |         |
| Mortgage banking derivatives - asset                     |                |            | —          | 1,349          | —              | —      | 1,349   |
| Liabilities:   |                |            |            |                |                |        |         |
| Interest rate swaps                                      | — 1,292        | —          | 1,292      | —              | 4,494          | —      | 4,494   |
| Cash flow hedge derivatives                              |                |            | —          | 40,032         | —              | —      | 40,032  |

The table below presents a reconciliation of all assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the twelve month periods ended December 31, 2022 December 31, 2023 and 2021.

|  | Construction loans held for sale |            | Construction loans held for sale |            |
|--|----------------------------------|------------|----------------------------------|------------|
|  | Twelve Months Ended              |            | Years Ended                      |            |
|  | December 31,                     |            | December 31,                     |            |
|  | 2022                             | 2021       | 2023                             | 2022       |
| Balance of recurring Level 3 assets at beginning of period | \$ 134,167                       | \$ 123,029 | \$ 91,662                        | \$ 134,167 |
| Total gains (losses) for the period                        | (20,587)                         | (3,716)    | 9,589                            | (20,587)   |
| Included in change in fair value of loans held for sale    | 98,845                           | 128,844    | 90,667                           | 98,845     |
| Originations   | (120,763)                        | (113,990)  | (60,674)                         | (120,763)  |
| Sales  |                                  |            |                                  |            |
| Balance of recurring Level 3 assets at end of period       | \$ 91,662                        | \$ 134,167 | \$ 131,244                       | \$ 91,662  |

For Level 3 assets and liabilities measured at fair value on a recurring basis, the significant unobservable inputs used in the fair value measurements were as follows:

| December 31, 2022                | Fair Value             |         | Unobservable Inputs               |                     | Range of Inputs     |                |
|----------------------------------|------------------------|---------|-----------------------------------|---------------------|---------------------|----------------|
|                                  | Valuation Technique    | Inputs  | Unobservable Inputs               | Inputs              | Valuation Technique | Inputs         |
|                                  |                        |         |                                   |                     |                     |                |
| December 31, 2023                | Fair Value             |         | Valuation Technique               |                     | Range of Inputs     |                |
|                                  | (Dollars in Thousands) |         | (Dollars in Thousands)            |                     |                     |                |
| Construction loans held for sale | 9,166,200              | 131,244 | Adjusted secondary market pricing | Unobservable Inputs | Adjustments         | 0.00 - 0.0984% |

| December 31, 2021                | Fair Value             |        | Unobservable Inputs               |                     | Range of Inputs     |              |
|----------------------------------|------------------------|--------|-----------------------------------|---------------------|---------------------|--------------|
|                                  | Valuation Technique    | Inputs | Unobservable Inputs               | Inputs              | Valuation Technique | Inputs       |
|                                  |                        |        |                                   |                     |                     |              |
| December 31, 2022                | Fair Value             |        | Valuation Technique               |                     | Range of Inputs     |              |
|                                  | (Dollars in Thousands) |        | (Dollars in Thousands)            |                     |                     |              |
| Construction loans held for sale | 13,124,400             | 91,662 | Adjusted secondary market pricing | Unobservable Inputs | Adjustments         | 0.00 - 1.04% |

The Company has elected the fair value option for new applications taken post January 31, 2020, and subsequently originated for residential mortgage and permanent construction loans held for sale. These loans are intended for sale and the Company believes that fair value is the best indicator of the resolution of these loans. Interest income is recorded based on the contractual terms of the loan and in accordance with the Company's policies.

The aggregate fair value of the residential mortgage loans held for sale at December 31, 2022 December 31, 2023 and 2021 2022 was \$23.6 14.4 million and \$28.8 23.6 million, respectively and they had contractual balances of \$25.3 14.7 million and \$27.7 25.3 million, respectively. The difference between these two figures is recorded in gains and losses on the sale of loans held for sale. For the twelve months ended December 31, 2022 December 31, 2023, \$2.3 1.1 million was recorded in losses the gain on the sale of loans held for sale for the change in fair value. For the twelve months ended December 31, 2021 December 31, 2022, \$5.0 2.3 million was recorded in gain losses on sale of loans held for sale for the change in fair value.

The aggregate fair value of the permanent construction loans held for sale at December 31, 2022 December 31, 2023 and 2021 2022 was \$91.7 131.2 million and \$134.2 91.7 million and they had a contractual balance of \$103.1 133.1 million and \$125.0 103.1 million, respectively. The difference between these two figures is recorded in gains and losses on the sale of loans held for sale. For the twelve months ended December 31, 2023, \$9.6 million was recorded in the gain on sale of loans held for sale for the change in fair value. For the twelve months ended December 31, 2022, \$20.6 million was recorded in losses on the sale of loans held for sale for the change in fair value. For the twelve months ended December 31, 2021, \$3.7 million was recorded in gains on the sale of loans held for sale for the change in fair value.

The following table summarizes the financial assets measured at fair value on a non-recurring basis segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value:

Assets and Liabilities Measured on a Non-Recurring Basis

| December 31, 2022           | Level 1 | Level 2 | Level 3  | Total Fair | Level 1 | Level 2 | Level 3  | Total Fair |  |  |  |  |
|-----------------------------|---------|---------|----------|------------|---------|---------|----------|------------|--|--|--|--|
|                             | Inputs  | Inputs  | Inputs   | Value      |         |         |          |            |  |  |  |  |
| <b>December 31, 2023</b>    |         |         |          |            |         |         |          |            |  |  |  |  |
| (In Thousands)              |         |         |          |            |         |         |          |            |  |  |  |  |
| Individually analyzed loans |         |         |          |            |         |         |          |            |  |  |  |  |
| Commercial Real Estate      | \$ —    | \$ —    | \$ 3,512 | \$ 3,512   | \$ —    | \$ —    | \$ 3,425 | \$ 3,425   |  |  |  |  |
| Commercial                  | —       | —       | 5,492    | 5,492      | —       | —       | 6,164    | 6,164      |  |  |  |  |
| Mortgage servicing rights   | —       | 21,171  | —        | 21,171     | —       | 2,744   | —        | 2,744      |  |  |  |  |
| <b>December 31, 2021</b>    |         |         |          |            |         |         |          |            |  |  |  |  |
| (In Thousands)              |         |         |          |            |         |         |          |            |  |  |  |  |
| Individually analyzed loans |         |         |          |            |         |         |          |            |  |  |  |  |
| Commercial Real Estate      | \$ —    | \$ —    | \$ —     | \$ —       | \$ —    | \$ —    | 2,749    | \$ 2,749   |  |  |  |  |
| Commercial                  | —       | —       | —        | —          | —       | —       | 8,564    | 8,564      |  |  |  |  |
| Mortgage servicing rights   | —       | —       | 19,538   | —          | —       | —       | 19,538   | 19,538     |  |  |  |  |

| December 31, 2022           | Level 1 | Level 2 | Level 3  | Total Fair |
|-----------------------------|---------|---------|----------|------------|
|                             | Inputs  | Inputs  | Inputs   | Value      |
| <b>(In Thousands)</b>       |         |         |          |            |
| Individually analyzed loans |         |         |          |            |
| Commercial Real Estate      | \$ —    | \$ —    | \$ 3,512 | \$ 3,512   |
| Commercial                  | —       | —       | 5,492    | 5,492      |
| Mortgage servicing rights   | —       | 5,126   | —        | 5,126      |

For Level 3 assets and liabilities measured at fair value on a nonrecurring basis as of December 31, 2023, the significant unobservable inputs used in the fair value measurements were as follows:

|  | Fair Value | Valuation Technique   | Unobservable Inputs<br>(Dollars in Thousands)                    | Range of Inputs | Weighted Average |
|--|------------|---|--|-----------------|------------------|
|  |            |   |  | Inputs          | Average          |
| Individually analyzed Loans- Applies to loan classes with an appraisal valuation | \$ 9,589   | Appraisals which utilize sales comparison, net income and cost approach | Discounts for collection issues and changes in market conditions | 10-50%          | 27.60%           |

For Level 3 assets and liabilities measured at fair value on a nonrecurring basis as of December 31, 2022, the significant unobservable inputs used in the fair value measurements were as follows:

|  | Fair Value | Valuation Technique   | Unobservable Inputs<br>(Dollars in Thousands)                    | Range of Inputs | Weighted Average |
|--|------------|---|--|-----------------|------------------|
|  |            |   |  | Inputs          | Average          |
| Individually analyzed Loans- Applies to loan classes with an appraisal valuation | \$ 5,146   | Appraisals which utilize sales comparison, net income and cost approach | Discounts for collection issues and changes in market conditions | 10-50%          | 28.29%           |

For Level 3 assets and liabilities measured at fair value on a nonrecurring basis as of December 31, 2021, the significant unobservable inputs used in the fair value measurements were as follows:

|  | Fair Value | Valuation Technique   | Unobservable Inputs<br>(Dollars in Thousands)                    | Range of Inputs | Weighted Average |
|--|------------|---|--|-----------------|------------------|
|  |            |   |  | Inputs          | Average          |
| Individually analyzed Loans- Applies to loan classes with an appraisal valuation | \$ 5,821   | Appraisals which utilize sales comparison, net income and cost approach | Discounts for collection issues and changes in market conditions | 20-50%          | 35.18%           |

Individually analyzed loans, which are evaluated using the fair value of the collateral for collateral dependent loans, had a fair value of \$9.6 million that includes a valuation allowance of \$4.3 million and a fair value of \$9.0 million that includes a valuation allowance of \$2.4 million at December 31, 2023 and a fair value 2022, respectively. A provision expense of \$11.3 million, that includes a valuation allowance of \$7.1 million at December 31, 2022 and 2021, respectively. A provision recovery of \$1.7 million and provision expense of \$4.1 million, \$2.9 million for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively, related to these loans was included in earnings.

Mortgage servicing rights, which are carried at the lower of cost or fair value, had a fair value of \$21.2 million with a valuation allowance of \$757,000 and a fair value of \$5.1 million with a valuation allowance of \$688,000 at December 31, 2023 and a fair value 2022, respectively. An expense of \$19.5 million with, and a valuation allowance of \$2.7 million at December 31, 2022 and 2021, respectively. A recovery of \$2.0 million and \$5.8 million and an expense of \$8.0 million was included in earnings for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively.

Real estate held for sale is determined using Level 3 inputs which include appraisals and are adjusted for changes in market conditions. There was no change in fair value of real estate held for sale for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021.

#### Fair Value of Financial Instruments

Much of the information used to arrive at "fair value" is highly subjective and judgmental in nature and therefore the results may not be precise. Subjective factors include, among other things, estimated cash flows, risk characteristics and interest rates, all of which are

subject to change. With the exception of investment securities, the Company's financial instruments are not readily marketable and market prices do not exist. Since negotiated prices for the instruments, which are not readily marketable, depend greatly on the motivation of the buyer and seller, the amounts that will actually be realized or paid per settlement or maturity of these instruments could be significantly different.

The carrying amount of cash and cash equivalents and accrued interest receivable, as a result of their short-term nature, is considered to be equal to fair value and are classified as Level 1.

It was not practicable to determine the fair value of FHLB stock due to restrictions placed on its transferability.

The Company uses an exit price income approach to determine the fair value of the loan portfolio. The model utilizes a discounted cash flow approach to estimate the fair value of the loans using assumptions for the coupon rates, remaining maturities, prepayment speeds, projected default probabilities, losses given defaults, and estimates of prevailing discount rates. The discounted cash flow approach

models the credit losses directly in the projected cash flows. The model applies various assumptions regarding credit, interest, and prepayment risks for the loans based on loan types, payment types and fixed or variable classifications. For all periods presented, the estimated fair value of individually analyzed loans is based on the fair value of the collateral, less estimated cost to sell, or the present value of the loan's expected future cash flows (discounted at the loan's effective interest rate). All individually analyzed loans are classified as Level 3 within the valuation hierarchy.

The fair value of noninterest-bearing deposits are considered equal to the amount payable on demand at the reporting date (i.e., carrying value) and are classified as Level 1. The fair value of savings, NOW and certain money market accounts are equal to their carrying amounts and are a Level 1 classification. Fair values of fixed rate certificates of deposit are estimated using a discounted cash flow calculation that applies interest rates currently being offered on certificates to a schedule of aggregated expected monthly maturities on time deposits resulting in a Level 2 classification.

The fair values of securities sold under repurchase agreements are equal to their carrying amounts resulting in a Level 1 classification. The fair value of subordinated debentures are estimated using a discounted cash flow calculation that applies interest rates currently being offered on subordinated debentures to the schedule of maturities on the subordinated debt tranches resulting in a Level 2 classification.

FHLB advances with maturities greater than 90 days are valued based on discounted cash flow analysis, using interest rates currently being quoted for similar characteristics and maturities resulting in a Level 2 classification.

The carrying values and estimated fair values of financial instruments at December 31, 2022 December 31, 2023 and 2021 2022 were as follows:

|                                      | Fair Value Measurements at December 31, 2022 |        |         |         |         | Fair Value Measurements at December 31, 2023 |           |         |         |           |
|--------------------------------------|--|--------|---------|---------|---------|--|-----------|---------|---------|-----------|
|                                      | (In Thousands)                               |        |         |         |         | (In Thousands)                               |           |         |         |           |
|                                      | Carrying Value                               | Total  | Level 1 | Level 2 | Level 3 | Carrying Value                               | Total     | Level 1 | Level 2 | Level 3   |
| <b>Financial Assets:</b>             |  |        |         |         |         |  |           |         |         |           |
| Cash and cash equivalents            | 128,16                                       | 128,16 | 128,16  |         |         | \$ 0   | \$ 0      | \$ 0    | \$ 0    | \$ 0      |
| Federal Home Loan Bank Stock         | 29,185                                       | N/A    | N/A     | N/A     | N/A     | 21,760                                       | N/A       | N/A     | N/A     | N/A       |
| Loans receivable, net                | 6,387,                                       | 6,129, |         |         |         | 804  | 814       | —       | —       | 814       |
| Accrued interest receivable          | 28,709                                       | 28,709 | 28,709  |         |         | 6,662,875                                    | 6,100,394 | —       | —       | 6,100,394 |
|                                      |  |        |         |         |         | 33,446                                       | 33,446    | 33,446  | —       | —         |
| <b>Financial Liabilities:</b>        |  |        |         |         |         |  |           |         |         |           |
| Deposits                             | 6,906,                                       | 6,881, | 5,852,  | 1,028,  |         | \$ 719                                       | \$ 110    | \$ 952  | \$ 158  | \$ —      |
| Advances from Federal Home Loan Bank | 428,00                                       | 427,99 |         | 427,99  |         |  |           |         |         |           |
| Subordinated debentures              | 85,103                                       | 76,989 | —       | —       | 76,989  | 280,000                                      | 279,213   | —       | 279,213 | —         |
|                                      |  |        |         |         |         | 85,229                                       | 84,231    | —       | —       | 84,231    |

|                              | Fair Value Measurements at December 31, 2021 |            |            |         |           |
|------------------------------|--|------------|------------|---------|-----------|
|                              | (In Thousands)                               |            |            |         |           |
|                              | Carrying Value                               | Total      | Level 1    | Level 2 | Level 3   |
| <b>Financial Assets:</b>     |  |            |            |         |           |
| Cash and cash equivalents    | \$ 161,566                                   | \$ 161,566 | \$ 161,566 | \$ —    | \$ —      |
| Federal Home Loan Bank Stock | 11,585                                       | N/A        | N/A        | N/A     | N/A       |
| Loans receivable, net        | 5,229,700                                    | 5,265,689  | —          | —       | 5,265,689 |
| Accrued interest receivable  | 20,767                                       | 20,767     | 20,767     | —       | —         |

|                         |              |              |              |            |      |        |      |      |
|-------------------------|--------------|--------------|--------------|------------|------|--------|------|------|
| Financial Liabilities:  |              |              |              |            |      |        |      |      |
| Deposits                | \$ 6,282,051 | \$ 6,280,336 | \$ 5,481,928 | \$ 798,408 | \$ — | \$ —   | \$ — | \$ — |
| Subordinated debentures | 84,976       | 85,417       | —            | —          | —    | 85,417 |      |      |

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| Fair Value Measurements at December 31, 2022 |                |              |              |              |         |      |         |      |           |  |
|--|----------------|--------------|--------------|--------------|---------|------|---------|------|-----------|--|
| (In Thousands)                               |                |              |              |              |         |      |         |      |           |  |
|  | Carrying Value |              | Total        |              | Level 1 |      | Level 2 |      | Level 3   |  |
| Financial Assets:                            |                |              |              |              |         |      |         |      |           |  |
| Cash and cash equivalents                    | \$ 128,160     | \$ 128,160   | \$ 128,160   | \$ 128,160   | \$ —    | \$ — | \$ —    | \$ — | \$ —      |  |
| Federal Home Loan Bank Stock                 | 29,185         | N/A          | N/A          | N/A          | N/A     | N/A  | N/A     | N/A  | N/A       |  |
| Loans receivable, net                        | 6,387,804      | 6,129,814    | —            | —            | —       | —    | —       | —    | 6,129,814 |  |
| Accrued interest receivable                  | 28,709         | 28,709       | 28,709       | 28,709       | —       | —    | —       | —    | —         |  |
| Financial Liabilities:                       |                |              |              |              |         |      |         |      |           |  |
| Deposits                                     | \$ 6,906,719   | \$ 6,881,110 | \$ 5,852,952 | \$ 1,028,158 | \$ —    | \$ — | \$ —    | \$ — | \$ —      |  |
| Advances from Federal Home Loan Bank         | 428,000        | 427,999      | —            | 427,999      | —       | —    | —       | —    | —         |  |
| Subordinated debentures                      | 85,103         | 76,989       | —            | —            | —       | —    | —       | —    | 76,989    |  |

## 22. Derivative Financial Instruments

Commitments to fund certain mortgage loans (interest rate locks) to be sold into the secondary market and forward commitments for the future delivery of mortgage loans to third-party investors are considered derivatives. It is the Company's practice to enter into forward commitments for the future delivery of residential mortgage loans when interest rate lock commitments are entered into in order to economically hedge the effect of changes in interest rates resulting from its commitments to fund the loans. These mortgage banking derivatives are not designated in hedge relationships. The Bank had approximately \$35.9 <sup>12.1</sup> million and \$65.4 <sup>35.9</sup> million of interest rate lock commitments at December 31, 2022 December 31, 2023 and 2021, 2022, respectively. There were \$385.0 million of forward sales of mortgage-backed securities and \$254.0 million of forward sales of mortgage-backed securities at December 31, 2023 and \$2022, respectively.

305.0 90

million of forward commitments for the future delivery of residential mortgage loans at December 31, 2022 and 2021, respectively.

The fair value of these mortgage banking derivatives are reflected by a derivative asset or a derivative liability. The table below provides data about the carrying values of these derivative instruments:

| December 31, 2022 |             | December 31, 2021 |             | December 31, 2023 |               |              |               | December 31, 2022 |               |            |               |
|-------------------|-------------|-------------------|-------------|-------------------|---------------|--------------|---------------|-------------------|---------------|------------|---------------|
| Assets            | Liabilities | Assets            | Liabilities | Assets            | (Liabilities) | Assets       | (Liabilities) | Assets            | (Liabilities) | Assets     | (Liabilities) |
| Derivative        | Derivative  | Derivative        | Derivative  | Derivative        | Derivative    | Derivative   | Derivative    | Derivative        | Derivative    | Derivative | Derivative    |
| Net               | Net         | Net               | Net         | Carrying          | Carrying      | Net Carrying | Carrying      | Carrying          | Carrying      | Carrying   | Net Carrying  |
| Value             | Value       | Value             | Value       | Value             | Value         | Value        | Value         | Value             | Value         | Value      | Value         |
| (In Thousands)    |             |                   |             |                   |               |              |               |                   |               |            |               |
|                   |             |                   |             |                   |               |              |               |                   |               |            |               |

|   |      |      |       |      |      |       |      |            |          |          |      |          |  |  |
|---|------|------|-------|------|------|-------|------|------------|----------|----------|------|----------|--|--|
| Derivatives not designated as hedging instruments |      |      |       |      |      |       |      |            |          |          |      |          |  |  |
| Mortgage Banking                                  |      |      |       |      |      |       |      |            |          |          |      |          |  |  |
| Derivatives                                       | 1,   | 2,   |       |      |      |       |      |            |          |          |      |          |  |  |
|   | 34   | 1,3  | 33    | 2,3  |      |       |      |            |          |          |      |          |  |  |
|   | \$ 9 | \$ — | \$ 49 | \$ 6 | \$ — | \$ 36 | \$ — | \$ (4,750) | \$ 4,750 | \$ 1,349 | \$ — | \$ 1,349 |  |  |

The table below provides data about the amount of gains and losses recognized in income on derivative instruments not designated as hedging instruments. The difference in derivative net carrying value at December 31, 2022 December 31, 2023 and 2021 2022 represents a fair value adjustment that runs through mortgage banking income.

| Derivatives not designated as hedging instruments | Twelve Months Ended December 31, |            |          | Years Ended December 31, |          |            |
|---|----------------------------------|------------|----------|--------------------------|----------|------------|
|   | 2022                             | 2021       | 2020     | 2023                     | 2022     | 2021       |
|   | (In Thousands)                   |            |          | (In Thousands)           |          |            |
| Mortgage Banking Derivatives – Gain (Loss)        | \$ (987)                         | \$ (1,497) | \$ 2,154 | \$ (6,099)               | \$ (987) | \$ (1,497) |

#### Interest Rate Swaps

The Company maintains an interest rate protection program for commercial loan customers. Under this program, the Company provides a customer with a fixed rate loan while creating a variable rate asset for the Company by the customer entering into an interest rate swap with terms that match the loan. The Company offsets its risk exposure by entering into an offsetting interest rate swap with an unaffiliated institution. The Company had interest rate swaps associated with commercial loans with a notional value of \$83.7 million and fair value of \$2.9 million in other assets and \$2.9 million in other liabilities at December 31, 2023. As of December 31, 2022, the Company had interest rate swaps associated with commercial loans with a notional value of \$67.3 million and fair value of \$4.5 million in other assets and \$4.5 million in other liabilities at December 31, 2022. The difference in fair value of \$65,000, \$72,000 and \$5,000 between the asset and liability represents a credit valuation adjustment that flows through noninterest income as of December 31, 2023, 2022 and 2021, respectively.

#### Interest Rate Swap Swaps Designated as Cash Flow Hedge

In May 2021, the Company entered into derivative instruments designated as a cash flow hedge. In June 2023, the Company entered into derivative instruments designated as a fair value hedge and another designated as a cash flow hedge. For a derivative instrument that is designated and qualifies as a cash flow hedge, the change in fair value of the derivative instrument is reported as a component of other comprehensive income (loss) and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. For a derivative instrument that is designated and qualified as a fair value hedge, the change in fair value is recorded to the hedged item and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings.

An interest rate swap with notional amount totaling \$250 million as of December 31, 2021 December 31, 2023 was designated as a cash flow hedge to hedge the risk of variability in cash flows (future interest receipts) attributable to changes in the contractually specified LIBOR benchmark interest rate on the Company's floating rate loan pool and was determined to be highly effective during the period. The Company is receiving a fixed rate of 1.437% and paying one month LIBOR SOFR. The maturity date of this interest rate swap is May 2031. The gross aggregate fair value of the swap of \$40.0 million is recorded in other liabilities in the Consolidated Balance Sheets at December 31, 2022 December 31, 2023, with changes in fair value recorded net of tax in other comprehensive income (loss). As of December 31, 2022, the gross aggregate fair value of the swap of \$40.0 million was recorded in other liabilities in the Consolidated Balance Sheets. The Company expects the hedge to remain highly effective during the remaining terms of the swap.

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The table presented below represents data from both cash flow hedges:

|  | Year Ended December 31, 2023 |
|--|------------------------------|
|  |                              |

|   | Amount of Gain (Loss)<br>Recognized in OCI on<br>Derivative | Fair Value on the<br>Interest Rate Swap | Amount of Gain (Loss)<br>Reclassified from OCI<br>into Income |
|---|---|---|---|
|   | (In Thousands)  |   |   |
| Interest rate swap designated on cash flow hedges | \$ <u>5,755</u>   | \$ <u>(34,276)</u>                      | \$ <u>(5,408)</u>   |
| Year Ended December 31, 2022                      |   |   |   |
|   | Amount of Gain (Loss)<br>Recognized in OCI on<br>Derivative | Fair Value on the<br>Interest Rate Swap | Amount of Gain (Loss)<br>Reclassified from OCI<br>into Income |
|   | (In Thousands)  |   |   |
| Interest rate swap designated on cash flow hedges | \$ <u>(40,886)</u>  | \$ <u>(40,032)</u>                      | \$ <u>310</u>   |

Another interest rate swap with a notional amount totaling \$125.0 million as of December 31, 2023 was also designated as a cash flow hedge to hedge the risk of variability in cash flows attributable to changes in the contractually specified benchmark interest rate on the Company's short-term fixed rate FHLB advances. The gross aggregate fair value of the swap of \$0.3 million is recorded in other assets in the unaudited Consolidated Balance Sheets at December 31, 2023, with changes recorded net of tax in other comprehensive income (loss). There was no balance as of December 31, 2022. The Company expects the hedge to remain effective during the remaining term of the swap. A summary of the interest rate swap designated as a cash flow hedge is presented below (dollars in thousands):

|  | Twelve Months Ended December 31, 2022                       |   |   |
|--|---|---|---|
|  | Amount of Gain (Loss)<br>Recognized in OCI on<br>Derivative | Total amount of Gain<br>(Loss) on the Interest<br>Rate Swap | Amount of Gain (Loss)<br>Reclassified from OCI<br>into Income |
|  | (In Thousands)  |   |   |
| Interest rate swap                             | \$ <u>(32,300)</u>  | \$ <u>(40,032)</u>  | \$ <u>310</u>   |
| Twelve Months Ended December 31, 2021          |   |   |   |
|  | Amount of Gain (Loss)<br>Recognized in OCI on<br>Derivative | Total amount of Gain<br>(Loss) on the Interest<br>Rate Swap | Amount of Gain (Loss)<br>Reclassified from OCI<br>into Income |
|  | (In Thousands)  |   |   |
| Interest rate swap                             | \$ <u>674</u>   | \$ <u>854</u>   | \$ <u>1,716</u>   |
| December 31, 2023                              |   |   |   |
| Notional amount Cash Flow Hedge                |   |   | \$ <u>125,000</u>   |
| Weighted average fixed pay rates               |   |   | 4.160%  |
| Weighted average variable SOFR receive rates   |   |   | 5.350%  |
| Weighted average remaining maturity (in years) |   |   | 1.4   |
| Fair value                                     |   |   | \$ <u>300</u>   |

#### Interest Rate Swap Designated as Fair Value Hedge

Three \$125.0 million interest rate swaps with a notional amount totaling \$375.0 million as of December 31, 2023 were designated as fair value hedges to mitigate the risk of further interest rate increases and the subsequent impact on the valuation of the \$1.3 billion associated pool of fixed rate mortgages. The gross fair value of the swaps of \$0.8 million are recorded in other liabilities in the unaudited Consolidated Balance Sheets at December 31, 2023, with changes in fair value offsetting to the fixed rate mortgage loan pool. There was no balance as of December 31, 2022. The Company expects the hedges to remain effective during the remaining terms of the swaps. A summary of the interest rate swaps designated as fair value hedges are presented below (dollars in thousands):

|                                  | December 31, 2023 |
|----------------------------------|-------------------|
| Notional amount Fair Value Hedge | \$ <u>375,000</u> |

|  |          |
|--|----------|
| Weighted average fixed pay rates               | 4.113 %  |
| Weighted average variable SOFR receive rates   | 5.350 %  |
| Weighted average remaining maturity (in years) | 2.2      |
| Fair value                                     | \$ (817) |

### 23. Quarterly Consolidated Results of Operations (Unaudited)

The following is a summary of the quarterly consolidated results of operations:

|   | Three Months Ended                       |         |           |           | Three Months Ended |           |           |              |             |
|---|--|---------|-----------|-----------|--------------------|-----------|-----------|--------------|-------------|
|   | March                                    |         | September | December  | March 31           |           | June 30   | September 30 | December 31 |
|   | 31                                       | June 30 | 30        | 31        |                    |           |           |              |             |
| 2022  | (In Thousands, Except Per Share Amounts) |         |           |           |                    |           |           |              |             |
| 2023  | (In Thousands, Except Per Share Amounts) |         |           |           |                    |           |           |              |             |
| Interest income                                       | 60,82                                    | 63,05   |           |           | \$ 84,156          | \$ 90,159 | \$ 94,897 | \$ 96,298    |             |
| Interest expense                                      | \$ 5                                     | \$ 8    | \$ 73,104 | \$ 80,725 | 27,870             | 36,167    | 40,633    | 43,747       |             |
| Net interest income                                   | 57,89                                    | 59,09   |           |           | 56,286             | 53,992    | 54,264    | 52,551       |             |
| Provision for credit losses                           | 4  | 6       | 63,312    | 62,619    | 3,944              | 1,410     | 245       | 2,143        |             |
| Provision for unfunded commitments                    | 626                                      | 5,151   | 3,706     | 3,020     | (238)              | (870)     | (1,018)   | (382)        |             |
| Net interest income after provision for credit losses | 309                                      | 1,415   | 306       | (246)     | 56,95              | 52,53     | 55,037    | 50,790       |             |
| Noninterest income                                    | 16,86                                    | 14,36   |           |           | 9                  | 0         | 59,300    | 59,845       |             |
| Noninterest expense                                   | 16,86                                    | 14,36   |           |           | 52,580             | 53,452    | 55,264    | 52,551       |             |
| Noninterest expense                                   | 3  | 5       | 16,704    | 14,228    | 12,461             | 14,228    | 13,253    | 11,789       |             |
| Income before income taxes                            | 41,29                                    | 39,08   |           |           | 5                  | 9         | 41,099    | 43,028       |             |
| Income before income taxes                            | 41,29                                    | 39,08   |           |           | 42,791             | 44,495    | 38,052    | 37,893       |             |
| Income taxes  | 32,52                                    | 27,80   |           |           | 7                  | 6         | 34,905    | 31,045       |             |
| Income taxes  | 32,52                                    | 27,80   |           |           | 22,250             | 22,250    | 62,303    | 30,238       |             |
| Net income  | 6,170                                    | 5,446   | 6,710     | 5,770     | 6,170              | 5,446     | 13,912    | 5,551        |             |
| Earnings per common share:                            |  |         |           |           |                    |           |           |              |             |
| Basic   | \$ 0.73                                  | \$ 0.63 | \$ 0.79   | \$ 0.71   | \$ 0.73            | \$ 0.63   | \$ 0.79   | \$ 0.71      |             |
| Diluted   | \$ 0.73                                  | \$ 0.63 | \$ 0.79   | \$ 0.71   | \$ 0.73            | \$ 0.63   | \$ 0.79   | \$ 0.71      |             |

|   | Three Months Ended                       |           |           |              |             |
|---|--|-----------|-----------|--------------|-------------|
|   | March 31                                 |           | June 30   | September 30 | December 31 |
|   | (In Thousands, Except Per Share Amounts) |           |           |              |             |
| 2021  |  |           |           |              |             |
| Interest income                                       | \$ 61,372                                | \$ 60,864 | \$ 60,861 | \$ 60,490    |             |
| Interest expense                                      | 4,859                                    | 4,245     | 3,826     | 3,288        |             |
| Net interest income                                   | 56,513                                   | 56,619    | 57,035    | 57,202       |             |
| Provision for credit losses                           | (7,512)                                  | (3,631)   | 1,594     | 2,816        |             |
| Provision for unfunded commitments                    | 550                                      | (288)     | 226       | (807)        |             |
| Net interest income after provision for credit losses | 63,475                                   | 60,538    | 55,215    | 55,193       |             |
| Noninterest income                                    | 26,093                                   | 17,284    | 18,370    | 17,579       |             |

|                            |           |           |           |           |
|----------------------------|-----------|-----------|-----------|-----------|
| Noninterest expense        | 38,621    | 38,114    | 39,101    | 41,488    |
| Income before income taxes | 50,947    | 39,708    | 34,484    | 31,284    |
| Income taxes               | 9,951     | 8,323     | 6,124     | 5,974     |
| Net income                 | \$ 40,996 | \$ 31,385 | \$ 28,360 | \$ 25,310 |
| Earnings per common share: |           |           |           |           |
| Basic                      | \$ 1.10   | \$ 0.84   | \$ 0.76   | \$ 0.69   |
| Diluted                    | \$ 1.10   | \$ 0.84   | \$ 0.76   | \$ 0.69   |

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| 2022  | Three Months Ended                       |           |              |             |
|---|--|-----------|--------------|-------------|
|   | March 31                                 | June 30   | September 30 | December 31 |
|   | (In Thousands, Except Per Share Amounts) |           |              |             |
| Interest income                                       | \$ 60,825                                | \$ 63,058 | \$ 73,104    | \$ 80,725   |
| Interest expense                                      | 2,931                                    | 3,962     | 9,792        | 18,106      |
| Net interest income                                   | 57,894                                   | 59,096    | 63,312       | 62,619      |
| Provision for credit losses                           | 626                                      | 5,151     | 3,706        | 3,020       |
| Provision for unfunded commitments                    | 309                                      | 1,415     | 306          | (246)       |
| Net interest income after provision for credit losses | 56,959                                   | 52,530    | 59,300       | 59,845      |
| Noninterest income                                    | 16,863                                   | 14,365    | 16,704       | 14,228      |
| Noninterest expense                                   | 41,295                                   | 39,089    | 41,099       | 43,028      |
| Income before income taxes                            | 32,527                                   | 27,806    | 34,905       | 31,045      |
| Income taxes  | 6,170                                    | 5,446     | 6,710        | 5,770       |
| Net income  | \$ 26,357                                | \$ 22,360 | \$ 28,195    | \$ 25,275   |
| Earnings per common share:                            |  |           |              |             |
| Basic   | \$ 0.73                                  | \$ 0.63   | \$ 0.79      | \$ 0.71     |
| Diluted   | \$ 0.73                                  | \$ 0.63   | \$ 0.79      | \$ 0.71     |

#### 24. Other Comprehensive Income (Loss)

The before and after tax amounts allocated to each component of other comprehensive income (loss) are presented in the table below. Reclassification adjustments related to securities available for sale are included in gains on sale or call of securities in the accompanying consolidated condensed statements of income. Reclassification adjustments related to cash flow hedge derivatives are included in interest income on loans in the accompanying consolidated condensed statements of income. Reclassification adjustments related to the defined benefit postretirement medical plan are included in compensation and benefits in the accompanying consolidated condensed statements of income.

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|   | Before Tax |            | Net of Tax |           |
|---|------------|------------|------------|-----------|
|   | Amount     |            | Tax Effect | Amount    |
| (In Thousands)  |            |            |            |           |
| <b>Year ended December 31, 2023:</b>                              |            |            |            |           |
| Securities available for sale and transferred securities:         |            |            |            |           |
| Change in net unrealized (loss) during the period                 | \$ 19,281  | \$ (4,049) |            | \$ 15,232 |
| Reclassification adjustment for net losses included in net income | (37)       | 8          |            | (29)      |
| Cash flow hedge derivatives:                                      |            |            |            |           |
| Change in net unrealized gain during the period                   | (3,626)    | 762        |            | (2,864)   |
| Reclassification adjustment for net gains included in net income  | 9,381      | (1,970)    |            | 7,411     |
| Defined benefit postretirement medical plan:                      |            |            |            |           |

|  |                  |                   |                  |
|--|------------------|-------------------|------------------|
| Net gain on defined benefit postretirement medical plan realized during the period   | 11               | (2)               | 9                |
| Reclassification adjustment for net amortization and deferral on defined benefit postretirement medical plan (included in compensation and benefits) | (23)             | 5                 | (18)             |
| Total other comprehensive income   | <u>\$ 24,987</u> | <u>\$ (5,246)</u> | <u>\$ 19,741</u> |

| Before Tax<br>Amount | Tax Effect | Net of Tax<br>Amount |
|----------------------|------------|----------------------|
| (In Thousands)       |            |                      |

**Year ended December 31, 2022:**

|  |                     |                    |                     |
|--|---------------------|--------------------|---------------------|
| Securities available for sale and transferred securities:  |                     |                    |                     |
| Change in net unrealized (loss) during the period  | \$ (174,953)        | \$ (36,739)        | \$ (138,214)        |
| Reclassification adjustment for net losses included in net income  | 1                   | —                  | 1                   |
| <b>Cash flow hedge derivatives:</b>  |                     |                    |                     |
| Change in net unrealized gain during the period  | (40,494)            | (8,504)            | (31,990)            |
| Reclassification adjustment for net gains included in net income   | (392)               | (82)               | (310)               |
| <b>Defined benefit postretirement medical plan:</b>  |                     |                    |                     |
| Net gain on defined benefit postretirement medical plan realized during the period   | 599                 | 126                | 473                 |
| Reclassification adjustment for net amortization and deferral on defined benefit postretirement medical plan (included in compensation and benefits) | 10                  | 2                  | 8                   |
| Total other comprehensive income   | <u>\$ (215,229)</u> | <u>\$ (45,197)</u> | <u>\$ (170,032)</u> |

| Before Tax<br>Amount | Tax Effect | Net of Tax<br>Amount |
|----------------------|------------|----------------------|
| (In Thousands)       |            |                      |

**Year ended December 31, 2021:**

|  |                    |                   |                    |
|--|--------------------|-------------------|--------------------|
| Securities available for sale and transferred securities:  |                    |                   |                    |
| Change in net unrealized (loss) during the period  | \$ (21,967)        | \$ (4,613)        | \$ (17,354)        |
| Reclassification adjustment for net losses included in net income  | (2,218)            | (466)             | (1,752)            |
| <b>Cash flow hedge derivatives:</b>  |                    |                   |                    |
| Change in net unrealized gain during the period  | 3,025              | 635               | 2,390              |
| Reclassification adjustment for net gains included in net income   | (2,172)            | (456)             | (1,716)            |
| <b>Defined benefit postretirement medical plan:</b>  |                    |                   |                    |
| Net gain on defined benefit postretirement medical plan realized during the period   | 13                 | 3                 | 10                 |
| Reclassification adjustment for net amortization and deferral on defined benefit postretirement medical plan (included in compensation and benefits) | (13)               | (3)               | (10)               |
| Total other comprehensive income   | <u>\$ (23,332)</u> | <u>\$ (4,900)</u> | <u>\$ (18,432)</u> |

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| Before Tax<br>Amount | Tax Effect | Net of Tax<br>Amount |
|----------------------|------------|----------------------|
| (In Thousands)       |            |                      |

**Year ended December 31, 2020:**

|  |           |          |           |
|--|-----------|----------|-----------|
| Securities available for sale and transferred securities:        |           |          |           |
| Change in net unrealized gain/(loss) during the period           | \$ 14,431 | \$ 3,030 | \$ 11,401 |
| Reclassification adjustment for net gains included in net income | (1,464)   | (307)    | (1,157)   |
| <b>Defined benefit postretirement medical plan:</b>              |           |          |           |

|  |           |          |           |
|--|-----------|----------|-----------|
| Net gain on defined benefit postretirement medical plan realized<br>during the period  | 195       | 41       | 154       |
| Reclassification adjustment for net amortization and deferral on defined<br>benefit postretirement medical plan (included in compensation and<br>benefits) | 13        | 2        | 11        |
| Total other comprehensive income   | \$ 13,175 | \$ 2,766 | \$ 10,409 |

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Activity in accumulated other comprehensive income (loss), net of tax, was as follows:

|   | Accumulate<br>d  |                 |                         |                            | Accumulated  |                            |                     |                        |
|---|------------------|-----------------|-------------------------|----------------------------|--------------|----------------------------|---------------------|------------------------|
|   | Securiti<br>es   |                 | Post-<br>retirem<br>ent | Other<br>Comprehen<br>sive | Securities   |                            | Post-<br>retirement | Other<br>Comprehensive |
|   | Available        | Cash Flow Hedge | Benefit                 | Income                     | Available    | Cash Flow Hedge Derivative | Benefit             | Income                 |
|   | (In Thousands)   |                 |                         |                            |              |                            |                     |                        |
| Balance January 1, 2023   |                  |                 |                         |                            | \$ (142,236) | \$ (31,626)                | \$ 402              | \$ (173,460)           |
| Other comprehensive income before<br>reclassifications            |                  |                 |                         |                            | 15,232       |                            | (2,864)             | 9                      |
| Amounts reclassified from accumulated other<br>comprehensive loss |                  |                 |                         |                            | (29)         |                            | 7,411               | (18)                   |
| Net other comprehensive income during period                      |                  |                 |                         |                            | 15,203       |                            | 4,547               | (9)                    |
| Balance December 31, 2023   |                  |                 |                         |                            | \$ (127,033) | \$ (27,079)                | \$ 393              | \$ (153,719)           |
| (In Thousands)  |                  |                 |                         |                            |              |                            |                     |                        |
| Balance January 1, 2022   | \$ (4,023)       | \$ 674          | \$ (79)                 | \$ (3,428)                 | \$ (4,023)   | \$ 674                     | \$ (79)             | \$ (3,428)             |
| Other comprehensive income before<br>reclassifications            | (138,2<br>14)    | (31,990)        | 473                     | 1)                         | (138,214)    | (31,990)                   | 473                 | (169,731)              |
| Amounts reclassified from accumulated other<br>comprehensive loss | 1                | (310)           | 8                       | (301)                      | 1            | (310)                      | 8                   | (301)                  |
| Net other comprehensive income during period                      | (138,2<br>13)    | (32,300)        | 481                     | 2)                         | (138,213)    | (32,300)                   | 481                 | (170,032)              |
| Balance December 31, 2022   | \$ (142,2<br>36) | \$ (31,626)     | \$ 402                  | \$ 0)                      | \$ (142,236) | \$ (31,626)                | \$ 402              | \$ (173,460)           |
| Balance January 1, 2021   | 15,08            |                 |                         |                            |              |                            |                     |                        |
|   | \$ 3             | \$ —            | \$ (79)                 | \$ 15,004                  | \$ 15,083    | \$ —                       | \$ (79)             | \$ 15,004              |
| Other comprehensive income before<br>reclassifications            | (17,35<br>4)     | 2,390           | 10                      | (14,954)                   | (17,354)     | 2,390                      | 10                  | (14,954)               |
| Amounts reclassified from accumulated other<br>comprehensive loss | (1,752)          | (1,716)         | (10)                    | (3,478)                    | (1,752)      | (1,716)                    | (10)                | (3,478)                |
| Net other comprehensive income during period                      | (19,10<br>6)     | 674             | —                       | (18,432)                   | (19,106)     | 674                        | —                   | (18,432)               |
| Balance December 31, 2021   | \$ (4,023)       | \$ 674          | \$ (79)                 | \$ (3,428)                 | \$ (4,023)   | \$ 674                     | \$ (79)             | \$ (3,428)             |
| Balance January 1, 2020   | \$ 4,839         | \$ —            | \$ (244)                | \$ 4,595                   |              |                            |                     |                        |

|  |             |             |                |                  |
|--|-------------|-------------|----------------|------------------|
| Other comprehensive income before reclassifications            | 11,40       | —           | 154            | 11,555           |
| Amounts reclassified from accumulated other comprehensive loss | (1,157)     | —           | 11             | (1,146)          |
| Net other comprehensive income during period                   | 10,24       | —           | 165            | 10,409           |
| Balance December 31, 2020                                      | 15,08       | —           | \$ (79)        | \$ 15,004        |
|  | <u>\$ 3</u> | <u>\$ —</u> | <u>\$ (79)</u> | <u>\$ 15,004</u> |

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#### **Item 9. Changes In and Disagreements with Accountants on Accounting and Financial Disclosure**

None.

#### **Item 9A. Controls and Procedures**

Premier's management carried out an evaluation, under the supervision and with the participation of the chief executive officer and the chief financial officer, of the effectiveness of Premier's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of December 31, 2022 December 31, 2023. Based upon that evaluation, the chief executive officer along with the chief financial officer concluded that Premier's disclosure controls and procedures as of December 31, 2022 December 31, 2023, are effective.

The information set forth under "Management's Report on Internal Control Over Financial Reporting" and "Report of Independent Registered Public Accounting Firm" included in Item 8 above is incorporated herein by reference.

There were no changes in Premier's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the last fiscal quarter ended December 31, 2022 December 31, 2023, that have materially affected, or are reasonably likely to materially affect, Premier's internal control over financial reporting.

#### **Item 9B. Other Information**

None.

#### **Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections**

Not applicable.

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### **PART III**

#### **Item 10. Directors, Executive Officers and Corporate Governance**

The information required by this item relating to our directors, nominees for directorship and executive officers is incorporated herein by reference from the section captioned "Composition of the Board" under the heading "PROPOSAL 1 – ELECTION OF DIRECTORS" and the section immediately following the heading "EXECUTIVE OFFICERS" in the Company's definitive proxy statement which will be filed no later than 120 days after December 31, 2022 December 31, 2023 (the "Proxy Statement"). Information regarding our Audit Committee and compliance with Section 16(a) of the Securities Exchange Act of 1934 required by this item is incorporated herein by reference from the sections respectively captioned, "Board Committees" under "CORPORATE GOVERNANCE" and the section immediately following the heading "Delinquent Section 16(a) Reports" under "BENEFICIAL OWNERSHIP" of the Proxy Statement. There have been no material changes to the procedures by which shareholders may recommend nominees to the board of directors.

Premier has adopted a code of ethics applicable to all officers, directors and employees that complies with SEC requirements, and is available on its Internet site at [www.premierfincorp.com](http://www.premierfincorp.com) under the Governance Documents tab on the Investor Relations page.

#### Item 11. Executive Compensation

Information regarding director compensation is set forth under the section captioned "Director Compensation" under the heading "PROPOSAL 1 – ELECTION OF DIRECTORS" of the Proxy Statement, and is incorporated herein by reference. Executive compensation information has been provided under the headings "COMPENSATION DISCUSSION AND ANALYSIS" under "EXECUTIVE COMPENSATION" in the Proxy Statement, and is incorporated herein by reference.

The Compensation Committee Report and information related to compensation committee interlocks and insider participation have been respectively set forth under the section immediately following the heading "COMPENSATION COMMITTEE REPORT" and under the section captioned "Compensation Committee Interlocks and Insider Participation" following the heading "PROPOSAL 2 – NON-BINDING ADVISORY VOTE ON EXECUTIVE COMPENSATION" in the Proxy Statement, and are incorporated herein by reference.

#### Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information regarding security ownership of certain beneficial owners and management and information relating thereto is set forth in the section under the heading "BENEFICIAL OWNERSHIP" in the Proxy Statement, and is incorporated herein by reference.

#### Equity Compensation Plans

The following table provides information as of **December 31, 2022** **December 31, 2023**, with respect to the shares of Premier common stock that are reserved for issuance under Premier's existing equity compensation plans.

| Plan Category  | Number of<br>Securities<br>Remaining<br>Available<br>for Future<br>Issuance |   |  | Number of<br>Securities<br>Remaining<br>Available<br>for Future |   |   |      |
|--|---|---|--|---|---|---|------|
|  | Number of<br>securities to<br>be Issued                                     | Weighted<br>Upon<br>Exercise<br>of<br>Outstanding<br>Options,<br>Warrants<br>and Rights | Under Equity<br>Average<br>Exercise Price<br>of<br>Outstanding<br>Options,<br>Warrants<br>and Rights | Number of<br>securities to<br>be Issued                         | Weighted<br>Upon Exercise<br>of Outstanding<br>Options,<br>Warrants<br>and Rights | Under Equity<br>Average<br>Exercise Price of<br>Outstanding<br>Options,<br>Warrants<br>and Rights |      |
|  | (a)   | (b)   | (c)  |   | (a)   | (b)   | (c)  |
| Equity Compensation Plans Approved by Security Holders | 29,661  | \$ 25.54  | 537,399  | 28,175  | \$ 23.18  | 406,542   | 9596 |

#### Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item, including related transactions and director independence, is set forth respectively in the section following the heading "RELATED PERSON TRANSACTIONS" and in the section captioned "Composition of the Board" following the heading "PROPOSAL 1 – ELECTION OF DIRECTORS" in the Proxy Statement, which are both incorporated by reference.

#### Item 14. Principal Accountant Fees and Services

The information required by this item is set forth under the section captioned "Audit Fees" following the heading "INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM" in the Proxy Statement, and is incorporated herein by reference.

#### PART IV

**Item 15.Exhibits, Financial Statement Schedules****(a) Financial Statements**

(1) The following documents are filed as Item 8 of this Form 10-K.

- (A) Report of Independent Registered Public Accounting Firm (Crowe LLP)
- (B) Consolidated Statements of Financial Condition as of December 31, 2022 December 31, 2023 and 2021 2022
- (C) Consolidated Statements of Income for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021
- (D) Consolidated Statements of Comprehensive Income for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021
- (E) Consolidated Statements of Changes in Stockholders' Equity for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021
- (F) Consolidated Statements of Cash Flows for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021
- (G) Notes to Consolidated Financial Statements

(2) Separate financial statement schedules are not being filed because of the absence of conditions under which they are required or because the required information is included in the consolidated financial statements or the related notes.

(3) The exhibits required by this item are listed in the Exhibit Index of this Form 10-K.

**Item 16.10-K 16. 10-K Summary**

None.

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**SIGNATURES**

Pursuant to the requirements of Sections 13 or 15(d) 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.

PREMIER FINANCIAL CORP.

March 1, 2023 February 28, 2024

By: /s/ Paul Nungester

Paul Nungester, Chief Financial Officer

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Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on March 1, 2023 February 28, 2024.

| Signature                                   | Title  |
|---|--|
| <u>/s/ Gary M. Small</u><br>Gary M. Small   | Chief Executive Officer, President and Director  |
| <u>/s/ Paul Nungester</u><br>Paul Nungester | Executive Vice President and Chief<br>Financial Officer (principal accounting officer) |

|                                      |                                 |
|--------------------------------------|---------------------------------|
| <u>/s/ Donald P. Hileman*</u>        | Executive Chairman and Director |
| Donald P. Hileman                    |                                 |
| <u>/s/ Richard J. Schiraldi*</u>     | Vice Chairman and Director      |
| Richard J. Schiraldi                 |                                 |
| <u>/s/ Marty E. Adams*</u>           | Director                        |
| Marty E. Adams                       |                                 |
| <u>/s/ Zahid Afzal*</u>              | Director                        |
| Zahid Afzal                          |                                 |
| <u>/s/ Louis M. Altman*</u>          | Director                        |
| Louis M. Altman                      |                                 |
| <u>/s/ Terri A. Bettinger*</u>       | Director                        |
| Terri A. Bettinger                   |                                 |
| <u>/s/ John L. Bookmyer*</u>         | Director                        |
| John L. Bookmyer                     |                                 |
| <u>/s/ Lee Burdman*</u>              | Director                        |
| Lee Burdman                          |                                 |
| <u>/s/ Jean A. Hubbard*</u>          | Director                        |
| Jean A. Hubbard                      |                                 |
| <u>/s/ Nikki R. Lanier*</u>          | Director                        |
| Nikki R. Lanier                      |                                 |
| <u>/s/ Charles D. Niehaus*</u>       | Director                        |
| Charles D. Niehaus                   |                                 |
| <u>/s/ Mark A. Robison*</u>          | Director                        |
| Mark A. Robison                      |                                 |
| <u>/s/ Samuel S. Strausbaugh*</u>    | Director                        |
| Samuel S. Strausbaugh                |                                 |
| <hr/> <i>*By: /s/ Paul Nungester</i> |                                 |
| Paul Nungester, Attorney in Fact     |                                 |

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#### Exhibit Index

This report incorporates by reference the documents listed below that we have previously filed with the SEC. The SEC allows us to incorporate by reference information in this document. The information incorporated by reference is considered to be part of this document.

The SEC maintains an internet web site that contains reports, proxy statements, and other information about issuers, like Premier, who file electronically with the SEC. The address of the site is <http://www.sec.gov>. The reports and other information filed by Premier with the SEC are also available at the Premier Financial Corp. web site. The address of the site is <http://www.yourpremierbank.com>. Except as specifically incorporated by reference into this Form 10-K, information on those web sites is not part of this report.

| Exhibit<br>Number | Description   |
|-------------------|---|
| 2.1               | <a href="#">Agreement and Plan of Merger, dated as of September 9, 2019, between First Defiance Financial Corp. and United Community Financial Corp. (incorporated herein by reference to Exhibit 2.1 in Registrant's Form 8-K filed September 10, 2019 (File No. 000-26850))</a> |
| 3.1               | <a href="#">Second Amended and Restated Articles of Incorporation of Premier Financial Corp. (incorporated herein by reference to Exhibit 3.2 in Registrant's Form 8-K filed June 22, 2020 (File No. 000-26850))</a>  |
| 3.2               | <a href="#">Second Amended and Restated Code of Regulations of Premier Financial Corp. (reflecting all amendments) (incorporated herein by reference to Exhibit 3.3 in Registrant's Form 8-K filed June 22, 2020 (File No. 000-26850))</a>  |
| 4.1*              | <a href="#">Description of Capital Stock</a>  |
| 4.2               | <a href="#">Indenture, dated September 30, 2020, between Premier Financial Corp. and U.S. Bank National Association, as trustee (incorporated herein by reference to Exhibit 4.1 in Registrant's Form 8-K filed September 30, 2020 (File No. 000-26850))</a>                      |
| 4.3               | <a href="#">First Supplemental Indenture, dated September 30, 2020, between Premier Financial Corp. and U.S. Bank National Association, as trustee (incorporated herein by reference to Exhibit 4.2 in Registrant's Form 8-K filed September 30, 2020 (File No. 000-26850))</a>   |
| 4.4               | <a href="#">Form of 4.00% Fixed-to-Floating Rate Subordinated Note due 2030 (included in Exhibit 4.3) (incorporated herein by reference to Exhibit 4.4 in Registrant's Form 10-K filed March 1, 2022 (File No. 000-26850))</a>  |
| 10.1+*            | <a href="#">United Community Financial Corp. Amended and Restated 2007 Long-Term Incentive Plan (incorporated herein by reference to Exhibit 4.3 in the Registrant's Form S-8 filed February 3, 2020 (File No. 000-26850))</a>  |
| 10.2+*            | <a href="#">Premier Financial Corp. Amended and Restated 2015 Long Term Incentive Plan (incorporated herein by reference to Exhibit 10.3 in Registrant's Form 10-K filed March 1, 2022 (File No. 000-26850))</a>  |
| 10.3+*            | <a href="#">Premier Financial Corp. Amended and Restate 2018 Equity Incentive Plan (incorporated herein by reference to Exhibit 10.4 in Registrant's Form 10-K filed March 1, 2022 (File No. 000-26850))</a>  |
| 10.4+*            | <a href="#">Premier Financial Corp. Short Term Incentive Program (2023)</a>   |
| 10.5+*            | <a href="#">Premier Financial Corp. Form of Long Term Incentive Plan Performance Share Units Award Agreement (2023)</a>   |
| 10.6+*            | <a href="#">Premier Financial Corp. Form of Restricted Stock Award Agreement (2023)</a>   |
| 10.7+*            | <a href="#">United Community Financial Corp. 2017 Deferred Compensation Plan</a>  |
| 10.8+*            | <a href="#">Form of Premier Financial Corp. Form of Restricted Stock Award Agreement (NonEmployee Director) (2023)</a>  |
| 10.8+ 10.9+*      | <a href="#">First Defiance Deferred Compensation Plan, revised October 30, 2014 (incorporated herein by reference to Exhibit 10.3 in the Registrant's Form 10-Q filed August 7, 2018 (File No. 000-26850))</a>  |
| 10.9+ 10.10+*     | <a href="#">Premier Financial Corp. 2022 Deferred Compensation Plan (incorporated herein by reference to Exhibit 10.10 in Registrant's Form 10-K filed March 1, 2022 (File No. 000-26850))</a>  |

10.10+ 10.11+ [2020 Form of Long Term Incentive Plan Performance Share Units Award Agreement \(incorporated herein by reference to Exhibit 10.1 in the Registrant's Form 8-K filed March 16, 2020 \(File No. 000-26850\)\)](#)

10.11+ 10.12+ [2021 Form of Restricted Stock Award Agreement under 2018 Equity Incentive Plan \(incorporated herein by reference to Exhibit 10.30 in Registrant's Form 10-K filed March 12, 2021 \(File No. 000-26850\)\)](#)

10.12+ 10.13+ [2021 Form of Restricted Stock Unit Award Agreement under 2018 Equity Incentive Plan \(incorporated herein by reference to Exhibit 10.31 in Registrant's Form 10-K filed March 12, 2021 \(File No. 000-26850\)\)](#)

10.13+ 10.14+ [2021 Form of Long Term Incentive Plan Performance Share Units Award Agreement \(incorporated herein by reference to Exhibit 10.32 in Registrant's Form 10-K filed March 12, 2021 \(File No. 000-26850\)\)](#)

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10.14+ 10.15+ [Premier Financial Corp. Long Term Incentive Program \(incorporated herein by reference to Exhibit 10.1 in Registrant's 8-K filed February 23, 2022 \(File No. 000-26850\)\)](#)

10.15+ 10.16+ [Premier Financial Corp. Form of Long Term Incentive Plan Performance Share Units Award Agreement \(2022\) \(incorporated herein by reference to Exhibit 10.2 in Registrant's 8-K filed February 23, 2022 \(File No. 000-26850\)\)](#)

10.16+ [Premier Financial Corp. Restricted Stock Award Agreement \(incorporated herein by reference to Exhibit 10.3 in Registrant's 8-K filed February 23, 2022 \(File No. 000-26850\)\)](#)

10.17+ [Premier Financial Corp. Short Term Incentive Program Form of Restricted Stock Award Agreement \(2022\) \(incorporated herein by reference to Exhibit 10.4 10.3 in Registrant's 8-K filed February 23, 2022 \(File No. 000-26850\)\)](#)

10.18+\* [Premier Financial Corp. Form of Severance and Change in Control Restricted Stock Award Agreement \(incorporated herein by reference to Exhibit 10.5 in the Registrant's Form 10-Q filed June 18, 2020 \(File No. 000-26850\)\) \(2024\)](#)

10.19+ [Employment Agreement with Gary M. Small, dated September 9, 2019 \(incorporated herein by reference to Exhibit 10.2 in Registrant's Form 8-K filed September 10, 2019 \(File No. 000-26850\)\)](#)

10.20+ [Employment Agreement with Donald P. Hileman, dated September 9, 2019 \(incorporated herein by reference to Exhibit 10.1 in Registrant's Form 8-K filed September 10, 2019 \(File No. 000-26850\)\)](#)

10.21+ [Employment Agreement with Paul D. Nungester, dated May 1, 2019 \(incorporated herein by reference to Exhibit 10.1 in the Registrant's Form 10-Q filed May 7, 2019 \(File No. 000-26850\)\)](#)

10.22+ 10.21+ [Severance and Change in Control Protection Agreement with Varun Chandhok, effective April 1, 2022 \(incorporated herein by reference to Exhibit 10.1 in the Registrant's Form 8-K filed May 18, 2022 \(File No. 000-26850\)\)](#)

10.22+\* [Severance and Change in Control Protection Agreement with Rick L. Hull, effective February 7, 2024](#)

10.23+\* [Severance and Change in Control Protection Agreement with Tina Nutter \(Shaver\), Shannon M. Kuhl, effective July 1, 2022 April 1, 2022](#)

10.24+ [Amendment to Performance Share Units Award Agreements of Donald P. Hileman \(incorporated herein by reference to Exhibit 10.26 in Registrant's Form 10-K filed March 1, 2022 \(File No. 000-26850\)\)](#)

10.25+ [Amendment to Equity Award Agreements of Gary M. Small \(incorporated herein by reference to Exhibit 10.27 in Registrant's Form 10-K filed March 1, 2022 \(File No. 000-26850\)\)](#)

|               |  |
|---------------|--|
| 10.26+ 10.25+ | <a href="#">Form of Premier Financial Corp. Restricted Stock Award Agreement (NonEmployee Director) (incorporated herein by reference to Exhibit 10.28 in Registrant's Form 10-K filed March 1, 2022 (File No. 000-26850))</a>   |
| 10.27 10.26   | <a href="#">Purchase Agreement, among Premier Financial Corp., Premier Bank and Piper Sandler &amp; Co., dated September 25, 2020 (incorporated herein by reference to Exhibit 10.1 in Registrant's Form 8-K filed September 30, 2020 (File 000-26850))</a>  |
| 10.27+*       | <a href="#">Premier Financial Corp. Form of Long Term Incentive Plan Performance Share Units Award Agreement (2024)</a>  |
| 10.28+*       | <a href="#">United Community Premier Financial Corp. 2017 Deferred Compensation Plan Form of Restricted Stock Award Agreement (NonEmployee Director) (2024)</a>  |
| 10.29+*       | <a href="#">Premier Financial Corp. Form of Restricted Stock Award Agreement (2024)</a>  |
| 21*           | <a href="#">List of Subsidiaries of the Company</a>  |
| 23.1* 23*     | <a href="#">Consent of Crowe LLP</a>   |
| 24.1* 24*     | <a href="#">Power of Attorney</a>  |
| 31.1*         | <a href="#">Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>   |
| 31.2*         | <a href="#">Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>   |
| 32.1*         | <a href="#">Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>   |
| 32.2*         | <a href="#">Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>   |
| 101** 97*     | <a href="#">Compensation Clawback Policy</a>   |
| 101.INS       | <p><small>The following financial information from</small></p> <p>Inline XBRL Instance Document - the Registrant's Annual Report on Form 10-K for instance document does not appear in the year ended December 31, 2022. Interactive Data File because XBRL tags are embedded within the Inline XBRL document.</p> <p>is formatted in</p>  |
| 101.SCH       | <p>Inline XBRL: (i) Audited Consolidated Condensed Statements of Financial Condition at December 31, 2022 and December 31, 2021; (ii) Audited Consolidated Condensed Statements of Income for the years ended December 31, 2022, 2021 and 2020; (iii) Audited Consolidated Condensed Statements of Comprehensive Income for the years ended December 31, 2022, 2021 and 2020; (iv) Audited Consolidated Condensed Statements of Changes in Stockholders' Equity for the years ended December 31, 2022, 2021 and 2020; (v) Audited Consolidated Condensed Statements of Cash Flows for the years ended December 31, 2022, 2021 and 2020; and (vi) Notes to Audited Consolidated Condensed Financial Statements. XBRL Taxonomy Schema With Embedded Linkbase Documents</p> |
| 104           | Cover Page Interactive Data File (formatted as (embedded within the Inline XBRL and contained in Exhibit 101) document)  |

\* Filed herewith

\*\* Furnished herewith

+ Indicates management contract or compensatory plan.

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Exhibit 4.1

## Description of Premier Financial Corp. Capital Stock

As of December 31, 2022 December 31, 2023, Premier Financial Corp., an Ohio corporation ("Premier Financial," the "Company," "we," or "our"), had one class of securities registered pursuant to Section 12 of the U.S. Securities Exchange Act of 1934, as amended: Common Stock, par value \$0.01 per share ("Common Shares").

Effective January 31, 2020, Premier Financial's Amended and Restated Articles of Incorporation (the "Articles") were adopted. The Articles authorize 80,000,000 shares of capital stock, consisting of 75,000,000 Common Shares, and 5,000,000 shares of preferred stock, \$0.01 par value ("Preferred Shares"). Premier Financial has no Preferred Shares issued or outstanding.

The following summary is subject to, and qualified in its entirety by reference to, the Articles, and Premier Financial's Amended and Restated Code of Regulations, as well as the applicable provisions of Chapters 1701, 1704 and 1707 of the Ohio Revised Code. For a complete description of the terms and provisions of our Common Shares, refer to the Articles and the Regulations, both of which are filed as exhibits to Premier Financial's Annual Report on Form 10-K.

### Common Shares

#### Voting Rights

Holders of Common Shares are entitled to one vote for each share held of record on each matter submitted to a vote of shareholders. Our Common Shares do not have cumulative voting rights for the election of directors. Unless otherwise provided in the Articles or the Regulations, a majority of votes cast by shareholders at a meeting is sufficient to pass on any matter before the shareholders.

#### Board of Directors

Our Board of Directors ("Board") is divided into three classes (Class I, Class II and Class III), elected for staggered three-year terms. Our Regulations provide that the Board consist of 13 directors: (i) Donald Hileman, John Bookmyer and five other persons who served as directors of Premier Financial or Premier Bank (formerly First Federal Bank of the Midwest) immediately prior to the effective time of the merger of Premier Financial with United Community Financial Corp. (the "Merger") on January 31, 2020 (the "Premier Financial related directors") and (ii) Gary Small, Richard Schiraldi, and four other persons who served as directors of United Community Financial Corp. or Home Savings Bank immediately prior to the effective time of the Merger (the "UCFC related directors"). If, prior to April 1, 2023, any of the initial Class I, II or III directors ceases to serve as a director for any reason or does not stand for reelection, the vacancy will be filled by

the Board with an individual selected by the UCFC related directors (if such director was a UCFC related director) or the Premier Financial related directors (if such director was a Premier Financial related director) in good faith in a manner intended to preserve the principles of representation in

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the Regulations, provided that such individual is reasonably agreeable to the Governance and Nominating Committee of the Board in accordance with the good faith execution of its duties.

#### Dividends

The Board may, at any regular or special meeting, declare dividends on our outstanding capital stock. Dividends may be paid in cash, in property or in our capital stock.

Premier Financial's ability to pay dividends to its shareholders is primarily dependent on its receipt of dividends from Premier Bank ("Premier Bank") and its other subsidiaries. The Federal Reserve expects Premier Financial to serve as a source of strength for Premier Bank and may require Premier Financial to retain capital for further investment in Premier Bank, rather than pay dividends to Premier Financial shareholders. Payment of dividends by Premier Financial or Premier Bank may be restricted at any time at the discretion of its applicable regulatory authorities if they deem such dividends to constitute an unsafe or unsound practice. These provisions could have the effect of limiting Premier Financial's ability to pay dividends on its common shares.

Premier Bank must have the approval of the Ohio Division of Financial Institutions if the payment of a cash dividend in any year would cause the total dividends for that year to exceed the total of Premier Bank's net income for the current year and the retained net income of Premier Bank for the preceding two years. Payments of dividends by Premier Bank may be restricted at any time at the discretion of Premier Bank's governing regulatory authorities if such regulatory authorities deem such dividends to constitute unsafe and/or unsound banking practices or if necessary to maintain adequate capital.

The Federal Reserve Board has issued a policy statement with regard to the payment of cash dividends by financial holding companies and other bank holding companies. The policy statement provides that, as a matter of prudent banking, a financial holding company or a bank holding company should not maintain a rate of cash dividends on common stock unless its net income available to common shareholders over the past year has been sufficient to fully fund the dividends, and the prospective rate of earnings retention appears to be consistent with the financial holding company's or bank holding company's capital needs, asset quality and overall financial condition. Accordingly, a financial holding company or a bank holding company should not pay dividends that exceed its net income or can only be funded in ways that weaken the financial holding company's or bank holding company's financial health, such as by borrowing. In addition, Premier Financial may not pay dividends that would cause Premier Financial to fail to satisfy the capital adequacy regulations applicable to bank holding companies which qualify as financial holding companies, including having a capital conservation buffer that is greater than 2.5%.

#### *No Preemptive Rights*

No shareholder of the Company shall have, as a matter of right, the preemptive right to purchase or subscribe for shares of any class, now or hereafter authorized, or to purchase or subscribe for securities or other obligations convertible into or exchangeable for such shares or which by warrants or otherwise entitle the holders thereof to subscribe for or purchase any such shares.

#### *Share Repurchases by the Company*

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We have the right, but not the obligation, to repurchase our common shares from our shareholders.

#### **Preferred Shares**

Our 5,000,000 authorized but unissued preferred shares are typically referred to as "blank check" preferred shares. This term refers to preferred shares for which the rights and restrictions are determined by the board of directors of a corporation at the time the preferred shares are issued. Under our Articles, our Board has the authority, without any further shareholder vote or action, to issue the preferred shares in one or more series, from time to time, with full or limited voting power, or without voting power, and with all designations, preferences and relative, participating, optional or other special rights and privileges of, and qualifications, limitations or restrictions upon, the preferred shares, as may be provided in the amendment or amendments to our Articles adopted by our Board. The authority of our Board includes, but is not limited to, the determination or fixing of the following with respect to a particular series of preferred shares: the distinctive

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serial designation and the number of shares constituting such series; the voting rights, full, conditional or limited, of shares of such series; the dividend rates or the amount of dividends to be paid on the shares of such series, whether dividends shall be cumulative and, if so, from which date or dates, the payment date or dates for dividends, and the participating or other special rights, if any, with respect to dividends; the amount or amounts payable upon the shares of such series in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company; whether the shares of such series shall be entitled to the benefits of a sinking or retirement fund to be applied to the purchase or redemption of such shares, and, if so entitled, the amount of such fund and the manner of its application, including the price or prices at which such shares may be redeemed or purchased through the application of such funds; whether the shares of such series shall be convertible into, or exchangeable for, shares of any other class or classes or any other series of the same or any other class or classes of stock of the Company and, if so convertible or exchangeable, the conversion price or prices, or the rates or rates of exchange, and the adjustments thereof, if any, at which such conversion or exchange may be made, and any other terms and conditions of such conversion or exchange; the price or other consideration for which the shares of such series shall be issued; restrictions, if any, on the issuance of shares of the same series or any other class or series; and whether the shares of such series shall be redeemable and, if so, the

price or prices at which, and the terms and conditions upon which such shares may be redeemed; and such other rights, preferences and limitations as shall not be inconsistent with our Articles, our Regulations or Ohio law.

#### **Transfer Agent and Registrar**

The transfer agent and registrar for our common shares is Broadridge Financial Solutions, Inc.

#### **Listing**

Our common shares are listed on the NASDAQ Global Market under the symbol **"FDEF."****"PFC."**

#### **Ohio Anti-takeover Statutes**

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Certain state laws make a change in control of an Ohio corporation more difficult, even if desired by the holders of a majority of the corporation's shares. Provided below is a summary of the Ohio anti-takeover statutes.

Ohio Revised Code Section 1701.831 is a "control share acquisition" statute. The control share acquisition statute provides, in essence, that any person acquiring shares of an "issuing public corporation" (which Premier Financial meets by definition) in any of the following three ownership ranges must seek and obtain shareholder approval of the acquisition transaction that first puts such ownership within each such range: (i) one-fifth or more but less than one-third; (ii) one-third or more but less than a majority; and (iii) a majority or more.

The control share acquisition statute applies not only to traditional offers but also to open market purchases, privately-negotiated transactions and original issuances by an Ohio corporation, whether friendly or unfriendly. The procedural requirements of the control share acquisition statute could render approval of any control share acquisition difficult because it must be authorized at a special meeting of shareholders, for which the statutorily prescribed form of notice has been given and at which the statutorily prescribed quorum is present, by the affirmative vote of the majority

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of the voting power of the corporation in the election of directors represented at the meeting and by a majority of the portion of such voting power, excluding the voting power of interested shares.

A corporation may elect not to be covered by the provisions of the control share acquisition statute by the adoption of an appropriate amendment to its articles of incorporation or its regulations. We have not adopted such an amendment. Our Articles, as currently in effect, provide that Section 1701.831 of the Ohio Revised Code applies to control share acquisitions of shares of Premier Financial.

Ohio Revised Code Chapter 1704 is a "merger moratorium" statute. The merger moratorium statute provides that, unless a corporation's articles of incorporation otherwise provide, an "issuing public corporation" (which Premier Financial meets by definition) may not

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engage in a "Chapter 1704 transaction" for three years following the date on which a person acquires more than 10% of the voting power in the election of directors of the issuing corporation, unless the Chapter 1704 transaction is approved by the corporation's board of directors prior to such transaction. A person who acquires such voting power is an "interested shareholder," and "Chapter 1704 transactions" involve a broad range of transactions, including mergers, consolidations, combinations, liquidations, recapitalizations and other transactions between an issuing public corporation and an interested shareholder if such transactions involve at least 5% of the aggregate fair market value of the assets or shares of the issuing public corporation or assets representing at least 10% of its earning power or income. After the initial three-year moratorium, Chapter 1704 prohibits such transactions absent approval by disinterested shareholders or the transaction meeting certain statutorily defined fair price provisions.

A corporation may elect not to be covered by the provisions of Ohio Revised Code Chapter 1704 by the adoption of an appropriate amendment to its articles of incorporation. We have not adopted such an amendment. Our Articles, as currently in effect, provide that Ohio Revised Code Chapter 1704 applies to Premier Financial.

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Ohio also has enacted Ohio Revised Code Section 1707.043, which provides that a person who announces a control bid with respect to an Ohio corporation that has issued and outstanding shares listed on a national securities exchange (which Premier Financial does with our common shares) must disgorge profits realized by that person upon the sale of any equity securities within 18 months of the announcement.

In addition, Section 1701.59 of the Ohio Revised Code provides that, in determining what a director reasonably believes to be in the best interests of the corporation, such director may consider, in addition to the interests of the corporation's shareholders, any of the interests of the corporation's employees, suppliers, creditors and customers, the economy of the State of Ohio and the United States, community and societal considerations and the long-term as well as the short-term interests in the corporation and its shareholders, including the possibility that these interests may be best served by the continued independence of the corporation.

The overall effect of the statutes described above may be to render more difficult or discourage the removal of incumbent management of an Ohio corporation or the assumption of effective control of an Ohio corporation by other persons.

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**Exhibit 10.4**

**PREMIER FINANCIAL CORP.  
EXECUTIVE SHORT TERM INCENTIVE PLAN  
(Effective for Performance Periods Beginning On or After January 1, 2022)**

Premier Financial Corp. (the "Company") maintains this Executive Short Incentive Plan (the "STIP") to identify the specific performance related objectives required for the payout of short term cash incentives for the benefit of certain key executives of the Company and the Company's subsidiaries. An award under the STIP (each a "STIP Award") is designed to align an individual's compensation with the success of the Company based upon the achievement of certain performance measures at the end of the performance period. The STIP and all STIP Awards are administered and overseen by the Compensation Committee (the "Committee") of the Board of Directors of Premier Financial Corp.

The individuals eligible to receive an award under the STIP will be determined by the Company, or by the Committee with respect to the CEO and any other officers covered by Rule 16a-1(f) under the Securities Exchange Act of 1934 (the "Executive Officers"), from time to time.

**Target and Actual Awards and Form of Payout:**

A STIP Award will be communicated to each participant through an individual statement prepared by the CEO or Chief Human Resources Officer setting forth the applicable Corporate Performance Goals (as defined below), the specific threshold/target/maximum performance levels for each Corporate Performance Goal, the performance period, the recipient's Target STIP Award (as defined below), the portion of the Target STIP Award attributable to the Corporate Performance Goals, and the portion of the Target STIP Award attributable to the participant's individual performance goals.

A "Target STIP Award" will be identified at the time of grant and is determined as a percentage of the recipient's base salary.

A performance period under the STIP will be the 12 month period beginning on January 1 of the year in which the award is issued and ending on December 31 of that year.

Following the end of each applicable performance period, the Committee will certify performance results relative to the level of achievement of the Corporate Performance Goals for all participants. The date the Committee certifies the performance results is referred to as the "Certification Date." At the Committee's discretion, the performance levels relating to STIP Awards may be calculated without regard to extraordinary items or adjusted, as the Committee deems equitable, in recognition of unusual or non-recurring events affecting the Company or its subsidiaries or changes in applicable tax laws or accounting principles.

With respect to the CEO and Executive Officers, on or before the Certification Date, the Committee will (1) assess the CEO's performance and determine and approve the level of attainment by the CEO of the CEO's individual performance goals established by the Committee, and (2) with respect to all other Executive Officers, review the annual assessment conducted by the CEO of each Executive Officer's personal performance compared to their individual

performance goals. The CEO, or the CEO's delegate, will approve all levels of personal performance compared to individual performance goals for any participant in the STIP who is not an Executive Officer.

STIP Awards will be paid out as "Actual Awards" based upon the attainment of the Corporate Performance Goals and individual performance goals. The Committee will approve the Actual Award to be paid to the CEO and each Executive Officer. The CEO, or the CEO's delegate, will approve the Actual Award to be paid to any participant in the STIP who is not an Executive Officer. Following the determination of the Actual Award, each participant will receive a written confirmation of the Actual Award, setting forth the level of achievement of all goals and the amount of the Actual Award.

The Actual Award will be paid in cash as soon as practicable, but not later than March 15 of the year following the end of the applicable performance period.

***Performance Measures, Weightings, Goals and Payout Calibration:***

For each performance period, the Committee will identify the applicable performance measures (the "Corporate Performance Goals") to be applied.

For each performance period, the Committee will identify the relative weighting and the target performance level required to receive 100% of the award opportunity associated with each applicable Corporate Performance Goal. The Committee will also establish (1) a threshold performance level the attainment of which will result in a 50% payout of the award opportunity for the applicable Corporate Performance Goal, and (2) a maximum performance level the attainment of which will result in a 150% payout of the award opportunity for the applicable Corporate Performance Goal. Payouts for performance between threshold and target levels, or between target and maximum levels, will be interpolated. If the threshold performance level is not attained for a Corporate Performance Goal, no payout will be made with respect to that Corporate Performance Goal. No payout will exceed 150% of the award opportunity for a Corporate Performance Goal even if performance exceeds the stated maximum performance level. Each Corporate Performance Goal will be assessed separately and may result in the payment of an Actual Award regardless of whether the other Corporate Performance Goals have been achieved.

***General Terms***

**1. Vesting and Forfeiture.**

a) All STIP Awards are subject to forfeiture until they vest. Except as otherwise provided herein, STIP Awards will vest and become nonforfeitable on the Certification Date provided the participant remains an Employee on the Certification Date, and has continuously been, from the grant date of the award through the Certification Date, an employee of the Company or a subsidiary of the Company (this continued employment status referred to herein as the participant's "Continued Service"). If a STIP Award is forfeited before vesting for any reason, including the termination of participant's Continued Service, neither the Company nor any subsidiary shall have any further obligations to the participant with respect to the STIP Award.

b) Notwithstanding Section 1(a), if the participant's Continuous Service terminates during a performance period as a result of the participant's death or Disability (as defined below), a pro-rated STIP Award (determined by the number of months, including any partial months elapsed during the performance period) will vest and be determined on the Certification Date as if the

participant's Continuous Service had not terminated. To the extent applicable, the portion of the Actual Award attributable to the Corporate Performance Goals will be determined as described above and the portion of the Actual Award attributable to the participant's individual performance goals will be determined as if these goals were satisfied at target (or with a "meets" or otherwise satisfactory ranking). The Actual Award will be paid to the participant or participant's estate or surviving beneficiary within 90 days of vesting.

"Disability" means a participant's inability (established by an independent physician selected by the Committee and reasonably acceptable to the participant or to the participant's legal representative) due to illness, accident or otherwise to perform his or her duties, which is expected to be permanent or for an indefinite duration longer than twelve (12) months.

c) If the participant's Continuous Service terminates before the end of a performance period as a result of Retirement or termination by the Company without Cause (as defined below), a pro rata portion of the STIP Award will vest on the Certification Date in proportion to the number of months, including any partial month, elapsed in the performance period before the termination of Continuous Service. To the extent applicable, the portion of the Actual Award attributable to the Corporate Performance Goals will be determined as described above and the portion of the Actual Award attributable to the participant's individual performance goals will be determined as if these goals were satisfied at target (or with a "meets" or otherwise satisfactory ranking) unless otherwise determinable by the Committee or the CEO in their sole discretion. The Actual Award will be paid to the participant or participant's estate or surviving beneficiary within 90 days of vesting.

"Retirement" means the participant's retirement from the employ of the Company under one or more of the retirement plans of the Company, or as otherwise specified by the Committee.

If the participant is party to an employment, severance, change in control or other similar agreement with the Company or a Subsidiary (an "Employment Agreement") that incorporates a definition of "Cause", that definition of "Cause", as it may be amended, shall be used for purposes of the STIP. If the participant is not party to an Employment Agreement, "Cause" will mean a participant's: (a) willful and continued failure to substantially perform assigned duties; (b) gross misconduct; (c) breach of any term of any agreement with the Company or a subsidiary; (d) conviction of (or plea of no contest or nolo contendere to) (i) a felony or a misdemeanor that originally was charged as a felony but which was subsequently reduced to a misdemeanor through negotiation with the charging entity or (ii) a crime other than a felony, which involves a breach of trust or fiduciary duty owed to the Company or a subsidiary; or (e) violation of the Company's code of conduct or any other policy of the Company or a subsidiary that applies to the participant.

d) If a participant is party to an Employment Agreement that provides for the vesting or payment of a STIP Award in connection with the termination of the participant's Continued Service or employment, for any of the termination reasons described in 1(b) or 1(c) above, the terms of the Employment Agreement shall control with respect to the payment or vesting of a STIP Award.

2. Effect of a Change in Control. If there is a Change in Control (as defined in the PFC Equity Incentive Plan) during a performance period, any unvested STIP Award will be deemed earned and vested at target levels, unless the Committee determines actual performance or that a different treatment is

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treatment is appropriate, on the effective date of the Change in Control and the Cash Payout paid no later than sixty (60) days following the effective date of the change in control.

3. No Right to Continued Service. This Plan does not confer upon a participant any right to be retained in any position, as an employee, consultant or director of the Company. Further, nothing in this Plan will be construed to limit the discretion of the Company to terminate the participant's Continuous Service at any time, with or without Cause.

4. Interpretation. Any dispute regarding the interpretation of this Plan will be submitted to the Committee for review. The resolution of such dispute by the Committee will be final and binding on the participant and the Company.

5. Discretionary Nature of Plan; Amendment. This Plan and any unvested STIP Award is discretionary and may be amended, cancelled or terminated by the Company at any time, in its sole discretion. The grant of a STIP Award or Target Award does not create any contractual right or other right to receive any Actual

Award or any STIP Award in the future. Future STIP Awards, if any, will be at the sole discretion of the Company. Any amendment, modification, or termination of the Plan or these Terms and Conditions will not constitute a change or impairment of the terms and conditions of the participant's employment with the Company.

6. Section 409A. This Plan and any STIP Award is intended to comply with Section 409A of the Code or an exemption thereunder and shall be construed and interpreted in a manner that is consistent with the requirements for avoiding additional taxes or penalties under Section 409A of the Code. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Plan comply with Section 409A of the Code and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the participant on account of non-compliance with Section 409A of the Code.

7. Clawback. Notwithstanding any other provisions in this Plan or any statements issued with respect to Target Awards or Actual Awards, all payments made to a participant pursuant to this Plan will be subject to potential cancellation, recoupment, recession, payback or other action in accordance with any applicable clawback policy that the Company may adopt from time to time or any applicable law, as may be in effect from time to time.

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Exhibit 10.5

PREMIER FINANCIAL CORP.  
2018 LONG TERM INCENTIVE PLAN

LONG-TERM INCENTIVE PLAN PERFORMANCE SHARE UNITS AWARD AGREEMENT

|                     |   |
|---------------------|---|
| Grantee:            |   |
| Grant Date:         |   |
| Target Award:       |   |
| Performance Period: | Period commencing on January 1, 20XX, and ending on December 31, 20XX |

This Long Term Incentive Plan ("LTIP") Performance Share Units Award Agreement (this "Agreement") is made and entered into as of the Grant Date set forth above by and between Premier Financial Corp. (the "Company") and the Grantee identified above. Undefined capitalized terms used in this Agreement shall have the meanings set forth in the 2018 Equity Incentive Plan (the "Plan").

**WHEREAS**, the Company maintains the Plan pursuant to which Performance Share Units ("PSUs") may be granted.

**WHEREAS**, the Committee has approved the issuance of this Agreement, and the grant of the PSU Award described in this Agreement, either directly or through a delegation of authority pursuant to Article III of the Plan.

**NOW THEREFORE**, in consideration of the mutual premises and obligations contained in this Agreement, the parties agree as follows:

1. Grant of Target Award and Performance Period. The Company hereby grants to the Grantee an award of PSUs in the Target Award amount set forth above. Each PSU represents the right to receive one Share, subject to the terms and conditions set forth in this Agreement and the Plan. The Target Award has been determined as a percentage of base salary translated into PSU's based upon the Company's average stock price for the twenty (20) trading days prior to the approval of the LTIP by the Committee. The actual number of Shares that the Grantee earns at the end of the Performance Period will be determined by the Committee based on the level of achievement of the Performance Goals in accordance with Section 2, and is referred to in this Agreement as the "Actual Award."

2. Performance Goals and Average Compensation.

The Actual Award that shall vest and be payable in Shares to the Grantee for the Performance Period will be determined at the end of the Performance Period based on the level of achievement of the performance goals reflected in Exhibit A (the "Performance Goals") and the amount of the Grantee's average base

salary over the Performance Period. All determinations of whether Performance Goals have been achieved, the adjustments attributed to changes in average base salary, the Actual Award earned by the Grantee, and all other matters related to this Award shall be made by the Committee in its sole discretion.

Promptly following completion of the Performance Period (and no later than sixty (60) days following the end of the Performance Period), the Committee will review and certify in writing (a) whether, and to what extent, the Performance Goals for the Performance Period have been achieved,

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and (b) the number of Shares that the Grantee shall earn, if any. The date upon which the Committee certifies performance is referred to in this Agreement as the "Certification Date". The Actual Award shall be deemed vested and earned on the Certification Date and shall be communicated to the Grantee within seven calendar days of the Certification Date.

3. Payment of PSUs. Except as provided in Section 4(b) and 4(c), payment in respect of the PSUs earned for the Performance Period shall be made in Shares, shall be issued to the Grantee as soon as practicable following the later of the vesting date or the Certification Date, provided however, that in no event shall such vesting occur later than two and one-half (2-1/2) months following the end of the year in which the vesting date or the end of the Performance Period occurs. All Shares issued in connection with the payment of PSUs shall be rounded to the nearest whole Share. The Company shall (a) issue to the Grantee the number of Shares equal to the number of vested PSUs, (b) enter the Grantee's name on the books of the Company as the shareholder of record with respect to the Shares so issued to the Grantee, and (c) pay to Grantee any amount due with respect to applicable dividend equivalents.

4. Vesting and Forfeiture of PSUs.

(a) The PSUs awarded under this Agreement are subject to forfeiture until they vest. Except as otherwise provided herein, the PSUs will vest and become nonforfeitable on the Certification Date provided the Grantee remains an Employee on the Certification Date, and has continuously been, from the Grant Date through the Certification Date, an Employee (this continued employment status referred to herein as the Grantee's "Continued Service"). If the PSUs are forfeited before vesting for any reason, including the termination of Grantee's Continued Service, neither the Company nor any Subsidiary shall have any further obligations to the Grantee under this Agreement.

(b) Notwithstanding Section 3(a), if the Grantee's Continuous Service terminates during the Performance Period as a result of the Grantee's death or Disability, all of the outstanding PSUs will vest on the date Grantee's death or Disability at the Target Award amount and shall be paid to the Grantee or Grantee's estate or surviving beneficiary within 90 days of vesting.

(c) Notwithstanding Section 3(a), if the Grantee's Continuous Service terminates before the end of the Performance Period as a result of Retirement or termination by the Company without Cause and provided that Grantee has not violated Grantee's obligations under Section 8 of the Agreement, a pro-rata portion of the outstanding PSUs shall vest one year from the date of Retirement or termination in proportion to the number of months, including any partial month, elapsed in the Performance Period before the termination of Continuous Service. Such pro-rated PSUs shall vest at the Target Award amount and shall be paid to the Grantee within 90 days of the vesting, provided however, that in no event shall such vesting occur later than two and one-half (2-1/2) months following the end of the year in which the vesting date occurs. If the Grantee is party to an employment, severance, change in control or other similar agreement with the Company or a Subsidiary (an "Employment Agreement") that incorporates a definition of "Cause", that definition of "Cause", as it may be amended, shall be used for purposes of this Agreement. If the Grantee is not party to an Employment Agreement, "Cause" shall have the meaning set forth in the Plan.

5. Effect of a Change in Control. Notwithstanding Section 3, if there is a Change in Control during the Performance Period, all outstanding PSUs shall be earned and vest at Target Award levels for open years in the Performance period and in the manner set forth in Section 2 for any closed years in the Performance Period, on the effective date of the Change in Control and shall be paid no later than sixty (60) days following the effective date of such Change in Control.

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6. **Transferability.** Subject to any exceptions set forth in this Agreement or the Plan, the PSUs or the rights relating thereto may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Grantee, except by will or the laws of descent and distribution, and upon any such transfer by will or the laws of descent and distribution, the transferee shall hold such PSUs subject to all of the terms and conditions that were applicable to the Grantee immediately prior to such transfer.

7. **Rights as Shareholder; Dividend Equivalents.**

(a) The Grantee shall not have any rights of a shareholder with respect to the Shares underlying the PSUs, including voting rights.

(b) Upon and following the vesting of the PSUs and the issuance of Shares, the Grantee shall be the record owner of the Shares underlying the PSUs unless and until such shares are sold or otherwise disposed of, and as record owner shall be entitled to all rights of a shareholder of the Company (including voting and dividend rights).

(c) In addition to the issuance of Shares to the Grantee upon the certification of performance by the Committee as described further above, each PSU is granted with a related dividend equivalent which is subject to the same terms and conditions as the PSUs. Each dividend equivalent represents the right to be credited with any dividends paid on a Share during the Performance Period and multiplied by the number of Shares issued as part of the Actual Award of PSUs paid to the Grantee.

8. **Restrictive Covenants.**

(a) *Covenant Not to Disclose or Use Confidential Information.* Grantee recognizes and agrees that all confidential, proprietary or trade secret information of the Company or a Subsidiary ("Confidential Information"), whether developed by Grantee or made available to Grantee, is a unique asset of the Company or Subsidiary, the disclosure of which would be damaging to the Company or Subsidiary. Grantee agrees that during the term of Grantee's employment and thereafter, Grantee will not, directly or indirectly, disclose to any person or use any Confidential Information of the Company or a Subsidiary except as expressly authorized in writing by the Company or the applicable Subsidiary. Confidential Information shall include, without limitation, any and all information about or acquired from any customer or prospective customer of the Company or an Subsidiary, and all nonpublic information concerning the Company or Company's Subsidiaries relating, without limitation, to products, services, fees, costs, pricing structures, software, operating systems, applications, flow charts, manuals, documentation, policies, data bases, accounting and business methods, inventions, devices, new developments, methods and processes, copyrightable works, technology, business plans, financial models, forecasts, budgets, strategies, and all similar and related information in whatever form. Grantee recognizes and agrees that all Confidential Information, is a unique asset of the Company, the disclosure of which would be damaging to the Company.

Grantee is hereby provided notice that under the 2016 Defend Trade Secrets Act (DTSA): (1) no individual (consultant, contractor or employee) will be held criminally or civilly liable under federal or state trade secret law for the disclosure of a trade secret (as defined in the Economic Espionage Act) that: (a) is made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and made solely for the purpose of reporting or investigation a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if

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such filing is made under seal so that it is not made public; and (2) an individual (consultant, contractor or employee) who pursues a lawsuit for retaliation by an employer for reporting a suspected violation of the law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal, and does not disclose the trade secret, except as permitted by court order; provided, however, that notwithstanding this immunity from liability, Grantee may be held liable if he unlawfully accesses trade secrets by unauthorized means.

(b) *Non-Solicitation Covenants.* During Grantee's employment with the Company and for a period of twelve (12) months following the termination of Grantee's employment with the Company for any reason, whether voluntary or involuntary, Grantee will not, on Grantee's behalf or on behalf of any other person, firm, corporation or other entity, directly or indirectly, individually or as a shareholder, owner, partner, member, director, officer, employee, independent contractor, consultant, creditor or agent on behalf of any other person, firm, corporation or other entity:

- i. solicit, advise, persuade, encourage or request or attempt to solicit, advise, persuade, encourage or request any customer of the Company or its Subsidiaries, business or prospective business of the Company or its Subsidiaries, or potential customer identified, selected or targeted by the

Company or its Subsidiaries about whom Grantee had knowledge, or with whom Grantee had contact, involvement or responsibility during Grantee's employment with the Company, for or in connection with the sale or offering of any of the Restricted Services;

- ii. solicit, advise, persuade, encourage or request or attempt to solicit, advise, persuade, encourage or request any customer of the Company or its Subsidiaries about whom Grantee had knowledge, or with whom Grantee had contact, involvement or responsibility during Grantee's employment with the Company, to cease doing business, to refrain from doing business, or reduce the amount of business such customer has done or is contemplating doing with the Company or its Subsidiaries;
- iii. solicit, advise, persuade, encourage or request or attempt to solicit, advise, persuade, encourage or request any officer, director, independent contractor, employee, representative or agent of the Company or its Subsidiaries to cease such individual's employment or relationship with the Company or its Subsidiaries or otherwise refrain from providing services to the Company or its Subsidiaries;
- iv. interview, hire, employ, engage, or retain or attempt to interview, hire, employ, or retain any officer, director, independent contractor, employee, representative or agent of the Company or its Subsidiaries, while such person is employed, engaged, or retained by the Company or its Subsidiaries and for a period of twelve (12) months thereafter, or take any action to materially assist or aid any other person, firm, corporation or other entity in identifying, interviewing, hiring, employing, engaging, or retaining any such individual; or
- v. interfere with or attempt to interfere with, or assist, persuade, or encourage or attempt to assist, persuade, or encourage any other person or entity in interfering with, the relationship between the Company or its Subsidiaries and their respective officers, directors, independent contractors, employees, representatives, agents, vendors, joint venturers, or licensors.

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Notwithstanding the forgoing, the provisions of this Section 8(b) shall not apply to general advertisements by any person, firm, corporation or other entity with which Grantee may be associated or other communications in any form of media not specifically targeting individuals or entities described in this Section 8(b).

(c) In the event that the Grantee violates any of these restrictive covenants, (i) the Award (whether or not vested) will be cancelled and forfeited in its entirety; and (ii) to the extent the Award has vested, the Grantee shall pay to the Company, within 90 days of the Company's request, an amount equal to the Fair Market Value of the Shares.

(d) The parties acknowledge that these restrictive covenants are fair and reasonable under the circumstances. It is the desire and intent of the parties that these restrictive covenants shall be enforced to the fullest extent permitted by law. Accordingly, if any particular portion of these covenants shall be adjudicated to be invalid or unenforceable, this Section shall be deemed amended to reform the particular portion to provide for such maximum restrictions as will be valid and enforceable or, if that is not possible, delete the portion adjudicated to be invalid or unenforceable, such reformation or deletion to apply only with respect to the operation of this Section in the particular jurisdiction in which the adjudication is made. The Company is entitled to, and Grantee agrees not to oppose the Company's request for, equitable relief in the form of specific performance, a temporary restraining order, a temporary or permanent injunction or other equitable remedy. Grantee acknowledges that these restrictive covenants are necessary for the protection of the Company, do not impose undue hardship on the Grantee, and are not injurious to the public.

(e) In the event Grantee is party to an Employment Agreement, the terms of which expressly include restrictions concerning the use or disclosure of confidential information or the non-solicitation of employees or customers or prospective customers of the Company, the terms of that Employment Agreement shall control with respect to the use or disclosure of confidential information or the non-solicitation of employees or customers or prospective customers, as applicable, and the preceding paragraphs (a) through (d) of this Section 7 shall be without effect and not enforceable against the Grantee.

9. No Right to Continued Service. Neither the Plan nor this Agreement shall confer upon the Grantee any right to be retained in any position, as an Employee or Director of the Company. Further, nothing in the Plan or this Agreement shall be construed to limit the discretion of the Company to terminate the Grantee's Continuous Service at any time, with or without Cause.

10. Tax Liability and Withholding. The Company or an Affiliate, as applicable, shall have the power and right to deduct, withhold or collect any amount required by law or regulation to be withheld with respect to any taxable event arising with respect to the Actual Award. Subject to any limitations imposed by the Committee, in its sole discretion and which shall be communicated to the Grantee at the time of vesting, this amount may, at the election of the Grantee, be: (i) withheld from the value of any Actual Award being settled or any Shares transferred in connection with the exercise or settlement of an Actual Award, or (ii) collected directly from the Grantee as a cash payment. Unless the Grantee has otherwise irrevocably elected a different method to satisfy the withholding requirement, the Grantee shall be

deemed to have elected to satisfy the withholding requirement by having the Company or an Affiliate, as applicable, withhold Shares, from the vested portion of the Actual Award, having a Fair Market Value on the date the tax is to be determined equal to the minimum statutory total tax that could be imposed on the transaction. All such elections will be made within 14 calendar days of the

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Certification Date, be irrevocable when made, made in writing and will be subject to any terms and conditions that the Company, in its sole discretion, deems appropriate.

Notwithstanding any action the Company takes with respect to any or all income tax, social insurance, payroll tax, or other tax-related withholding ("Tax-Related Items"), the ultimate liability for all Tax-Related Items is and remains the Grantee's responsibility and the Company (i) makes no representation or undertakings regarding the treatment of any Tax-Related Items in connection with the grant, vesting or settlement of the PSUs or the subsequent sale of any shares, and (ii) does not commit to structure the Award to reduce or eliminate the Grantee's liability for Tax-Related Items.

11. Compliance with Law. The issuance and transfer of Shares in connection with the PSUs shall be subject to compliance by the Company and the Grantee with all applicable requirements of federal and state securities laws and with all applicable requirements of any stock exchange on which the Company's Shares may be listed. No Shares shall be issued or transferred unless and until any then applicable requirements of state and federal laws and regulatory agencies have been fully complied with to the satisfaction of the Company and its counsel.

12. Notices. Any notice required to be delivered to the Company under this Agreement shall be in writing and addressed to the Secretary of the Company at the Company's principal corporate offices. Any notice required to be delivered to the Grantee under this Agreement shall be in writing and addressed to the Grantee at the Grantee's address as shown in the records of the Company. Either party may designate another address in writing (or by such other method approved by the Company) from time to time.

13. Governing Law. This Agreement will be construed and interpreted in accordance with the laws of the State of Ohio without regard to conflict of law principles.

14. Award Subject to Plan. This PSU Award is subject to the terms and conditions described in this Agreement and the Plan, which is incorporated by reference into and made a part of this Agreement. In the event of a conflict between the terms of the Plan and the terms of this Agreement, the terms of this Agreement will govern. The Committee has the sole responsibility of interpreting the Plan and this Agreement, and its determination of the meaning of any provision in the Plan or this Agreement will be binding on the Grantee.

15. Successors and Assigns. The Company may assign any of its rights under this Agreement. This Agreement will be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement will be binding upon the Grantee and the Grantee's beneficiaries, executors, administrators and the person(s) to whom the PSUs may be transferred by will or the laws of descent or distribution.

16. Severability. The invalidity or unenforceability of any provision of the Plan or this Agreement shall not affect the validity or enforceability of any other provision of the Plan or this Agreement, and each provision of the Plan and this Agreement shall be severable and enforceable to the extent permitted by law.

17. Amendment. The Committee has the right to amend, alter, suspend, discontinue or cancel the PSUs, prospectively or retroactively; provided that, no such amendment shall adversely affect the Grantee's material rights under this Agreement without the Grantee's consent.

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18. Section 409A. This Agreement is intended, and shall be construed and interpreted, to comply with Section 409A of the Code and if necessary, any provision shall be held null and void to the extent such provision (or part thereof) fails to comply with Section 409A of the Code or the Treasury Regulations thereunder. For

purposes of Section 409A of the Code, each payment of compensation under the Agreement shall be treated as a separate payment of compensation. Any amounts payable solely on account of an involuntary termination shall be excludable from the requirements of Section 409A of the Code, either as separation pay or as short-term deferrals to the maximum possible extent. Nothing herein shall be construed as the guarantee of any particular tax treatment to the Grantee, and the Company shall have no liability with respect to any failure to comply with the requirements of Section 409A of the Code. Any reference to the Grantee's "termination" shall mean the Grantee's "separation from service", as defined in Section 409A of the Code. In addition, if the Grantee is determined to be a "specified employee" (within the meaning of Section 409A of the Code and as determined under the Company's policy for determining specified employees), the Grantee shall not be entitled to payment or to distribution of any portion of an Award that is subject to Section 409A of the Code (and for which no exception applies) and is payable or distributable on account of the Grantee's termination until the expiration of six months from the date of such termination (or, if earlier, the Grantee's death). Such Award, or portion thereof, shall be paid or distributed on the first business day of the seventh month following such termination.

19. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to this Agreement transmitted by facsimile transmission, by electronic mail in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original signature.

20. **Acceptance.** The Grantee hereby acknowledges receipt of a copy of the Plan and this Agreement. The Grantee has read and understands the terms and provisions thereof, and accepts the PSUs subject to all of the terms and conditions of the Plan and this Agreement. The Grantee acknowledges that there may be adverse tax consequences upon the vesting or settlement of the PSUs or disposition of the underlying shares and that the Grantee has been advised to consult a tax advisor prior to such vesting, settlement or disposition.

21. **Clawback.** Notwithstanding any other provisions in this Agreement or the Plan, all payments made to the Grantee pursuant to this Agreement shall be subject to potential cancellation, recoupment, recession, payback or other action in accordance with any applicable clawback policy that the Company may adopt from time to time or any applicable law, as may be in effect from time to time.

*[Signature Page Follows]*

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

**GRANTEE**

Signature

Print Name

Acceptance Date

**PREMIER FINANCIAL CORP.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_

**EXHIBIT A**

**20XX LONG TERM INCENTIVE PLAN PERFORMANCE SHARE UNITS AWARD  
PERFORMANCE GOALS**

**Performance Measures, Weightings, Goals, and Payout Calibration:**

The performance measures are:

- 3-year average core ROA will be weighted 50% and be evaluated relative to Peer Group (defined below) performance; and
- 3-year relative Total Shareholder Return (rTSR) will be weighted 50% and be evaluated relative to the Peer Group.

The table below sets forth the two performance measures, their respective weighting, how performance on each measure will be evaluated (relative to peers or relative to plan) and the goals for threshold performance, target performance and superior performance. Achievement of the threshold performance goal will result in 50% of the target payout for the respective measure, achievement of the target performance goal will result in 100% of target payout for the respective measure, and achievement of the superior performance goal will result in 150% of the target payout for the measure. Payouts for performance between threshold and target, or between target and superior, will be interpolated.

**Performance-Payout Table:**

| Performance Measure  | Weight | Evaluated vs. | Performance Goals |             |             |
|--|--------|---------------|-------------------|-------------|-------------|
|  |        |               | Threshold         | Target      | Superior    |
| 3-year Average Core ROA  | 50%    | Peers         | 25th %ile         | 50th %ile   | 75th %ile   |
| 3-year Total Shareholder Return (rTSR)                         | 50%    | Peers         | 25th %ile         | 50th %ile   | 75th %ile   |
| <b>Payout for Performance Level (% of Target Opportunity):</b> |        |               | <b>50%</b>        | <b>100%</b> | <b>150%</b> |

**Definitions:**

- 3-year Average Core ROA: "Core return on average assets" or "Core ROA" means the return on average assets adjusted for merger related costs and expenses. Core ROA is determined for each member of the Peer Group for each annual period and then averaged to determine the Average Core ROA for each member of the Peer Group.
- 3-year Total Shareholder Return: "Total Shareholder Return" represents the stock price appreciation measured by comparing each Peer Group member's 20 day average stock price prior to the start of the first calendar year of the Performance Period, with each member's 20 day average stock price at the end of the third calendar year of the Performance Period, plus reinvested dividends throughout the Performance Period.

The Committee maintains flexibility and discretion to amend, modify, terminate or otherwise adjust the Plan, as necessary, including, but not limited to, adjusting measure definitions, if such adjustments ensure a better comparison relative to the peer group and more appropriately reflect the goals of the LTIP and the Company's compensation philosophy.

Peer Group:

The "Peer Group" includes the following organizations:

|  |  |
|--|--|
| 1st Source Corporation (SRCE)              | Midland Bancorp, Inc. (MSBI)           |
| City Holding Company (CHCO)                | MidwestOne Financial Group, Inc (MOFG) |
| Enterprise Financial Services Corp. (EFSC) | Northwest Bancshares, Inc.             |
| First Busey (BUSE)                         | Park National (PRK)                    |
| First Commonwealth Financial Corp. (FCF)   | Peoples Bancorp Inc. (PEBO)            |
| German American Bancorp Inc. (GABC)        | QCR Holdings, Inc. (QCRH)              |
| Great Southern Bancorp, Inc. (GSBC)        | Republic Bancorp, Inc. (RBCA)          |
| Horizon Bancorp. (HBNC)                    | S & T Bancorp, Inc. (STBA)             |
| Lakeland Financial Corporation (LKFN)      | Univest Financial Corporation (UVSP)   |

The Committee maintains discretion to change (including adding, subtracting or replacing) the members of the Peer Group at any time during a Performance Period in order that the Peer Group continue to be representative of the Company's peers in terms of size, market, strategy, or such other attributes as the Committee determines appropriate.

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**Exhibit 10.6**

**PREMIER FINANCIAL CORP.  
2018 EQUITY INCENTIVE PLAN**

**RESTRICTED STOCK AWARD AGREEMENT**

|  |  |
|--|--|
| <b>Grantee:</b>                                      |  |
| <b>Grant Date:</b>                                   |  |
| <b>Number of Shares of Restricted Stock Granted:</b> |  |
| <b>Vesting Schedule:</b>                             | 100% on the third anniversary of the Grant Date (the "Vesting Date") |

This Restricted Stock Award Agreement (this "Agreement") is made as the Grant Date set forth above by and between Premier Financial Corp., an Ohio corporation (the "Company"), and the Grantee identified above. Undefined capitalized terms used in this Agreement shall have the meanings set forth in the 2018 Equity Incentive Plan (the "2018 Plan").

WHEREAS, the Company maintains the 2018 Plan pursuant to which Restricted Stock Awards may be granted to incent or compensate employees of the Company or an Affiliate.

WHEREAS, Grantee is, as of the Grant Date, an Employee of the Company or an Affiliate.

WHEREAS, the Committee has approved the issuance of this Agreement, and the grant of the Restricted Stock Award described in this Agreement, either directly or through a delegation of authority pursuant to Article III of the 2018 Plan.

NOW THEREFORE, in consideration of the mutual premises and obligations contained in this Agreement, the parties agree as follows:

**1. Grant of Restricted Stock.** The Company hereby grants to Grantee as of the Grant Date, and subject to the terms and conditions of this Agreement, an Award consisting of the number of Shares of Restricted Stock identified above, which Restricted Stock shall consist of Shares of the Company, par value \$0.01.

**2. Vesting.** The Restricted Stock will vest according to the Vesting Schedule set forth above provided the Grantee remains on the applicable Vesting Date, and has continuously been from the Grant Date until the start of each applicable Vesting Date, an Employee.

**3. Additional Vesting.**

a. *Death or Disability.* Notwithstanding any provision of Section 2 or Section 4, the Restricted Stock shall vest in the event and on the date of Grantee's death or Disability prior to any Vesting Date.

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b. *Retirement.* Notwithstanding any provision of Section 2 or Section 4, the Restricted Stock shall vest as of the date of Grantee's Retirement (as defined in the 2018 Plan) on a pro-rated basis using a fraction the numerator of which is the number of full and partial months during which the Grantee was employed by the Company since the Grant Date and the denominator of which is the total number of months in the Vesting Schedule, with such vesting occurring on the date of Grantee's Retirement.

c. *Change in Control.* Notwithstanding any provision of Section 2 or Section 4, in the event a Change in Control of the Company occurs after the Grant Date but prior to the Vesting Date and the Grantee is terminated by the Company other than for Cause or resigns his or her employment for Good Reason prior to the Vesting Date and during the period beginning 30 days immediately prior to the effective date of the Change in Control and ending 12 months after the date of the Change in Control, the Award shall immediately vest as of the later of the date of such termination or the date of such Change in Control.

If the Grantee is party to an employment, severance, change in control or other similar agreement with the Company or an Affiliate (an "Employment Agreement") that incorporates a definition of "Cause", that definition of "Cause", as it may be amended, shall be used for purposes of this Agreement. If the Grantee is not party to an Employment Agreement, "Cause" shall have the meaning set forth in the 2018 Plan. The definition of "Good Reason" for purposes of this Agreement shall be the definition set forth in the 2018 Plan regardless of a comparable definition in an Employment Agreement.

**4. Risk of Forfeiture and Restrictions on Transfer.** Until vested pursuant to Section 2 or Section 3, the Shares of Restricted Stock, or any unvested portion of the Restricted Stock to the extent there are multiple Vesting Dates, and all related rights with respect to the Shares of Restricted Stock, are subject to forfeiture and shall be forfeited in the event of a termination of Grantee's status as an Employee. Upon the forfeiture of any Restricted Stock, the Shares of Restricted Stock shall automatically revert to and become the property of the Company, together with any rights described in Section 6. Until vested, the Restricted Stock may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, except by will or the laws of descent and distribution.

**5. Administration.**

a. *Book Entry.* The Restricted Stock granted herein shall be evidenced by a book entry registration by the Company for the benefit of the Grantee. Each such registration will be held by the Corporation or its agent.

b. *Settlement.* With regard to any shares of Restricted Stock that become fully vested, the Company will, within 60 days of the date such vesting, transfer Shares for such Restricted Stock free of all restrictions set forth in the 2018 Plan and this Agreement to the Grantee. In the event of

Grantee's death or if the Grantee dies before the Company has distributed any portion of the vested Restricted Stock, the Company will transfer Shares for such Restricted Stock to the Grantee's estate.

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## **6. Shareholder Rights.**

- a. *Voting.* The Grantee will have the right to vote all Shares of Restricted Stock received under or as a result of this Agreement, including unvested Shares which are subject to forfeiture or restrictions on transfer following the Grant Date.
- b. *Dividends.* The Grantee will have the right to receive dividends, if any, with respect to the Shares of Restricted Stock as and when paid to other holders of Shares entitled to receive the dividends. No dividends shall be paid to the Grantee with respect to any Shares of Restricted Stock that are forfeited by the Grantee.

## **7. Restrictive Covenants.**

- a. *Covenant Not to Disclose or Use Confidential Information.* Grantee recognizes and agrees that all confidential, proprietary or trade secret information of the Company or an Affiliate ("Confidential Information"), whether developed by Grantee or made available to Grantee, is a unique asset of the Company or Affiliate, the disclosure of which would be damaging to the Company or Affiliate. Grantee agrees that during the term of Grantee's employment and thereafter, Grantee will not, directly or indirectly, disclose to any person or use any Confidential Information of the Company or an Affiliate except as expressly authorized in writing by the Company or the applicable Affiliate. Confidential Information shall include, without limitation, any and all information about or acquired from any customer or prospective customer of the Company or an Affiliate, and all nonpublic information concerning the Company or Company's Affiliates relating, without limitation, to products, services, fees, costs, pricing structures, software, operating systems, applications, flow charts, manuals, documentation, policies, data bases, accounting and business methods, inventions, devices, new developments, methods and processes, copyrightable works, technology, business plans, financial models, forecasts, budgets, strategies, and all similar and related information in whatever form. Grantee recognizes and agrees that all Confidential Information, is a unique asset of the Company, the disclosure of which would be damaging to the Company.

Grantee is hereby provided notice that under the 2016 Defend Trade Secrets Act (DTSA): (1) no individual (consultant, contractor or employee) will be held criminally or civilly liable under federal or state trade secret law for the disclosure of a trade secret (as defined in the Economic Espionage Act) that: (a) is made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and made solely for the purpose of reporting or investigation a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal so that it is not made public; and (2) an individual (consultant, contractor or employee) who pursues a lawsuit for retaliation by an employer for reporting a suspected violation of the law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal, and does not disclose the trade secret, except as permitted by court order; provided, however, that notwithstanding this immunity from liability, Grantee may be held liable if he unlawfully accesses trade secrets by unauthorized means.

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- b. *Non-Solicitation Covenants.* During Grantee's employment with the Company and for a period of twelve (12) months following the termination of Grantee's employment with the Company for any reason, whether voluntary or involuntary, Grantee will not, on Grantee's behalf or on behalf of any other person, directly or indirectly, (i) solicit, induce, encourage, or attempt to induce, recruit, hire, or employ any employee of the Company, or (ii) solicit, induce, encourage, or attempt to induce, recruit, hire, or employ any customer, supplier, vendor, or other business partner of the Company.

person, firm, corporation or other entity, directly or indirectly, individually or as a shareholder, owner, partner, member, director, officer, employee, independent contractor, consultant, creditor or agent on behalf of any other person, firm, corporation or other entity:

- i. solicit, advise, persuade, encourage or request or attempt to solicit, advise, persuade, encourage or request any customer of the Company or its Affiliates, business or prospective business of the Company or its Affiliates, or potential customer identified, selected or targeted by the Company or its Affiliates about whom Grantee had knowledge, or with whom Grantee had contact, involvement or responsibility during Grantee's employment with the Company, for or in connection with the sale or offering of any of the Restricted Services;
- ii. solicit, advise, persuade, encourage or request or attempt to solicit, advise, persuade, encourage or request any customer of the Company or its Affiliates about whom Grantee had knowledge, or with whom Grantee had contact, involvement or responsibility during Grantee's employment with the Company, to cease doing business, to refrain from doing business, or reduce the amount of business such customer has done or is contemplating doing with the Company or its Affiliates;
- iii. solicit, advise, persuade, encourage or request or attempt to solicit, advise, persuade, encourage or request any officer, director, independent contractor, employee, representative or agent of the Company or its Affiliates to cease such individual's employment or relationship with the Company or its Affiliates or otherwise refrain from providing services to the Company or its Affiliates;
- iv. interview, hire, employ, engage, or retain or attempt to interview, hire, employ, or retain any officer, director, independent contractor, employee representative or agent of the Company or its Affiliates, while such person is employed, engaged, or retained by the Company or its Affiliates and for a period of twelve (12) months thereafter, or take any action to materially assist or aid any other person, firm, corporation or other entity in identifying, interviewing, hiring, employing, engaging, or retaining any such individual; or
- v. interfere with or attempt to interfere with, or assist, persuade, or encourage or attempt to assist, persuade, or encourage any other person or entity in interfering with, the relationship between the Company or its Affiliates and their respective officers, directors, independent contractor, employees, representatives, agents, vendors, joint venturers, or licensors.

Notwithstanding the forgoing, the provisions of this Section 7(b) shall not apply to general advertisements by any person, firm, corporation or other entity with which Grantee may be associated or other communications in any form of media not specifically targeting individuals or entities described in this Section 7(b).

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- c. In the event that the Grantee violates any of these restrictive covenants, (i) the Award (whether or not vested) will be cancelled and forfeited in its entirety; and (ii) to the extent the Award has vested, the Grantee shall pay to the Company, within 90 days of the Company's request, an amount equal to the Fair Market Value of the Shares.
- d. The parties acknowledge that these restrictive covenants are fair and reasonable under the circumstances. It is the desire and intent of the parties that these restrictive covenants shall be enforced to the fullest extent permitted by law. Accordingly, if any particular portion of these covenants shall be adjudicated to be invalid or unenforceable, this Section shall be deemed amended to reform the particular portion to provide for such maximum restrictions as will be valid and enforceable or, if that is not possible, delete the portion adjudicated to be invalid or unenforceable, such reformation or deletion to apply only with respect to the operation of this Section in the particular jurisdiction in which the adjudication is made. The Company is entitled to, and Grantee agrees not to oppose the Company's request for, equitable relief in the form of specific performance, a temporary restraining order, a temporary or permanent injunction or other equitable remedy. Grantee acknowledges that these restrictive covenants are necessary for the protection of the Company, do not impose undue hardship on the Grantee, and are not injurious to the public.
- e. In the event Grantee is party to an Employment Agreement, the terms of which expressly include restrictions concerning the use or disclosure of confidential information or the non-solicitation of employees or customers or prospective customers of the Company, the terms of that Employment Agreement shall control with respect to the use or disclosure of confidential information or the non-solicitation of employees or customers or prospective customers, as applicable, and the preceding paragraphs (a) through (d) of this Section 7 shall be without effect and not enforceable against the Grantee.

**8. No Right to Continued Service or to Awards.** The granting of an Award shall impose no obligation on the Company or any Affiliate to continue the employment of the Grantee or interfere with or limit the right of the Company or any Affiliate to terminate the employment of the Grantee at any time, with or without Cause, which right is expressly reserved.

**9. Tax Withholding.** The Company or an Affiliate, as applicable, shall have the power and right to deduct, withhold or collect any amount required by law or regulation to be withheld with respect to any taxable event arising with respect to the Award. Subject to any limitations imposed by the Committee, in its sole discretion and which shall be communicated to the Grantee at the time of vesting, this amount may, at the election of the Grantee, be: (i) withheld from the value of any Award being settled or any Shares transferred in connection with the exercise or settlement of an Award, or (ii) collected directly from the Grantee as a cash payment. Unless the Grantee has otherwise irrevocably elected a different method to satisfy the withholding requirement, the Grantee shall be deemed to have elected to satisfy the withholding requirement by having the Company or an Affiliate, as applicable, withhold Shares, from the vested portion of the Award, having a Fair Market Value on the date the tax is to be determined equal to the minimum statutory total tax that could be imposed on the transaction. All such elections will be made prior to the time of vesting, be irrevocable when made, made in writing and will be subject to any terms and conditions that the Company, in its sole discretion, deems appropriate.

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Notwithstanding any action the Company takes with respect to any or all income tax, social insurance, payroll tax, or other tax-related withholding ("Tax-Related Items"), the ultimate liability for all Tax-Related Items is and remains the Grantee's responsibility and the Company (i) makes no representation or undertakings regarding the treatment of any Tax-Related Items in connection with the grant, vesting or settlement of the PSUs or the subsequent sale of any shares, and (ii) does not commit to structure the Award to reduce or eliminate the Grantee's liability for Tax-Related Items.

**10. Federal Income Tax Election.** The Grantee hereby acknowledges receipt of advice that, pursuant to current federal income tax laws, (i) he or she has thirty (30) days in which to elect to be taxed in the current taxable year on the fair market value of the restricted Common Stock in accordance with the provisions of Internal Revenue Code Section 83(b), and (ii) if no such election is made, the taxable event will occur upon expiration of restrictions on transfer at termination of the Restriction Period and the tax will be measured by the fair market value of the restricted Common Stock on the date of the taxable event.

**11. Requirements of Law.** The grant of the Award shall be subject to all applicable laws, rules and regulations (including applicable federal and state securities laws) and to all required approvals of any governmental agencies or national securities exchange, market or other quotation system.

**12. Notices.** Any notice required to be delivered to the Company under this Agreement shall be in writing and addressed to the Secretary of the Company at the Company's principal corporate offices. Any notice required to be delivered to the Grantee under this Agreement shall be in writing and addressed to the Grantee at the Grantee's address as shown in the records of the Company. Either party may designate another address in writing (or by such other method approved by the Company) from time to time.

**13. Governing Law.** The 2018 Plan and this Agreement shall be governed by and construed in accordance with the laws of (other than laws governing conflicts of laws) the State of Ohio.

**14. Award Subject to Plan.** The Award is subject to the terms and conditions described in this Agreement and the 2018 Plan, which is incorporated by reference into and made a part of this Agreement. In the event of a conflict between the terms of the 2018 Plan and the terms of this Agreement, the terms of this Agreement will govern. The Committee has the sole responsibility of interpreting the 2018 Plan and this Agreement, and its determination of the meaning of any provision in the 2018 Plan or this Agreement will be binding on the Grantee.

**15. Successors and Assigns.** The Company may assign any of its rights under this Agreement. This Agreement will be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement will be binding upon the Grantee and the Grantee's beneficiaries, executors, administrators and assigns.

**16. Severability.** The invalidity or unenforceability of any provision of the 2018 Plan or this Agreement shall not affect the validity or enforceability of any other provision of the 2018 Plan or this Agreement, and each provision of the 2018 Plan and this Agreement shall be severable and enforceable to the extent permitted by law.

**17. Section 409A of the Code.** This Agreement is intended, and shall be construed and interpreted, to comply with Section 409A of the Code and if necessary, any provision shall be held null and void to

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the extent such provision (or part thereof) fails to comply with Section 409A of the Code or the Treasury Regulations thereunder. For purposes of Section 409A of the Code, each payment of compensation under the Agreement shall be treated as a separate payment of compensation. Any amounts payable solely on account of an involuntary termination shall be excludable from the requirements of Section 409A of the Code, either as separation pay or as short-term deferrals to the maximum possible extent. Nothing herein shall be construed as the guarantee of any particular tax treatment to the Grantee, and the Company shall have no liability with respect to any failure to comply with the requirements of Section 409A of the Code. Any reference to the Grantee's "termination" shall mean the Grantee's "separation from service", as defined in Section 409A of the Code. In addition, if the Grantee is determined to be a "specified employee" (within the meaning of Section 409A of the Code and as determined under the Company's policy for determining specified employees), the Grantee shall not be entitled to payment or to distribution of any portion of an Award that is subject to Section 409A of the Code (and for which no exception applies) and is payable or distributable on account of the Grantee's termination until the expiration of six months from the date of such termination (or, if earlier, the Grantee's death). Such Award, or portion thereof, shall be paid or distributed on the first business day of the seventh month following such termination.

**18.Signature in Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to this Agreement transmitted by facsimile transmission, by electronic mail in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original signature.

**19.ACKNOWLEDGEMENT AND REPRESENTATION OF GRANTEE.** The Grantee hereby acknowledges receipt of a copy of the 2018 Plan and this Agreement. The Grantee has read and understands the terms and provisions thereof, and accepts the Award subject to all of the terms and conditions of the 2018 Plan and this Agreement. The Grantee acknowledges that there may be adverse tax consequences upon the vesting or settlement of the Award or disposition of the underlying shares and that the Grantee has been advised to consult a tax advisor prior to such vesting, settlement or disposition.

**20.Clawback.** Notwithstanding any other provisions in this Agreement or the 2018 Plan, all payments made to the Grantee pursuant to this Agreement shall be subject to potential cancellation, recoupment, recession, payback or other action in accordance with any applicable clawback policy that the Company may adopt from time to time or any applicable law, as may be in effect from time to time

[SIGNATURES ON FOLLOWING PAGE]

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

**GRANTEE**

Signature

Print Name

Acceptance Date

PREMIER FINANCIAL CORP.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

2018 Equity Incentive Plan – RSA Agr (Rev Feb 2023)

Exhibit 10.7

**PREMIER FINANCIAL CORP.**  
**2018 EQUITY INCENTIVE PLAN**  
**RESTRICTED STOCK AWARD AGREEMENT**  
**(Non-Employee Director)**

|  |  |
|--|--|
| <b>Grantee:</b>                                      |  |
| <b>Grant Date:</b>                                   |  |
| <b>Number of Shares of Restricted Stock Granted:</b> |  |
| <b>Vesting Schedule:</b>                             | 100% on the first anniversary of the Grant Date (the "Vesting Date") |

This Restricted Stock Award Agreement (this "Agreement") is made as the Grant Date set forth above by and between Premier Financial Corp., an Ohio corporation (the "Company"), and the Grantee identified above. Undefined capitalized terms used in this Agreement shall have the meanings set forth in the 2018 Equity Incentive Plan (the "2018 Plan").

WHEREAS, the Company maintains the 2018 Plan pursuant to which Restricted Stock Awards may be granted to incent or compensate employees of the Company or an Affiliate.

WHEREAS, Grantee is, as of the Grant Date, a Director of the Company or an Affiliate.

WHEREAS, the Committee has approved the issuance of this Agreement, and the grant of the Restricted Stock Award described in this Agreement.

NOW THEREFORE, in consideration of the mutual premises and obligations contained in this Agreement, the parties agree as follows:

**1. Grant of Restricted Stock.** The Company hereby grants to Grantee as of the Grant Date, and subject to the terms and conditions of this Agreement, an Award consisting of the number of Shares of Restricted Stock identified above, which Restricted Stock shall consist of Shares of the Company, par value \$0.01.

**2. Vesting.** The Restricted Stock will vest according to the Vesting Schedule set forth above provided the Grantee remains on the applicable Vesting Date, and has continuously been from the Grant Date until the start of each applicable Vesting Date, a Director.

**3. Additional Vesting.**

a. **Death or Disability.** Notwithstanding any provision of Section 2 or Section 4, the Restricted Stock shall vest in the event and on the date of Grantee's death or Disability prior to any Vesting Date.

2018 Equity Incentive Plan – Non-Employee Director RSA Agr (2023)

b. **Retirement.** Notwithstanding any provision of Section 2 or Section 4, the Restricted Stock shall vest as of the date of Grantee's Retirement (as defined in the 2018 Plan) on a pro-rated basis using a fraction the numerator of which is the number of full and partial months during which the Grantee was a Director since the Grant Date and the denominator of which is the total number of months in the Vesting Schedule, with such vesting occurring on the date of Grantee's Retirement.

c. **Change in Control.** Notwithstanding any provision of Section 2 or Section 4, in the event a Change in Control of the Company occurs after the Grant Date but prior to the Vesting Date and the Grantee's position as a Director is terminated by the Company other than for Cause during the period beginning 30 days immediately prior and ending on the effective date of the Change in Control, the Award shall immediately vest as of the later of the date of such termination or the date of such Change in Control.

**4. Risk of Forfeiture and Restrictions on Transfer.** Until vested pursuant to Section 2 or Section 3, the Shares of Restricted Stock and all related rights with respect to the Shares of Restricted Stock are subject to forfeiture and shall be forfeited in the event of a termination of Grantee's status as a Director. Upon the forfeiture of any Restricted Stock, the Shares of Restricted Stock shall automatically revert to and become the property of the Company, together with any rights described in Section 6. Until vested, the Restricted Stock may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, except by will or the laws of descent and distribution.

**5. Administration.**

- a. **Book Entry.** The Restricted Stock granted herein shall be evidenced by a book entry registration by the Company for the benefit of the Grantee. Each such registration will be held by the Corporation or its agent.
- b. **Settlement.** With regard to any shares of Restricted Stock that become fully vested, the Company will, within 60 days of the date such vesting, transfer Shares for such Restricted Stock free of all restrictions set forth in the 2018 Plan and this Agreement to the Grantee. In the event of Grantee's death or if the Grantee dies before the Company has distributed any portion of the vested Restricted Stock, the Company will transfer Shares for such Restricted Stock to the Grantee's estate.

**6. Shareholder Rights.**

- a. **Voting.** The Grantee will have the right to vote all Shares of Restricted Stock received under or as a result of this Agreement, including unvested Shares which are subject to forfeiture or restrictions on transfer following the Grant Date.
- b. **Dividends.** The Grantee will have the right to receive dividends, if any, with respect to the Shares of Restricted Stock as and when paid to other holders of Shares entitled to receive the dividends. No dividends shall be paid to the Grantee with respect to any Shares of Restricted Stock that are forfeited by the Grantee.

2018 Equity Incentive Plan – Non-Employee Director RSA Agr (2023)

**7. No Right to Continued Service or to Awards.** The granting of an Award shall impose no obligation on the Company or any Affiliate to continue the services of the Grantee as a Director.

**8. Tax Withholding.** The Company or an Affiliate, as applicable, shall have the power and right to deduct, withhold or collect any amount required by law or regulation to be withheld with respect to any taxable event arising with respect to the Award. Alternatively, the Company reserves the right not to withhold taxes and to reflect any income on a Form 1099 or such other appropriate tax form.

**9. Federal Income Tax Election.** The Grantee hereby acknowledges receipt of advice that, pursuant to current federal income tax laws, (i) he or she has thirty (30) days in which to elect to be taxed in the current taxable year on the fair market value of the restricted Common Stock in accordance with the provisions of Internal Revenue Code Section 83(b), and (ii) if no such election is made, the taxable event will occur upon expiration of restrictions on transfer at termination of the Restriction Period and the tax will be measured by the fair market value of the restricted Common Stock on the date of the taxable event.

**10. Requirements of Law.** The grant of the Award shall be subject to all applicable laws, rules and regulations (including applicable federal and state securities laws) and to all required approvals of any governmental agencies or national securities exchange, market or other quotation system.

**11. Notices.** Any notice required to be delivered to the Company under this Agreement shall be in writing and addressed to the Secretary of the Company at the Company's principal corporate offices. Any notice required to be delivered to the Grantee under this Agreement shall be in writing and addressed to the Grantee at the Grantee's address as shown in the records of the Company. Either party may designate another address in writing (or by such other method approved by the Company) from time to time.

**12. Governing Law.** The 2018 Plan and this Agreement shall be governed by and construed in accordance with the laws of (other than laws governing conflicts of laws) the State of Ohio.

**13. Award Subject to Plan.** The Award is subject to the terms and conditions described in this Agreement and the 2018 Plan, which is incorporated by reference into and made a part of this Agreement. In the event of a conflict between the terms of the 2018 Plan and the terms of this Agreement, the terms of this Agreement will govern. The Committee has the sole responsibility of interpreting the 2018 Plan and this Agreement, and its determination of the meaning of any provision in the 2018 Plan or this Agreement will be binding on the Grantee.

**14. Successors and Assigns.** The Company may assign any of its rights under this Agreement. This Agreement will be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement will be binding upon the Grantee and the Grantee's beneficiaries, executors, administrators and assigns.

**15. Severability.** The invalidity or unenforceability of any provision of the 2018 Plan or this Agreement shall not affect the validity or enforceability of any other provision of the 2018 Plan or this Agreement, and each provision of the 2018 Plan and this Agreement shall be severable and enforceable to the extent permitted by law.

2018 Equity Incentive Plan – Non-Employee Director RSA Agr (2023)

**16. Signature in Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to this Agreement transmitted by facsimile transmission, by electronic mail in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original signature.

**17. ACKNOWLEDGEMENT AND REPRESENTATION OF GRANTEE.** The Grantee hereby acknowledges receipt of a copy of the 2018 Plan and this Agreement. The Grantee has read and understands the terms and provisions thereof, and accepts the Award subject to all of the terms and conditions of the 2018 Plan and this Agreement. The Grantee acknowledges that there may be adverse tax consequences upon the vesting or settlement of the Awards or disposition of the underlying shares and that the Grantee has been advised to consult a tax advisor prior to such vesting, settlement or disposition.

**18. Clawback.** Notwithstanding any other provisions in this Agreement or the 2018 Plan, all payments made to the Grantee pursuant to this Agreement shall be subject to potential cancellation, recoupment, recession, payback or other action in accordance with any applicable clawback policy that the Company may adopt from time to time or any applicable law, as may be in effect from time to time.

[SIGNATURES ON FOLLOWING PAGE]

2018 Equity Incentive Plan – Non-Employee Director RSA Agr (2023)

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

**GRANTEE**

Signature

Print Name

Acceptance Date

**PREMIER FINANCIAL CORP.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

2018 Equity Incentive Plan – Non-Employee Director RSA Agr (2023)

**Exhibit 10.23**

**PREMIER BANK**

**SEVERANCE AND CHANGE IN CONTROL PROTECTION AGREEMENT**

This Severance and Change in Control Protection Agreement (this "Agreement"), dated as of July 1, 2022 (the "Effective Date"), is entered into by and between Premier Bank (the "Company"), and Tina Nutter (the "Executive" and, together with the Company, the "Parties").

**WITNESSETH:**

**WHEREAS**, the Executive is a key senior executive employee of the Company; and

**WHEREAS**, the Company's Board of Directors (the "Board") has determined that it is in the best interests of the Company and its shareholders to provide the Executive with the opportunity to earn and receive certain severance payments and benefits in the event the Executive's employment with the Company were to be terminated in qualifying circumstances, including in connection with a qualifying change in control of the Company, in order to provide the Executive with enhanced financial security, to allow the Company to remain competitive with its peers, and to incentivize the Executive to continue to devote the Executive's full attention and dedication to the Company notwithstanding the possibility or occurrence of a change in control.

**NOW, THEREFORE**, in consideration of the foregoing, of the mutual promises contained herein and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

**1. DEFINITIONS.** For purposes of this Agreement, capitalized terms and phrases used herein and not otherwise defined have the meanings ascribed in this Section 1:

(a) "Accrued Benefits" means: (i) (A) any unpaid Base Salary through the Termination Date; (B) reimbursement for any unreimbursed business expenses incurred through the Termination Date, subject to and in accordance with Company policy; and (C) any accrued but unused paid vacation time subject to and in accordance with Company policy (in the case of each of (A), (B) and (C) payable within sixty (60) calendar days following the Termination Date or on such earlier date as may be required by applicable law); and (ii) all of the Executive's other accrued and vested benefits under the Company's employee benefit plans, policies and arrangements, payable in accordance with and subject to the terms and conditions of such plans, policies and arrangements. For the avoidance of doubt and not as a limitation, "Accrued Benefits" shall include all accrued and vested rights under any defined contribution plan of the Company.

(b) "Affiliates" means each of the Company's direct or indirect parents, subsidiaries, and any other entities controlled by, controlling, or under common control with, the Company, including any successors thereof.

(c) "Base Salary" means the Executive's annual base compensation rate for services paid by the Company to the Executive at the time immediately prior to the Executive's Termination, as reflected in the Company's payroll records or, if higher, the Executive's annual base compensation rate immediately prior to a Change in Control occurring within the period covered under Section 4 below. Base Salary will

1

not include commissions, bonuses, overtime pay, incentive compensation, benefits paid under any qualified plan, any group medical, dental or other welfare benefit plan, non-cash compensation, or any other additional compensation, but will include base salary reductions made pursuant to the Executive's salary reduction agreement under Section 125, 132(f)(4) or 401(k) of the Code, if any, or a nonqualified elective deferred compensation arrangement, if any.

(d) "Board" means the board of directors of the Company.

(e) "Cause" means:

- (i) The Executive's indictment or conviction of, or plea of guilty or *nolo contendere* to any felony, or any other crime that involves moral turpitude, theft, dishonesty, or breach of trust;
- (ii) The Executive's breach of any fiduciary duty owed to the Company or its Affiliates;
- (iii) The Executive's willful misconduct in the course of the Executive's employment with the Company, including, without limitation, fraud, embezzlement, theft or dishonesty;
- (iv) The Executive's removal from office or the Executive being prohibited from participating in the conduct of the affairs of the Company, its Affiliates, or any other insured depository institution, by an order issued under subsection 8(e) of the Federal Deposit Insurance Act, 12 US

§§ 1818(e):

- (v) The Executive's willful and repeated failure to perform the Executive's duties under this Agreement in accordance, in all material respects, the directions of the CEO, the Board, or a duly authorized Board committee;
- (vi) The Executive engaging in any unsafe or unsound banking practices or (without limiting clause (i) hereof) other material violations of a law regulation applicable to the Company or its Affiliates; and
- (vii) Any other material breach by the Executive of the terms and conditions of this Agreement or any other agreement with, or code or policy of the Company or its Affiliates;

Notwithstanding the foregoing, no event described in clause (v), (vi) or (vii) above will constitute Cause, unless the Company has given the Executive notice of its intention to terminate the Executive for Cause, describing in reasonable detail the events that it believes constitute Cause, and the Executive fails to cure such events to the Company's satisfaction within fifteen (15) calendar days (or such longer or shorter cure period as the Board determines will apply, in its sole and absolute discretion) after receiving such notice. Any determination of Cause pursuant to clause (v), (vi) or (vii) by the Company will be made by a resolution approved by a majority of the members of the Board.

For purposes of this definition of "Cause", no act, or failure to act, on the part of the Executive will be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Company. For this purpose, any act, or failure to act, based upon (A) authority given pursuant to a

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resolution duly adopted by the Board, (B) direction provided by a more senior executive with oversight of the Executive, or (C) the advice of counsel for the Company will be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company.

(f) "Change in Control" means the occurrence of any of the following events after the Effective Date:

- (i) The acquisition by one person, or more than one person acting as a group, of ownership of stock of the Company that, together with stock held by such person or group (in each case, directly or through attribution), constitutes more than fifty percent (50%) of the total fair market value or total voting power of the stock of the Company (provided that, if any person or more than one person acting as a group is considered to own more than fifty percent (50%) of the total fair market value or total voting power of the stock of the Company, the acquisition of additional control by the same person or persons will not constitute a Change in Control);
- (ii) The acquisition by one person, or more than one person acting as a group, of ownership of stock of the Company, that, together with stock the Company acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or group (in each case, directly or through attribution), constitutes thirty percent (30%) or more of the total voting power of the stock of the Company;
- (iii) A majority of the members of the Board are replaced during any twelve (12)-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board before the date of the appointment or election; or
- (iv) One person, or more than one person acting as a group, acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or group) assets from the Company that have a total gross fair market value (determined without regard to any liabilities associated with such assets) equal to or more than forty (40%) of the total gross fair market value of all of the assets of the Company immediately before such acquisition or acquisitions.

Persons will not be considered to be acting as a group solely because they purchase or own stock of the same corporation at the same time, or as a result of the same public offering. However, persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company. Notwithstanding the foregoing, solely for purposes of any payment or benefit under this Agreement that constitutes "deferred compensation" for purposes of Code Section 409A, a "Change in Control" will not occur unless such Change in Control also constitutes a "change in the ownership of a corporation," a "change in the effective control of a corporation," or a "change in the ownership of a substantial portion of the assets of the corporation," in each case within the meaning of Code Section 409A.

(g) "Change in Control Date" means the date of consummation of a Change in Control.

(h) "COBRA" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

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(i) "Code" means the Internal Revenue Code of 1986, as amended.

(j) "Code Section 409A" means Section 409A of the Code and the treasury regulations and other official guidance promulgated thereunder from time to time.

(k) "Disability" means the inability of the Executive to perform, after reasonable accommodation, the Executive's material duties with the Company due to a physical or mental injury, infirmity or incapacity for one hundred eighty (180) calendar days in any three hundred sixty-five (365)-day period, as determined by the Board in its reasonable discretion.

(l) "Good Reason" means the occurrence of any of the following events without the Executive's express consent, unless all grounds for a termination with Good Reason based on such event have been cured within thirty (30) calendar days after the Executive gives written notice to the Company describing such event in detail and requesting cure, such notice to be given within ninety (90) calendar days after the first occurrence of such event:

- (i) material (10% or greater) diminution in the Executive's Base Salary;
- (ii) material reduction by the Company of the Executive's title, such that the Executive no longer serves in a substantive, senior executive role the Company;
- (iii) material change in the geographic location at which the Executive must perform the services which is greater than 50 miles from the Executive's prior work location but only if such change results in an increase of the Executive's one-way commute from the Executive's residence of more than 50 miles; or
- (iv) any material breach of this Agreement by the Company.

No event will constitute Good Reason unless the Executive resigns from employment with the Company within ninety (90) calendar days following the expiration of the Company cure period applicable to such event. Otherwise, any claim of such circumstances as Good Reason will be deemed irrevocably waived by the Executive.

(m) "Termination" means any termination of the Executive's employment with the Company for any reason. Solely for purposes of any provision of this Agreement providing for any payment that constitutes "deferred compensation" for purposes of Code Section 409A and is triggered by a termination of the Executive's employment, a "Termination" will not occur unless the termination of the Executive's employment also constitutes a "separation from service" within the meaning of Code Section 409A.

(n) "Termination Date" means the effective date of the Executive's Termination.

## 2. TERM OF AGREEMENT

(a) EXPIRATION. The term of this Agreement will begin on the Effective Date and will continue until April 1, 2023 (the "Initial Term"), at which time the term will renew automatically for successive twelve (12)-month periods (the "Renewal Terms"), unless and until non-renewed by either the Company or the Executive upon not less than ninety (90) calendar days' prior written notice given to the other Party prior to the end of the Initial Term or any Renewal Term, as applicable (it being understood that

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non-renewal of this Agreement will not, in itself, result in a termination of the Executive's employment with the Company). The Initial Term and all Renewal Terms, if any, will constitute the "Term" for purposes of this Agreement. Notwithstanding the foregoing, if a Change in Control occurs prior to the end of the Initial Term or a Renewal Term, as applicable, then the Term of this Change in Control Agreement will continue for a period of twelve (12) months following the Change in Control and any subsequent Renewal Term thereafter shall commence on the anniversary of the Change in Control.

(b) AT-WILL EMPLOYMENT. The Executive acknowledges and agrees that, notwithstanding anything herein to the contrary, the Executive's employment with the Company is and will remain "at-will" and may be terminated at any time and for any reason (or no reason) by the Company or the Executive, with or without notice.

## 3. SEVERANCE BENEFITS

(a) TERMINATION WITHOUT CAUSE. If the Executive's employment by the Company is Terminated during the Term by the Company other than for Cause (which, for the avoidance of doubt, will not include a Termination due to the Executive's Disability or death), and contingent on the Executive's satisfaction of the Release Condition and the Executive's continued compliance with the Executive's obligations in Sections 10 and 11 hereof (as well as with any and all other restrictive covenants applicable to the Executive in favor of the Company or its Affiliates), the Company will pay or provide to the Executive the following payments or benefits (collectively, the "Severance Benefits"):

- (i) the Accrued Benefits, payable as provided in Section 1(a);
- (ii) severance payments in an aggregate amount equal to 12 months of Executive's Base Salary, payable in equal bi-weekly installments commencing within sixty (60) calendar days following the Termination Date and in accordance with the Company's general payroll policies procedures;
- (iii) an amount equal to the product of (x) the Executive's target award under the Company's short term incentive plan (the "STIP") for the STIP performance year in which the Executive's termination occurs (such amount, the "Target STIP Award") and (y) one (1), payable in one lump sum cash payment within sixty (60) calendar days following the Termination Date;

(iv) an amount equal to the Executive's award under the STIP for the performance year in which Termination occurs pro-rated using a fraction the numerator of which is the number of full and partial months during which the Executive was employed by the Company during such year and the denominator of which is twelve (12) (the "Pro-Rated STIP Award"), payable in accordance with the terms of the STIP, including satisfaction of any applicable performance goals and the application of adjustments to the target payout as set forth in the STIP, in one lump sum cash payment at the time such awards are normally paid to all participants in the STIP but in no event later than March 15 of the year following the Executive's Termination;

(v) Company-paid executive outplacement services from one or more organizations retained by the Company for this purposes for a period of twelve (12) months following the Termination Date, subject to a maximum cost to the Company not to exceed \$12,000.00 dollars and provided that Executive engages such outplacement

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services within six months of the Termination Date (the "Outplacement Services"); and

(vi) subject to the Executive's timely election of continuation coverage under the Company's group health plan in accordance with COBRA, payment by the Company of the full amount of Executive's premiums for such continued coverage (without contribution or reimbursement from the Executive), in a manner intended to avoid any excise tax under Section 4980D of the Code, subject to the eligibility requirements and other terms and conditions of such coverage, and provided that the Company may modify or terminate the benefit provided hereunder to the extent necessary to comply with applicable law (the "COBRA Subsidy") for the lesser of (x) 18 months following the Termination Date, or (y) until the Executive becomes eligible for group health coverage from another employer.

**(b) TERMINATION DUE TO DISABILITY.** If the Executive's employment by the Company is Terminated during the Term due to the Executive's Disability, and contingent on the Executive's satisfaction of the Release Condition and the Executive's continued compliance with the Executive's obligations in Sections 10 and 11 hereof (as well as with any and all other restrictive covenants applicable to the Executive in favor of the Company or its Affiliates), the Company will pay or provide to the Executive the following payments or benefits (collectively, the "Disability Benefits"):

- (i) the Accrued Benefits, payable as provided in Section 1(a);
- (ii) an amount equal to the Executive's Pro-Rated STIP Award payable as provided in Section 3(a)(iv); and
- (iii) the COBRA Subsidy for the lesser of (x) 18 months following the Termination Date, or (y) until the Executive becomes eligible for group health coverage from another employer.

**(c) DEATH.** If the Executive's employment by the Company is Terminated during the Term due to the Executive's death, then the Company will pay or provide to the Executive's designated beneficiary, or, if the Executive has no surviving designated beneficiaries, to the Executive's estate, the following payments or benefits (collectively, the "Death Benefits"):

- (i) the Accrued Benefits, payable as provided in Section 1(a);
- (ii) an amount equal to the Executive's Pro-Rated STIP Award, payable as provided in Section 3(a)(iv); and
- (iii) if the Executive is survived by a spouse or other COBRA-eligible beneficiary, and subject to timely election by such spouse or other beneficiary of continuation coverage under the Company's group health plan in accordance with COBRA, an amount equal to the sum total of the premiums for eighteen (18) months of such coverage, payable in one lump sum cash payment within sixty (60) calendar days following the Termination Date.

**4. CHANGE IN CONTROL BENEFITS.** In addition to the foregoing, if the Executive's employment by the Company is Terminated during the Term (A) by the Company other than for Cause (which, for the

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avoidance of doubt, will not include a Termination due to the Executive's Disability or death) within six (6) months prior to or twelve (12) months following the occurrence of a Change in Control, or (B) by the Executive for Good Reason within twelve (12) months following the occurrence of a Change in Control, and contingent in each case on the Executive's satisfaction of the Release Condition and the Executive's continued compliance with the Executive's obligations in Sections 10 and 11 hereof (as well as with any and all other restrictive covenants applicable to the Executive in favor of the Company or its Affiliates), the Company will pay or provide to the Executive the following payments or benefits (collectively, the "Change in Control Benefits"):

- (a) the Accrued Benefits, payable as provided in Section 1(a), to the extent not previously paid under Section 3;
- (b) severance payments in an aggregate amount equal to (i) 18 months of Executive's Base Salary (in the event of a Termination by the Executive for Good Reason), OR (ii) six months of Executive's Base Salary (in the event of a Termination by the Company other than for Cause); in each case payable in equal bi-weekly installments commencing within sixty (60) calendar days following the later of the Termination Date and the Change in Control Date (such later date, the "CIC Commencement Date") and in accordance with the Company's general payroll policies and procedures;

(c)an amount equal to the product of (x) the Target STIP Award and (y) 1.5 (in the event of a Termination by the Executive for Good Reason) OR 0.5 (in the event of a Termination by the Company other than for Cause), payable in one lump sum cash payment within sixty (60) calendar days following the CIC Commencement Date;

(d)only in the event of a Termination by the Executive for Good Reason, an amount equal to the Executive's Pro-Rated STIP Award, payable as provided in Section 3(a)(iv);

(e)only in the event of a Termination by the Executive for Good Reason, the Outplacement Services; and

(f)only in the event of a Termination by the Executive for Good Reason, the COBRA Subsidy for the lesser of (x) 18 months following the Termination Date, or (y) until the Executive becomes eligible for group health coverage from another employer.

To the extent that the payment of any amount under this Section 4 constitutes "deferred compensation" for purposes of Code Section 409A, any such payment scheduled to occur during the first sixty (60) calendar days following the CIC Commencement Date will not be paid until the sixtieth (60<sup>th</sup>) calendar day following the CIC Commencement Date and will include payment of all amounts that were otherwise scheduled to be paid prior thereto. For the avoidance of doubt, to the extent that a Termination covered by this Section 44 occurs within six (6) months prior to a Change in Control (which excludes any termination by the Executive for Good Reason), the payments and benefits under this Section 4 will be conditioned upon, and will not be paid or provided, or commence to be paid or provided, until, the occurrence of a Change in Control within six (6) months following such Termination.

The payments and benefits provided in this Section 4 will be in addition to any payments and benefits to which the Executive may be entitled under Section 3 hereof.

The following table is provided solely to illustrate the incremental benefits to be paid to the Executive under Section 4 in the event of a Termination by the Company other than for Cause within six (6) months prior to or twelve (12) months following the occurrence of a Change in Control and does not expand, increase, or otherwise modify the benefits outlined in this Agreement:

| <b>Illustration Table 1: Termination by Company other than for Cause within six (6) months prior to or twelve (12) months following the occurrence of a Change in Control</b> |  |  |  |
|---|--|--|--|
|   | <b>Severance Benefits<br/>Payable under Section 3(a)</b> | <b>Incremental Benefit Payable under<br/>Section 4</b> | <b>Total Benefit Payable (Section 3(a) and<br/>Section 4 combined)</b> |
| <b>Accrued Benefits</b>   | Accrued Benefits   | No incremental amount                                  | Accrued Benefits   |
| <b>Base Salary Severance<br/>Grant</b>  | 12 months Base Salary                                    | 6 months Base Salary                                   | 18 months Base Salary  |
| <b>Target STIP Award</b>  | 1x Target STIP Award                                     | 0.5x Target STIP Award                                 | 1.5x Target STIP Award   |
| <b>Pro-Rated STIP Award</b>   | 1x Pro-Rated STIP Award                                  | No incremental amount                                  | 1x Pro-Rated STIP Award  |
| <b>Outplacement Services</b>  | 12 months up to \$12,000                                 | No incremental amount                                  | 12 months up to \$12,000   |
| <b>Payment of COBRA<br/>Premiums</b>  | Up to 18 months  | No incremental amount                                  | Up to 18 months  |

The following table is provided solely to illustrate the benefits (which are not incremental) to be paid to the Executive under and subject to Section 4 in the event of a Termination by the Executive for Good Reason within twelve (12) months following the occurrence of a Change in Control and does not expand, increase, or otherwise modify the benefits outlined in this Agreement:

| <b>Illustration Table 2: Termination by Employee for Good Reason within twelve (12) months following the occurrence of a Change in Control</b> |   |  |  |
|--|---|--|--|
|  | <b>Benefit Payable under<br/>Section 3(a)</b> | <b>Benefit Payable under Section 4 CIC<br/>Benefits (Termination by Executive for<br/>Good Reason)</b> | <b>Total Benefit Payable (Section 3(a) and<br/>Section 4 combined)</b> |
| <b>Accrued Benefits</b>  | Accrued Benefits                              | No adjustment  | Accrued Benefits   |
| <b>Base Salary Severance<br/>Grant</b>   | None  | 18 months Base Salary  | 18 months Base Salary  |
| <b>Target STIP Award</b>   | None  | 1.5x Target STIP Award   | 1.5x Target STIP Award   |
| <b>Pro-Rated STIP Award</b>  | None  | 1x Pro-Rated STIP Award  | 1x Pro-Rated STIP Award  |
| <b>Outplacement Services</b>   | None  | 12 months up to \$12,000   | 12 months up to \$12,000   |

|  |      |                 |                 |
|--|------|-----------------|-----------------|
| <b>Premiums</b>  | None | Up to 18 months | Up to 18 months |
| In the event of any conflict between any of the terms of the foregoing Illustration Tables and any of the other terms of this Agreement, the other terms of this Agreement shall govern. |      |                 |                 |

**5.RELEASE CONDITION.** Except in the event of the Executive's death, any and all amounts payable and benefits or additional rights provided pursuant to Section 3 or Section 4 of this Agreement, other than the Accrued Benefits, will only be paid or provided if the Executive delivers to the Company and does not subsequently revoke a general release of claims in favor of the Company in the form to be provided by the Company to the Executive, which must be executed and delivered, and no longer subject to revocation, by the dates set forth within said general release of claims but in no event greater than sixty (60) calendar days following the Termination Date or, for purposes of Section 4, the CIC Commencement Date (the "Release Condition").

**6.FORFEITURE AND CLAWBACK.** In the event of any material violation by the Executive of Sections 10 or 11 hereof, the Executive will (A) forfeit the right to receive the Severance Benefits, Disability Benefits and/or Change in Control Benefits (as applicable) not yet paid to the Executive, and (B) promptly repay to the Company the Severance Benefits, Disability Benefits and/or Change in Control Benefits (as applicable) previously paid to the Executive (in each case other than the Accrued Benefits). Notwithstanding the foregoing, this Agreement (including the provisions in Sections 10 and 11) shall otherwise remain in full force and effect. Further, Executive acknowledges and agrees that any compensation or benefit provided under this Agreement is subject to potential cancellation, recoupment, rescission, or payback in accordance with (i) any applicable compensation clawback policy of the Employer as may be in effect from time to time, or (ii) any provision of applicable law, whether currently in effect or subsequently enacted, relating to such matters if it is determined that payment of such compensation or benefit would result in a violation of such law.

**7.OTHER EXECUTIVE OBLIGATIONS.** Upon any Termination, the Executive will be deemed to have automatically resigned from all of the Executive's positions as an officer, director or fiduciary of the Company and its Affiliates, and any and all powers of attorney the Company may have granted the Executive during the Executive's employment with the Company will be immediately automatically revoked.

**8.EXCLUSIVE REMEDY; OTHER TERMINATIONS.** The treatment of any incentive equity awards held by the Executive upon any Termination, Change in Control, or other event will be subject to the terms and conditions of the plans and agreements governing such awards. Subject to the foregoing, the amounts payable to the Executive hereunder following Termination will be in full and complete satisfaction of the Executive's rights under this Agreement and any other claims that the Executive may have in respect of the Executive's employment with the Company or any of its Affiliates and in connection with any termination of employment contemplated under Sections 3 or 4, and the Executive acknowledges that such amounts are fair and reasonable, and are the Executive's sole and exclusive remedy, in lieu of all other remedies at law or in equity, with respect to the termination of the Executive's employment hereunder or any breach of this Agreement. The payments and benefits provided under this Agreement shall be in lieu of any other termination or severance payments or benefits which the Executive may otherwise be eligible to receive under any of the plans, policies or programs of the Company, and, subject to Code Section 409A, will be reduced (offset) by any statutory

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entitlements of the Executive (including notice of termination, termination pay and/or severance pay, but excluding statutory unemployment benefits), and any payment related to an actual or potential liability under the Worker Adjustment and Retraining Notification Act of 1988 or similar state, local or foreign law. Unless otherwise determined by the Board in its sole and absolute discretion, in the event of a Termination under any circumstance not expressly contemplated in Section 3 or 4, the Executive will not be entitled to receive any payments or benefits under this Agreement, except for the Accrued Benefits and any other rights or benefits to which the Executive is otherwise entitled under the terms and conditions of any other agreement or arrangement with the Company or any employee benefit plan of the Company or pursuant to the requirements of applicable law.

**9.COORDINATION WITH REQUIREMENTS OF CODE SECTION 409A.** Notwithstanding any other provision of this Agreement to the contrary, nothing herein will change any valid deferral election with respect to, change the time or form of payment of, or otherwise modify, any of the Executive's rights or entitlements in existence immediately prior to the Effective Date that constitute "deferred compensation" for purposes of Code Section 409A, in each case to the extent that any such change or other modification would result in adverse tax consequences under Code Section 409A.

**10.RESTRICTIVE COVENANTS.** Executive acknowledges that as part of Executive's employment with the Company, Executive has access to, will receive or otherwise acquire and will use the Confidential Information (as defined below) of the Company or its Affiliates and also acknowledges that Executive's services are of special and unique value to the Company. Executive understands and agrees that the Confidential Information of the Company and its Affiliates and the relationships the Company and its Affiliates have with their respective customers are the product of substantial investment of time and resources by the Company and its Affiliates. Executive also understands and agrees that the Company and its Affiliates have a legitimate and protectable interest in protecting the Confidential Information and the employees, customers, and other business relationships of the Company and its Affiliates and that this Section 10 is intended to protect those interests. Executive further acknowledges and agrees that Executive would not have knowledge of or access to such Confidential Information or such information about Company or Affiliate relationships but for Executive's employment with the Company and that in the course of Executive's employment by a competitor, Executive would inevitably use or disclose the Confidential information of the Company or its Affiliates. Accordingly, in exchange for the right to receive the Severance Benefits or Change in Control Benefits (as applicable), which Executive acknowledges as sufficient consideration, and to preserve the interests of the Company and its Affiliates, and their clients, customers, and employees, Executive agrees to the covenants in this Section 10.

**(a)CONFIDENTIALITY.**

- (i) Executive understands that Executive occupies a position of confidence and trust with respect to the Confidential Information and agrees that the Confidential Information is the exclusive property of the Company or its Affiliates. Executive acknowledges and agrees that the

Confidential Information is not generally known outside of the Company or its Affiliates, that the Company and its Affiliates have taken measures to guard the secrecy of the Confidential Information, that such information is extremely valuable and an essential asset of the business of the Company or its Affiliates, and that such information, if disclosed without authorization to a third party or used by Executive for purposes other than

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conducting the Company business would cause irreparable harm to the Company or its Affiliates and/or their respective customers.

- (ii) At all times from and after the date of this Agreement, Executive agrees that except for the benefit of the Company or its Affiliates, absent written consent of the Company's Chief Executive Officer or Chief Legal Officer, or such person's designee, or as otherwise may be required by law or legal process, Executive will not directly or indirectly for the benefit of Executive or any third party, disclose or use, or authorize or permit anyone under Executive's direction to disclose to anyone or use, any Confidential Information, whether or not acquired, originated, developed in whole or in part by Executive. Without limitation, Executive further agrees that Executive shall not use any Confidential Information to solicit any Company or Affiliate customer or employee to compete with the Company or its Affiliates or in any other manner to compete with the Company or its Affiliates in violation of this Agreement.
- (iii) For the purpose of this Agreement, "Confidential Information" shall include all Company or Affiliate trade secrets, proprietary data, and other confidential information of the Company or its Affiliates, including, without limitation, information relating to business operations, business plans, objectives or strategies; services; pricing; business forecasts, plans, or pipelines; business referrals; profit margin; promotional practices; products or product specifications; compensation plans and arrangements, including incentive compensation plans or related performance specifications; Company or Affiliate training, reference, or educational materials; current, prospective and former customer names and information, including but not limited to contact, financial and account information; quality control or compliance standards; contracts or relationships with suppliers, vendors, independent contractors, or other parties; unpublished works of any nature whether or not copyrightable; Company or Affiliate research and/or development materials relating to the their respective business; information contained in pending patent applications; inventions, technical improvements, and ideas; any information which the Company or its Affiliates are obligated to treat as confidential pursuant to any course of dealing or any agreement to which it is a party or otherwise bound, and all other information and knowledge in whatever form used or useful in management, marketing, purchasing, finance, or operations of the business or the Company or its Affiliates and any compilation of such information and all other similar information used by the Company or its Affiliates that is not available to those outside of the Company or its Affiliates.
- (iv) All Confidential Information, whether maintained in records, files, paper documents, electronic files, or databases and whether originals or copies thereof, is the sole property of the Company or its Affiliates, as the case may be. Executive's access to and use of the Company's computer systems, networks and equipment, and all Confidential Information contained therein, shall be restricted to legitimate business purposes on behalf of the Company or its Affiliates. The restrictions contained in this Section 10(a) shall extend to any personal computers or other electronic devices of Executive that are used for business purposes relating to the Company or its Affiliates. Executive shall not transmit any Confidential Information

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to any personal computer or other electronic device that is not otherwise used for any business purpose relating to the Company or its Affiliates.

- (v) The covenants in this Section 10(a) will not apply to information that: (1) is or becomes available to the general public through no breach of this Agreement by Executive or breach by any other person of a duty of confidentiality to the Company or its Affiliates; or (2) Executive is required to disclose by applicable law or court order; provided, however, that Executive will notify the Company in writing of such required disclosure as much in advance as practicable in the circumstances and cooperate with the Company to limit the scope of such disclosure.
- (vi) Under the federal Defend Trade Secrets Act of 2016, Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (a) 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 (b) is made to Executive's attorney in relation to a lawsuit for retaliation against Executive for reporting a suspected violation of law; or (c) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

**(b) NONCOMPETITION.** During Executive's employment with the Company and for a period of six (6) months following the termination of Executive's employment with the Company for any reason, whether voluntary or involuntary, Executive shall not, individually or as a shareholder, owner, partner, member, director, officer, employee, independent contractor, consultant, creditor or agent on Executive's behalf or on behalf of any other person, firm, corporation or other entity, directly or indirectly, work for, provide services to or for, enter into, engage in, or promote or assist (financially or otherwise) any individual or entity that in the Restricted Territory: (i) engages in banking or any other business in which the Company or Affiliates was engaged at the time of, or within the twenty-four (24) months prior to, the termination of Executive's Employment; or (ii) otherwise engages in the marketing and/or sale of: (a) banking products or services, including, without limitation, personal and business accounts, private banking, business banking, loans, lines of credit, mortgages, and other investment or financial products; or (b) any other business in which the Company or Affiliate is engaged (together referred to as the "Restricted Services"). For the purpose of this Section 10(b), "Restricted Territory" shall mean a fifty (50) mile radius from any office of the Company or its Affiliates. Notwithstanding the foregoing, nothing herein will prohibit the

Executive from being a passive owner of not more than one percent (1%) of the equity securities of any publicly traded corporation, so long as the Executive has no active participation in the business of such corporation.

**(c) NONSOLICITATION.** During Executive's employment with the Company and for a period of twelve (12) months following the termination of Executive's employment with the Company for any reason, whether voluntary or involuntary, Executive will not, on Executive's behalf or on behalf of any other person, firm, corporation or other entity, directly or indirectly, individually or as a shareholder, owner, partner, member, director, officer, employee, independent contractor, consultant, creditor or agent on behalf of any other person, firm, corporation or other entity:

- (i) solicit, advise, persuade, encourage or request or attempt to solicit, advise, persuade, encourage or request any customer of the Company or its Affiliates;

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business or prospective business of the Company or its Affiliates, or potential customer identified, selected or targeted by the Company or its Affiliates about whom Executive had knowledge, or with whom Executive had contact, involvement or responsibility during Executive's employment with the Company, for or in connection with the sale or offering of any of the Restricted Services;

- (ii) accept or provide assistance in the accepting of (including, but not limited to, providing any service, information or assistance or other facilitation or other involvement) business or orders from customers of the Company or its Affiliates or any potential customers of the Company or its Affiliates about whom Executive had knowledge, or with whom Executive had contact, involvement, or responsibility during Executive's employment with the Company, or attempt to do so;
- (iii) solicit, advise, persuade, encourage or request or attempt to solicit, advise, persuade, encourage or request any customer of the Company or its Affiliates about whom Executive had knowledge, or with whom Executive had contact, involvement or responsibility during Executive's employment with the Company, to cease doing business, to refrain from doing business, or reduce the amount of business such customer does or is contemplating doing with the Company or its Affiliates;
- (iv) solicit, advise, persuade, encourage or request or attempt to solicit, advise, persuade, encourage or request any officer, director, independent contractor, employee, representative or agent of the Company or its Affiliates to cease such individual's employment or relationship with the Company or its Affiliates or otherwise refrain from providing services to the Company or its Affiliates;
- (v) interview, hire, employ, engage, or retain or attempt to interview, hire, employ, or retain any officer, director, independent contractor, employee, representative or agent of the Company or its Affiliates, while such person is employed, engaged, or retained by the Company or its Affiliates and for a period of twelve (12) months thereafter, or take any action to materially assist or aid any other person, firm, corporation or other entity in identifying, interviewing, hiring, employing, engaging, or retaining any such individual; or
- (vi) interfere with or attempt to interfere with, or assist, persuade, or encourage or attempt to assist, persuade, or encourage any other person or entity in interfering with, the relationship between the Company or its Affiliates and their respective officers, directors, independent contractors, employees, representatives, agents, vendors, joint venturers, or licensors.

Notwithstanding the forgoing, the provisions of this Section 10(c) shall not apply to general advertisements by any person, firm, corporation or other entity with which Executive may be associated or other communications in any form of media not specifically targeting individuals or entities described in this Section 10(c).

**(d) INTELLECTUAL PROPERTY.** At all times from and after the date of this Agreement, Executive agrees to not, directly or indirectly, use, register, or assist others to use or register, any designation (including, without limitation, any service mark, trademark, trade name or other indicia of source) that is the same as or confusingly similar to the legal or operating names of the Company or its Affiliates in

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connection with any banking, wealth management, lending, trust, mortgage, insurance, or other financial services or products, and Executive further acknowledges and agrees that these obligations are necessary to protect consumers from confusion as to source, affiliation, association or sponsorship, and that such obligations are reasonable and will not preclude or materially impede Executive from gainful employment. In addition, Executive agrees to promptly and fully disclose, transfer and assign to the Company all inventions and any other intellectual property, whether patentable or not, (collectively, "Intellectual Property") made or conceived by Executive during Executive's employment with the Company. Executive further agrees to fully cooperate in executing any documents required for establishing or protecting the Intellectual Property and for establishing the Company's ownership, whether before or after Executive's employment ends. Executive also agrees that in the event of publication by Executive of written or graphic materials constituting "work made for hire," as defined and used in the Copyright Act of 1976, 17 USC § 1 et seq., the Company will retain and own all rights in said materials, including right of copyright.

**(e) NONDISPARAGEMENT.** Executive agrees that Executive will not, in writing or orally or through conduct, make any false statements that are maliciously disparaging or defamatory about the Company or its Affiliates or their respective officers, directors, employees, shareholders, agents or products or that may be considered detrimental or injurious to the good name or business reputation of such entities or individuals. These prohibitions include, without limitation, any such statements made through use of social media sites, such as Facebook, Twitter, Instagram, LinkedIn, or Glassdoor or on blogs, by text or email or other electronic means. The foregoing will not be violated by truthful statements in response to legal process, required governmental testimony or filings, or administrative

or arbitral proceedings (including, without limitation, depositions in connection with such proceedings). Nothing in this provision shall prevent Executive from testifying truthfully as required by law nor does this provision prohibit or prevent Executive from filing a charge with or participating, testifying, or assisting in any investigation, hearing, whistleblower proceeding or other proceeding before any federal, state, or local government agency.

**(f) RETURN OF COMPANY PROPERTY.** Upon the termination of Executive's employment with the Company for any reason, whether voluntary or involuntary, Executive will return to the Company, or, as directed by the Company, delete or destroy, all Confidential Information in any form (including all copies, excerpts and reproductions thereof) and all other property whatsoever of the Company or its Affiliates in or under Executive's possession or control. In addition, Executive shall immediately upon termination for any reason surrender all personal electronic devices ever used to access Confidential Information for inspection and removal of Confidential Information.

**(g) REASONABLENESS OF COVENANTS.** By signing this Agreement, Executive agrees that Executive has had the opportunity to consult with counsel about this Agreement and Executive provides assurance that Executive has carefully read and considered the provisions of this Section 10. Executive agrees and acknowledges that the covenants set forth in this Section 10 are in exchange for good and valuable consideration and that such covenants are reasonable in all respects, including, where applicable, geographical and temporal scope. Executive further acknowledges that the restrictions contained in this Section 10 are reasonable and necessary for the protection of the legitimate business interests of the Company and its Affiliates, that the Company would not have entered into this Agreement without receiving Executive's agreement to be bound by the provisions of Section 10, and that such restrictions were a material inducement to the Company to enter into this Agreement. Executive agrees that the provisions of Section 10, individually or in the aggregate, will not prevent Executive from obtaining other suitable employment during the period in which Executive is bound by

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the provisions. Executive further agrees and acknowledges that the potential harm to the Company or its Affiliates of the non-enforcement of any provision of this Section 10 outweighs any potential harm to Executive of its enforcement by injunction or otherwise. Executive also agrees that each of the Company's Affiliates will have the right to enforce all of the Executive's obligations to that Affiliate under this Agreement, including without limitation pursuant to this Section 10.

**(h) REFORMATION.** If it is determined by a court of competent jurisdiction in any state that any restriction in this Section 10 is excessive in duration or scope or is unreasonable or unenforceable under applicable law, it is the intention of the parties that such restriction may be modified or amended by the court to render it enforceable to the maximum extent permitted by the laws of that state. All other provisions of Section 10 shall then survive in accordance with their respective terms.

**(i) TOLLING.** In the event of any violation of the provisions of this Section 10, the Executive acknowledges and agrees that the post-termination restrictions contained in this Section 10 will be extended by a period of time equal to the period of such violation, it being the intention of the parties hereto that the running of the applicable post-termination restriction period will be tolled during any period of such violation.

**(j) NOTICE.** Executive agrees that Executive during the time period within which the provisions of this Section 10 are in effect, Executive will advise any individual or entity with which Executive may be engaged as a shareholder, owner, partner, member, director, officer, employee, independent contractor, consultant, creditor or agent of Executive's obligations contained in this Section 10. Executive further acknowledges and agrees that during the time period within which the provisions of this Section 10 are in effect, the Company shall have the right to communicate the existence and terms of the applicable provision(s) of Section 10 then in effect to any third party with whom Executive may seek or obtain future employment or other arrangement or engagement described in Section 10.

**(k) OBLIGATION TO COMPLY WITH OTHER LAWS.** The duties Executive owes the Company under Section 10 of this Agreement shall be deemed in addition to any federal, state and common law obligations of employees to their employers. Section 10 is intended, amongst other things, to supplement the provisions of state trade secret law and duties Executive owes the Company or its Affiliates under common law, including but not limited to the duty of loyalty, and does not in any way supersede any of the obligations or duties Executive otherwise owes the Company or its Affiliates.

**11. COOPERATION.** Upon the receipt of notice from the Company, the Executive agrees that while employed by the Company and thereafter, the Executive will respond and provide information with regard to matters in which the Executive has knowledge as a result of the Executive's employment with the Company, and will provide reasonable assistance to the Company, its Affiliates and their respective representatives in defense of all claims that may be made against the Company or its Affiliates, and will assist the Company and its Affiliates in the prosecution of all claims that may be made by the Company or its Affiliates, to the extent that such claims may relate to the period of the Executive's employment with the Company. The Executive agrees to promptly inform the Company in writing if the Executive becomes aware of any lawsuit or other proceeding involving such claims that may be filed or threatened against the Company or its Affiliates. The Executive also agrees to promptly inform the Company in writing (to the extent that the Executive is legally permitted to do so) if the Executive is asked to assist in any investigation of the Company or its Affiliates (or their actions), regardless of whether a lawsuit or other proceeding has then been filed against the Company or its Affiliates with respect to such investigation, and will not do so unless legally required. Upon

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presentation of appropriate documentation, the Company will pay or reimburse the Executive for all reasonable out-of-pocket travel, duplicating or telephonic expenses incurred by the Executive in complying with this Section 11.

**12. EQUITABLE RELIEF.** Executive acknowledges that should Executive violate any of the provisions of Section 10 or 11, the Company or its Affiliates will suffer irreparable harm and not have an adequate remedy at law. Accordingly, the Executive covenants and agrees that the Company will, in addition to any other rights and remedies to which the Company or its Affiliates may have under applicable law, be entitled to equitable relief, including, without limitation, injunctive relief, without bond or other necessity, and to the remedy of specific performance with respect to any breach or threatened breach of such covenants, as may be

available from any court of competent jurisdiction. The foregoing remedies shall not be deemed to be the exclusive rights or remedies of the Company or its Affiliates for any breach of or noncompliance with the provisions of Sections 10 or 11 by Executive, but shall be in addition to all other rights and remedies available to the Company, in law, in equity, or otherwise.

**13. FACILITY OF PAYMENT.** In the event of the Executive's death, any remaining payments hereunder will be made to the Executive's designated beneficiary or beneficiaries, or, if the Executive has no surviving designated beneficiaries, to the Executive's estate.

**14. ASSIGNMENTS AND SUCCESSORS.** This Agreement is personal to each of the parties hereto, except as provided herein. Except as provided in this Section 14, no party may assign or delegate any rights or obligations hereunder without first obtaining the written consent of the other party hereto. Notwithstanding the foregoing, the Company may assign this Agreement to any successor to all or substantially all of the business and/or assets of the Company. As used in this Agreement, "Company" will mean the Company and any successor to its business and/or assets, which assumes and agrees to perform the duties and obligations of the Company under this Agreement by operation of law or otherwise. This Agreement will be binding on the Parties hereto and each of their permitted successors and assigns.

**15. NOTICE.** For purposes of this Agreement, notices and all other communications provided for in this Agreement will be in writing and will be deemed to have been duly given when delivered or mailed by nationally recognized overnight courier services, by registered or certified mail, return receipt requested, by facsimile or by hand delivery, to the Parties listed below at their respective addresses or at such other address as each may specify by notice to the other Party:

If to the Executive:

At the Executive's address (or to the facsimile number) shown in the books and records of the Company.

If to the Company:

Premier Bank  
601 Clinton Street  
Defiance, OH 43512  
Attention: Chief Human Resources Officer

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With a copy (which will not constitute notice) to:

Premier Bank  
275 W. Federal Street  
Youngstown, OH 44502  
Attention: Chief Legal Officer

For so long as Executive is an employee of Company, notice may also be given through the use of the Company's electronic mail system using the Employee's Company-provided electronic mail address and the Company-provided electronic mail address of the individual holding the title of Chief Human Resources Officer.

**16. SEVERABILITY.** The provisions of this Agreement will be deemed severable. The invalidity or unenforceability of any provision of this Agreement in any jurisdiction will not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of any provision of this Agreement in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder will be enforceable to the fullest extent permitted by applicable law.

**17. GOVERNING LAW; JURISDICTION.** This Agreement, the rights and obligations of the parties hereto, and all claims or disputes relating thereto, will be governed by and construed in accordance with the laws of the State of Ohio, without regard to the choice of law provisions thereof. Each of the parties agrees that any dispute between the parties will be resolved only in the courts of the State of Ohio or the United States District Court for the Northern District of Ohio and the appellate courts having jurisdiction of appeals in such courts. In that context, and without limiting the generality of the foregoing, each of the Parties hereto irrevocably and unconditionally (a) submits in any proceeding relating to this Agreement or the Executive's employment by the Company or any Affiliate, or for the recognition and enforcement of any judgment in respect thereof (each, a "Proceeding"), to the exclusive jurisdiction of the courts of the State of Ohio, the court of the United States of America for the Northern District of Ohio, and appellate courts having jurisdiction of appeals from any of the foregoing, and agrees that all claims in respect of any such Proceeding will be heard and determined in such Ohio State court or, to the extent permitted by law, in such federal court, (b) consents that any such Proceeding may and will be brought in such courts and waives any objection that the Executive or the Company may now or thereafter have to the venue or jurisdiction of any such Proceeding in any such court or that such Proceeding was brought in an inconvenient court and agrees not to plead or claim the same, (c) WAIVES TO THE FULLEST EXTENT ALLOWED BY LAW ALL RIGHT TO TRIAL BY JURY IN ANY PROCEEDING (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE EXECUTIVE'S EMPLOYMENT BY THE COMPANY OR ANY AFFILIATE OF THE COMPANY, OR THE EXECUTIVE'S OR THE COMPANY'S PERFORMANCE UNDER, OR THE ENFORCEMENT OF, THIS AGREEMENT, (d) agrees that service of process in any such Proceeding may be effected by mailing a copy of such process by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such party at the Executive's or the Company's address as provided in Section 15 hereof, and (e) agrees that nothing in this Agreement will affect the right to effect service of process in any other manner permitted by the laws of the State of Ohio. Should either party initiate any action or proceeding to enforce any provision of this Agreement or for damages by reason of any alleged breach of any provision of this Agreement, or for a declaration of rights hereunder, the prevailing party

in any such dispute shall be entitled to receive from the other party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in connection with such dispute.

#### **18. TAX MATTERS.**

(a) **WITHHOLDING.** The Company may withhold from any and all amounts payable under this Agreement such federal, state, local and other taxes or withholdings as may be required to be withheld pursuant to any applicable law or regulation.

(b) **CODE SECTION 280G.** Notwithstanding anything in this Agreement or elsewhere to the contrary, if the aggregate of all amounts and benefits due to the Executive (or the Executive's beneficiaries) under this Agreement or under any other plan, program, agreement or arrangement of the Company or any of its Affiliates (collectively, "Contingent Benefits"), would cause the Executive to have "parachute payments" as such term is defined in and under Code Section 280G, and would result in the imposition of excise taxes pursuant to Section 4999 of the Code or loss of deduction pursuant to Code Section 280G, the Company will reduce such payments and benefits so that the Parachute Value of all Contingent Benefits, in the aggregate, equals the Safe Harbor Amount minus \$1,000.00 (the "Required Reduction"). All determinations with respect to this Section 18(b) will be made by an independent nationally-recognized United States public accounting firm chosen, and paid for, by the Company (the "Auditor"). Notwithstanding any provision to the contrary in this Agreement or elsewhere, any Required Reduction will be implemented as follows: first, by reducing any cash payments to be made to the Executive; second, by cancelling any outstanding equity or equity-based compensation awards that are subject to performance vesting ("Performance-Based Equity"), the performance goals for which have not been met as of the Termination Date or, if later, the Change in Control date; third, by cancelling the acceleration of vesting of (i) any of the Executive's outstanding Performance-Based Equity the performance goals for which were met as of the Termination Date or, if later, the Change in Control date, and (ii) any of the Executive's other outstanding equity awards; and fourth, by eliminating the Company's payment of the premiums for any post-termination continuation of health coverage benefits for the Executive. All determinations made by the Auditor under this Section 18(b) will be binding upon the Company and the Executive and will be made as soon as reasonably practicable following the event giving rise to the Contingent Benefits. The following terms will have the following meanings for purposes of this Section 18(b):

(i) "Code Section 280G" means Section 280G of the Code and the treasury regulations and other official guidance promulgated thereunder from time to time.

(ii) "Parachute Value" of a Contingent Benefit means the present value (as determined in accordance with Code Section 280G) as of the date of the change in control for purposes of Section 280G of the Code of the portion of such Contingent Benefit that constitutes a "parachute payment" under Code Section 280G.

(iii) "Safe Harbor Amount" means 2.99 times the Executive's "base amount," within the meaning of Code Section 280G.

#### **(c) CODE SECTION 409A.**

(i) The intent of the parties is that payments and benefits under this Agreement be exempt from, or, to the extent not so exempt, comply with, Code Section 409A, and, accordingly, to the maximum extent permitted, this Agreement will be interpreted in accordance with such intent. To the

extent that any provision hereof is modified in order to comply with Code Section 409A, such modification will be made in good faith and will, to the maximum extent reasonably possible, maintain the original intent and economic benefit to the Executive and the Company of the applicable provision without violating the provisions of Code Section 409A. In no event whatsoever will the Company or its Affiliates, or their respective officers, directors, employees or agents be liable for any additional tax, interest or penalties that may be imposed on the Executive by Code Section 409A or damages for failing to comply with Code Section 409A.

(ii) Notwithstanding anything to the contrary in this Agreement, if the Executive is a "specified employee" within the meaning of that term under Code Section 409A(a)(2)(B), then with regard to any payment or the provision of any benefit that is considered "deferred compensation" under Code Section 409A payable on account of a "separation from service," such payment or benefit will not be made or provided until the date which is the earlier of (A) the expiration of the six (6)-month period measured from the date of such "separation from service" of the Executive, and (B) the date of the Executive's death, to the extent required under Code Section 409A. Upon the expiration of the foregoing delay period, all payments and benefits delayed pursuant to this paragraph (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 the Executive in a lump sum, and all remaining payments and benefits due under this Agreement will be paid or provided in accordance with the normal payment dates specified for them herein.

(iii) To the extent that reimbursements or other in-kind benefits under this Agreement constitute "deferred compensation" for purposes of Code Section 409A, (A) all expenses or other reimbursements hereunder will be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by the Executive, (B) any right to reimbursement or in-kind benefits will not be subject to liquidation or exchange for another benefit, and (C) no such reimbursement, expenses eligible for reimbursement, or in-kind benefits provided in any taxable year will in any way affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year.

(iv) For purposes of Code Section 409A, the Executive's right to receive installment payments pursuant to this Agreement will be treated as a right to receive a series of separate and distinct payments.

(v) Whenever a payment under this Agreement specifies a payment period with reference to a number of days, the actual date of payment within the specified period will be within the sole discretion of the Company.

(vi) No amounts payable hereunder that constitute nonqualified deferred compensation for purposes of Code Section 409A will be subject to offset by any other amount unless otherwise permitted by Code Section 409A.

**19. SURVIVAL.** The Company and Executive hereby agree that Sections 2(b) and 5 through 23 of this Agreement will survive any termination of this Agreement or termination of Executive's employment for any reason, whether voluntary or involuntary, and that such provisions will thereafter remain in full force and effect pursuant to their respective terms.

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**20. SECTION HEADINGS; INCONSISTENCY.** The section headings used in this Agreement are included solely for convenience and will not affect, or be used in connection with, the interpretation of this Agreement. In the event of any inconsistency between the terms of this Agreement and any form, award, plan or policy of the Company, the terms of this Agreement will govern and control.

**21. ENTIRE AGREEMENT.** Except as otherwise expressly provided herein, this Agreement sets forth the entire agreement of the Parties hereto in respect of the subject matter contained herein and supersedes any and all prior agreements or understandings between the Employee and the Company with respect to the subject matter hereof. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either Party which are not expressly set forth in this Agreement.

**22. MISCELLANEOUS.** 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 the Employee and such officer or director of the Company as may be 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 will be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

**23. COUNTERPARTS.** This Agreement may be executed via electronic signature and in any number of counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument. The Parties agree to accept a signed facsimile copy or "PDF" of this Agreement as a fully binding original.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

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**IN WITNESS WHEREOF,** the parties hereto have executed this Agreement as of the date first written above.

**COMPANY**

By: /s/Sharon Davis

Name: Sharon Davis

Title: EVP, CHRO

**EXECUTIVE**

/s/Tina M. Nutter

Tina Nutter

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Exhibit 10.28

UNITED COMMUNITY FINANCIAL CORP. DEFERRED  
COMPENSATION PLAN  
AMENDED AND RESTATED EFFECTIVE JANUARY 1, 2017

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**1. Plan Amendment and Restatement.** Effective January 1, 2016, United Community Financial Corp. (the "Company") adopted the United Community Financial Corp. Deferred Compensation Plan (the "Plan"), an unfunded deferred compensation plan for a select group of key management or highly compensated employees of the participating Employers. The Company now desires to amend and restate the Plan to provide additional deferral and Employer contribution opportunities and certain other changes. The terms of the prior Plan shall continue to apply for amounts deferred prior to January 1, 2017. The terms of the amended and restated Plan set forth in this document shall apply for all amounts deferred on or after January 1, 2017.

**2. Purpose of Plan.** The purpose of the Plan is to provide a select group of management or highly compensated employees (within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA) of the participating Employers, who contribute significantly to the future business success of the Company and its Affiliates, with supplemental retirement income benefits through the deferral of Base Salary and Bonus Compensation and through discretionary Employer contributions. The Plan provides benefits in excess of the benefits available under the Savings Plan due to various limits applicable to deferrals and employer contributions under the Savings Plan.

**3. Definitions.**

**3.1 Acceleration Events** is defined in Section 10 hereof.

**3.2 Account** means a bookkeeping account established in the name of each Participant and maintained by the Company to reflect the Participant's interests under the Plan.

**3.3 Affiliate** means any corporation, trade or business which is treated as a single employer with the Company under Sections 414(b) or 414(c) of the Code and any other entity designated by the Committee as an "Affiliate" for purposes of the Plan, including The Home Savings and Loan Company of Youngstown, Ohio, or any successor thereto.

**3.4 Base Salary** means compensation as defined in Elections 9 through 11 of the Savings Plan with appropriate modifications as determined by the Committee.

**3.5 Beneficiary** means any person or entity, designated in accordance with Section 14.7, entitled to receive benefits which are payable upon or after a Participant's death pursuant to the terms of the Plan.

**3.6 Board** means the Board of Directors of the Company, as constituted from time to time.

**3.7 Bonus Compensation** means any cash compensation earned by a Participant for services rendered by a Participant under any bonus or cash incentive plan or arrangement maintained by the Company or an Affiliate, including an individual retention or stay bonus.

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**3.8 Change in Control** means the occurrence of any of the following events:

- (a) one person (or more than one person acting as a group) acquires (or has acquired during the twelve (12) month period ending on the date of the most recent acquisition) ownership of the Company's stock possessing 30% or more of the total voting power;
- (b) one person (or more than one person acting as a group) acquires ownership of stock of the Company that, together with the stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the stock of such corporation; provided that, a Change in Control shall not occur if any person (or more than one person acting as a group) owns more than 50% of the total fair market value or total voting power of the Company's stock and acquires additional stock;
- (c) a majority of the members of the Board are replaced during any twelve (12) month period by directors whose appointment or election is not endorsed by a majority of the Board before the date of appointment or election; or
- (d) one person (or more than one person acting as a group) acquires (or has acquired during the twelve (12) month period ending on the date of the most recent acquisition) assets from the Company that have a total gross fair market value equal to all or substantially all of the assets of the Company immediately before such acquisition(s).

Notwithstanding the foregoing, a Change in Control shall not occur unless such transaction constitutes a change in the effective control of the Company under Section 409A of the Code.

**3.9 Claimant** has the meaning set forth in Section 15.

**3.10 Code** means the U.S. Internal Revenue Code of 1986, as amended, or any successor statute, and the Treasury Regulations and other authoritative guidance issued thereunder.

**3.11 Committee** means the Compensation Committee of the Board or such other committee of the Board as shall be determined by the Board in its sole discretion.

**3.12 Company** means United Community Financial Corp., an Ohio corporation, or any successor thereto.

**3.13 Contributions** means Elective Deferrals, Corrective Deferrals, Corrective Matching Contributions, Discretionary Contributions, and Corrective Nonelective Contributions.

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**3.14 Contribution Sub-Account** means the portions of the Participant's Account attributable to deferrals and contributions as described in Sections 5.2, 5.3, 6.1, 6.2, and 6.3, respectively:

- (a) **Elective Deferral Sub-Account** means the portion of a Participant's Account attributable to Elective Deferrals as described in Section 5.2 and Earnings thereon.
- (b) **Corrective Deferrals Sub-Account** means the portion of a Participant's Account attributable to Corrective Deferrals as described in Section 5.3 and Earnings thereon.
- (c) **Corrective Matching Contributions Sub-Account** means the portion of a Participant's Account attributable to Corrective Matching Contributions as described in Section 6.1 and Earnings thereon.
- (d) **Discretionary Contributions Sub-Account** means the portion of a Participant's Account attributable to Discretionary Contributions as described in Section 6.2 and Earnings thereon.
- (e) **Corrective Nonelective Contributions Sub-Account** means the portion of a Participant's Account attributable to Corrective Nonelective Contributions as described in Section 6.3 and Earnings thereon.

**3.15 Corrective Deferral** means any deferral an Eligible Employee directs the Employer to make to the Plan on the Participant's behalf, pursuant to Section 5.3.

**3.16 Corrective Distribution** means the amount of any Savings Plan excess contribution (as defined under Code Section 401(k)(8)), excess deferral (as defined under Code Section 402(g)(2)(A)), or excess annual addition (as defined as annual additions in excess of the limit described under Code Section 415(c) (2)), which is distributable to a Participant.

**3.17 Corrective Matching Contribution** means any matching contribution an Employer makes to the Plan, pursuant to Section 6.1.

**3.18 Corrective Nonelective Contribution** means any nonelective contribution an Employer makes to the Plan, pursuant to Section 6.3.

**3.19 Deferral Election** means an election by an Eligible Employee to make Elective Deferrals and/or Corrective Deferrals. A Participant shall make a new Deferral Election with respect to each Plan Year.

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**3.20 Designated Date** means a fixed date specified by an Eligible Employee as of which distributions are to be made, or commence to be made, under the Plan unless the Eligible Employee first incurs a Separation from Service or death.

**3.21 Determination Date** means the last Valuation Date preceding the DISTRIBUTION Date.

**3.22 Discretionary Contribution** means any discretionary contribution an Employer makes to the Plan on behalf of a Participant, pursuant to Section 6.2.

**3.23 Distribution Date** means a date specified by a Participant in his or her Election Notice for the commencement of payment of such Participant's Account.

**3.24 Distribution Event** has the meaning set forth in Section 9.1.

**3.25 Earnings** means the hypothetical earnings, gains or losses to the Trust applicable to a Participant's Account, as described in Section 7.3.

**3.26 Effective Date** means January 1, 2017.

**3.27 Election Notice** means the notice or notices established from time to time by the Committee for an Eligible Employee to make a Deferral Election under the Plan. Each Election Notice shall become irrevocable upon the expiration of the Election Period.

**3.28 Election Period** means the period established by the Committee with respect to each Plan Year during which Deferral Elections for such Plan Year must be made in accordance with the requirements of Section 409A of the Code, as follows:

(a) **General Rule.** Except as provided in (b) and (c) below, the Election Period shall end no later than the last day of the Plan Year immediately preceding the Plan Year to which the Deferral Election relates.

(b) **Performance-based Compensation.** If any Bonus Compensation constitutes "performance-based compensation" within the meaning of Treas. Reg. Section 1.409A-1(e), the Election Period for such amounts shall end no later than six months before the end of the Performance Period during which the Bonus Compensation is earned (and in no event later than the date on which the amount of the Bonus Compensation becomes readily ascertainable). For the avoidance of doubt, where the right to a specified amount is subject to a performance requirement being met (e.g., the amount of a retention bonus is payable if the Eligible Employee continues to be employed on a specified date), the amount is treated as readily ascertainable when it is substantially certain that the performance requirement will be met.

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(c) **Newly Eligible Employees.** The Election Period for a newly Eligible Employee shall end no later than thirty (30) days after the Employee first becomes eligible to participate in the Plan and shall apply only with respect to Base Salary earned after the date of the Deferral Election and a proportionate share of Bonus Compensation for the applicable period.

**3.29 Elective Deferrals** means Base Salary deferrals and Bonus Compensation deferrals an Eligible Employee directs the Employer to make to the Plan on the Participant's behalf, pursuant to Section 5.2.

**3.30 Eligible Employee** means an Employee who is selected by the Committee to participate in the Plan. Participation in the Plan is limited to a select group of management or highly compensated employees (within the meaning of Section 201(2), 301(a)(3) and 401(a)(1) of ERISA) of the participating Employers.

**3.31 Employee** means a common law employee of the Company or an Affiliate.

**3.32 Employer** means the Company and any Affiliate that participates in the Plan.

**3.33 Entry Date** means, with respect to an Eligible Employee, the first day of the pay period commencing on or following the effective date of such Eligible Employee's participation in the Plan. An Entry Date may not be retroactive.

**3.34 ERISA** means the Employee Retirement Income Security Act of 1974, as amended from time to time, or any successor statute and Labor Regulations and other authoritative guidance issued thereunder.

**3.35 FICA Amount** has the meaning set forth in Section 10(c).

**3.36 Investment Option** means an investment fund, index or vehicle available under the Savings Plan and made available to Participants for the hypothetical investment of their Accounts.

**3.37 Participant** means an Eligible Employee who elects to participate in the Plan by filing an Election Notice in accordance with Section 5.1 and any former Eligible Employee who continues to be entitled to a benefit under the Plan.

**3.38 Performance Period** means the period of service for which the right to performance-based compensation is based.

**3.39 Plan** means The United Community Financial Corp. Deferred Compensation Plan, as amended from time to time.

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**3.40 Plan Year** means the twelve consecutive month period which begins on January 1 and ends on the following December 31.

**3.41 Re-deferral Election** has the meaning set forth in Section 5.4.

**3.42 Savings Plan** means The Home Savings & Loan Company 401(k) Savings Plan, and any successor thereto.

**3.43 Separation from Service** has the meaning set forth in Section 409A(a)(2)(A)(i) of the Code and Treas. Reg. Section 1.409A-1(h), including the default presumptions thereunder.

**3.44 Specified Employee** has the meaning set forth in Section 409A(a)(2)(B)(i) of the Code and Treas. Reg. Section 1.409A-1(i), provided that solely for purposes of this Plan all Participants shall be considered Specified Employees.

**3.45 Specified Employee Payment Date** has the meaning set forth in Section 9.5.

**3.46 State, Local and Foreign Tax Amount** has the meaning set forth in Section 10(f).

**3.47 Taxable Year** means the twelve consecutive month accounting period of the Company. As of the Effective Date, the Taxable Year is the twelve consecutive month accounting period ending December 31.

**3.48 Trust** has the meaning set forth in Section 14.5.

**3.49 Trust Agreement** has the meaning set forth in Section 14.5.

**3.50 Unforeseeable Emergency** means a severe financial hardship of the Participant resulting from (a) an illness or accident of the Participant, the Participant's spouse, or the Participant's dependent; (b) a loss of the Participant's property due to casualty; or (c) such other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant, all as determined in the sole discretion of the Committee.

**3.51 Valuation Date** means each business day of the Plan Year.

**3.52 Year of Service** means each twelve (12) consecutive month period of a Participant's continuous employment with the Company or an Affiliate, as determined under the Savings Plan.

#### **4. Eligibility; Participation.**

**4.1 Requirements for Participation.** Before the beginning of each Plan Year (or in advance of the date a newly Eligible Employee becomes eligible to participate), the Committee shall select those Employees who shall be Eligible Employees for such Plan Year. Any Eligible

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Employee may participate in the Plan commencing as of the Entry Date occurring on or after the date on which he or she becomes an Eligible Employee. The Committee may limit an Eligible Employee's participation in the Plan to include less than all Plan benefits. Without limiting the generality of the foregoing, the Committee may limit an Eligible Employee's participation to deferral of corrective amounts under the Savings Plan.

**4.2 Election to Participate; Benefits of Participation.** An Eligible Employee may become a Participant in the Plan by making a Deferral Election in accordance with Section 5. Subject to the provisions of Section 4.1, the Account of an Eligible Employee who elects to participate in the Plan by making a Deferral Election is eligible to receive hypothetical Contributions in accordance with Section 6.

**4.3 Cessation of Participation.** If a Participant ceases to be an Eligible Employee for a Plan Year, then the Participant's Deferral Election shall no longer be effective and the Participant's Account shall no longer be credited with any further Contributions. Furthermore, a Participant's Deferral Election may be cancelled in connection with the Participant's receipt of an Unforeseeable Emergency Distribution or a hardship withdrawal from the Savings Plan. In each case, however, such Participant's Account shall continue to be credited with Earnings.

#### **5. Election Procedures.**

**5.1 Deferral Election.** Subject to the provisions of Section 4.1 regarding the limitation of an Eligible Employee's participation in the Plan, an Eligible Employee may elect to make Elective Deferrals and/or Corrective Deferrals by completing an Election Notice and filing it with the Company during the Election Period. The Election Notice must specify:

- (a) the amount or percentage of Base Salary and/or Bonus Compensation to be deferred as Elective Deferrals;
- (b) whether to make Corrective Deferrals;
- (c) the Designated Date, if any, for the Participant's Deferrals; and
- (d) the form of payment to the extent the form of payment is subject to election by the Eligible Employee.

**5.2 Elective Deferrals.** A Participant may elect to defer receipt of any or all of the Participant's Base Salary for any Plan Year (after applicable withholding) by making a Deferral Election in accordance with this Section 5. In addition, a Participant may elect to defer receipt of any or all of the Participant's Bonus Compensation for any Plan Year or other Performance Period (after applicable withholding) by making a Deferral Election in accordance with this Section 5. Base Salary and Bonus deferrals shall be credited to the Participant's Elective Deferral Account as of a date selected by the Company. Collectively, such deferrals are Elective Deferrals.

**5.3 Corrective Deferrals.** A Participant may elect to defer either (1) zero percent (0%) or (2) one hundred percent (100%), and only such percentages, of any Corrective Distribution of elective deferrals and related amounts that such a Participant may be entitled to receive under the Savings Plan. Collectively, such deferrals are Corrective Deferrals.

**5.4 Re-deferrals.** A Participant who has elected a Designated Date may make an election to re-defer all (or a portion thereof if permitted by the Committee) of the amounts to be paid or commence to be paid on such Designated Date to a later Designated Date or to change the form of a payment (a "Re-deferral Election"); provided that, the following requirements are met:

- (a) the re-deferral election is made at least twelve (12) months before the original Designated Date;
- (b) the Designated Date for the re-deferred amounts is at least five years later than the original Designated Date;
- (c) the re-deferral election will not take effect for at least twelve (12) months after the re-deferral election is made; and
- (d) each Participant is permitted to make only two (2) re-deferrals of an amount under the Plan, both of which must be made prior to such Participant's Separation from Service.

For purposes of this Section 5.4, each payment, including each installment payment, shall be treated as a separate payment under Section 409A of the Code.

## **6. Employer Contributions.**

**6.1 Corrective Matching Contributions.** Any Corrective Matching Contribution shall be credited to the Participant's Corrective Matching Contribution Account as soon as practicable following the last day of the Plan Year to which the Corrective Matching Contribution relates and in no event later than the March 15 immediately following the Plan Year. Corrective Matching Contributions need not be uniform among Participants. The Corrective Matching Contribution is the amount equal to the excess, if any, of A minus B, where:

"A" is the Matching Contribution which would have been contributed to the Savings Plan and allocated to the Participant's account (pursuant to Election 24 of the Savings Plan) for the Taxable Year, determined without the limitations imposed under Sections 401(a)(17), 401(k)(3), 401(m)(2), 402(g) and 415(c) of the Code calculated using the Participant's Base Salary for the Taxable Year; and

"B" is the actual Matching Contribution made on behalf of the Participant pursuant to Election 24 of the Savings Plan for the Taxable Year.

**6.2 Discretionary Contributions.** Each Plan Year an Employer may, but need not, make a Discretionary Contribution to the Plan on behalf of a Participant in such amount as the Employer shall determine in its sole discretion. Any Discretionary Contribution shall be credited to the Participant's Discretionary Contribution Account as soon as practicable following the last day of the Plan Year to which the Discretionary Contribution relates and no later than the March 15 immediately following the Plan Year. Employers are under no obligation to make a Discretionary Contribution for a Plan Year. Discretionary Contributions need not be uniform among Participants.

### **6.3 Corrective Nonelective Contributions**

(a) Each Participant who is eligible to receive a Discretionary Nonelective Contribution in accordance with Elections 27 and 28 under the Savings Plan shall be entitled to receive a Corrective Nonelective Contribution as defined herein. The Corrective Nonelective Contribution is the amount equal to the excess, if any, of C minus D, where:

"C" is the Discretionary Nonelective Contribution which would have been contributed to the Savings Plan and allocated to the Participant (pursuant to Elections 27 and 28 of the Savings Plan) for the Taxable Year, determined without the limitations imposed by the nondiscrimination testing requirements under Sections 401(a)(4), 401(a)(17) and 415(c) of the Code calculated using the Participant's Base Salary for the Taxable Year; and

"D" is the actual Discretionary Nonelective Contribution made on behalf of the Participant's Account as determined in accordance with Elections 27 and 28 of the Savings Plan for the Taxable Year.

(b) **Timing.** The Company shall credit the Corrective Nonelective Contribution, if any, to the Participant's Corrective Nonelective Contributions Sub-Account as soon as administratively feasible following its determination in accordance with this Section 6.3.

## **7. Accounts and Investment Options.**

**7.1 Establishment of Accounts.** The Company shall establish and maintain an Account for each Participant. The Company may establish more than one Account on behalf of any Participant as deemed necessary by the Committee for administrative purposes.

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**7.2 Investment Options.** The Investment Options to be made available to Participants for the hypothetical investment of their Accounts under the Plan may but need not be the same investment options as are available under the Savings Plan. A Participant must select the Investment Options for his or her Account in accordance with procedures established by the Committee.

**7.3 Earnings.** Each Account shall be adjusted for Earnings based on the performance of the hypothetical Investment Options selected.

**7.4 Nature of Accounts.** Accounts are not actually invested in the Investment Options available under the Plan and Participants do not have any real or beneficial ownership in any Investment Option. A Participant's Account is solely a device for the measurement and determination of the amounts to be paid to the Participant pursuant to the Plan and shall not constitute or be treated as a trust fund of any kind.

**7.5 Statements.** Each Participant shall be provided with statements setting out the amounts in his or her Account which shall be delivered at such intervals determined by the Committee.

## **8. Vesting.**

**8.1 Vesting of Elective Deferrals and Corrective Deferrals.** Participants shall be fully vested at all times in their Elective Deferrals and Corrective Deferrals, and any Earnings thereon.

**8.2 Vesting of Corrective Matching Contributions, Corrective Nonelective Contributions and Discretionary Contributions.** Participants shall be vested in their Corrective Matching Contributions, Corrective Nonelective Contributions and Discretionary Contributions, and any Earnings thereon in accordance with the following schedule:

| Years of Service  | Vested Percentage |
|-------------------|-------------------|
| Less than 3 years | 0%                |
| 3 years or more   | 100%              |

Notwithstanding the vesting schedule set out above, the Committee may, in its discretion, establish a different vesting schedule that will apply to Corrective Matching Contributions, Corrective Nonelective Contributions and Discretionary Contributions made to the Plan on behalf of any Participant for any Plan Year.

**8.3 Accelerated Vesting of Accounts Upon the Occurrence of Specified Events.** Notwithstanding any other provision of the Plan, all Accounts shall immediately become 100% vested in the event of a Change in Control, termination of the Plan, or the Participant's death or attainment of age Sixty-Five (65).

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## **9. Payment of Participant Accounts.**

**9.1 In General.** Payment of a Participant's vested Account shall be made or commence to be made on the earliest to occur of the following Distribution Events:

- (a) **Designated Date:** if applicable, the Designated Date specified in the Participant's Deferral Election (as the same may have been re-deferred in accordance with Section 5.4) provided that the Participant is still employed by the Company or any of its Affiliates on such Designated Date;
- (b) **Separation from Service:** the Participant's Separation from Service; and
- (c) **Death:** the Participant's death.

**9.2 Timing of Valuation.** The value of a Participant's Account on the Distribution Date shall be determined as of the applicable Determination Date.

**9.3 Forfeiture of Unvested Account Balances.** Unless otherwise determined by the Committee, and subject to Section 8.3, a Participant's unvested Account balance shall be forfeited upon the occurrence of a Distribution Event.

**9.4 Timing of Payments.** Except as otherwise provided in this Section 9, distribution shall commence on a date selected by the Company which shall be within 90 days following a Distribution Event.

**9.5 Timing of Payments upon Separation from Service.** Notwithstanding anything in this Section 9 to the contrary, no distribution of a Participant's Account shall be made due to a Participant's Separation from Service until the first payroll date of the seventh month following the Participant's Separation from Service (or, if earlier, upon the date of the Participant's death). Any distribution to which a Participant otherwise would have been entitled under the Plan during the period between the Participant's Separation from Service and the Specified Employee Payment Date shall be accumulated and paid on the Specified Employee Payment Date.

**9.6 Form of Payment.** Subject to the provisions of Section 4.1 regarding the limitation of an Eligible Employee's participation in the Plan, each Participant shall specify in his or her Election Notice one of the following forms of payment for amounts in his or her Account that are covered by the election:

- (a) a single lump sum payment; or
- (b) three (3) annual installments.

In the absence of a valid election with respect to form of payment, amounts will be paid in a single lump sum payment.

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Notwithstanding the foregoing, the Committee may allow Participants to elect that payment be made in eleven (11) annual installments to be paid over a period in excess of ten (10) years. If a Participant dies prior to receiving the final installment, the remaining amount shall be paid in the single lump sum payment to the Participant's Beneficiary on a day selected by the Company which is within the ninety (90) day period immediately following the date of the Participant's death.

In the event that amounts are payable in three (3) installments, the first installment shall commence on a day selected by the Company which shall be within the 90-day period commencing on the applicable Distribution Date, in accordance with this Section 9, and shall equal 1/3rd of the Account balance on the Determination Date. Following the initial installment distribution, subsequent installment distributions shall be paid on the anniversary date of such initial installment in each succeeding year thereafter, and shall be calculated by multiplying the Account balance on the Distribution Date by a fraction of which the numerator is one and the denominator is one whole number less than the denominator of the fraction used in calculating the immediately preceding annual installment payment until one hundred percent (100%) of the value has been distributed to the Participant. Until the Plan pays the entire amount of a Participant's Account, the Plan will continue to credit the Participant's Account with Earnings, in accordance with Section 7.3.

If payments are made in eleven (11) annual installments in accordance with the preceding paragraph, the same methodology for calculating the annual installments as described above shall apply, except that the first annual installment shall equal 1/11th of the Account balance on the Determination Date.

Notwithstanding the foregoing, if the Participant's deferrals for a Plan Year consist solely of Corrective Deferrals, the amount will be paid in three (3) installments following the Participant's Separation from Service.

Notwithstanding the foregoing, if the value of a Participant's vested Account is less than Twenty Thousand One Hundred Dollars (\$20,100.00), the amount will be paid in a single lump sum.

**9.7 Payment upon Death.** Regardless of Section 9.6, if the Participant's Separation from Service is a result of the Participant's death, the Participant's Account shall be paid to the Participant's Beneficiary in a single lump sum payment as soon as feasible following Participant's death. In the event the Participant dies after the commencement of distributions but prior to the complete distribution of his or her entire Account pursuant to Section 9.6., the remaining unpaid balance of the Participant's Account shall be paid to the Participant's Beneficiary in a single lump sum payment as soon as feasible following Participant's death.

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**9.8 Medium of Payment.** Any payment from a Participant's Account shall be made in cash.

**10. Permissible Acceleration Events.**

**10.1 In General.** Notwithstanding anything in the Plan to the contrary, the Committee, in its sole discretion, may direct the Company to accelerate payment of all or a portion of a Participant's vested Account upon the occurrence of any of the Acceleration Events set forth below:

- (a) Domestic Relations Orders. Payment may be accelerated to the extent necessary to comply with a domestic relations order (as defined in Section 414(p)(1)(B) of the Code).
- (b) Payment of Employment Taxes. Payment may be accelerated (i) to pay the Federal Insurance Contributions Act (FICA) tax imposed under Sections 3010, 3121(a) and 3121(v) (2) of the Code (the "FICA Amount"), or (ii) to pay the income tax at source on wages imposed under Section 3401 of the Code or the corresponding withholding provisions of applicable state, local or foreign tax laws as a result of the payment of the FICA Amount and the additional income tax at source on wages attributable to the pyramiding Section 3401 wages and taxes; provided, however, that the total payment under this Section 10(c) shall not exceed the FICA Amount and the income tax withholding related to the FICA Amount.
- (c) Payment Upon Income Inclusion. Payment may be accelerated to the extent that the Plan fails to meet the requirements of Section 409A of the Code; provided that, the amount accelerated shall not exceed the amount required to be included in income as a result of the failure to comply with Section 409A of the Code.
- (d) Termination of the Plan. Payment may be accelerated upon termination of the Plan in accordance with Treas. Reg. Section 1.409A-3(j)(4)(ix).
- (e) Payment of State, Local or Foreign Taxes. Payment may be accelerated:
  - (i) to pay state, local or foreign tax obligations arising from participation in the Plan that relate to an amount deferred under the Plan before the amount is paid or made available to the Participant (the "State, Local and Foreign Tax Amount"); provided, however, the accelerated payment amount shall not exceed the taxes due as a result of participation in the Plan, and/or

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- (ii) to pay income tax at source on wages imposed under Section 3401 of the Code as a result of such payment and the payment of the additional income tax at source on wages imposed under Section 3401 of the Code attributable to the additional Section 3401 wages and taxes; provided however, the accelerated payment amount shall not exceed the aggregate of the State, Local and Foreign Tax Amount and the income tax withholding related to such amount.

- (f) Certain Offsets. Payment may be accelerated to satisfy a debt of the Participant to the Company or an Affiliate incurred in the ordinary course of the service relationship between the Company and the Participant; provided, however, the amount accelerated shall not exceed Five Thousand Dollars (\$5,000) and the payment shall be made at the same time and in the same amount as the debt otherwise would have been due and collected from the Participant.

- (g) Bona Fide Disputes as to Right to Payment. Payment may be accelerated where the payment is part of a settlement between the Company or an Affiliate and the Participant of an arm's length, bona fide dispute as to the Participant's right to the deferred amount.

- (h) Unforeseeable Emergency. Payment may be accelerated for an Unforeseeable Emergency, subject to the rules and restrictions set forth in Section 10.2.

**10.2 Unforeseeable Emergency.** The Committee may direct the Company to accelerate payment of all or a portion of the Participant's vested Account in accordance with Section 10.1(h) if the Committee, in its sole discretion, determines that the Participant has incurred an Unforeseeable Emergency, based on the relevant facts and circumstances and in accordance with Treas. Reg. §1.409A-3(i)(3), provided the following rules and restrictions are satisfied.

- (a) Application for Payment. A Participant may request, in the manner prescribed by the Committee, payment of all or a portion of the Participant's Account in the event the Participant incurs an Unforeseeable Emergency. The Participant must provide appropriate written evidence to substantiate the existence of the Unforeseeable Emergency and the amount reasonably necessary to satisfy the emergency need consistent with the provisions of this Plan.

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- (b) Limitation on Amount of Payment. The Plan must limit the amount of any payment based on Unforeseeable Emergency to the amount that is reasonably necessary to satisfy the emergency need, which may include amounts necessary to pay any Federal, state or local income taxes or penalties reasonably anticipated result from the payment. However, the Committee in determining "necessity" may disregard amounts available as a hardship distribution or a loan from a qualified plan or as an unforeseeable emergency distribution from another nonqualified plan. In no event may the amount of the payment exceed the value of the Participant's Account.

- (c) Exhaustion of Other Sources of Payment. The Plan may not make payment to the extent that the Unforeseeable Emergency may be relieved:

(i) through reimbursement or compensation by insurance or otherwise; or (ii) by liquidation of the Participant's assets to the extent that such liquidation of assets would not itself cause severe financial hardship; or (iii) by the Participant's cessation of Corrective Deferrals under the Plan.

(d) **Payment from Participant's Account.** Payment shall be paid in a single lump sum payment from the Participant's Account by first reducing the Participant's Corrective Deferrals for the current Taxable Year, then by reducing the remaining Account until the value covers the amount of the emergency need. Payment generally will be made within 90 days following the Committee's approval of the Participant's Unforeseeable Emergency Payment request. If that 90-day period spans more than one Taxable Year of the Participant, the Participant will not have any discretion over the Taxable Year of payment.

(e) **Treatment of Payment.** Neither a Participant's request or failure to request an Unforeseeable Emergency payment, nor the Committee's acceptance or rejection of such a request, constitutes a Re-deferral Election.

The Committee's determination of whether payment may be accelerated in accordance with this Section 10 shall be made in accordance with Treas. Reg. Section 1.409A-3(j)(4).

#### **11. Section 162(m) of the Code.**

If the Committee reasonably anticipates that if a payment were made as scheduled under the Plan it would result in a loss of the Employer's tax deduction due to the application of Section 162(m) of the Code, such payment can be delayed and paid (a) during the Participant's first Taxable Year in which the Committee reasonably anticipates that the Employer's tax deduction will not be limited or eliminated by the application of Section 162(m) of the Code or

(b) subject to Section 9.5, during the period beginning with the Participant's Separation from Service and ending on the later of the last day of the Employer's Taxable Year in which the

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Participant separates from service or the 15th day of the third month following the Participant's Separation from Service. Notwithstanding the foregoing, no payment under the Plan may be deferred in accordance with this Section 11 unless all scheduled payments to the Participant that could be delayed in accordance with Treas. Reg. Section 1.409A-2(b)(7)(i) are also delayed.

#### **12. Plan Administration.**

**12.1 Administration by Committee.** The Plan shall be administered by the Committee which shall have the authority to:

- (a) construe and interpret the Plan and apply its provisions;
- (b) promulgate, amend and rescind rules and regulations relating to the administration of the Plan;
- (c) authorize any person to execute, on behalf of the Company, any instrument required to carry out the purposes of the Plan;
- (d) determine minimum or maximum amounts that Participants may elect to defer under the Plan;
- (e) select the Investment Options that will be available for the hypothetical investment of Accounts under the Plan and establish procedures for permitting Participants to change their selected Investment Options;
- (f) determine whether any Corrective Matching Contributions will be made to the Plan with respect to any Plan Year and the amount of any such contributions;
- (g) determine whether any Discretionary Contributions will be made to the Plan on behalf of any Participants with respect to any Plan Year and the amount of any such contributions;
- (h) calculate Earnings;
- (i) interpret, administer, reconcile any inconsistency in, correct any defect in and/or supply any omission in the Plan and any instrument, Election Notice or agreement relating to the Plan;
- (j) exercise discretion to make any and all other determinations which it determines to be necessary or advisable for the administration of the Plan; and
- (k) delegate clerical and administrative tasks as it deems appropriate.

**12.2 Non-Uniform Treatment.** The Committee's determinations under the Plan need not be uniform and any such determinations may be made selectively among Participants.

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Without limiting the generality of the foregoing, the Committee shall be entitled, among other things, to make non-uniform and selective determinations with regard to: (a) the terms or conditions of any Elective Deferral; (b) the amount, terms or conditions of any Corrective Matching Contribution or Discretionary Contribution; or (c) the availability of Investment Options.

**12.3 Committee Decisions Final.** Subject to Section 15, all decisions made by the Committee pursuant to the provisions of the Plan shall be final and binding on the Employers and Participants, unless such decisions are determined by a court having jurisdiction to be arbitrary and capricious.

**12.4 Indemnification.** No member of the Committee or any designee shall be liable for any action, failure to act, determination or interpretation made in good faith with respect to the Plan except for any liability arising from his or her own willful malfeasance, gross negligence or reckless disregard of his or her duties. The Employers shall jointly and severally indemnify, defend, and hold harmless any Employee, officer or director of the Company or any other Employer for all acts taken or omitted in carrying out the responsibilities of the Company, Employer, Board, Committee or Plan Administrator under the terms of this Plan or other responsibilities imposed upon such individual by law. This indemnification for all such acts taken or omitted is intentionally broad, but shall not provide indemnification for any civil penalty that may be imposed by law, nor shall it provide indemnification for embezzlement or diversion of Plan funds for the benefit of any such individual. The Employers shall jointly and severally indemnify (including advancement of funds to) any such individual for expenses of defending an action by a Participant, former Participant, Beneficiary, service provider, government entity or other person, including all legal fees and other costs of such defense. The Employers shall also reimburse any such an individual for any monetary recovery in a successful action against such individual in any federal or state court or arbitration. In addition, if a claim is settled out of court with the concurrence of the Company, the Employers shall jointly and severally indemnify any such individual for any monetary liability under any such settlement, and the expenses thereof. Such indemnification will not be provided to any person who is not a present or former officer, Employee or director of the Company or any other Employer nor shall it be provided for any claim by any Employer against any such person.

### **13. Amendment and Termination.**

The Board may, at any time, and in its sole discretion, alter, amend, modify, suspend or terminate the Plan or any portion thereof; provided, however, that no such amendment, modification, suspension or termination shall, without the consent of a Participant, adversely affect such Participant's right to the vested amount credited to his or her Account and provided, further, that, no payment of benefits shall occur upon termination of the Plan unless the requirements of Section 409A of the Code have been met.

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### **14. Miscellaneous.**

**14.1 No Employment or Other Service Rights.** Nothing in the Plan or any instrument executed pursuant thereto shall confer upon any Participant any right to continue to serve the Company or an Affiliate or interfere in any way with the right of the Company or any Affiliate to terminate the Participant's employment or service at any time with or without notice and with or without cause.

**14.2 Tax Withholding.** The Employers shall have the right to deduct from any amounts otherwise payable under the Plan any federal, state, local, or other applicable taxes required to be withheld.

**14.3 Governing Law.** The Plan shall be administered, construed and governed in all respects under and by the laws of Ohio, without reference to the principles of conflicts of law (except and to the extent preempted by applicable Federal law).

**14.4 Section 409A of the Code.** The Company intends that the Plan comply with the requirements of Section 409A of the Code and shall be operated and interpreted consistent with that intent. Notwithstanding the foregoing, the Company makes no representation that the Plan complies with Section 409A of the Code and shall have no liability to any Participant for any failure to comply with Section 409A of the Code.

This Plan shall constitute an "account balance plan" as defined in Treas. Reg. Section 31.3121(v)(2)-1(c)(1)(ii)(A). For purposes of Section 409A of the Code, all amounts deferred or contributed under this Plan shall be aggregated with amounts deferred or contributed under other account balance plans.

**14.5 Trust.** From time to time, the Company may enter into an agreement ("Trust Agreement") with one or more institutions pursuant to which such institution shall serve as the trustee of a trust ("Trust") to be used in connection with the Plan.

The Employers may make contributions to the Trust which will be held by the Trustee and invested and distributed in accordance with the terms of the Plan and the Trust Agreement. The Company retains the right, but not the obligation, to direct that Trust assets be invested in such a manner as to mirror the hypothetical investments of the Participants.

The Trust is intended to be a rabbi trust and the assets of the Trust shall at all times be subject to the claims of the Employers' general creditors.

Notwithstanding the existence of the Trust, the Plan is intended to be "unfunded" for purposes of ERISA and shall not be construed as providing income to Participants prior to the date that amounts deferred under the Plan are paid.

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**14.6 No Warranties.** Neither the Company or any Employer, nor the Committee, warrants or represents that the value of any Participant's Account will increase. Each Participant assumes the risk in connection with the hypothetical investment of his or her Account.

**14.7 Beneficiary Designation.** Each Participant under the Plan may from time to time name any Beneficiary or Beneficiaries to receive the Participant's interest in the Plan in the event of the Participant's death. Each designation will revoke all prior designations by the same Participant, shall be in a form reasonably prescribed by the Committee and shall be effective only when filed by the Participant in writing with the Company during the Participant's lifetime. If a Participant fails to designate a Beneficiary, then the Participant's designated Beneficiary shall be deemed to be the Participant's estate.

**14.8 No Assignment.** Neither a Participant nor any other person shall have any right to sell, assign, transfer, pledge, anticipate or otherwise encumber, transfer, hypothecate or convey any amounts payable hereunder prior to the date that such amounts are paid (except for the designation of Beneficiaries pursuant to Section 14.7).

**14.9 Expenses.** The costs of administering the Plan shall be paid by the Employers.

**14.10 Severability.** If any provision of the Plan is held to be invalid, illegal or unenforceable, whether in whole or in part, such provision shall be deemed modified to the extent of such invalidity, illegality or unenforceability and the remaining provisions shall not be affected.

**14.11 Headings and Subheadings.** Headings and subheadings in the Plan are for convenience only and are not to be considered in the construction of the provisions hereof.

**14.12 Paperless Administration.** If the Plan requires that an action shall be in writing, then, to the extent permitted and effective pursuant to law, and approved by the Committee on a nondiscriminatory basis, such action may be taken in person, telephonically or electronically in lieu of such written action.

## **15. Claims Procedures.**

**15.1 Filing a Claim.** Any Participant or other person claiming an interest in the Plan (the "Claimant") may file a claim in writing with the Committee. The Committee shall review the claim itself or appoint an individual or entity to review the claim.

**15.2 Claim Decision.** The Claimant shall be notified within ninety (90) days after the claim is filed whether the claim is approved or denied, unless the Committee determines that special circumstances beyond the control of the Plan require an extension of time, in which case the Committee may have up to an additional ninety (90) days to process the claim. If the Committee determines that an extension of time for processing is required, the Committee shall

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furnish written notice of the extension to the Claimant before the end of the initial ninety (90) day period. Any notice of extension shall describe the special circumstances necessitating the additional time and the date by which the Committee expects to render its decision.

**15.3 Notice of Denial.** If the Committee denies the claim, it must provide to the Claimant, in writing, a notice which includes:

- (a) the specific reason(s) for the denial;
- (b) specific reference to the pertinent Plan provisions on which such denial is based;
- (c) a description of any additional material or information necessary for the Claimant to perfect his or her claim and an explanation of why such material or information is necessary;
- (d) a description of the Plan's appeal procedures and the time limits applicable to such procedures, including a statement of the Claimant's right to bring a civil action under Section 502(a) of ERISA following a denial of the claim on appeal; and
- (e) if an internal rule was relied on to make the decision, either a copy of the internal rule or a statement that this information is available at no charge upon request.

**15.4 Appeal Procedures.** A request for appeal of a denied claim must be made in writing to the Committee within sixty (60) days after receiving notice of denial. The decision on appeal will be made within sixty (60) days after the Committee's receipt of a request for appeal, unless special circumstances require an extension of time for processing, in which case a decision will be rendered not later than one hundred twenty (120) days after receipt of a request for appeal. A notice of such an extension must be provided to the Claimant within the initial sixty (60) day period and must explain the special circumstances and provide an expected date of decision. The reviewer shall afford the Claimant an opportunity to review and receive, without charge, all relevant documents, information and records and to submit issues and comments in writing to the Committee. The reviewer shall take into account all comments, documents, records and other information submitted by the Claimant relating to the claim regardless of whether the information was submitted or considered in the initial benefit determination.

**15.5 Notice of Decision on Appeal.** If the Committee denies the appeal, it must provide to the Claimant, in writing, a notice which includes:

- (a) the specific reason(s) for the denial;

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- (b) specific references to the pertinent Plan provisions on which such denial is based;
- (c) a statement that the Claimant may receive on request all relevant records at no charge;
- (d) a description of the Plan's voluntary procedures and deadlines, if any;
- (e) a statement of the Claimant's right to sue under Section 502(a) of ERISA; and

(f) if an internal rule was relied on to make the decision, either a copy of the internal rule or a statement that this information is available at no charge upon request.

**15.6 Claims Procedures Mandatory.** The internal claims procedures set forth in this Section 15 are mandatory. If a Claimant fails to follow these claims procedures, or to timely file a request for appeal in accordance with this Section 15, the denial of the Claim shall become final and binding on all persons for all purposes.

In WITNESS WHEREOF, United Community Financial Corp. has adopted this Plan this 31 day of December, 2016, to become effective as of the Effective Date written above.

United Community Financial Corp.

By: /s/ Timothy W. Esson Name:  
Timothy W. Esson Title: Chief  
Financial Officer

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Exhibit 10.8

**PREMIER FINANCIAL CORP.**  
**2018 EQUITY INCENTIVE PLAN**  
**RESTRICTED STOCK AWARD AGREEMENT**  
**(Non-Employee Director)**

|  |  |
|--|--|
| <b>Grantee:</b>                                      |  |
| <b>Grant Date:</b>                                   |  |
| <b>Number of Shares of Restricted Stock Granted:</b> |  |
| <b>Vesting Schedule:</b>                             | 100% on the first anniversary of the Grant Date (the "Vesting Date") |

This Restricted Stock Award Agreement (this "Agreement") is made as the Grant Date set forth above by and between Premier Financial Corp., an Ohio corporation (the "Company"), and the Grantee identified above. Undefined capitalized terms used in this Agreement shall have the meanings set forth in the 2018 Equity Incentive Plan (the "2018 Plan").

WHEREAS, the Company maintains the 2018 Plan pursuant to which Restricted Stock Awards may be granted to incent or compensate employees of the Company or an Affiliate.

WHEREAS, Grantee is, as of the Grant Date, a Director of the Company or an Affiliate.

WHEREAS, the Committee has approved the issuance of this Agreement, and the grant of the Restricted Stock Award described in this Agreement.

NOW THEREFORE, in consideration of the mutual premises and obligations contained in this Agreement, the parties agree as follows:

**1. Grant of Restricted Stock.** The Company hereby grants to Grantee as of the Grant Date, and subject to the terms and conditions of this Agreement, an Award consisting of the number of Shares of Restricted Stock identified above, which Restricted Stock shall consist of Shares of the Company, par value \$0.01.

**2. Vesting.** The Restricted Stock will vest according to the Vesting Schedule set forth above provided the Grantee remains on the applicable Vesting Date, and has continuously been from the Grant Date until the start of each applicable Vesting Date, a Director.

**3. Additional Vesting.**

a. **Death or Disability.** Notwithstanding any provision of Section 2 or Section 4, the Restricted Stock shall vest in the event and on the date of Grantee's death or Disability prior to any Vesting Date.

2018 Equity Incentive Plan – Non-Employee Director RSA Agr (2023)

- b. *Retirement.* Notwithstanding any provision of Section 2 or Section 4, the Restricted Stock shall vest as of the date of Grantee's Retirement (as defined in the 2018 Plan) on a pro-rated basis using a fraction the numerator of which is the number of full and partial months during which the Grantee was a Director since the Grant Date and the denominator of which is the total number of months in the Vesting Schedule, with such vesting occurring on the date of Grantee's Retirement.
- c. *Change in Control.* Notwithstanding any provision of Section 2 or Section 4, in the event a Change in Control of the Company occurs after the Grant Date but prior to the Vesting Date and the Grantee's position as a Director is terminated by the Company other than for Cause during the period beginning 30 days immediately prior and ending on the effective date of the Change in Control, the Award shall immediately vest as of the later of the date of such termination or the date of such Change in Control.

**4. Risk of Forfeiture and Restrictions on Transfer.** Until vested pursuant to Section 2 or Section 3, the Shares of Restricted Stock and all related rights with respect to the Shares of Restricted Stock are subject to forfeiture and shall be forfeited in the event of a termination of Grantee's status as a Director. Upon the forfeiture of any Restricted Stock, the Shares of Restricted Stock shall automatically revert to and become the property of the Company, together with any rights described in Section 6. Until vested, the Restricted Stock may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, except by will or the laws of descent and distribution.

#### 5. Administration.

- a. *Book Entry.* The Restricted Stock granted herein shall be evidenced by a book entry registration by the Company for the benefit of the Grantee. Each such registration will be held by the Corporation or its agent.
- b. *Settlement.* With regard to any shares of Restricted Stock that become fully vested, the Company will, within 60 days of the date such vesting, transfer Shares for such Restricted Stock free of all restrictions set forth in the 2018 Plan and this Agreement to the Grantee. In the event of Grantee's death or if the Grantee dies before the Company has distributed any portion of the vested Restricted Stock, the Company will transfer Shares for such Restricted Stock to the Grantee's estate.

#### 6. Shareholder Rights.

- a. *Voting.* The Grantee will have the right to vote all Shares of Restricted Stock received under or as a result of this Agreement, including unvested Shares which are subject to forfeiture or restrictions on transfer following the Grant Date.
- b. *Dividends.* The Grantee will have the right to receive dividends, if any, with respect to the Shares of Restricted Stock as and when paid to other holders of Shares entitled to receive the dividends. No dividends shall be paid to the Grantee with respect to any Shares of Restricted Stock that are forfeited by the Grantee.

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**7. No Right to Continued Service or to Awards.** The granting of an Award shall impose no obligation on the Company or any Affiliate to continue the services of the Grantee as a Director.

**8. Tax Withholding.** The Company or an Affiliate, as applicable, shall have the power and right to deduct, withhold or collect any amount required by law or regulation to be withheld with respect to any taxable event arising with respect to the Award. Alternatively, the Company reserves the right not to withhold taxes and to reflect any income on a Form 1099 or such other appropriate tax form.

**9. Federal Income Tax Election.** The Grantee hereby acknowledges receipt of advice that, pursuant to current federal income tax laws, (i) he or she has thirty (30) days in which to elect to be taxed in the current taxable year on the fair market value of the restricted Common Stock in accordance with the provisions of Internal Revenue Code Section 83(b), and (ii) if no such election is made, the taxable event will occur upon expiration of restrictions on transfer at termination of the Restriction Period and the tax will be measured by the fair market value of the restricted Common Stock on the date of the taxable event.

**10. Requirements of Law.** The grant of the Award shall be subject to all applicable laws, rules and regulations (including applicable federal and state securities laws) and to all required approvals of any governmental agencies or national securities exchange, market or other quotation system.

**11. Notices.** Any notice required to be delivered to the Company under this Agreement shall be in writing and addressed to the Secretary of the Company at the Company's principal corporate offices. Any notice required to be delivered to the Grantee under this Agreement shall be in writing and addressed to the Grantee at the Grantee's address as shown in the records of the Company. Either party may designate another address in writing (or by such other method approved by the Company) from time to time.

**12. Governing Law.** The 2018 Plan and this Agreement shall be governed by and construed in accordance with the laws of (other than laws governing conflicts of laws) the State of Ohio.

**13. Award Subject to Plan.** The Award is subject to the terms and conditions described in this Agreement and the 2018 Plan, which is incorporated by reference into and made a part of this Agreement. In the event of a conflict between the terms of the 2018 Plan and the terms of this Agreement, the terms of this Agreement will govern. The Committee has the sole responsibility of interpreting the 2018 Plan and this Agreement, and its determination of the meaning of any provision in the 2018 Plan or this Agreement will be binding on the Grantee.

**14. Successors and Assigns.** The Company may assign any of its rights under this Agreement. This Agreement will be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement will be binding upon the Grantee and the Grantee's beneficiaries, executors, administrators and assigns.

**15. Severability.** The invalidity or unenforceability of any provision of the 2018 Plan or this Agreement shall not affect the validity or enforceability of any other provision of the 2018 Plan or this Agreement, and each provision of the 2018 Plan and this Agreement shall be severable and enforceable to the extent permitted by law.

2018 Equity Incentive Plan – Non-Employee Director RSA Agr (2023)

**16. Signature in Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to this Agreement transmitted by facsimile transmission, by electronic mail in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original signature.

**17. ACKNOWLEDGEMENT AND REPRESENTATION OF GRANTEE.** The Grantee hereby acknowledges receipt of a copy of the 2018 Plan and this Agreement. The Grantee has read and understands the terms and provisions thereof, and accepts the Award subject to all of the terms and conditions of the 2018 Plan and this Agreement. The Grantee acknowledges that there may be adverse tax consequences upon the vesting or settlement of the Awards or disposition of the underlying shares and that the Grantee has been advised to consult a tax advisor prior to such vesting, settlement or disposition.

**18. Clawback.** Notwithstanding any other provisions in this Agreement or the 2018 Plan, all payments made to the Grantee pursuant to this Agreement shall be subject to potential cancellation, recoupment, recession, payback or other action in accordance with any applicable clawback policy that the Company may adopt from time to time or any applicable law, as may be in effect from time to time

[SIGNATURES ON FOLLOWING PAGE]

2018 Equity Incentive Plan – Non-Employee Director RSA Agr (2023)

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

**GRANTEE**

Signature

Print Name

Acceptance Date

**PREMIER FINANCIAL CORP.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

2018 Equity Incentive Plan – Non-Employee Director RSA Agr (2023)

EXHIBIT 10.18

**PREMIER FINANCIAL CORP.**

**2018 EQUITY INCENTIVE PLAN**

**RESTRICTED STOCK AWARD AGREEMENT**

Grantee:

|  |  |
|--|--|
| <b>Grant Date:</b>                                   |  |
| <b>Number of Shares of Restricted Stock Granted:</b> |  |
| <b>Vesting Schedule:</b>                             |  |

This Restricted Stock Award Agreement (this "Agreement") is made as the Grant Date set forth above by and between Premier Financial Corp., an Ohio corporation (the "Company"), and the Grantee identified above. Undefined capitalized terms used in this Agreement shall have the meanings set forth in the 2018 Equity Incentive Plan (the "2018 Plan").

WHEREAS, the Company maintains the 2018 Plan pursuant to which Restricted Stock Awards may be granted to incent or compensate employees of the Company or an Affiliate.

WHEREAS, Grantee is, as of the Grant Date, an Employee of the Company or an Affiliate.

WHEREAS, the Committee has approved the issuance of this Agreement, and the grant of the Restricted Stock Award described in this Agreement, either directly or through a delegation of authority pursuant to Article III of the 2018 Plan.

NOW THEREFORE, in consideration of the mutual premises and obligations contained in this Agreement, the parties agree as follows:

**1. Grant of Restricted Stock.** The Company hereby grants to Grantee as of the Grant Date, and subject to the terms and conditions of this Agreement, an Award consisting of the number of Shares of Restricted Stock identified above, which Restricted Stock shall consist of Shares of the Company, par value \$0.01.

**2. Vesting.** The Restricted Stock will vest according to the Vesting Schedule set forth above provided the Grantee remains on the applicable Vesting Date, and has continuously been from the Grant Date until the start of each applicable Vesting Date, an Employee.

### 3. Additional Vesting.

a. **Death or Disability.** Notwithstanding any provision of Section 2 or Section 4, the Restricted Stock, or any unvested portion of the Restricted Stock to the extent there are multiple Vesting Dates, shall vest in the event and on the date of Grantee's death or Disability prior to any Vesting Date.

b. **Retirement.** Notwithstanding any provision of Section 2 or Section 4, the Restricted Stock shall vest as of the date of Grantee's Retirement (as defined in the 2018 Plan) (i) for awards with a single Vesting Date, on a pro-rated basis using a fraction the numerator of which is the number of full and partial months during which the Grantee was employed by the Company since the Grant Date and the denominator of which is the total number of months in the Vesting schedule, and (ii) for awards with multiple Vesting Dates with respect to any unvested tranche on a pro-rated basis using a fraction the numerator of which is the number of full and partial months during which the Grantee was employed by the Company since the last Vesting Date and the denominator of which is the total number of months since the last Vesting Date.

c. **Change in Control.** Notwithstanding any provision of Section 2 or Section 4, in the event a Change in Control of the Company occurs after the Grant Date but prior to the Vesting Date and the Grantee is terminated by the Company other than for Cause or resigns his or her employment for Good Reason prior to the Vesting Date and during the period beginning 30 days immediately prior to the effective date of the Change in Control and ending 12 months after the date of the Change in Control, the Award shall immediately vest as of the later of the date of such termination or the date of such Change in Control.

If the Grantee is party to an employment, severance, change in control or other similar agreement with the Company or an Affiliate (an "Employment Agreement") that incorporates a definition of "Cause", that definition of "Cause", as it may be amended, shall be used for purposes of this Agreement. If the Grantee is not party to an Employment Agreement, "Cause" shall have the meaning set forth in the 2018 Plan. The definition of "Good Reason" for purposes of this Agreement shall be the definition set forth in the 2018 Plan regardless of a comparable definition in an Employment Agreement.

**4. Risk of Forfeiture and Restrictions on Transfer.** Until vested pursuant to Section 2 or Section 3, the Shares of Restricted Stock, or any unvested portion of the Restricted Stock to the extent there are multiple Vesting Dates, and all related rights with respect to the Shares of Restricted Stock, are subject to forfeiture and shall be forfeited in the event of a termination of Grantee's status as an Employee. Upon the forfeiture of any Restricted Stock, the Shares of Restricted Stock shall automatically revert to and become the property of the Company, together with any rights described in Section 6. Until vested, the Restricted Stock may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, except by will or the laws of descent and distribution.

### 5. Administration.

a. **Book Entry.** The Restricted Stock granted herein shall be evidenced by a book entry registration by the Company for the benefit of the Grantee. Each such registration will be held by the Corporation or its agent.

b. **Settlement.** With regard to any shares of Restricted Stock that become fully vested, the Company will, within 60 days of the date such vesting, transfer Shares for such Restricted

Stock free of all restrictions set forth in the 2018 Plan and this Agreement to the Grantee. In the event of Grantee's death or if the Grantee dies before the Company has distributed any portion of the vested Restricted Stock, the Company will transfer Shares for such Restricted Stock to the Grantee's estate.

#### **6. Shareholder Rights.**

- a. *Voting.* The Grantee will have the right to vote all Shares of Restricted Stock received under or as a result of this Agreement, including unvested Shares which are subject to forfeiture or restrictions on transfer following the Grant Date.
- b. *Dividends.* The Grantee will have the right to receive dividends, if any, with respect to the Shares of Restricted Stock as and when paid to other holders of Shares entitled to receive the dividends. No dividends shall be paid to the Grantee with respect to any Shares of Restricted Stock that are forfeited by the Grantee.

#### **7. Restrictive Covenants.**

- a. *Covenant Not to Disclose or Use Confidential Information.* Grantee recognizes and agrees that all confidential, proprietary or trade secret information of the Company or an Affiliate ("Confidential Information"), whether developed by Grantee or made available to Grantee, is a unique asset of the Company or Affiliate, the disclosure of which would be damaging to the Company or Affiliate. Grantee agrees that during the term of Grantee's employment and thereafter, Grantee will not, directly or indirectly, disclose to any person or use any Confidential Information of the Company or an Affiliate except as expressly authorized in writing by the Company or the applicable Affiliate. Confidential Information shall include, without limitation, any and all information about or acquired from any customer or prospective customer of the Company or an Affiliate, and all nonpublic information concerning the Company or Company's Affiliates relating, without limitation, to products, services, fees, costs, pricing structures, software, operating systems, applications, flow charts, manuals, documentation, policies, data bases, accounting and business methods, inventions, devices, new developments, methods and processes, copyrightable works, technology, business plans, financial models, forecasts, budgets, strategies, and all similar and related information in whatever form. Grantee recognizes and agrees that all Confidential Information, is a unique asset of the Company, the disclosure of which would be damaging to the Company.

Grantee is hereby provided notice that under the 2016 Defend Trade Secrets Act (DTSA): (1) no individual (consultant, contractor or employee) will be held criminally or civilly liable under federal or state trade secret law for the disclosure of a trade secret (as defined in the Economic Espionage Act that: (a) is made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and made solely for the purpose of reporting or investigation a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal so that it is not made public; and (2) an individual (consultant, contractor or employee) who pursues a lawsuit for retaliation by an employer for reporting a suspected violation of the law may disclose the trade secret to the attorney of the individual and use

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the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal, and does not disclose the trade secret, except as permitted by court order; provided, however, that notwithstanding this immunity from liability, Grantee may be held liable if he unlawfully accesses trade secrets by unauthorized means.

- b. *Non-Solicitation Covenants.* During Grantee's employment with the Company and for a period of twelve (12) months following the termination of Grantee's employment with the Company for any reason, whether voluntary or involuntary, Grantee will not, on Grantee's behalf or on behalf of any other person, firm, corporation or other entity, directly or indirectly, individually or as a shareholder, owner, partner, member, director, officer, employee, independent contractor, consultant, creditor or agent on behalf of any other person, firm, corporation or other entity:
  - i. solicit, advise, persuade, encourage or request or attempt to solicit, advise, persuade, encourage or request any customer of the Company or its Affiliates, business or prospective business of the Company or its Affiliates, or potential customer identified, selected or targeted by the Company or its Affiliates about whom Grantee had knowledge, or with whom Grantee had contact, involvement or responsibility during Grantee's employment with the Company, for or in connection with the sale or offering of any of the Restricted Services;
  - ii. solicit, advise, persuade, encourage or request or attempt to solicit, advise, persuade, encourage or request any customer of the Company or its Affiliates about whom Grantee had knowledge, or with whom Grantee had contact, involvement or responsibility during Grantee's employment with the Company, to cease doing business, to refrain from doing business, or reduce the amount of business such customer has done or is contemplating doing with the Company or its Affiliates;

- iii. solicit, advise, persuade, encourage or request or attempt to solicit, advise, persuade, encourage or request any officer, director, independent contractor, employee, representative or agent of the Company or its Affiliates to cease such individual's employment or relationship with the Company or its Affiliates or otherwise refrain from providing services to the Company or its Affiliates;
- iv. interview, hire, employ, engage, or retain or attempt to interview, hire, employ, or retain any officer, director, independent contractor, employee, representative or agent of the Company or its Affiliates, while such person is employed, engaged, or retained by the Company or its Affiliates and for a period of twelve (12) months thereafter, or take any action to materially assist or aid any other person, firm, corporation or other entity in identifying, interviewing, hiring, employing, engaging, or retaining any such individual; or
- v. interfere with or attempt to interfere with, or assist, persuade, or encourage or attempt to assist, persuade, or encourage any other person or entity in interfering with, the relationship between the Company or its Affiliates and their respective officers, directors, independent contractors, employees, representatives, agents, vendors, joint venturers, or licensors.

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Notwithstanding the forgoing, the provisions of this Section 7(b) shall not apply to general advertisements by any person, firm, corporation or other entity with which Grantee may be associated or other communications in any form of media not specifically targeting individuals or entities described in this Section 7(b).

- c. In the event that the Grantee violates any of these restrictive covenants, (i) the Award (whether or not vested) will be cancelled and forfeited in its entirety; and (ii) to the extent the Award has vested, the Grantee shall pay to the Company, within 90 days of the Company's request, an amount equal to the Fair Market Value of the Shares.
- d. The parties acknowledge that these restrictive covenants are fair and reasonable under the circumstances. It is the desire and intent of the parties that these restrictive covenants shall be enforced to the fullest extent permitted by law. Accordingly, if any particular portion of these covenants shall be adjudicated to be invalid or unenforceable, this Section shall be deemed amended to reform the particular portion to provide for such maximum restrictions as will be valid and enforceable or, if that is not possible, delete the portion adjudicated to be invalid or unenforceable, such reformation or deletion to apply only with respect to the operation of this Section in the particular jurisdiction in which the adjudication is made. The Company is entitled to, and Grantee agrees not to oppose the Company's request for, equitable relief in the form of specific performance, a temporary restraining order, a temporary or permanent injunction or other equitable remedy. Grantee acknowledges that these restrictive covenants are necessary for the protection of the Company, do not impose undue hardship on the Grantee, and are not injurious to the public.
- e. In the event Grantee is party to an Employment Agreement, the terms of which expressly include restrictions concerning the use or disclosure of confidential information or the non-solicitation of employees or customers or prospective customers of the Company, the terms of that Employment Agreement shall control with respect to the use or disclosure of confidential information or the non-solicitation of employees or customers or prospective customers, as applicable, and the preceding paragraphs (a) through (d) of this Section 7 shall be without effect and not enforceable against the Grantee.

**8. No Right to Continued Service or to Awards.** The granting of an Award shall impose no obligation on the Company or any Affiliate to continue the employment of the Grantee or interfere with or limit the right of the Company or any Affiliate to terminate the employment of the Grantee at any time, with or without Cause, which right is expressly reserved.

**9. Tax Withholding.** The Company or an Affiliate, as applicable, shall have the power and right to deduct, withhold or collect any amount required by law or regulation to be withheld with respect to any taxable event arising with respect to the Award. Subject to any limitations imposed by the Committee, in its sole discretion and which shall be communicated to the Grantee at the time of vesting, this amount may, at the election of the Grantee, be: (i) withheld from the value of any Award being settled or any Shares transferred in connection with the exercise or settlement of an Award, or (ii) collected directly from the Grantee as a cash payment. Unless the Grantee has otherwise irrevocably elected a different method to satisfy the withholding requirement, the Grantee shall be deemed to have elected to satisfy the withholding requirement by having the Company or an Affiliate, as applicable, withhold Shares, from the vested portion of the Award, having a Fair Market Value on the date the tax is to be determined equal to the minimum statutory total tax that could be imposed on the transaction. All such

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elections will be made prior to the time of vesting, be irrevocable when made, made in writing and will be subject to any terms and conditions that the Company, in its sole discretion, deems appropriate.

Notwithstanding any action the Company takes with respect to any or all income tax, social insurance, payroll tax, or other tax-related withholding ("Tax-Related Items"), the ultimate liability for all Tax-Related Items is and remains the Grantee's responsibility and the Company (i) makes no representation or undertakings regarding the treatment of any Tax-Related Items in connection with the grant, vesting or settlement of the PSUs or the subsequent sale of any shares, and (ii) does not commit to structure the Award to reduce or eliminate the Grantee's liability for Tax-Related Items.

**10. Federal Income Tax Election.** The Grantee hereby acknowledges receipt of advice that, pursuant to current federal income tax laws, (i) he or she has thirty (30) days in which to elect to be taxed in the current taxable year on the fair market value of the restricted Common Stock in accordance with the provisions of Internal Revenue Code Section 83(b), and (ii) if no such election is made, the taxable event will occur upon expiration of restrictions on transfer at termination of the Restriction Period and the tax will be measured by the fair market value of the restricted Common Stock on the date of the taxable event.

**11. Requirements of Law.** The grant of the Award shall be subject to all applicable laws, rules and regulations (including applicable federal and state securities laws) and to all required approvals of any governmental agencies or national securities exchange, market or other quotation system.

**12. Notices.** Any notice required to be delivered to the Company under this Agreement shall be in writing and addressed to the Secretary of the Company at the Company's principal corporate offices. Any notice required to be delivered to the Grantee under this Agreement shall be in writing and addressed to the Grantee at the Grantee's address as shown in the records of the Company. Either party may designate another address in writing (or by such other method approved by the Company) from time to time.

**13. Governing Law.** The 2018 Plan and this Agreement shall be governed by and construed in accordance with the laws of (other than laws governing conflicts of laws) the State of Ohio.

**14. Award Subject to Plan.** The Award is subject to the terms and conditions described in this Agreement and the 2018 Plan, which is incorporated by reference into and made a part of this Agreement. In the event of a conflict between the terms of the 2018 Plan and the terms of this Agreement, the terms of this Agreement will govern. The Committee has the sole responsibility of interpreting the 2018 Plan and this Agreement, and its determination of the meaning of any provision in the 2018 Plan or this Agreement will be binding on the Grantee.

**15. Successors and Assigns.** The Company may assign any of its rights under this Agreement. This Agreement will be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement will be binding upon the Grantee and the Grantee's beneficiaries, executors, administrators and assigns.

**16. Severability.** The invalidity or unenforceability of any provision of the 2018 Plan or this Agreement shall not affect the validity or enforceability of any other provision of the 2018 Plan or this Agreement, and each provision of the 2018 Plan and this Agreement shall be severable and enforceable to the extent permitted by law.

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**17. Section 409A of the Code.** This Agreement is intended, and shall be construed and interpreted, to comply with Section 409A of the Code and if necessary, any provision shall be held null and void to the extent such provision (or part thereof) fails to comply with Section 409A of the Code or the Treasury Regulations thereunder. For purposes of Section 409A of the Code, each payment of compensation under the Agreement shall be treated as a separate payment of compensation. Any amounts payable solely on account of an involuntary termination shall be excludable from the requirements of Section 409A of the Code, either as separation pay or as short-term deferrals to the maximum possible extent. Nothing herein shall be construed as the guarantee of any particular tax treatment to the Grantee, and the Company shall have no liability with respect to any failure to comply with the requirements of Section 409A of the Code. Any reference to the Grantee's "termination" shall mean the Grantee's "separation from service", as defined in Section 409A of the Code. In addition, if the Grantee is determined to be a "specified employee" (within the meaning of Section 409A of the Code and as determined under the Company's policy for determining specified employees), the Grantee shall not be entitled to payment or to distribution of any portion of an Award that is subject to Section 409A of the Code (and for which no exception applies) and is payable or distributable on account of the Grantee's termination until the expiration of six months from the date of such termination (or, if earlier, the Grantee's death). Such Award, or portion thereof, shall be paid or distributed on the first business day of the seventh month following such termination.

**18. Signature in Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to this Agreement transmitted by facsimile transmission, by electronic mail in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original signature.

**19. ACKNOWLEDGEMENT AND REPRESENTATION OF GRANTEE.** The Grantee hereby acknowledges receipt of a copy of the 2018 Plan and this Agreement. The Grantee has read and understands the terms and provisions thereof, and accepts the Award subject to all of the terms and conditions of the 2018 Plan and this Agreement. The Grantee acknowledges that there may be adverse tax consequences upon the vesting or settlement of the Award or disposition of the underlying shares and that the Grantee has been advised to consult a tax advisor prior to such vesting, settlement or disposition.

**20. Clawback.** Notwithstanding any other provisions in this Agreement or the 2018 Plan, all payments made to the Grantee pursuant to this Agreement shall be subject to potential cancellation, recoupment, recession, payback or other action in accordance with any applicable clawback policy that the Company may adopt.

from time to time or any applicable law, as may be in effect from time to time

[SIGNATURES ON FOLLOWING PAGE]

2018 Equity Incentive Plan – RSA Agr (Rev Feb 2024)

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

**GRANTEE**

Signature

Print Name

Acceptance Date

**PREMIER FINANCIAL CORP.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

2018 Equity Incentive Plan – RSA Agr (Rev Feb 2024)

EXHIBIT 10.22

**PREMIER BANK**

**SEVERANCE AND CHANGE IN CONTROL PROTECTION AGREEMENT**

This Severance and Change in Control Protection Agreement (this "Agreement"), dated as of February 7, 2024 (the "Effective Date"), is entered into by and between Premier Bank (the "Company"), and Rick L. Hull (the "Executive" and, together with the Company, the "Parties").

**WITNESSETH:**

**WHEREAS**, the Executive is a key senior executive employee of the Company; and

**WHEREAS**, the Company's Board of Directors (the "Board") has determined that it is in the best interests of the Company and its shareholders to provide the Executive with the opportunity to earn and receive certain severance payments and benefits in the event the Executive's employment with the Company were to be terminated in qualifying circumstances, including in connection with a qualifying change in control of the Company, in order to provide the Executive with enhanced financial security, to allow the Company to remain competitive with its peers, and to incentivize the Executive to continue to devote the Executive's full attention and dedication to the Company notwithstanding the possibility or occurrence of a change in control.

**NOW, THEREFORE**, in consideration of the foregoing, of the mutual promises contained herein and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

**1. DEFINITIONS.** For purposes of this Agreement, capitalized terms and phrases used herein and not otherwise defined have the meanings ascribed in this Section 1:

(a) "**Accrued Benefits**" means: (i) (A) any unpaid Base Salary through the Termination Date; (B) reimbursement for any unreimbursed business expenses incurred through the Termination Date, subject to and in accordance with Company policy; and (C) any accrued but unused paid vacation time subject to and in accordance with Company policy (in the case of each of (A), (B) and (C) payable within sixty (60) calendar days following the Termination Date or on such earlier date as may be required by applicable law); and (ii) all of the Executive's other accrued and vested benefits under the Company's employee benefit plans, policies and arrangements, payable in accordance with and subject to the terms and conditions of such plans, policies and arrangements. For the avoidance of doubt and not as a limitation, "Accrued Benefits" shall include all accrued and vested rights under any defined contribution plan of the Company.

(b) "**Affiliates**" means each of the Company's direct or indirect parents, subsidiaries, and any other entities controlled by, controlling, or under common control with, the Company, including any successors thereof.

(c) "Base Salary" means the Executive's annual base compensation rate for services paid by the Company to the Executive at the time immediately prior to the Executive's Termination, as reflected in the Company's payroll records or, if higher, the Executive's annual base compensation rate immediately prior to a Change in Control occurring within the period covered under Section 4 below. Base Salary will not include commissions, bonuses, overtime pay, incentive compensation, benefits paid

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under any qualified plan, any group medical, dental or other welfare benefit plan, non-cash compensation, or any other additional compensation, but will include base salary reductions made pursuant to the Executive's salary reduction agreement under Section 125, 132(f)(4) or 401(k) of the Code, if any, or a nonqualified elective deferred compensation arrangement, if any.

(d) "Board" means the board of directors of the Company.

(e) "Cause" means:

- (i) The Executive's indictment or conviction of, or plea of guilty or *nolo contendere* to any felony, or any other crime that involves moral turpitude, theft, dishonesty, or breach of trust;
- (ii) The Executive's breach of any fiduciary duty owed to the Company or its Affiliates;
- (iii) The Executive's willful misconduct in the course of the Executive's employment with the Company, including, without limitation, fraud, embezzlement, theft or dishonesty;
- (iv) The Executive's removal from office or the Executive being prohibited from participating in the conduct of the affairs of the Company, its Affiliates, or any other insured depository institution, by an order issued under subsection 8(e) of the Federal Deposit Insurance Act, 12 US §§ 1818(e);
- (v) The Executive's willful and repeated failure to perform the Executive's duties under this Agreement in accordance, in all material respects, the directions of the CEO, the Board, or a duly authorized Board committee;
- (vi) The Executive engaging in any unsafe or unsound banking practices or (without limiting clause (i) hereof) other material violations of a law regulation applicable to the Company or its Affiliates; and
- (vii) Any other material breach by the Executive of the terms and conditions of this Agreement or any other agreement with, or code or policy of the Company or its Affiliates;

Notwithstanding the foregoing, no event described in clause (v), (vi) or (vii) above will constitute Cause, unless the Company has given the Executive notice of its intention to terminate the Executive for Cause, describing in reasonable detail the events that it believes constitute Cause, and the Executive fails to cure such events to the Company's satisfaction within fifteen (15) calendar days (or such longer or shorter cure period as the Board determines will apply, in its sole and absolute discretion) after receiving such notice. Any determination of Cause pursuant to clause (v), (vi) or (vii) by the Company will be made by a resolution approved by a majority of the members of the Board.

For purposes of this definition of "Cause", no act, or failure to act, on the part of the Executive will be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Company. For this purpose, any act, or failure to act, based upon (A) authority given pursuant to a resolution duly adopted by the Board, (B) direction provided by a more senior executive with oversight

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of the Executive, or (C) the advice of counsel for the Company will be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company.

(f) "Change in Control" means the occurrence of any of the following events after the Effective Date:

- (i) The acquisition by one person, or more than one person acting as a group, of ownership of stock of the Company that, together with stock held by such person or group (in each case, directly or through attribution), constitutes more than fifty percent (50%) of the total fair market value or total voting power of the stock of the Company (provided that, if any person or more than one person acting as a group is considered to own more than fifty percent (50%) of the total fair market value or total voting power of the stock of the Company, the acquisition of additional control by the same person or persons will not constitute a Change in Control);
- (ii) The acquisition by one person, or more than one person acting as a group, of ownership of stock of the Company, that, together with stock the Company acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or group (in each case, directly or through attribution), constitutes thirty percent (30%) or more of the total voting power of the stock of the Company;
- (iii) A majority of the members of the Board are replaced during any twelve (12)-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board before the date of the appointment or election; or
- (iv) One person, or more than one person acting as a group, acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or group) assets from the Company that have a total gross fair market value (determined without regard to any liabilities associated with such assets) equal to or more than forty (40%) of the total gross fair market value of all of the assets of the Company immediately before such acquisition or acquisitions.

Persons will not be considered to be acting as a group solely because they purchase or own stock of the same corporation at the same time, or as a result of the same public offering. However, persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company. Notwithstanding the foregoing, solely for purposes of any payment or benefit under this Agreement that constitutes "deferred compensation" for purposes of Code Section 409A, a "Change in Control" will not occur unless such Change in Control also constitutes a "change in the ownership of a corporation," a "change in the effective control of a corporation," or a "change in the ownership of a substantial portion of the assets of the corporation," in each case within the meaning of Code Section 409A.

(g) "Change in Control Date" means the date of consummation of a Change in Control.

(h) "COBRA" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

(i) "Code" means the Internal Revenue Code of 1986, as amended.

(j) "Code Section 409A" means Section 409A of the Code and the treasury regulations and other official guidance promulgated thereunder from time to time.

(k) "Disability" means the inability of the Executive to perform, after reasonable accommodation, the Executive's material duties with the Company due to a physical or mental injury, infirmity or incapacity for one hundred eighty (180) calendar days in any three hundred sixty-five (365)-day period, as determined by the Board in its reasonable discretion.

(l) "Good Reason" means the occurrence of any of the following events without the Executive's express consent, unless all grounds for a termination with Good Reason based on such event have been cured within thirty (30) calendar days after the Executive gives written notice to the Company describing such event in detail and requesting cure, such notice to be given within ninety (90) calendar days after the first occurrence of such event:

- (i) material (10% or greater) diminution in the Executive's Base Salary;
- (ii) material reduction by the Company of the Executive's title, such that the Executive no longer serves in a substantive, senior executive role with the Company;
- (iii) material change in the geographic location at which the Executive must perform the services which is greater than 50 miles from the

Executive's prior work location but only if such change results in an increase of the Executive's one-way commute from the Executive's residence of more than 50 miles; or

- (iv) any material breach of this Agreement by the Company.

No event will constitute Good Reason unless the Executive resigns from employment with the Company within ninety (90) calendar days following the expiration of the Company cure period applicable to such event. Otherwise, any claim of such circumstances as Good Reason will be deemed irrevocably waived by the Executive.

(m) "Termination" means any termination of the Executive's employment with the Company for any reason. Solely for purposes of any provision of this Agreement providing for any payment that constitutes "deferred compensation" for purposes of Code Section 409A and is triggered by a termination of the Executive's employment, a "Termination" will not occur unless the termination of the Executive's employment also constitutes a "separation from service" within the meaning of Code Section 409A.

- (n) "Termination Date" means the effective date of the Executive's Termination.

## 2. TERM OF AGREEMENT

(a) **EXPIRATION.** The term of this Agreement will begin on the Effective Date and will continue until March 31, 2025 (the "Initial Term"), at which time the term will renew automatically for successive twelve (12)-month periods (the "Renewal Terms"), unless and until non-renewed by either the Company or the Executive upon not less than ninety (90) calendar days' prior written notice given to the other Party prior to the end of the Initial Term or any Renewal Term, as applicable (it being

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understood that non-renewal of this Agreement will not, in itself, result in a termination of the Executive's employment with the Company). The Initial Term and all Renewal Terms, if any, will constitute the "Term" for purposes of this Agreement. Notwithstanding the foregoing, if a Change in Control occurs prior to the end of the Initial Term or a Renewal Term, as applicable, then the Term of this Change in Control Agreement will continue for a period of twelve (12) months following the Change in Control and any subsequent Renewal Term thereafter shall commence on the anniversary of the Change in Control.

(b) **AT-WILL EMPLOYMENT.** The Executive acknowledges and agrees that, notwithstanding anything herein to the contrary, the Executive's employment with the Company is and will remain "at-will" and may be terminated at any time and for any reason (or no reason) by the Company or the Executive, with or without notice.

## 3. SEVERANCE BENEFITS

(a) **TERMINATION WITHOUT CAUSE.** If the Executive's employment by the Company is Terminated during the Term by the Company other than for Cause (which, for the avoidance of doubt, will not include a Termination due to the Executive's Disability or death), and contingent on the Executive's satisfaction of the Release Condition and the Executive's continued compliance with the Executive's obligations in Sections 10 and 11 hereof (as well as with any and all other restrictive covenants applicable to the Executive in favor of the Company or its Affiliates), the Company will pay or provide to the Executive the following payments or benefits (collectively, the "Severance Benefits"):

- (i) the Accrued Benefits, payable as provided in Section 1(a);
- (ii) severance payments in an aggregate amount equal to Executive's Base Salary for 18 months (the "Severance Period"), payable in equal bi-weekly installments in accordance with the Company's general payroll policies and procedures over the Severance Period commencing on the Termination Date, provided that the first such installment will be paid on the Company's first regularly scheduled payroll date next following the sixtieth (60th) day after the Termination Date and will include payment of any installments that were otherwise due prior thereto;
- (iii) an amount equal to the product of (x) the Executive's target award under the Company's short term incentive plan (the "STIP") for the STIP performance year in which the Executive's termination occurs (such amount, the "Target STIP Award") and (y) 1.5, payable in one lump sum cash payment within sixty (60) calendar days following the Termination Date;
- (iv) an amount equal to the Executive's award under the STIP for the performance year in which Termination occurs pro-rated using a fraction the numerator of which is the number of full and partial months during which the Executive was employed by the Company

during such year and the denominator of which is twelve (12) (the "Pro-Rated STIP Award"), payable in accordance with the terms of the STIP, including satisfaction of any applicable performance goals and the application of adjustments to the target payout as set forth in the STIP, in one lump sum cash payment at the time such awards are normally paid to all participants in the STIP but in no event later than March 15 of the year following the Executive's Termination;

- (v) Company-paid executive outplacement services from one or more organizations retained by the Company for this purposes for a period of twelve (12) months following the Termination Date, subject to a maximum cost to the Company not to exceed \$12,000.00 dollars and provided that Executive engages such outplacement services within six months of the Termination Date (the "Outplacement Services"); and
- (vi) subject to the Executive's timely election of continuation coverage under the Company's group health plan in accordance with COBRA, payment by the Company of the full amount of Executive's premiums for such continued coverage (without contribution or reimbursement from the Executive), in a manner intended to avoid any excise tax under Section 4980D of the Code, subject to the eligibility requirements and other terms and conditions of such coverage, and provided that the Company may modify or terminate the benefit provided hereunder to the extent necessary to comply with applicable law (the "COBRA Subsidy") for the lesser of (x) 18 months following the Termination Date, or (y) until the Executive becomes eligible for group health coverage from another employer.

(b) **TERMINATION DUE TO DISABILITY.** If the Executive's employment by the Company is Terminated during the Term due to the Executive's Disability, and contingent on the Executive's satisfaction of the Release Condition and the Executive's continued compliance with the Executive's obligations in Sections 10 and 11 hereof (as well as with any and all other restrictive covenants applicable to the Executive in favor of the Company or its Affiliates), the Company will pay or provide to the Executive the following payments or benefits (collectively, the "Disability Benefits"):

- (i) the Accrued Benefits, payable as provided in Section 1(a);
- (ii) an amount equal to the Executive's Pro-Rated STIP Award payable as provided in Section 3(a)(iv); and
- (iii) the COBRA Subsidy for the lesser of (x) 18 months following the Termination Date, or (y) until the Executive becomes eligible for group health coverage from another employer.

(c) **DEATH.** If the Executive's employment by the Company is Terminated during the Term due to the Executive's death, then the Company will pay or provide to the Executive's designated beneficiary, or, if the Executive has no surviving designated beneficiaries, to the Executive's estate, the following payments or benefits (collectively, the "Death Benefits"):

- (i) the Accrued Benefits, payable as provided in Section 1(a);
- (ii) an amount equal to the Executive's Pro-Rated STIP Award, payable as provided in Section 3(a)(iv); and
- (iii) if the Executive is survived by a spouse or other COBRA-eligible beneficiary, and subject to timely election by such spouse or other beneficiary of continuation coverage under the Company's group health plan in accordance with COBRA, an amount equal to the sum total of the premiums for eighteen (18) months of such

coverage, payable in one lump sum cash payment within sixty (60) calendar days following the Termination Date.

**4. CHANGE IN CONTROL BENEFITS.** If the Executive's employment by the Company is Terminated during the Term by the Executive for Good Reason within twelve (12) months following the occurrence of a Change in Control, and contingent on the Executive's satisfaction of the Release Condition and the Executive's continued compliance with the Executive's obligations in Sections 10 and 11 hereof (as well as with any and all other restrictive covenants applicable to the Executive in favor of the Company or its Affiliates), the Company will pay or provide to the Executive the following payments or benefits (collectively, the "Change in Control Benefits"):

- (a) the Accrued Benefits, payable as provided in Section 1(a), to the extent not previously paid under Section 3;
- (b) severance payments in an aggregate amount equal to 18 months of Executive's Base Salary, payable in equal bi-weekly installments in accordance with the Company's general payroll policies and procedures over a period of 12 months commencing on the later of the Termination Date and the Change In Control Date (such later-of date, the "CIC Commencement Date"), provided that the first such installment will be paid on the Company's first regularly scheduled payroll date next following the sixtieth (60th) day after the CIC Commencement Date and will include payment of any installments that were otherwise due prior thereto;
- (c) an amount equal to the product of (x) the Target STIP Award and (y) 1.5, payable in one lump sum cash payment within sixty (60) calendar days following the CIC Commencement Date;
- (d) an amount equal to the Executive's Pro-Rated STIP Award, payable as provided in Section 3(a)(iv);
- (e) the Outplacement Services; and
- (f) the COBRA Subsidy for the lesser of (x) 18 months following the Termination Date, or (y) until the Executive becomes eligible for group health coverage from another employer.

To the extent that the payment of any amount under this Section 4 constitutes "deferred compensation" for purposes of Code Section 409A, any such payment scheduled to occur during the first sixty (60) calendar days following the CIC Commencement Date will not be paid until the sixtieth (60<sup>th</sup>) calendar day following the CIC Commencement Date and will include payment of all amounts that were otherwise scheduled to be paid prior thereto.

**5. RELEASE CONDITION.** Except in the event of the Executive's death, any and all amounts payable and benefits or additional rights provided pursuant to Section 3 or Section 4 of this Agreement, other than the Accrued Benefits, will only be paid or provided if the Executive delivers to the Company and does not subsequently revoke a general release of claims in favor of the Company in the form to be provided by the Company to the Executive, which must be executed and delivered, and no longer subject to revocation, by the dates set forth within said general release of claims but in no event greater than sixty (60) calendar days following the Termination Date or, for purposes of Section 4, the CIC Commencement Date (the "Release Condition").

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**6. FORFEITURE AND CLAWBACK.** In the event of any material violation by the Executive of Sections 10 or 11 hereof, the Executive will (A) forfeit the right to receive the Severance Benefits, Disability Benefits and/or Change in Control Benefits (as applicable) not yet paid to the Executive, and (B) promptly repay to the Company the Severance Benefits, Disability Benefits and/or Change in Control Benefits (as applicable) previously paid to the Executive (in each case other than the Accrued Benefits). Notwithstanding the foregoing, this Agreement (including the provisions in Sections 10 and 11) shall otherwise remain in full force and effect. Further, Executive acknowledges and agrees that any compensation or benefit provided under this Agreement is subject to potential cancellation, recoupment, rescission, or payback in accordance with (i) any applicable compensation clawback policy of the Employer as may be in effect from time to time, or (ii) any provision of applicable law, whether currently in effect or subsequently enacted, relating to such matters if it is determined that payment of such compensation or benefit would result in a violation of such law.

**7. OTHER EXECUTIVE OBLIGATIONS.** Upon any Termination, the Executive will be deemed to have automatically resigned from all of the Executive's positions as an officer, director or fiduciary of the Company and its Affiliates, and any and all powers of attorney the Company may have granted the Executive during the Executive's employment with the Company will be immediately automatically revoked.

**8. EXCLUSIVE REMEDY; OTHER TERMINATIONS.** The treatment of any incentive equity awards held by the Executive upon any Termination, Change in Control, or other event will be subject to the terms and conditions of the plans and agreements governing such awards. Subject to the foregoing, the amounts payable to the Executive hereunder following Termination will be in full and complete satisfaction of the Executive's rights under this Agreement and any other claims that the Executive may have in respect of the Executive's employment with the Company or any of its Affiliates and in connection with any termination of employment contemplated under Sections 3 or 4, and the Executive acknowledges that such amounts are fair and reasonable, and are the Executive's sole and exclusive remedy, in lieu of all other remedies at law or in equity, with respect to the termination of the Executive's employment hereunder or any breach of this

Agreement. The payments and benefits provided under this Agreement shall be in lieu of any other termination or severance payments or benefits which the Executive may otherwise be eligible to receive under any of the plans, policies or programs of the Company, and, subject to Code Section 409A, will be reduced (offset) by any statutory entitlements of the Executive (including notice of termination, termination pay and/or severance pay, but excluding statutory unemployment benefits), and any payment related to an actual or potential liability under the Worker Adjustment and Retraining Notification Act of 1988 or similar state, local or foreign law. Unless otherwise determined by the Board in its sole and absolute discretion, in the event of a Termination under any circumstance not expressly contemplated in Section 3 or 4, the Executive will not be entitled to receive any payments or benefits under this Agreement, except for the Accrued Benefits and any other rights or benefits to which the Executive is otherwise entitled under the terms and conditions of any other agreement or arrangement with the Company or any employee benefit plan of the Company or pursuant to the requirements of applicable law.

**9. COORDINATION WITH REQUIREMENTS OF CODE SECTION 409A.** Notwithstanding any other provision of this Agreement to the contrary, nothing herein will change any valid deferral election with respect to, change the time or form of payment of, or otherwise modify, any of the Executive's rights or entitlements in existence immediately prior to the Effective Date that constitute "deferred compensation" for purposes of Code Section 409A, in each case to the extent that any such change or other modification would result in adverse tax consequences under Code Section 409A.

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**10. RESTRICTIVE COVENANTS.** Executive acknowledges that as part of Executive's employment with the Company, Executive has access to, will receive or otherwise acquire and will use the Confidential Information (as defined below) of the Company or its Affiliates and also acknowledges that Executive's services are of special and unique value to the Company. Executive understands and agrees that the Confidential Information of the Company and its Affiliates and the relationships the Company and its Affiliates have with their respective customers are the product of substantial investment of time and resources by the Company and its Affiliates. Executive also understands and agrees that the Company and its Affiliates have a legitimate and protectable interest in protecting the Confidential Information and the employees, customers, and other business relationships of the Company and its Affiliates and that this Section 10 is intended to protect those interests. Executive further acknowledges and agrees that Executive would not have knowledge of or access to such Confidential Information or such information about Company or Affiliate relationships but for Executive's employment with the Company and that in the course of Executive's employment by a competitor, Executive would inevitably use or disclose the Confidential information of the Company or its Affiliates. Accordingly, in exchange for the right to receive the Severance Benefits or Change in Control Benefits (as applicable), which Executive acknowledges as sufficient consideration, and to preserve the interests of the Company and its Affiliates, and their clients, customers, and employees, Executive agrees to the covenants in this Section 10.

**(a) CONFIDENTIALITY.**

- (i) Executive understands that Executive occupies a position of confidence and trust with respect to the Confidential Information and agrees that the Confidential Information is the exclusive property of the Company or its Affiliates. Executive acknowledges and agrees that the Confidential Information is not generally known outside of the Company or its Affiliates, that the Company and its Affiliates have taken measures to guard the secrecy of the Confidential Information, that such information is extremely valuable and an essential asset of the business of the Company or its Affiliates, and that such information, if disclosed without authorization to a third party or used by Executive for purposes other than conducting the Company business would cause irreparable harm to the Company or its Affiliates and/or their respective customers.
- (ii) At all times from and after the date of this Agreement, Executive agrees that except for the benefit of the Company or its Affiliates, absent written consent of the Company's Chief Executive Officer or Chief Legal Officer, or such person's designee, or as otherwise may be required by law or legal process, Executive will not directly or indirectly for the benefit of Executive or any third party, disclose or use, or authorize or permit anyone under Executive's direction to disclose to anyone or use, any Confidential Information, whether or not acquired, originated, developed in whole or in part by Executive. Without limitation, Executive further agrees that Executive shall not use any Confidential Information to solicit any Company or Affiliate customer or employee to compete with the Company or its Affiliates or in any other manner to compete with the Company or its Affiliates in violation of this Agreement.
- (iii) For the purpose of this Agreement, "Confidential Information" shall include all Company or Affiliate trade secrets, proprietary data, and other confidential

information of the Company or its Affiliates, including, without limitation, information relating to business operations, business plans, objectives or strategies; services; pricing; business forecasts, plans, or pipelines; business referrals; profit margin; promotional practices; products or product specifications; compensation plans and arrangements, including incentive compensation plans or related performance specifications; Company or Affiliate training, reference, or educational materials; current, prospective and former customer names and information, including but not limited to contact, financial and account information; quality control or compliance standards; contracts or relationships with suppliers, vendors, independent contractors, or other parties; unpublished works of any nature whether or not copyrightable; Company or Affiliate research and/or development materials relating to the their respective business; information contained in pending patent applications; inventions, technical improvements, and ideas; any information which the Company or its Affiliates are obligated to treat as confidential pursuant to any course of dealing or any agreement to which it is a party or otherwise bound, and all other information and knowledge in whatever form used or useful in management, marketing, purchasing, finance, or operations of the business or the Company or its Affiliates and any compilation of such information and all other similar information used by the Company or its Affiliates that is not available to those outside of the Company or its Affiliates.

- (iv) All Confidential Information, whether maintained in records, files, paper documents, electronic files, or databases and whether originals or copies thereof, is the sole property of the Company or its Affiliates, as the case may be. Executive's access to and use of the Company's computer systems, networks and equipment, and all Confidential Information contained therein, shall be restricted to legitimate business purposes on behalf of the Company or its Affiliates. The restrictions contained in this Section 10(a) shall extend to any personal computers other electronic devices of Executive that are used for business purposes relating to the Company or its Affiliates. Executive shall not trans any Confidential Information to any personal computer or other electronic device that is not otherwise used for any business purpose relating to the Company or its Affiliates.
- (v) The covenants in this Section 10(a) will not apply to information that: (1) is or becomes available to the general public through no breach of this Agreement by Executive or breach by any other person of a duty of confidentiality to the Company or its Affiliates; or (2) Executive is required to disclose by applicable law or court order; provided, however, that Executive will notify the Company in writing of such required disclosure as much in advance as practicable in the circumstances and cooperate with the Company to limit the scope of such disclosure.
- (vi) Under the federal Defend Trade Secrets Act of 2016, Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (a) is made (i) in confidence to a federal, state, or local government official, either direct or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made to Executive's attorney in relation to a lawsuit for retaliation against Executive for reporting a suspected violation of law; or (c) is made in a complaint or

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other document filed in a lawsuit or other proceeding, if such filing is made under seal.

(b) **NONCOMPETITION.** During Executive's employment with the Company and for a period of six (6) months following the termination of Executive's employment with the Company for any reason, whether voluntary or involuntary, Executive shall not, individually or as a shareholder, owner, partner, member, director, officer, employee, independent contractor, consultant, creditor or agent on Executive's behalf or on behalf of any other person, firm, corporation or other entity, directly or indirectly, work for, provide services to or for, enter into, engage in, or promote or assist (financially or otherwise) any individual or entity that in the Restricted Territory: (i) engages in banking or any other business in which the Company or Affiliates was engaged at the time of, or within the twenty-four (24) months prior to, the termination of Executive's Employment; or (ii) otherwise engages in the marketing and/or sale of: (a) banking products or services, including, without limitation, personal and business accounts, private banking, business banking, loans, lines of credit, mortgages, and other investment or financial products; or (b) any other business in which the Company or Affiliate is engaged (together referred to as the "Restricted Services"). For the purpose of this Section 10(b), "Restricted Territory" shall mean a fifty (50) mile radius from any office of the Company or its Affiliates. Notwithstanding the foregoing, nothing herein will prohibit the Executive from being a passive owner of not more than one percent (1%) of the equity securities of any publicly traded corporation, so long as the Executive has no active participation in the business of such corporation.

(c) **NONSOLICITATION.** During Executive's employment with the Company and for a period of twelve (12) months following the termination of Executive's employment with the Company for any reason, whether voluntary or involuntary, Executive will not, on Executive's behalf or on behalf of any other

person, firm, corporation or other entity, directly or indirectly, individually or as a shareholder, owner, partner, member, director, officer, employee, independent contractor, consultant, creditor or agent on behalf of any other person, firm, corporation or other entity.

- (i) solicit, advise, persuade, encourage or request or attempt to solicit, advise, persuade, encourage or request any customer of the Company its Affiliates, business or prospective business of the Company or its Affiliates, or potential customer identified, selected or targeted by the Company or its Affiliates about whom Executive had knowledge, or with whom Executive had contact, involvement or responsibility during Executive's employment with the Company, for or in connection with the sale or offering of any of the Restricted Services;
- (ii) accept or provide assistance in the accepting of (including, but not limited to, providing any service, information or assistance or other facilitation or other involvement) business or orders from customers of the Company or its Affiliates or any potential customers of the Company or its Affiliates about whom Executive had knowledge, or with whom Executive had contact, involvement, or responsibility during Executive's employment with the Company, or attempt to do so;
- (iii) solicit, advise, persuade, encourage or request or attempt to solicit, advise, persuade, encourage or request any customer of the Company its Affiliates about whom Executive had knowledge, or with whom Executive had contact, involvement or responsibility during Executive's employment with the Company, to cease doing

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business, to refrain from doing business, or reduce the amount of business such customer has done or is contemplating doing with the Company or its Affiliates;

- (iv) solicit, advise, persuade, encourage or request or attempt to solicit, advise, persuade, encourage or request any officer, director, independent contractor, employee, representative or agent of the Company or its Affiliates to cease such individual's employment or relationship with the Company or its Affiliates or otherwise refrain from providing services to the Company or its Affiliates;
- (v) interview, hire, employ, engage, or retain or attempt to interview, hire, employ, or retain any officer, director, independent contractor, employee, representative or agent of the Company or its Affiliates, while such person is employed, engaged, or retained by the Company or its Affiliates and for a period of twelve (12) months thereafter, or take any action to materially assist or aid any other person, firm, corporation or other entity in identifying, interviewing, hiring, employing, engaging, or retaining any such individual; or
- (vi) interfere with or attempt to interfere with, or assist, persuade, or encourage or attempt to assist, persuade, or encourage any other person entity in interfering with, the relationship between the Company or its Affiliates and their respective officers, directors, independent contract employees, representatives, agents, vendors, joint venturers, or licensors.

Notwithstanding the forgoing, the provisions of this Section 10(c) shall not apply to general advertisements by any person, firm, corporation or other entity with which Executive may be associated or other communications in any form of media not specifically targeting individuals or entities described in this Section 10(c).

**(d) INTELLECTUAL PROPERTY.** At all times from and after the date of this Agreement, Executive agrees to not, directly or indirectly, use, register, or assist others to use or register, any designation (including, without limitation, any service mark, trademark, trade name or other indicia of source) that is the same as or confusingly similar to the legal or operating names of the Company or its Affiliates in connection with any banking, wealth management, lending, trust, mortgage, insurance, or other financial services or products, and Executive further acknowledges and agrees that these obligations are necessary to protect consumers from confusion as to source, affiliation, association or sponsorship, and that such obligations are reasonable and will not preclude or materially impede Executive from gainful employment. In addition, Executive agrees to promptly and fully disclose, transfer and assign to the Company all inventions and any other intellectual property, whether patentable or not, (collectively, "Intellectual Property") made or conceived by Executive during Executive's employment with the Company. Executive further agrees to fully cooperate in executing any documents required for establishing or protecting the Intellectual Property and for establishing the Company's ownership, whether before or after Executive's employment ends. Executive also agrees that in the event of publication by Executive of written or graphic materials constituting "work made for hire," as defined and used in the Copyright Act of 1976, 17 USC § 1 et seq., the Company will retain and own all rights in said materials, including right of copyright.

**(e) NONDISPARAGEMENT.** Executive agrees that Executive will not, in writing or orally or through conduct, make any false statements that are maliciously disparaging or defamatory about the

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Company or its Affiliates or their respective officers, directors, employees, shareholders, agents or products or that may be considered detrimental or injurious to the good name or business reputation of such entities or individuals. These prohibitions include, without limitation, any such statements made through use of social media sites, such as Facebook, Twitter, Instagram, LinkedIn, or Glassdoor or on blogs, by text or email or other electronic means. The foregoing will not be violated by truthful statements in response to legal process, required governmental testimony or filings, or administrative or arbitral proceedings (including, without limitation, depositions in connection with such proceedings). Nothing in this provision shall prevent Executive from testifying truthfully as required by law nor does this provision prohibit or prevent Executive from filing a charge with or participating, testifying, or assisting in any investigation, hearing, whistleblower proceeding or other proceeding before any federal, state, or local government agency.

(f) **RETURN OF COMPANY PROPERTY.** Upon the termination of Executive's employment with the Company for any reason, whether voluntary or involuntary, Executive will return to the Company, or, as directed by the Company, delete or destroy, all Confidential Information in any form (including all copies, excerpts and reproductions thereof) and all other property whatsoever of the Company or its Affiliates in or under Executive's possession or control. In addition, Executive shall immediately upon termination for any reason surrender all personal electronic devices ever used to access Confidential Information for inspection and removal of Confidential Information.

(g) **REASONABLENESS OF COVENANTS.** By signing this Agreement, Executive agrees that Executive has had the opportunity to consult with counsel about this Agreement and Executive provides assurance that Executive has carefully read and considered the provisions of this Section 10. Executive agrees and acknowledges that the covenants set forth in this Section 10 are in exchange for good and valuable consideration and that such covenants are reasonable in all respects, including, where applicable, geographical and temporal scope. Executive further acknowledges that the restrictions contained in this Section 10 are reasonable and necessary for the protection of the legitimate business interests of the Company and its Affiliates, that the Company would not have entered into this Agreement without receiving Executive's agreement to be bound by the provisions of Section 10, and that such restrictions were a material inducement to the Company to enter into this Agreement. Executive agrees that the provisions of Section 10, individually or in the aggregate, will not prevent Executive from obtaining other suitable employment during the period in which Executive is bound by the provisions. Executive further agrees and acknowledges that the potential harm to the Company or its Affiliates of the non-enforcement of any provision of this Section 10 outweighs any potential harm to Executive of its enforcement by injunction or otherwise. Executive also agrees that each of the Company's Affiliates will have the right to enforce all of the Executive's obligations to that Affiliate under this Agreement, including without limitation pursuant to this Section 10.

(h) **REFORMATION.** If it is determined by a court of competent jurisdiction in any state that any restriction in this Section 10 is excessive in duration or scope or is unreasonable or unenforceable under applicable law, it is the intention of the parties that such restriction may be modified or amended by the court to render it enforceable to the maximum extent permitted by the laws of that state. All other provisions of Section 10 shall then survive in accordance with their respective terms.

(i) **TOLLING.** In the event of any violation of the provisions of this Section 10, the Executive acknowledges and agrees that the post-termination restrictions contained in this Section 10 will be extended by a period of time equal to the period of such violation, it being the intention of the parties

hereto that the running of the applicable post-termination restriction period will be tolled during any period of such violation.

(j) **NOTICE.** Executive agrees that Executive during the time period within which the provisions of this Section 10 are in effect, Executive will advise any individual or entity with which Executive may be engaged as a shareholder, owner, partner, member, director, officer, employee, independent contractor, consultant, creditor or agent of Executive's obligations contained in this Section 10. Executive further acknowledges and agrees that during the time period within which the provisions of this Section 10 are in effect, the Company shall have the right to communicate the existence and terms of the applicable provision(s) of Section 10 then in effect to any third party with whom Executive may seek or obtain future employment or other arrangement or engagement described in Section 10.

(k) **OBLIGATION TO COMPLY WITH OTHER LAWS.** The duties Executive owes the Company under Section 10 of this Agreement shall be deemed in addition to any federal, state and common law obligations of employees to their employers. Section 10 is intended, amongst other things, to supplement the

provisions of state trade secret law and duties Executive owes the Company or its Affiliates under common law, including but not limited to the duty of loyalty, and does not in any way supersede any of the obligations or duties Executive otherwise owes the Company or its Affiliates.

**11. COOPERATION.** Upon the receipt of notice from the Company, the Executive agrees that while employed by the Company and thereafter, the Executive will respond and provide information with regard to matters in which the Executive has knowledge as a result of the Executive's employment with the Company, and will provide reasonable assistance to the Company, its Affiliates and their respective representatives in defense of all claims that may be made against the Company or its Affiliates, and will assist the Company and its Affiliates in the prosecution of all claims that may be made by the Company or its Affiliates, to the extent that such claims may relate to the period of the Executive's employment with the Company. The Executive agrees to promptly inform the Company in writing if the Executive becomes aware of any lawsuit or other proceeding involving such claims that may be filed or threatened against the Company or its Affiliates. The Executive also agrees to promptly inform the Company in writing (to the extent that the Executive is legally permitted to do so) if the Executive is asked to assist in any investigation of the Company or its Affiliates (or their actions), regardless of whether a lawsuit or other proceeding has then been filed against the Company or its Affiliates with respect to such investigation, and will not do so unless legally required. Upon presentation of appropriate documentation, the Company will pay or reimburse the Executive for all reasonable out-of-pocket travel, duplicating or telephonic expenses incurred by the Executive in complying with this Section 11.

**12. EQUITABLE RELIEF.** Executive acknowledges that should Executive violate any of the provisions of Section 10 or 11, the Company or its Affiliates will suffer irreparable harm and not have an adequate remedy at law. Accordingly, the Executive covenants and agrees that the Company will, in addition to any other rights and remedies to which the Company or its Affiliates may have under applicable law, be entitled to equitable relief, including, without limitation, injunctive relief, without bond or other necessity, and to the remedy of specific performance with respect to any breach or threatened breach of such covenants, as may be available from any court of competent jurisdiction. The foregoing remedies shall not be deemed to be the exclusive rights or remedies of the Company or its Affiliates for any breach of or noncompliance with the provisions of Sections 10 or 11 by Executive, but shall be in addition to all other rights and remedies available to the Company, in law, in equity, or otherwise.

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**13. FACILITY OF PAYMENT.** In the event of the Executive's death, any remaining payments hereunder will be made to the Executive's designated beneficiary or beneficiaries, or, if the Executive has no surviving designated beneficiaries, to the Executive's estate.

**14. ASSIGNMENTS AND SUCCESSORS.** This Agreement is personal to each of the parties hereto, except as provided herein. Except as provided in this Section 14, no party may assign or delegate any rights or obligations hereunder without first obtaining the written consent of the other party hereto. Notwithstanding the foregoing, the Company may assign this Agreement to any successor to all or substantially all of the business and/or assets of the Company. As used in this Agreement, "Company" will mean the Company and any successor to its business and/or assets, which assumes and agrees to perform the duties and obligations of the Company under this Agreement by operation of law or otherwise. This Agreement will be binding on the Parties hereto and each of their permitted successors and assigns.

**15. NOTICE.** For purposes of this Agreement, notices and all other communications provided for in this Agreement will be in writing and will be deemed to have been duly given when delivered or mailed by nationally recognized overnight courier services, by registered or certified mail, return receipt requested, by facsimile or by hand delivery, to the Parties listed below at their respective addresses or at such other address as each may specify by notice to the other Party:

If to the Executive:

At the Executive's address (or to the facsimile number) shown in the books and records of the Company.

If to the Company:

Premier Bank

601 Clinton Street

Defiance, OH 43512

Attention: Chief Human Resources Officer

With a copy (which will not constitute notice) to:

Premier Bank

275 W. Federal Street

Youngstown, OH 44502

Attention: Chief Legal Officer

For so long as Executive is an employee of Company, notice may also be given through the use of the Company's electronic mail system using the Employee's Company-provided electronic mail address and the Company-provided electronic mail address of the individual holding the title of Chief Human Resources Officer.

**16. SEVERABILITY.** The provisions of this Agreement will be deemed severable. The invalidity or unenforceability of any provision of this Agreement in any jurisdiction will not affect the

validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of any provision of this Agreement in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder will be enforceable to the fullest extent permitted by applicable law.

**17. GOVERNING LAW; JURISDICTION.** This Agreement, the rights and obligations of the parties hereto, and all claims or disputes relating thereto, will be governed by and construed in accordance with the laws of the State of Ohio, without regard to the choice of law provisions thereof. Each of the parties agrees that any dispute between the parties will be resolved only in the courts of the State of Ohio or the United States District Court for the Northern District of Ohio and the appellate courts having jurisdiction of appeals in such courts. In that context, and without limiting the generality of the foregoing, each of the Parties hereto irrevocably and unconditionally (a) submits in any proceeding relating to this Agreement or the Executive's employment by the Company or any Affiliate, or for the recognition and enforcement of any judgment in respect thereof (each, a "Proceeding"), to the exclusive jurisdiction of the courts of the State of Ohio, the court of the United States of America for the Northern District of Ohio, and appellate courts having jurisdiction of appeals from any of the foregoing, and agrees that all claims in respect of any such Proceeding will be heard and determined in such Ohio State court or, to the extent permitted by law, in such federal court, (b) consents that any such Proceeding may and will be brought in such courts and waives any objection that the Executive or the Company may now or thereafter have to the venue or jurisdiction of any such Proceeding in any such court or that such Proceeding was brought in an inconvenient court and agrees not to plead or claim the same, (c) **WAIVES TO THE FULLEST EXTENT ALLOWED BY LAW ALL RIGHT TO TRIAL BY JURY IN ANY PROCEEDING (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE EXECUTIVE'S EMPLOYMENT BY THE COMPANY OR ANY AFFILIATE OF THE COMPANY, OR THE EXECUTIVE'S OR THE COMPANY'S PERFORMANCE UNDER, OR THE ENFORCEMENT OF, THIS AGREEMENT,** (d) agrees that service of process in any such Proceeding may be effected by mailing a copy of such process by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such party at the Executive's or the Company's address as provided in Section 15 hereof, and (e) agrees that nothing in this Agreement will affect the right to effect service of process in any other manner permitted by the laws of the State of Ohio. Should either party initiate any action or proceeding to enforce any provision of this Agreement or for damages by reason of any alleged breach of any provision of this Agreement, or for a declaration of rights hereunder, the prevailing party in any such dispute shall be entitled to receive from the other party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in connection with such dispute.

**18. TAX MATTERS.**

(a) **WITHHOLDING.** The Company may withhold from any and all amounts payable under this Agreement such federal, state, local and other taxes or withholdings as may be required to be withheld pursuant to any applicable law or regulation.

(b) **CODE SECTION 280G.** Notwithstanding anything in this Agreement or elsewhere to the contrary, if the aggregate of all amounts and benefits due to the Executive (or the Executive's beneficiaries) under this Agreement or under any other plan, program, agreement or arrangement of the Company or any of its Affiliates (collectively, "Contingent Benefits"), would cause the Executive to have "parachute payments" as such term is defined in and under Code Section 280G, and would result in the imposition of excise taxes pursuant to Section 4999 of the Code or loss of deduction pursuant to Code Section 280G, the Company will reduce such payments and benefits so that the Parachute Value of

all Contingent Benefits, in the aggregate, equals the Safe Harbor Amount minus \$1,000.00 (the "Required Reduction"). All determinations with respect to this Section 18(b) will be made by an independent nationally-recognized United States public accounting firm chosen, and paid for, by the Company (the "Auditor"). Notwithstanding any provision to the contrary in this Agreement or elsewhere, any Required Reduction will be implemented as follows: first, by reducing any cash payments to be made to the Executive; second, by cancelling any outstanding equity or equity-based compensation awards that are subject to performance vesting ("Performance-Based Equity"), the performance goals for which have not been met as of the Termination Date or, if later, the Change in Control date; third, by cancelling the acceleration of vesting of (i) any of the Executive's outstanding Performance-Based Equity the performance goals for which were met as of the Termination Date or, if later, the Change in Control date, and (ii) any of the Executive's other outstanding equity awards; and fourth, by eliminating the Company's payment of the premiums for any post-termination continuation of health coverage benefits for the Executive. All determinations made by the Auditor under this Section 18(b) will be binding upon the Company and the Executive and will be made as soon as reasonably practicable following the event giving rise to the Contingent Benefits. The following terms will have the following meanings for purposes of this Section 18(b):

- (i) "Code Section 280G" means Section 280G of the Code and the treasury regulations and other official guidance promulgated thereunder from time to time.
- (ii) "Parachute Value" of a Contingent Benefit means the present value (as determined in accordance with Code Section 280G) as of the date of the change in control for purposes of Section 280G of the Code of the portion of such Contingent Benefit that constitutes a "parachute payment" under Code Section 280G.
- (iii) "Safe Harbor Amount" means 2.99 times the Executive's "base amount," within the meaning of Code Section 280G.

(c) **CODE SECTION 409A.**

(i) The intent of the parties is that payments and benefits under this Agreement be exempt from, or, to the extent not so exempt, comply with, Code Section 409A, and, accordingly, to the maximum extent permitted, this Agreement will be interpreted in accordance with such intent. To the extent that any provision hereof is modified in order to comply with Code Section 409A, such modification will be made in good faith and will, to the maximum extent reasonably possible, maintain the original intent and economic benefit to the Executive and the Company of the applicable provision without violating the provisions of Code Section 409A. In no event whatsoever will the Company or its Affiliates, or their respective officers, directors, employees or agents be liable for any additional tax, interest or penalties that may be imposed on the Executive by Code Section 409A or damages for failing to comply with Code Section 409A.

(ii) Notwithstanding anything to the contrary in this Agreement, if the Executive is a "specified employee" within the meaning of that term under Code Section 409A(a)(2)(B), then with regard to any payment or the provision of any benefit that is considered "deferred compensation" under Code Section 409A payable on account of a "separation from service," such payment or benefit will not be made or provided until the date which is the earlier of (A) the expiration of the six (6)-month period measured from the date of such "separation from service" of the Executive, and (B) the date of the Executive's death, to the extent required under Code Section 409A. Upon the expiration of the

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foregoing delay period, all payments and benefits delayed pursuant to this paragraph (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 the Executive in a lump sum, and all remaining payments and benefits due under this Agreement will be paid or provided in accordance with the normal payment dates specified for them herein.

(iii) To the extent that reimbursements or other in-kind benefits under this Agreement constitute "deferred compensation" for purposes of Code Section 409A, (A) all expenses or other reimbursements hereunder will be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by the Executive, (B) any right to reimbursement or in-kind benefits will not be subject to liquidation or exchange for another benefit, and (C) no such reimbursement, expenses eligible for reimbursement, or in-kind benefits provided in any taxable year will in any way affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year.

(iv) For purposes of Code Section 409A, the Executive's right to receive installment payments pursuant to this Agreement will be treated as a right to receive a series of separate and distinct payments.

(v) Whenever a payment under this Agreement specifies a payment period with reference to a number of days, the actual date of payment within the specified period will be within the sole discretion of the Company.

(vi) No amounts payable hereunder that constitute nonqualified deferred compensation for purposes of Code Section 409A will be subject to offset by any other amount unless otherwise permitted by Code Section 409A.

**19. SURVIVAL.** The Company and Executive hereby agree that Sections 2(b) and 5 through 23 of this Agreement will survive any termination of this Agreement or termination of Executive's employment for any reason, whether voluntary or involuntary, and that such provisions will thereafter remain in full force and effect pursuant to their respective terms.

**20. SECTION HEADINGS; INCONSISTENCY.** The section headings used in this Agreement are included solely for convenience and will not affect, or be used in connection with, the interpretation of this Agreement. In the event of any inconsistency between the terms of this Agreement and any form, award, plan or policy of the Company, the terms of this Agreement will govern and control.

**21. ENTIRE AGREEMENT.** Except as otherwise expressly provided herein, this Agreement sets forth the entire agreement of the Parties hereto in respect of the subject matter contained herein and supersedes any and all prior agreements or understandings between the Employee and the Company with respect to the subject matter hereof. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either Party which are not expressly set forth in this Agreement. The Parties expressly agree that the Severance and Change In Control Protection dated March 1, 2023 entered into by and between them, or with respect to the Company, any predecessor of the Company, is hereby terminated and of no further force or effect.

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**22. MISCELLANEOUS.** 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 the Employee and such officer or director of the Company as may be 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 will be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

**23. COUNTERPARTS.** This Agreement may be executed via electronic signature and in any number of counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument. The Parties agree to accept a signed facsimile copy or "PDF" of this Agreement as a fully binding original.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**COMPANY**

By: /s/Sharon L. Davis

Name: Sharon L. Davis

Title: CHRO

**EXECUTIVE**

/s/Rick L. Hull

Rick L. Hull

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EXHIBIT 10.23

PREMIER BANK

SEVERANCE AND CHANGE IN CONTROL PROTECTION AGREEMENT

This Severance and Change in Control Protection Agreement (this "Agreement"), dated as of April 1, 2022 (the "Effective Date"), is entered into by and between Premier Bank (the "Company"), and Shannon M. Kuhl (the "Executive" and, together with the Company, the "Parties").

WITNESSETH:

WHEREAS, the Executive is a key senior executive employee of the Company; and

WHEREAS, the Company's Board of Directors (the "Board") has determined that it is in the best interests of the Company and its shareholders to provide the Executive with the opportunity to earn and receive certain severance payments and benefits in the event the Executive's employment with the Company were to be terminated in qualifying circumstances, including in connection with a qualifying change in control of the Company, in order to provide the Executive with enhanced financial security, to allow the Company to remain competitive with its peers, and to incentivize the Executive to continue to devote the Executive's full attention and dedication to the Company notwithstanding the possibility or occurrence of a change in control.

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises contained herein and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. **DEFINITIONS.** For purposes of this Agreement, capitalized terms and phrases used herein and not otherwise defined have the meanings ascribed in this Section 1:

(a) "Accrued Benefits" means: (i) (A) any unpaid Base Salary through the Termination Date; (B) reimbursement for any unreimbursed business expenses incurred through the Termination Date, subject to and in accordance with Company policy; and (C) any accrued but unused paid vacation time subject to and in accordance with Company policy (in the case of each of (A), (B) and (C) payable within sixty (60) calendar days following the Termination Date or on such earlier date as may be required by applicable law); and (ii) all of the Executive's other accrued and vested benefits under the Company's employee benefit plans, policies and arrangements, payable in accordance with and subject to the terms and conditions of such plans, policies and arrangements. For the avoidance of doubt and not as a limitation, "Accrued Benefits" shall include all accrued and vested rights under any defined contribution plan of the Company.

(b) "Affiliates" means each of the Company's direct or indirect parents, subsidiaries, and any other entities controlled by, controlling, or under common control with, the Company, including any successors thereof.

(c) "Base Salary" means the Executive's annual base compensation rate for services paid by the Company to the Executive at the time immediately prior to the Executive's Termination, as reflected in the Company's payroll records or, if higher, the Executive's annual base compensation rate immediately prior to a Change in Control occurring within the period covered under Section 4 below. Base Salary will not include commissions, bonuses, overtime pay, incentive compensation, benefits paid

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under any qualified plan, any group medical, dental or other welfare benefit plan, non-cash compensation, or any other additional compensation, but will include base salary reductions made pursuant to the Executive's salary reduction agreement under Section 125, 132(f)(4) or 401(k) of the Code, if any, or a nonqualified elective deferred compensation arrangement, if any.

(d) "Board" means the board of directors of the Company.

(e) "Cause" means:

- (i) The Executive's indictment or conviction of, or plea of guilty or *nolo contendere* to any felony, or any other crime that involves moral turpitude, theft, dishonesty, or breach of trust;
- (ii) The Executive's breach of any fiduciary duty owed to the Company or its Affiliates;
- (iii) The Executive's willful misconduct in the course of the Executive's employment with the Company, including, without limitation, fraud, embezzlement, theft or dishonesty;
- (iv) The Executive's removal from office or the Executive being prohibited from participating in the conduct of the affairs of the Company, its Affiliates, or any other insured depository institution, by an order issued under subsection 8(e) of the Federal Deposit Insurance Act, 12 US §§ 1818(e);
- (v) The Executive's willful and repeated failure to perform the Executive's duties under this Agreement in accordance, in all material respects,

the directions of the CEO, the Board, or a duly authorized Board committee;

- (vi) The Executive engaging in any unsafe or unsound banking practices or (without limiting clause (i) hereof) other material violations of a law regulation applicable to the Company or its Affiliates; and
- (vii) Any other material breach by the Executive of the terms and conditions of this Agreement or any other agreement with, or code or policy of the Company or its Affiliates;

Notwithstanding the foregoing, no event described in clause (v), (vi) or (vii) above will constitute Cause, unless the Company has given the Executive notice of its intention to terminate the Executive for Cause, describing in reasonable detail the events that it believes constitute Cause, and the Executive fails to cure such events to the Company's satisfaction within fifteen (15) calendar days (or such longer or shorter cure period as the Board determines will apply, in its sole and absolute discretion) after receiving such notice. Any determination of Cause pursuant to clause (v), (vi) or (vii) by the Company will be made by a resolution approved by a majority of the members of the Board.

For purposes of this definition of "Cause", no act, or failure to act, on the part of the Executive will be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Company. For this purpose, any act, or failure to act, based upon (A) authority given pursuant to a resolution duly adopted by the Board, (B) direction provided by a more senior executive with oversight

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of the Executive, or (C) the advice of counsel for the Company will be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company.

(f) **"Change in Control"** means the occurrence of any of the following events after the Effective Date:

- (i) The acquisition by one person, or more than one person acting as a group, of ownership of stock of the Company that, together with stock held by such person or group (in each case, directly or through attribution), constitutes more than fifty percent (50%) of the total fair market value or total voting power of the stock of the Company (provided that, if any person or more than one person acting as a group is considered to own more than fifty percent (50%) of the total fair market value or total voting power of the stock of the Company, the acquisition of additional control by the same person or persons will not constitute a Change in Control);
- (ii) The acquisition by one person, or more than one person acting as a group, of ownership of stock of the Company, that, together with stock the Company acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or group (in each case, directly or through attribution), constitutes thirty percent (30%) or more of the total voting power of the stock of the Company;
- (iii) A majority of the members of the Board are replaced during any twelve (12)-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board before the date of the appointment or election; or
- (iv) One person, or more than one person acting as a group, acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or group) assets from the Company that have a total gross fair market value (determined without regard to any liabilities associated with such assets) equal to or more than forty (40%) of the total gross fair market value of all of the assets of the Company immediately before such acquisition or acquisitions.

Persons will not be considered to be acting as a group solely because they purchase or own stock of the same corporation at the same time, or as a result of the same public offering. However, persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company. Notwithstanding the foregoing, solely for purposes of any payment or benefit under this Agreement that constitutes "deferred compensation" for purposes of Code Section 409A, a "Change in Control" will not occur unless such Change in Control also constitutes a "change in the ownership of a corporation," a "change in the effective control of a corporation," or a "change in the ownership of a substantial portion of the assets of the corporation," in each case within the meaning of Code Section 409A.

(g) **"Change in Control Date"** means the date of consummation of a Change in Control.

(h) **"COBRA"** means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

(i) "Code" means the Internal Revenue Code of 1986, as amended.

(j) "Code Section 409A" means Section 409A of the Code and the treasury regulations and other official guidance promulgated thereunder from time to time.

(k) "Disability" means the inability of the Executive to perform, after reasonable accommodation, the Executive's material duties with the Company due to a physical or mental injury, infirmity or incapacity for one hundred eighty (180) calendar days in any three hundred sixty-five (365)-day period, as determined by the Board in its reasonable discretion.

(l) "Good Reason" means the occurrence of any of the following events without the Executive's express consent, unless all grounds for a termination with Good Reason based on such event have been cured within thirty (30) calendar days after the Executive gives written notice to the Company describing such event in detail and requesting cure, such notice to be given within ninety (90) calendar days after the first occurrence of such event:

- (i) material (10% or greater) diminution in the Executive's Base Salary;
- (ii) material reduction by the Company of the Executive's title, such that the Executive no longer serves in a substantive, senior executive role with the Company comparable in stature to the Executive's current role;
- (iii) material change in the geographic location at which the Executive must perform the services which is greater than 50 miles from the Executive's prior work location but only if such change results in an increase of the Executive's one-way commute from the Executive's residence of more than 35 miles; or
- (iv) any material breach of this Agreement by the Company.

No event will constitute Good Reason unless the Executive resigns from employment with the Company within ninety (90) calendar days following the expiration of the Company cure period applicable to such event. Otherwise, any claim of such circumstances as Good Reason will be deemed irrevocably waived by the Executive.

(m) "Termination" means any termination of the Executive's employment with the Company for any reason. Solely for purposes of any provision of this Agreement providing for any payment that constitutes "deferred compensation" for purposes of Code Section 409A and is triggered by a termination of the Executive's employment, a "Termination" will not occur unless the termination of the Executive's employment also constitutes a "separation from service" within the meaning of Code Section 409A.

(n) "Termination Date" means the effective date of the Executive's Termination.

## 2. TERM OF AGREEMENT

(a) **EXPIRATION.** The term of this Agreement will begin on the Effective Date and will continue until April 1, 2023 (the "Initial Term"), at which time the term will renew automatically for successive twelve (12)-month periods (the "Renewal Terms"), unless and until non-renewed by either the Company or the Executive upon not less than ninety (90) calendar days' prior written notice given to

the other Party prior to the end of the Initial Term or any Renewal Term, as applicable (it being understood that non-renewal of this Agreement will not, in itself, result in a termination of the Executive's employment with the Company). The Initial Term and all Renewal Terms, if any, will constitute the "Term" for purposes of this Agreement. Notwithstanding the foregoing, if a Change in Control occurs prior to the end of the Initial Term or a Renewal Term, as applicable, then the Term of this

Change in Control Agreement will continue for a period of twelve (12) months following the Change in Control and any subsequent Renewal Term thereafter shall commence on the anniversary of the Change in Control.

(b) **AT-WILL EMPLOYMENT.** The Executive acknowledges and agrees that, notwithstanding anything herein to the contrary, the Executive's employment with the Company is and will remain "at-will" and may be terminated at any time and for any reason (or no reason) by the Company or the Executive, with or without notice.

### 3. SEVERANCE BENEFITS

(a) **TERMINATION WITHOUT CAUSE.** If the Executive's employment by the Company is Terminated during the Term by the Company other than for Cause (which, for the avoidance of doubt, will not include a Termination due to the Executive's Disability or death), and contingent on the Executive's satisfaction of the Release Condition and the Executive's continued compliance with the Executive's obligations in Sections 10 and 11 hereof (as well as with any and all other restrictive covenants applicable to the Executive in favor of the Company or its Affiliates), the Company will pay or provide to the Executive the following payments or benefits (collectively, the "Severance Benefits"):

- (i) the Accrued Benefits, payable as provided in Section 1(a);
- (ii) severance payments in an aggregate amount equal to 12 months of Executive's Base Salary, payable in equal bi-weekly installments commencing within sixty (60) calendar days following the Termination Date and in accordance with the Company's general payroll policies and procedures;
- (iii) an amount equal to the product of (x) the Executive's target award under the Company's short term incentive plan (the "STIP") for the STIP performance year in which the Executive's termination occurs (such amount, the "Target STIP Award") and (y) one (1), payable in one lump sum cash payment within sixty (60) calendar days following the Termination Date;
- (iv) an amount equal to the Executive's award under the STIP for the performance year in which Termination occurs pro-rated using a fraction the numerator of which is the number of full and partial months during which the Executive was employed by the Company during such year and the denominator of which is twelve (12) (the "Pro-Rated STIP Award"), payable in accordance with the terms of the STIP, including satisfaction of any applicable performance goals and the application of adjustments to the target payout as set forth in the STIP, in one lump sum cash payment at the time such awards are normally paid to all participants in the STIP but in no event later than March 15 of the year following the Executive's Termination;
- (v) Company-paid executive outplacement services from one or more organizations retained by the Company for this purposes for a period of twelve (12) months

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following the Termination Date, subject to a maximum cost to the Company not to exceed \$12,000.00 dollars and provided that Executive engages such outplacement services within six months of the Termination Date (the "Outplacement Services"); and

- (vi) subject to the Executive's timely election of continuation coverage under the Company's group health plan in accordance with COBRA, payment by the Company of the full amount of Executive's premiums for such continued coverage (without contribution or reimbursement from the Executive), in a manner intended to avoid any excise tax under Section 4980D of the Code, subject to the eligibility requirements and other terms and conditions of such coverage, and provided that the Company may modify or terminate the benefit provided hereunder to the extent necessary to comply with applicable law (the "COBRA Subsidy") for the lesser of (x) 18 months following the Termination Date, or (y) until the Executive becomes eligible for group health coverage from another employer.

(b) **TERMINATION DUE TO DISABILITY.** If the Executive's employment by the Company is Terminated during the Term due to the Executive's Disability, and contingent on the Executive's satisfaction of the Release Condition and the Executive's continued compliance with the Executive's obligations in Sections 10 and 11 hereof (as well as with any and all other restrictive covenants applicable to the Executive in favor of the Company or its Affiliates), the Company will pay or provide to the Executive the following payments or benefits (collectively, the "Disability Benefits"):

- (i) the Accrued Benefits, payable as provided in Section 1(a);
- (ii) an amount equal to the Executive's Pro-Rated STIP Award payable as provided in Section 3(a)(iv); and

(iii) the COBRA Subsidy for the lesser of (x) 18 months following the Termination Date, or (y) until the Executive becomes eligible for group health coverage from another employer.

(c) **DEATH.** If the Executive's employment by the Company is Terminated during the Term due to the Executive's death, then the Company will pay or provide to the Executive's designated beneficiary, or, if the Executive has no surviving designated beneficiaries, to the Executive's estate, the following payments or benefits (collectively, the "Death Benefits"):

- (i) the Accrued Benefits, payable as provided in Section 1(a);
- (ii) an amount equal to the Executive's Pro-Rated STIP Award, payable as provided in Section 3(a)(iv); and
- (iii) if the Executive is survived by a spouse or other COBRA-eligible beneficiary, and subject to timely election by such spouse or other beneficiary of continuation coverage under the Company's group health plan in accordance with COBRA, an amount equal to the sum total of the premiums for eighteen (18) months of such coverage, payable in one lump sum cash payment within sixty (60) calendar days following the Termination Date.

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**4. CHANGE IN CONTROL BENEFITS.** In addition to the foregoing, if the Executive's employment by the Company is Terminated during the Term (A) by the Company other than for Cause (which, for the avoidance of doubt, will not include a Termination due to the Executive's Disability or death) within six (6) months prior to or twelve (12) months following the occurrence of a Change in Control, or (B) by the Executive for Good Reason within twelve (12) months following the occurrence of a Change in Control, and contingent in each case on the Executive's satisfaction of the Release Condition and the Executive's continued compliance with the Executive's obligations in Sections 10 and 11 hereof (as well as with any and all other restrictive covenants applicable to the Executive in favor of the Company or its Affiliates), the Company will pay or provide to the Executive the following payments or benefits (collectively, the "Change in Control Benefits"):

- (a) the Accrued Benefits, payable as provided in Section 1(a), to the extent not previously paid under Section 3;
- (b) severance payments in an aggregate amount equal to (i) 18 months of Executive's Base Salary (in the event of a Termination by the Executive for Good Reason), OR (ii) six months of Executive's Base Salary (in the event of a Termination by the Company other than for Cause); in each case payable in equal bi-weekly installments commencing within sixty (60) calendar days following the later of the Termination Date and the Change in Control Date (such later date, the "CIC Commencement Date") and in accordance with the Company's general payroll policies and procedures;
- (c) an amount equal to the product of (x) the Target STIP Award and (y) 1.5 (in the event of a Termination by the Executive for Good Reason) OR 0.5 (in the event of a Termination by the Company other than for Cause), payable in one lump sum cash payment within sixty (60) calendar days following the CIC Commencement Date;
- (d) only in the event of a Termination by the Executive for Good Reason, an amount equal to the Executive's Pro-Rated STIP Award, payable as provided in Section 3(a)(iv);
- (e) only in the event of a Termination by the Executive for Good Reason, the Outplacement Services; and
- (f) only in the event of a Termination by the Executive for Good Reason, the COBRA Subsidy for the lesser of (x) 18 months following the Termination Date, or (y) until the Executive becomes eligible for group health coverage from another employer.

To the extent that the payment of any amount under this Section 4 constitutes "deferred compensation" for purposes of Code Section 409A, any such payment scheduled to occur during the first sixty (60) calendar days following the CIC Commencement Date will not be paid until the sixtieth (60<sup>th</sup>) calendar day following the CIC Commencement Date and will include payment of all amounts that were otherwise scheduled to be paid prior thereto. For the avoidance of doubt, to the extent that a Termination covered by this Section 4 occurs within six (6) months prior to a Change in Control (which excludes any termination by the Executive for Good Reason), the payments and benefits under this Section 4 will be conditioned upon, and will not be paid or provided, or commence to be paid or provided, until, the occurrence of a Change in Control within six (6) months following such Termination.

The payments and benefits provided in this Section 4 will be in addition to any payments and benefits to which the Executive may be entitled under Section 3 hereof.

The following table is provided solely to illustrate the incremental benefits to be paid to the Executive under Section 4 in the event of a Termination by the Company other than for Cause within six (6) months prior to or twelve (12) months following the occurrence of a Change in Control and does not expand, increase, or otherwise modify the benefits outlined in this Agreement:

| Illustration Table 1: Termination by Company other than for Cause within six (6) months prior to or twelve (12) months following the occurrence of a Change in Control |   |   |   |
|--|---|---|---|
|  | Severance Benefits Payable under Section 3(a) | Incremental Benefit Payable under Section 4 | Total Benefit Payable (Section 3(a) and Section 4 combined) |
| <b>Accrued Benefits</b>  | Accrued Benefits                              | No incremental amount                       | Accrued Benefits  |
| <b>Base Salary Severance Grant</b>   | 12 months Base Salary                         | 6 months Base Salary                        | 18 months Base Salary                                       |
| <b>Target STIP Award</b>   | 1x Target STIP Award                          | 0.5x Target STIP Award                      | 1.5x Target STIP Award                                      |
| <b>Pro-Rated STIP Award</b>  | 1x Pro-Rated STIP Award                       | No incremental amount                       | 1x Pro-Rated STIP Award                                     |
| <b>Outplacement Services</b>   | 12 months up to \$12,000                      | No incremental amount                       | 12 months up to \$12,000                                    |
| <b>Payment of COBRA Premiums</b>   | Up to 18 months                               | No incremental amount                       | Up to 18 months   |

The following table is provided solely to illustrate the benefits (which are not incremental) to be paid to the Executive under and subject to Section 4 in the event of a Termination by the Executive for Good Reason within twelve (12) months following the occurrence of a Change in Control and does not expand, increase, or otherwise modify the benefits outlined in this Agreement:

| Illustration Table 2: Termination by Employee for Good Reason within twelve (12) months following the occurrence of a Change in Control |                                    |   |   |
|---|------------------------------------|---|---|
|   | Benefit Payable under Section 3(a) | Benefit Payable under Section 4 CIC Benefits (Termination by Executive for Good Reason) | Total Benefit Payable (Section 3(a) and Section 4 combined) |
| <b>Accrued Benefits</b>   | Accrued Benefits                   | No adjustment   | Accrued Benefits  |
| <b>Base Salary Severance Grant</b>  | None                               | 18 months Base Salary   | 18 months Base Salary                                       |
| <b>Target STIP Award</b>  | None                               | 1.5x Target STIP Award  | 1.5x Target STIP Award                                      |
| <b>Pro-Rated STIP Award</b>   | None                               | 1x Pro-Rated STIP Award   | 1x Pro-Rated STIP Award                                     |
| <b>Outplacement Services</b>  | None                               | 12 months up to \$12,000  | 12 months up to \$12,000                                    |

|                                  |      |                 |                 |
|----------------------------------|------|-----------------|-----------------|
| <b>Payment of COBRA Premiums</b> | None | Up to 18 months | Up to 18 months |
|----------------------------------|------|-----------------|-----------------|

In the event of any conflict between any of the terms of the foregoing Illustration Tables and any of the other terms of this Agreement, the other terms of this Agreement shall govern.

**5. RELEASE CONDITION.** Except in the event of the Executive's death, any and all amounts payable and benefits or additional rights provided pursuant to Section 3 or Section 4 of this Agreement, other than the Accrued Benefits, will only be paid or provided if the Executive delivers to the Company and

does not subsequently revoke a general release of claims in favor of the Company in the form to be provided by the Company to the Executive, which must be executed and delivered, and no longer subject to revocation, by the dates set forth within said general release of claims but in no event greater than sixty (60) calendar days following the Termination Date or, for purposes of Section 4, the CIC Commencement Date (the "Release Condition").

**6. FORFEITURE AND CLAWBACK.** In the event of any material violation by the Executive of Sections 10 or 11 hereof, the Executive will (A) forfeit the right to receive the Severance Benefits, Disability Benefits and/or Change in Control Benefits (as applicable) not yet paid to the Executive, and (B) promptly repay to the Company the Severance Benefits, Disability Benefits and/or Change in Control Benefits (as applicable) previously paid to the Executive (in each case other than the Accrued Benefits). Notwithstanding the foregoing, this Agreement (including the provisions in Sections 10 and 11) shall otherwise remain in full force and effect. Further, Executive acknowledges and agrees that any compensation or benefit provided under this Agreement is subject to potential cancellation, recoupment, rescission, or payback in accordance with (i) any applicable compensation clawback policy of the Employer as may be in effect from time to time, or (ii) any provision of applicable law, whether currently in effect or subsequently enacted, relating to such matters if it is determined that payment of such compensation or benefit would result in a violation of such law.

**7. OTHER EXECUTIVE OBLIGATIONS.** Upon any Termination, the Executive will be deemed to have automatically resigned from all of the Executive's positions as an officer, director or fiduciary of the Company and its Affiliates, and any and all powers of attorney the Company may have granted the Executive during the Executive's employment with the Company will be immediately automatically revoked.

**8. EXCLUSIVE REMEDY; OTHER TERMINATIONS.** The treatment of any incentive equity awards held by the Executive upon any Termination, Change in Control, or other event will be subject to the terms and conditions of the plans and agreements governing such awards. Subject to the foregoing, the amounts payable to the Executive hereunder following Termination will be in full and complete satisfaction of the Executive's rights under this Agreement and any other claims that the Executive may have in respect of the Executive's employment with the Company or any of its Affiliates and in connection with any termination of employment contemplated under Sections 3 or 4, and the Executive acknowledges that such amounts are fair and reasonable, and are the Executive's sole and exclusive remedy, in lieu of all other remedies at law or in equity, with respect to the termination of the Executive's employment hereunder or any breach of this Agreement. The payments and benefits provided under this Agreement shall be in lieu of any other termination or severance payments or benefits which the Executive may otherwise be eligible to receive under any of the plans, policies or programs of the Company, and, subject to Code Section 409A, will be reduced (offset) by any statutory

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entitlements of the Executive (including notice of termination, termination pay and/or severance pay, but excluding statutory unemployment benefits), and any payment related to an actual or potential liability under the Worker Adjustment and Retraining Notification Act of 1988 or similar state, local or foreign law. Unless otherwise determined by the Board in its sole and absolute discretion, in the event of a Termination under any circumstance not expressly contemplated in Section 3 or 4, the Executive will not be entitled to receive any payments or benefits under this Agreement, except for the Accrued Benefits and any other rights or benefits to which the Executive is otherwise entitled under the terms and conditions of any other agreement or arrangement with the Company or any employee benefit plan of the Company or pursuant to the requirements of applicable law.

**9. COORDINATION WITH REQUIREMENTS OF CODE SECTION 409A.** Notwithstanding any other provision of this Agreement to the contrary, nothing herein will change any valid deferral election with respect to, change the time or form of payment of, or otherwise modify, any of the Executive's rights or entitlements in existence immediately prior to the Effective Date that constitute "deferred compensation" for purposes of Code Section 409A, in each case to the extent that any such change or other modification would result in adverse tax consequences under Code Section 409A.

**10. RESTRICTIVE COVENANTS.** Executive acknowledges that as part of Executive's employment with the Company, Executive has access to, will receive or otherwise acquire and will use the Confidential Information (as defined below) of the Company or its Affiliates and also acknowledges that Executive's services are of special and unique value to the Company. Executive understands and agrees that the Confidential Information of the Company and its Affiliates and the relationships the Company and its Affiliates have with their respective customers are the product of substantial investment of time and resources by the Company and its Affiliates. Executive also understands and agrees that the Company and its Affiliates have a legitimate and protectable interest in protecting the Confidential Information and the employees, customers, and other business relationships of the Company and its Affiliates and that this Section 10 is intended to protect those interests. Executive further acknowledges and agrees that Executive would not have knowledge of or access to such Confidential Information or such information about Company or Affiliate relationships but for Executive's employment with the Company and that in the course of Executive's employment by a competitor, Executive would inevitably use or disclose the Confidential information of the Company or its Affiliates. Accordingly, in exchange for the right to receive the Severance Benefits or Change in Control Benefits (as applicable), which Executive acknowledges as sufficient consideration, and to preserve the interests of the Company and its Affiliates, and their clients, customers, and employees, Executive agrees to the covenants in this Section 10.

**(a) CONFIDENTIALITY.**

(i) Executive understands that Executive occupies a position of confidence and trust with respect to the Confidential Information and agrees that the Confidential Information is the exclusive property of the Company or its Affiliates. Executive acknowledges and agrees that the Confidential Information is not generally known outside of the Company or its Affiliates, that the Company and its Affiliates have taken measures to guard the secrecy of the Confidential Information, that such information is extremely valuable and an essential asset of the business of the Company or its Affiliates, and that such information, if disclosed without authorization to a third party or used by Executive for purposes other than

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conducting the Company business would cause irreparable harm to the Company or its Affiliates and/or their respective customers.

(ii) At all times from and after the date of this Agreement, Executive agrees that except for the benefit of the Company or its Affiliates, absent written consent of the Company's Chief Executive Officer or Chief Legal Officer, or such person's designee, or as otherwise may be required by law or legal process, Executive will not directly or indirectly for the benefit of Executive or any third party, disclose or use, or authorize or permit anyone under Executive's direction to disclose to anyone or use, any Confidential Information, whether or not acquired, originated, developed in whole or in part by Executive. Without limitation, Executive further agrees that Executive shall not use any Confidential Information to solicit any Company or Affiliate customer or employee to compete with the Company or its Affiliates or in any other manner to compete with the Company or its Affiliates in violation of this Agreement.

(iii) For the purpose of this Agreement, "Confidential Information" shall include all Company or Affiliate trade secrets, proprietary data, and other confidential information of the Company or its Affiliates, including, without limitation, information relating to business operations, business plans, objectives or strategies; services; pricing; business forecasts, plans, or pipelines; business referrals; profit margin; promotional practices; products or product specifications; compensation plans and arrangements, including incentive compensation plans or related performance specifications; Company or Affiliate training, reference, or educational materials; current, prospective and former customer names and information, including but not limited to contact, financial and account information; quality control or compliance standards; contracts or relationships with suppliers, vendors, independent contractors, or other parties; unpublished works of any nature whether or not copyrightable; Company or Affiliate research and/or development materials relating to their respective business; information contained in pending patent applications; inventions, technical improvements, and ideas; any information which the Company or its Affiliates are obligated to treat as confidential pursuant to any course of dealing or any agreement to which it is a party or otherwise bound, and all other information and knowledge in whatever form used or useful in management, marketing, purchasing, finance, or operations of the business or the Company or its Affiliates and any compilation of such information and all other similar information used by the Company or its Affiliates that is not available to those outside of the Company or its Affiliates.

(iv) All Confidential Information, whether maintained in records, files, paper documents, electronic files, or databases and whether originals or copies thereof, is the sole property of the Company or its Affiliates, as the case may be. Executive's access to and use of the Company's computer systems, networks and equipment, and all Confidential Information contained therein, shall be restricted to legitimate business purposes on behalf of the Company or its Affiliates. The restrictions contained in this Section 10(a) shall extend to any personal computers or other electronic devices of Executive that are used for business purposes relating to the Company or its Affiliates. Executive shall not transmit any Confidential Information

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to any personal computer or other electronic device that is not otherwise used for any business purpose relating to the Company or its Affiliates.

(v) The covenants in this Section 10(a) will not apply to information that: (1) is or becomes available to the general public through no breach or

this Agreement by Executive or breach by any other person of a duty of confidentiality to the Company or its Affiliates; or (2) Executive is required to disclose by applicable law or court order; provided, however, that Executive will notify the Company in writing of such required disclosure as much in advance as practicable in the circumstances and cooperate with the Company to limit the scope of such disclosure.

(vi) Under the federal Defend Trade Secrets Act of 2016, Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (a) 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 (b) is made to Executive's attorney in relation to a lawsuit for retaliation against Executive for reporting a suspected violation of law; or (c) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

(b) **NONCOMPETITION.** During Executive's employment with the Company and for a period of six (6) months following the termination of Executive's employment with the Company for any reason, whether voluntary or involuntary, Executive shall not, individually or as a shareholder, owner, partner, member, director, officer, employee, independent contractor, consultant, creditor or agent on Executive's behalf or on behalf of any other person, firm, corporation or other entity, directly or indirectly, work for, provide services to or for, enter into, engage in, or promote or assist (financially or otherwise) any individual or entity that in the Restricted Territory: (i) engages in banking or any other business in which the Company or Affiliates was engaged at the time of, or within the twenty-four (24) months prior to, the termination of Executive's Employment; or (ii) otherwise engages in the marketing and/or sale of: (a) banking products or services, including, without limitation, personal and business accounts, private banking, business banking, loans, lines of credit, mortgages, and other investment or financial products; or (b) any other business in which the Company or Affiliate is engaged (together referred to as the "Restricted Services"). For the purpose of this Section 10(b), "Restricted Territory" shall mean a fifty (50) mile radius from any office of the Company or its Affiliates. Notwithstanding the foregoing, nothing herein will prohibit the Executive from being a passive owner of not more than one percent (1%) of the equity securities of any publicly traded corporation, so long as the Executive has no active participation in the business of such corporation. It is understood and agreed that the practice of law shall not be considered one of the Restricted Services, regardless of the location where such services are provided or the recipient of such legal services. Nothing in this Agreement shall prevent Executive from providing legal services, either as an outside lawyer or as in-house counsel, to any business, including businesses engaged in banking or any other business in which the Company or Affiliates was engaged at the time of, or within the twenty-four (24) months prior to, the termination of Executive's Employment.

(c) **NONSOLICITATION.** During Executive's employment with the Company and for a period of twelve (12) months following the termination of Executive's employment with the Company for any reason, whether voluntary or involuntary, Executive will not, on Executive's behalf or on behalf of any

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other person, firm, corporation or other entity, directly or indirectly, individually or as a shareholder, owner, partner, member, director, officer, employee, independent contractor, consultant, creditor or agent on behalf of any other person, firm, corporation or other entity;

- (i) solicit, advise, persuade, encourage or request or attempt to solicit, advise, persuade, encourage or request any customer of the Company or its Affiliates, business or prospective business of the Company or its Affiliates, or potential customer identified, selected or targeted by the Company or its Affiliates about whom Executive had knowledge, or with whom Executive had contact, involvement or responsibility during Executive's employment with the Company, for or in connection with the sale or offering of any of the Restricted Services;
- (ii) accept or provide assistance in the accepting of (including, but not limited to, providing any service, information or assistance or other facilitation or other involvement) business or orders from customers of the Company or its Affiliates or any potential customers of the Company or its Affiliates about whom Executive had knowledge, or with whom Executive had contact, involvement, or responsibility during Executive's employment with the Company, or attempt to do so;
- (iii) solicit, advise, persuade, encourage or request or attempt to solicit, advise, persuade, encourage or request any customer of the Company or its Affiliates about whom Executive had knowledge, or with whom Executive had contact, involvement or responsibility during Executive's employment with the Company, to cease doing business, to refrain from doing business, or reduce the amount of business such customer done or is contemplating doing with the Company or its Affiliates;
- (iv) solicit, advise, persuade, encourage or request or attempt to solicit, advise, persuade, encourage or request any officer, director, independent contractor, employee, representative or agent of the Company or its Affiliates to cease such individual's employment or relationship with the Company or its Affiliates or otherwise refrain from providing services to the Company or its Affiliates;
- (v) interview, hire, employ, engage, or retain or attempt to interview, hire, employ, or retain any officer, director, independent contractor, employee, representative or agent of the Company or its Affiliates, while such person is employed, engaged, or retained by the Company or its Affiliates;

and for a period of twelve (12) months thereafter, or take any action to materially assist or aid any other person, firm, corporation or other entity in identifying, interviewing, hiring, employing, engaging, or retaining any such individual; or

(vi) interfere with or attempt to interfere with, or assist, persuade, or encourage or attempt to assist, persuade, or encourage any other person entity in interfering with, the relationship between the Company or its Affiliates and their respective officers, directors, independent contract employees, representatives, agents, vendors, joint venturers, or licensors.

Notwithstanding the forgoing, the provisions of this Section 10(c) shall not apply to general advertisements by any person, firm, corporation or other entity with which Executive may be

associated or other communications in any form of media not specifically targeting individuals or entities described in this Section 10(c).

(d) **INTELLECTUAL PROPERTY.** At all times from and after the date of this Agreement, Executive agrees to not, directly or indirectly, use, register, or assist others to use or register, any designation (including, without limitation, any service mark, trademark, trade name or other indicia of source) that is the same as or confusingly similar to the legal or operating names of the Company or its Affiliates in connection with any banking, wealth management, lending, trust, mortgage, insurance, or other financial services or products, and Executive further acknowledges and agrees that these obligations are necessary to protect consumers from confusion as to source, affiliation, association or sponsorship, and that such obligations are reasonable and will not preclude or materially impede Executive from gainful employment. In addition, Executive agrees to promptly and fully disclose, transfer and assign to the Company all inventions and any other intellectual property, whether patentable or not, (collectively, "Intellectual Property") made or conceived by Executive during Executive's employment with the Company. Executive further agrees to fully cooperate in executing any documents required for establishing or protecting the Intellectual Property and for establishing the Company's ownership, whether before or after Executive's employment ends. Executive also agrees that in the event of publication by Executive of written or graphic materials constituting "work made for hire," as defined and used in the Copyright Act of 1976, 17 USC § 1 et seq., the Company will retain and own all rights in said materials, including right of copyright.

(e) **NONDISPARAGEMENT.** Executive agrees that Executive will not, in writing or orally or through conduct, make any false statements that are maliciously disparaging or defamatory about the Company or its Affiliates or their respective officers, directors, employees, shareholders, agents or products or that may be considered detrimental or injurious to the good name or business reputation of such entities or individuals. These prohibitions include, without limitation, any such statements made through use of social media sites, such as Facebook, Twitter, Instagram, LinkedIn, or Glassdoor or on blogs, by text or email or other electronic means. The foregoing will not be violated by truthful statements in response to legal process, required governmental testimony or filings, or administrative or arbitral proceedings (including, without limitation, depositions in connection with such proceedings). Nothing in this provision shall prevent Executive from testifying truthfully as required by law nor does this provision prohibit or prevent Executive from filing a charge with or participating, testifying, or assisting in any investigation, hearing, whistleblower proceeding or other proceeding before any federal, state, or local government agency.

(f) **RETURN OF COMPANY PROPERTY.** Upon the termination of Executive's employment with the Company for any reason, whether voluntary or involuntary, Executive will return to the Company, or, as directed by the Company, delete or destroy, all Confidential Information in any form (including all copies, excerpts and reproductions thereof) and all other property whatsoever of the Company or its Affiliates in or under Executive's possession or control. In addition, Executive shall immediately upon termination for any reason surrender all personal electronic devices ever used to access Confidential Information for inspection and removal of Confidential Information.

(g) **REASONABLENESS OF COVENANTS.** By signing this Agreement, Executive agrees that Executive has had the opportunity to consult with counsel about this Agreement and Executive provides assurance that Executive has carefully read and considered the provisions of this Section 10. Executive agrees and acknowledges that the covenants set forth in this Section 10 are in exchange for good and valuable consideration and that such covenants are reasonable in all respects, including, where

applicable, geographical and temporal scope. Executive further acknowledges that the restrictions contained in this Section 10 are reasonable and necessary for the protection of the legitimate business interests of the Company and its Affiliates, that the Company would not have entered into this Agreement without receiving Executive's agreement to be bound by the provisions of Section 10, and that such restrictions were a material inducement to the Company to enter into this Agreement. Executive agrees that the provisions of Section 10, individually or in the aggregate, will not prevent Executive from obtaining other suitable employment during the period in which Executive is bound by the provisions. Executive further agrees and acknowledges that the potential harm to the Company or its Affiliates of the non-enforcement of any provision of this Section 10 outweighs any potential harm to Executive of its enforcement by injunction or otherwise. Executive also agrees that each of the Company's Affiliates will have the right to enforce all of the Executive's obligations to that Affiliate under this Agreement, including without limitation pursuant to this Section 10.

**(h) REFORMATION.** If it is determined by a court of competent jurisdiction in any state that any restriction in this Section 10 is excessive in duration or scope or is unreasonable or unenforceable under applicable law, it is the intention of the parties that such restriction may be modified or amended by the court to render it enforceable to the maximum extent permitted by the laws of that state. All other provisions of Section 10 shall then survive in accordance with their respective terms.

**(i) TOLLING.** In the event of any violation of the provisions of this Section 10, the Executive acknowledges and agrees that the post-termination restrictions contained in this Section 10 will be extended by a period of time equal to the period of such violation, it being the intention of the parties hereto that the running of the applicable post-termination restriction period will be tolled during any period of such violation.

**(j) NOTICE.** Executive agrees that Executive during the time period within which the provisions of this Section 10 are in effect, Executive will advise any individual or entity with which Executive may be engaged as a shareholder, owner, partner, member, director, officer, employee, independent contractor, consultant, creditor or agent of Executive's obligations contained in this Section 10. Executive further acknowledges and agrees that during the time period within which the provisions of this Section 10 are in effect, the Company shall have the right to communicate the existence and terms of the applicable provision(s) of Section 10 then in effect to any third party with whom Executive may seek or obtain future employment or other arrangement or engagement described in Section 10.

**(k) OBLIGATION TO COMPLY WITH OTHER LAWS.** The duties Executive owes the Company under Section 10 of this Agreement shall be deemed in addition to any federal, state and common law obligations of employees to their employers. Section 10 is intended, amongst other things, to supplement the provisions of state trade secret law and duties Executive owes the Company or its Affiliates under common law, including but not limited to the duty of loyalty, and does not in any way supersede any of the obligations or duties Executive otherwise owes the Company or its Affiliates.

**11. COOPERATION.** Upon the receipt of notice from the Company, the Executive agrees that while employed by the Company and thereafter, the Executive will respond and provide information with regard to matters in which the Executive has knowledge as a result of the Executive's employment with the Company, and will provide reasonable assistance to the Company, its Affiliates and their respective representatives in defense of all claims that may be made against the Company or its Affiliates, and will assist the Company and its Affiliates in the prosecution of all claims that may be made by the Company or its Affiliates, to the extent that such claims may relate to the period of the

Executive's employment with the Company. The Executive agrees to promptly inform the Company in writing if the Executive becomes aware of any lawsuit or other proceeding involving such claims that may be filed or threatened against the Company or its Affiliates. The Executive also agrees to promptly inform the Company in writing (to the extent that the Executive is legally permitted to do so) if the Executive is asked to assist in any investigation of the Company or its Affiliates (or their actions), regardless of whether a lawsuit or other proceeding has then been filed against the Company or its Affiliates with respect to such investigation, and will not do so unless legally required. Upon presentation of appropriate documentation, the Company will pay or reimburse the Executive for all reasonable out-of-pocket travel, duplicating or telephonic expenses incurred by the Executive in complying with this Section 11.

**12. EQUITABLE RELIEF.** Executive acknowledges that should Executive violate any of the provisions of Section 10 or 11, the Company or its Affiliates will suffer irreparable harm and not have an adequate remedy at law. Accordingly, the Executive covenants and agrees that the Company will, in addition to any other rights and remedies to which the Company or its Affiliates may have under applicable law, be entitled to equitable relief, including, without limitation, injunctive relief, without bond or other necessity, and to the remedy of specific performance with respect to any breach or threatened breach of such covenants, as may be available from any court of competent jurisdiction. The foregoing remedies shall not be deemed to be the exclusive rights or remedies of the Company or its Affiliates for any breach of or noncompliance with the provisions of Sections 10 or 11 by Executive, but shall be in addition to all other rights and remedies available to the Company, in law, in equity, or otherwise.

**13. FACILITY OF PAYMENT.** In the event of the Executive's death, any remaining payments hereunder will be made to the Executive's designated beneficiary or beneficiaries, or, if the Executive has no surviving designated beneficiaries, to the Executive's estate.

**14. ASSIGNMENTS AND SUCCESSORS.** This Agreement is personal to each of the parties hereto, except as provided herein. Except as provided in this Section 14, no party may assign or delegate any rights or obligations hereunder without first obtaining the written consent of the other party hereto. Notwithstanding the foregoing, the Company may assign this Agreement to any successor to all or substantially all of the business and/or assets of the Company. As used in this Agreement, "Company" will mean the Company and any successor to its business and/or assets, which assumes and agrees to perform the duties and obligations of the Company under this Agreement by operation of law or otherwise. This Agreement will be binding on the Parties hereto and each of their permitted successors and assigns.

**15. NOTICE.** For purposes of this Agreement, notices and all other communications provided for in this Agreement will be in writing and will be deemed to have been duly given when delivered or mailed by nationally recognized overnight courier services, by registered or certified mail, return receipt requested, by facsimile or by hand delivery, to the Parties listed below at their respective addresses or at such other address as each may specify by notice to the other Party:

If to the Executive:

At the Executive's address (or to the facsimile number) shown in the books and records of the Company.

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If to the Company:

Premier Bank

601 Clinton Street

Defiance, OH 43512

Attention: Chief Human Resources Officer

With a copy (which will not constitute notice) to:

Premier Bank

275 W. Federal Street

Youngstown, OH 44502

Attention: Chief Legal Officer

For so long as Executive is an employee of Company, notice may also be given through the use of the Company's electronic mail system using the Employee's Company-provided electronic mail address and the Company-provided electronic mail address of the individual holding the title of Chief Human Resources Officer.

**16. SEVERABILITY.** The provisions of this Agreement will be deemed severable. The invalidity or unenforceability of any provision of this Agreement in any jurisdiction will not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of any provision of this Agreement in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder will be enforceable to the fullest extent permitted by applicable law.

**17. GOVERNING LAW; JURISDICTION.** This Agreement, the rights and obligations of the parties hereto, and all claims or disputes relating thereto, will be governed by and construed in accordance with the laws of the State of Ohio, without regard to the choice of law provisions thereof. Each of the parties agrees that any dispute between the parties will be resolved only in the courts of the State of Ohio or the United States District Court for the Northern District of Ohio and the appellate courts having jurisdiction of appeals in such courts. In that context, and without limiting the generality of the foregoing, each of the Parties hereto irrevocably and unconditionally (a) submits in any proceeding relating to this Agreement or the Executive's employment by the Company or any Affiliate, or for the recognition and enforcement of any judgment in respect thereof (each, a "Proceeding"), to the exclusive jurisdiction of the courts of the State of Ohio, the court of the United States of America for the Northern District of Ohio, and appellate courts having jurisdiction of appeals from any of the foregoing, and agrees that all claims in respect of any such Proceeding will be heard and determined in such Ohio State court or, to the extent permitted by law, in such federal court, (b) consents that any such Proceeding may and will be brought in such courts and waives any objection that the Executive or the Company may now or thereafter have to the venue or jurisdiction of any such Proceeding in any such court or that such Proceeding was brought in an inconvenient court and agrees not to plead or claim the same, (c) WAIVES TO THE FULLEST EXTENT ALLOWED BY LAW ALL RIGHT TO TRIAL BY JURY IN ANY PROCEEDING (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE EXECUTIVE'S EMPLOYMENT BY THE COMPANY OR ANY AFFILIATE OF THE COMPANY, OR THE EXECUTIVE'S OR THE COMPANY'S PERFORMANCE UNDER, OR THE

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ENFORCEMENT OF THIS AGREEMENT, (d) agrees that service of process in any such Proceeding may be effected by mailing a copy of such process by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such party at the Executive's or the Company's address as provided in Section 15 of this Agreement, and (e) agrees that nothing in this Agreement will affect the right to effect service of process in any other manner permitted by the laws of the State of Ohio. Should either party initiate any action or proceeding to enforce any provision of this Agreement or for damages by reason of any alleged breach of any provision of this Agreement, or for a declaration of rights hereunder, the prevailing party in any such dispute shall be entitled to receive from the other party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in connection with such dispute.

#### **18. TAX MATTERS.**

(a) **WITHHOLDING.** The Company may withhold from any and all amounts payable under this Agreement such federal, state, local and other taxes or withholdings as may be required to be withheld pursuant to any applicable law or regulation.

(b) **CODE SECTION 280G.** Notwithstanding anything in this Agreement or elsewhere to the contrary, if the aggregate of all amounts and benefits due to the Executive (or the Executive's beneficiaries) under this Agreement or under any other plan, program, agreement or arrangement of the Company or any of its Affiliates (collectively, "Contingent Benefits"), would cause the Executive to have "parachute payments" as such term is defined in and under Code Section 280G, and would result in the imposition of excise taxes pursuant to Section 4999 of the Code or loss of deduction pursuant to Code Section 280G, the Company will reduce such payments and benefits so that the Parachute Value of all Contingent Benefits, in the aggregate, equals the Safe Harbor Amount minus \$1,000.00 (the "Required Reduction"). All determinations with respect to this Section 18(b) will be made by an independent nationally-recognized United States public accounting firm chosen, and paid for, by the Company (the "Auditor"). Notwithstanding any provision to the contrary in this Agreement or elsewhere, any Required Reduction will be implemented as follows: first, by reducing any cash payments to be made to the Executive; second, by cancelling any outstanding equity or equity-based compensation awards that are subject to performance vesting ("Performance-Based Equity"), the performance goals for which have not been met as of the Termination Date or, if later, the Change in Control date; third, by cancelling the acceleration of vesting of (i) any of the Executive's outstanding Performance-Based Equity the performance goals for which were met as of the Termination Date or, if later, the Change in Control date, and (ii) any of the Executive's other outstanding equity awards; and fourth, by eliminating the Company's payment of the premiums for any post-termination continuation of health coverage benefits for the Executive. All determinations made by the Auditor under this Section 18(b) will be binding upon the Company and the Executive and will be made as soon as reasonably practicable following the event giving rise to the Contingent Benefits. The following terms will have the following meanings for purposes of this Section 18(b):

(i) "Code Section 280G" means Section 280G of the Code and the treasury regulations and other official guidance promulgated thereunder from time to time.

(ii) "Parachute Value" of a Contingent Benefit means the present value (as determined in accordance with Code Section 280G) as of the date of the change in control for purposes of Section 280G of the Code of the portion of such Contingent Benefit that constitutes a "parachute payment" under Code Section 280G.

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(iii) "Safe Harbor Amount" means 2.99 times the Executive's "base amount," within the meaning of Code Section 280G.

#### **(c) CODE SECTION 409A.**

(i) The intent of the parties is that payments and benefits under this Agreement be exempt from, or, to the extent not so exempt, comply with, Code Section 409A, and, accordingly, to the maximum extent permitted, this Agreement will be interpreted in accordance with such intent. To the extent that any provision hereof is modified in order to comply with Code Section 409A, such modification will be made in good faith and will, to the maximum extent reasonably possible, maintain the original intent and economic benefit to the Executive and the Company of the applicable provision without violating the provisions of Code Section 409A. In no event whatsoever will the Company or its Affiliates, or their respective officers, directors, employees or agents be liable for any additional tax, interest or penalties that may be imposed on the Executive by Code Section 409A or damages for failing to comply with Code Section 409A.

(ii) Notwithstanding anything to the contrary in this Agreement, if the Executive is a "specified employee" within the meaning of that term under Code Section 409A(a)(2)(B), then with regard to any payment or the provision of any benefit that is considered "deferred compensation" under Code Section 409A payable on account of a "separation from service," such payment or benefit will not be made or provided until the date which is the earlier of (A) the expiration of the six (6)-month period measured from the date of such "separation from service" of the Executive, and (B) the date of the Executive's death, to the extent required under Code Section 409A. Upon the expiration of the foregoing delay period, all payments and benefits delayed pursuant to this paragraph (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 the Executive in a lump sum, and all remaining payments and benefits due under this Agreement will be paid or provided in accordance with the normal payment dates specified for them herein.

(iii) To the extent that reimbursements or other in-kind benefits under this Agreement constitute "deferred compensation" for purposes of Code Section 409A, (A) all expenses or other reimbursements hereunder will be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by the Executive, (B) any right to reimbursement or in-kind benefits will not be subject to liquidation or exchange for another benefit, and (C) no such reimbursement, expenses eligible for reimbursement, or in-kind benefits provided in any taxable year will in any way affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year.

(iv) For purposes of Code Section 409A, the Executive's right to receive installment payments pursuant to this Agreement will be treated as a right to receive a series of separate and distinct payments.

(v) Whenever a payment under this Agreement specifies a payment period with reference to a number of days, the actual date of payment within the specified period will be within the sole discretion of the Company.

(vi) No amounts payable hereunder that constitute nonqualified deferred compensation for purposes of Code Section 409A will be subject to offset by any other amount unless otherwise permitted by Code Section 409A.

**19. SURVIVAL.** The Company and Executive hereby agree that Sections 2(b) and 5 through 23 of this Agreement will survive any termination of this Agreement or termination of Executive's employment for any reason, whether voluntary or involuntary, and that such provisions will thereafter remain in full force and effect pursuant to their respective terms.

**20. SECTION HEADINGS; INCONSISTENCY.** The section headings used in this Agreement are included solely for convenience and will not affect, or be used in connection with, the interpretation of this Agreement. In the event of any inconsistency between the terms of this Agreement and any form, award, plan or policy of the Company, the terms of this Agreement will govern and control.

**21. ENTIRE AGREEMENT.** Except as otherwise expressly provided herein, this Agreement sets forth the entire agreement of the Parties hereto in respect of the subject matter contained herein and supersedes any and all prior agreements or understandings between the Employee and the Company with respect to the subject matter hereof. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either Party which are not expressly set forth in this Agreement.

**22. MISCELLANEOUS.** 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 the Employee and such officer or director of the Company as may be 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 will be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

**23. COUNTERPARTS.** This Agreement may be executed via electronic signature and in any number of counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument. The Parties agree to accept a signed facsimile copy or "PDF" of this Agreement as a fully binding original.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**COMPANY**

By: /s/Sharon L. Davis

Name: Sharon Davis

Title: EVP/CHRO

**EXECUTIVE**

/s/Shannon M. Kuhl

Shannon M. Kuhl

**PREMIER FINANCIAL CORP.**  
**2018 LONG TERM INCENTIVE PLAN**  
**LONG-TERM INCENTIVE PLAN PERFORMANCE SHARE UNITS AWARD AGREEMENT**

|                            |   |
|----------------------------|---|
| <b>Grantee:</b>            |   |
| <b>Grant Date:</b>         |   |
| <b>Target Award:</b>       |   |
| <b>Performance Period:</b> | Period commencing on January 1, 20XX, and ending on December 31, 20XX |

This Long Term Incentive Plan ("LTIP") Performance Share Units Award Agreement (this "Agreement") is made and entered into as of the Grant Date set forth above by and between Premier Financial Corp. (the "Company") and the Grantee identified above. Undefined capitalized terms used in this Agreement shall have the meanings set forth in the 2018 Equity Incentive Plan (the "Plan").

**WHEREAS**, the Company maintains the Plan pursuant to which Performance Share Units ("PSUs") may be granted.

**WHEREAS**, the Committee has approved the issuance of this Agreement, and the grant of the PSU Award described in this Agreement, either directly or through a delegation of authority pursuant to Article III of the Plan.

**NOW THEREFORE**, in consideration of the mutual premises and obligations contained in this Agreement, the parties agree as follows:

1. **Grant of Target Award and Performance Period.** The Company hereby grants to the Grantee an award of PSUs in the Target Award amount set forth above. Each PSU represents the right to receive one Share, subject to the terms and conditions set forth in this Agreement and the Plan. The Target Award has been determined as a percentage of base salary translated into PSU's based upon the Company's average stock price for the twenty (20) trading days prior to the approval of the LTIP by the Committee. The actual number of Shares that the Grantee earns at the end of the Performance Period will be determined by the Committee based on the level of achievement of the Performance Goals in accordance with Section 2, and is referred to in this Agreement as the "Actual Award."

2. **Performance Goals and Average Compensation.**

The Actual Award that shall vest and be payable in Shares to the Grantee for the Performance Period will be determined at the end of the Performance Period based on the level of achievement of the performance goals reflected in Exhibit A (the "Performance Goals") and the amount of the Grantee's average base salary over the Performance Period. All determinations of whether Performance Goals have been achieved, the adjustments attributed to changes in average base salary, the Actual Award earned by the Grantee, and all other matters related to this Award shall be made by the Committee in its sole discretion.

Promptly following completion of the Performance Period (and no later than sixty (60) days following the end of the Performance Period), the Committee will review and certify in writing (a) whether, and to what extent, the Performance Goals for the Performance Period have been achieved,

and (b) the number of Shares that the Grantee shall earn, if any. The date upon which the Committee certifies performance is referred to in this Agreement as the "Certification Date". The Actual Award shall be deemed vested and earned on the Certification Date and shall be communicated to the Grantee within seven calendar days of the Certification Date.

3. **Payment of PSUs.** Except as provided in Section 4(b) and 4(c), payment in respect of the PSUs earned for the Performance Period shall be made in Shares, shall be issued to the Grantee as soon as practicable following the later of the vesting date or the Certification Date, provided however, that in no event shall such vesting occur later than two and one-half (2-1/2) months following the end of the year in which the vesting date or the end of the Performance Period occurs. All Shares issued in connection with the payment of PSUs shall be rounded to the nearest whole Share. The Company shall (a) issue to the Grantee the number of Shares equal to the number of vested PSUs, (b) enter the Grantee's name on the books of the Company as the shareholder of record with respect to the Shares so issued to the Grantee, and (c) pay to Grantee any amount due with respect to applicable dividend equivalents.

4. **Vesting and Forfeiture of PSUs.**

(a) The PSUs awarded under this Agreement are subject to forfeiture until they vest. Except as otherwise provided herein, the PSUs will vest and become nonforfeitable on the Certification Date provided the Grantee remains an Employee on the Certification Date, and has continuously been, from the Grant Date through the Certification Date, an Employee (this continued employment status referred to herein as the Grantee's "Continued Service"). If the PSUs are forfeited before vesting for any reason, including the termination of Grantee's Continued Service, neither the Company nor any Subsidiary shall have any further obligations to the Grantee under this Agreement.

(b) Notwithstanding Section 3(a), if the Grantee's Continuous Service terminates during the Performance Period as a result of the Grantee's death or Disability, all of the outstanding PSUs will vest on the date Grantee's death or Disability at the Target Award amount and shall be paid to the Grantee or Grantee's estate or surviving beneficiary within 90 days of vesting.

(c) Notwithstanding Section 3(a), if the Grantee's Continuous Service terminates before the end of the Performance Period as a result of Retirement or termination by the Company without Cause and provided that Grantee has not violated Grantee's obligations under Section 8 of the Agreement, a pro-rata portion of the outstanding PSUs shall vest one year from the date of Retirement or termination in proportion to the number of months, including any partial month, elapsed in the Performance Period before the termination of Continuous Service. Such pro-rated PSUs shall vest at the Target Award amount and shall be paid to the Grantee within 90 days of the vesting, provided however, that in no event shall such vesting occur later than two and one-half (2-1/2) months following the end of the year in which the vesting date occurs. If the Grantee is party to an employment, severance, change in control or other similar agreement with the Company or a Subsidiary (an "Employment Agreement") that incorporates a definition of "Cause", that definition of "Cause", as it may be amended, shall be used for purposes of this Agreement. If the Grantee is not party to an Employment Agreement, "Cause" shall have the meaning set forth in the Plan. In the event a Change in Control occurs between the termination of Continuous Service and the vesting date described in this subparagraph, the pro-rated PSUs will be paid to Grantee no later than sixty (60) days following the effective date of such Change in Control.

PSU Award Agr (2018 Equity Incentive Plan)(Rev Feb 2024)

5. **Effect of a Change in Control.** Notwithstanding Section 3, if there is a Change in Control during the Performance Period, all outstanding PSUs shall be earned and vest at Target Award levels for open years in the Performance period and in the manner set forth in Section 2 for any closed years in the Performance Period, on the effective date of the Change in Control and shall be paid no later than sixty (60) days following the effective date of such Change in Control.

6. **Transferability.** Subject to any exceptions set forth in this Agreement or the Plan, the PSUs or the rights relating thereto may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Grantee, except by will or the laws of descent and distribution, and upon any such transfer by will or the laws of descent and distribution, the transferee shall hold such PSUs subject to all of the terms and conditions that were applicable to the Grantee immediately prior to such transfer.

7. **Rights as Shareholder; Dividend Equivalents.**

(a) The Grantee shall not have any rights of a shareholder with respect to the Shares underlying the PSUs, including voting rights.

(b) Upon and following the vesting of the PSUs and the issuance of Shares, the Grantee shall be the record owner of the Shares underlying the PSUs unless and until such shares are sold or otherwise disposed of, and as record owner shall be entitled to all rights of a shareholder of the Company (including voting and dividend rights).

(c) In addition to the issuance of Shares to the Grantee upon the certification of performance by the Committee as described further above, each PSU is granted with a related dividend equivalent which is subject to the same terms and conditions as the PSUs. Each dividend equivalent represents the right to be credited with any dividends paid on a Share during the Performance Period and multiplied by the number of Shares issued as part of the Actual Award of PSUs paid to the Grantee.

8. **Restrictive Covenants.**

(a) **Covenant Not to Disclose or Use Confidential Information.** Grantee recognizes and agrees that all confidential, proprietary or trade secret information of the Company or a Subsidiary ("Confidential Information"), whether developed by Grantee or made available to Grantee, is a unique asset of the Company or Subsidiary, the disclosure of which would be damaging to the Company or Subsidiary. Grantee agrees that during the term of Grantee's employment and thereafter, Grantee will not, directly or indirectly, disclose to any person or use any Confidential Information of the Company or a Subsidiary except as expressly authorized in writing by the Company or the applicable Subsidiary. Confidential Information shall include, without limitation, any and all information about or acquired from any

customer or prospective customer of the Company or an Subsidiary, and all nonpublic information concerning the Company or Company's Subsidiaries relating, without limitation, to products, services, fees, costs, pricing structures, software, operating systems, applications, flow charts, manuals, documentation, policies, data bases, accounting and business methods, inventions, devices, new developments, methods and processes, copyrightable works, technology, business plans, financial models, forecasts, budgets, strategies, and all similar and related information in whatever form. Grantee recognizes and agrees that all Confidential Information, is a unique asset of the Company, the disclosure of which would be damaging to the Company.

PSU Award Agr (2018 Equity Incentive Plan)(Rev Feb 2024)

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Grantee is hereby provided notice that under the 2016 Defend Trade Secrets Act (DTSA): (1) no individual (consultant, contractor or employee) will be held criminally or civilly liable under federal or state trade secret law for the disclosure of a trade secret (as defined in the Economic Espionage Act) that: (a) is made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and made solely for the purpose of reporting or investigation a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal so that it is not made public; and (2) an individual (consultant, contractor or employee) who pursues a lawsuit for retaliation by an employer for reporting a suspected violation of the law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal, and does not disclose the trade secret, except as permitted by court order; provided, however, that notwithstanding this immunity from liability, Grantee may be held liable if he unlawfully accesses trade secrets by unauthorized means.

(b) *Non-Solicitation Covenants.* During Grantee's employment with the Company and for a period of twelve (12) months following the termination of Grantee's employment with the Company for any reason, whether voluntary or involuntary, Grantee will not, on Grantee's behalf or on behalf of any other person, firm, corporation or other entity, directly or indirectly, individually or as a shareholder, owner, partner, member, director, officer, employee, independent contractor, consultant, creditor or agent on behalf of any other person, firm, corporation or other entity:

- i. solicit, advise, persuade, encourage or request or attempt to solicit, advise, persuade, encourage or request any customer of the Company or its Subsidiaries, business or prospective business of the Company or its Subsidiaries, or potential customer identified, selected or targeted by the Company or its Subsidiaries about whom Grantee had knowledge, or with whom Grantee had contact, involvement or responsibility during Grantee's employment with the Company, for or in connection with the sale or offering of any of the Restricted Services;
- ii. solicit, advise, persuade, encourage or request or attempt to solicit, advise, persuade, encourage or request any customer of the Company or its Subsidiaries about whom Grantee had knowledge, or with whom Grantee had contact, involvement or responsibility during Grantee's employment with the Company, to cease doing business, to refrain from doing business, or reduce the amount of business such customer has done or is contemplating doing with the Company or its Subsidiaries;
- iii. solicit, advise, persuade, encourage or request or attempt to solicit, advise, persuade, encourage or request any officer, director, independent contractor, employee, representative or agent of the Company or its Subsidiaries to cease such individual's employment or relationship with the Company or its Subsidiaries or otherwise refrain from providing services to the Company or its Subsidiaries;
- iv. interview, hire, employ, engage, or retain or attempt to interview, hire, employ, or retain any officer, director, independent contractor, employee, representative or agent of the Company or its Subsidiaries, while such person is employed, engaged, or retained by the Company or its Subsidiaries and for a period of twelve (12) months thereafter, or take any action to materially assist or aid any other person, firm, corporation or other

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- entity in identifying, interviewing, hiring, employing, engaging, or retaining any such individual; or
- v. interfere with or attempt to interfere with, or assist, persuade, or encourage or attempt to assist, persuade, or encourage any other person or entity in interfering with, the relationship between the Company or its Subsidiaries and their respective officers, directors, independent contractors, employees, representatives, agents, vendors, joint venturers, or licensors.

Notwithstanding the forgoing, the provisions of this Section 8(b) shall not apply to general advertisements by any person, firm, corporation or other entity with which Grantee may be associated or other communications in any form of media not specifically targeting individuals or entities described in this Section 8(b).

(c) In the event that the Grantee violates any of these restrictive covenants, (i) the Award (whether or not vested) will be cancelled and forfeited in its entirety; and (ii) to the extent the Award has vested, the Grantee shall pay to the Company, within 90 days of the Company's request, an amount equal to the Fair

**Market Value of the Shares.**

(d) The parties acknowledge that these restrictive covenants are fair and reasonable under the circumstances. It is the desire and intent of the parties that these restrictive covenants shall be enforced to the fullest extent permitted by law. Accordingly, if any particular portion of these covenants shall be adjudicated to be invalid or unenforceable, this Section shall be deemed amended to reform the particular portion to provide for such maximum restrictions as will be valid and enforceable or, if that is not possible, delete the portion adjudicated to be invalid or unenforceable, such reformation or deletion to apply only with respect to the operation of this Section in the particular jurisdiction in which the adjudication is made. The Company is entitled to, and Grantee agrees not to oppose the Company's request for, equitable relief in the form of specific performance, a temporary restraining order, a temporary or permanent injunction or other equitable remedy. Grantee acknowledges that these restrictive covenants are necessary for the protection of the Company, do not impose undue hardship on the Grantee, and are not injurious to the public.

(e) In the event Grantee is party to an Employment Agreement, the terms of which expressly include restrictions concerning the use or disclosure of confidential information or the non-solicitation of employees or customers or prospective customers of the Company, the terms of that Employment Agreement shall control with respect to the use or disclosure of confidential information or the non-solicitation of employees or customers or prospective customers, as applicable, and the preceding paragraphs (a) through (d) of this Section 7 shall be without effect and not enforceable against the Grantee.

9. **No Right to Continued Service.** Neither the Plan nor this Agreement shall confer upon the Grantee any right to be retained in any position, as an Employee or Director of the Company. Further, nothing in the Plan or this Agreement shall be construed to limit the discretion of the Company to terminate the Grantee's Continuous Service at any time, with or without Cause.

10. **Tax Liability and Withholding.** The Company or an Affiliate, as applicable, shall have the power and right to deduct, withhold or collect any amount required by law or regulation to be withheld with respect to any taxable event arising with respect to the Actual Award. Subject to any limitations

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imposed by the Committee, in its sole discretion and which shall be communicated to the Grantee at the time of vesting, this amount may, at the election of the Grantee, be: (i) withheld from the value of any Actual Award being settled or any Shares transferred in connection with the exercise or settlement of an Actual Award, or (ii) collected directly from the Grantee as a cash payment. Unless the Grantee has otherwise irrevocably elected a different method to satisfy the withholding requirement, the Grantee shall be deemed to have elected to satisfy the withholding requirement by having the Company or an Affiliate, as applicable, withhold Shares, from the vested portion of the Actual Award, having a Fair Market Value on the date the tax is to be determined equal to the minimum statutory total tax that could be imposed on the transaction. All such elections will be made within 14 calendar days of the Certification Date, be irrevocable when made, made in writing and will be subject to any terms and conditions that the Company, in its sole discretion, deems appropriate.

Notwithstanding any action the Company takes with respect to any or all income tax, social insurance, payroll tax, or other tax-related withholding ("Tax-Related Items"), the ultimate liability for all Tax-Related Items is and remains the Grantee's responsibility and the Company (i) makes no representation or undertakings regarding the treatment of any Tax-Related Items in connection with the grant, vesting or settlement of the PSUs or the subsequent sale of any shares, and (ii) does not commit to structure the Award to reduce or eliminate the Grantee's liability for Tax-Related Items.

11. **Compliance with Law.** The issuance and transfer of Shares in connection with the PSUs shall be subject to compliance by the Company and the Grantee with all applicable requirements of federal and state securities laws and with all applicable requirements of any stock exchange on which the Company's Shares may be listed. No Shares shall be issued or transferred unless and until any then applicable requirements of state and federal laws and regulatory agencies have been fully complied with to the satisfaction of the Company and its counsel.

12. **Notices.** Any notice required to be delivered to the Company under this Agreement shall be in writing and addressed to the Secretary of the Company at the Company's principal corporate offices. Any notice required to be delivered to the Grantee under this Agreement shall be in writing and addressed to the Grantee at the Grantee's address as shown in the records of the Company. Either party may designate another address in writing (or by such other method approved by the Company) from time to time.

13. **Governing Law.** This Agreement will be construed and interpreted in accordance with the laws of the State of Ohio without regard to conflict of law principles.

14. **Award Subject to Plan.** This PSU Award is subject to the terms and conditions described in this Agreement and the Plan, which is incorporated by reference into and made a part of this Agreement. In the event of a conflict between the terms of the Plan and the terms of this Agreement, the terms of this Agreement will govern. The Committee has the sole responsibility of interpreting the Plan and this Agreement, and its determination of the meaning of any provision in the Plan or this Agreement will be binding on the Grantee.

15. **Successors and Assigns.** The Company may assign any of its rights under this Agreement. This Agreement will be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement will be binding upon the Grantee and the Grantee's beneficiaries, executors, administrators and the person(s) to whom the PSUs may be transferred by will or the laws of descent or distribution.

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16. **Severability.** The invalidity or unenforceability of any provision of the Plan or this Agreement shall not affect the validity or enforceability of any other provision of the Plan or this Agreement, and each provision of the Plan and this Agreement shall be severable and enforceable to the extent permitted by law.

17. **Amendment.** The Committee has the right to amend, alter, suspend, discontinue or cancel the PSUs, prospectively or retroactively; provided that, no such amendment shall adversely affect the Grantee's material rights under this Agreement without the Grantee's consent.

18. **Section 409A.** This Agreement is intended, and shall be construed and interpreted, to comply with Section 409A of the Code and if necessary, any provision shall be held null and void to the extent such provision (or part thereof) fails to comply with Section 409A of the Code or the Treasury Regulations thereunder. For purposes of Section 409A of the Code, each payment of compensation under the Agreement shall be treated as a separate payment of compensation. Any amounts payable solely on account of an involuntary termination shall be excludible from the requirements of Section 409A of the Code, either as separation pay or as short-term deferrals to the maximum possible extent. Nothing herein shall be construed as the guarantee of any particular tax treatment to the Grantee, and the Company shall have no liability with respect to any failure to comply with the requirements of Section 409A of the Code. Any reference to the Grantee's "termination" shall mean the Grantee's "separation from service", as defined in Section 409A of the Code. In addition, if the Grantee is determined to be a "specified employee" (within the meaning of Section 409A of the Code and as determined under the Company's policy for determining specified employees), the Grantee shall not be entitled to payment or to distribution of any portion of an Award that is subject to Section 409A of the Code (and for which no exception applies) and is payable or distributable on account of the Grantee's termination until the expiration of six months from the date of such termination (or, if earlier, the Grantee's death). Such Award, or portion thereof, shall be paid or distributed on the first business day of the seventh month following such termination.

19. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to this Agreement transmitted by facsimile transmission, by electronic mail in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original signature.

20. **Acceptance.** The Grantee hereby acknowledges receipt of a copy of the Plan and this Agreement. The Grantee has read and understands the terms and provisions thereof, and accepts the PSUs subject to all of the terms and conditions of the Plan and this Agreement. The Grantee acknowledges that there may be adverse tax consequences upon the vesting or settlement of the PSUs or disposition of the underlying shares and that the Grantee has been advised to consult a tax advisor prior to such vesting, settlement or disposition.

21. **Clawback.** Notwithstanding any other provisions in this Agreement or the Plan, all payments made to the Grantee pursuant to this Agreement shall be subject to potential cancellation, recoupment, recession, payback or other action in accordance with any applicable clawback policy that the Company may adopt from time to time or any applicable law, as may be in effect from time to time.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

**GRANTEE**

Signature

Print Name

Acceptance Date

PREMIER FINANCIAL CORP.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

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EXHIBIT 10.27

**EXHIBIT A**  
**20XX LONG TERM INCENTIVE PLAN PERFORMANCE SHARE UNITS AWARD**  
**PERFORMANCE GOALS**

Performance Measures, Weightings, Goals, and Payout Calibration:

The performance measures are:

- 3-year average core ROA will be weighted 50% and be evaluated relative to Peer Group (defined below) performance; and
- 3-year relative Total Shareholder Return (TSR) will be weighted 50% and be evaluated relative to the Peer Group.

The table below sets forth the two performance measures, their respective weighting, how performance on each measure will be evaluated (relative to peers or relative to plan) and the goals for threshold performance, target performance and superior performance. Achievement of the threshold performance goal will result in 50% of the target payout for the respective measure, achievement of the target performance goal will result in 100% of target payout for the respective measure, and achievement of the superior performance goal will result in 150% of the target payout for the measure.

Payouts for performance between threshold and target, or between target and superior, will be interpolated.

**Performance-Payout Table:**

| Performance Measure  | Weight | Evaluated vs. | Performance Goals |             |             |
|--|--------|---------------|-------------------|-------------|-------------|
|  |        |               | Threshold         | Target      | Superior    |
| 3-year Average Core ROA  | 50%    | Peers         | 25th %ile         | 50th %ile   | 75th %ile   |
| 3-year Total Shareholder Return (rTSR)                         | 50%    | Peers         | 25th %ile         | 50th %ile   | 75th %ile   |
| <b>Payout for Performance Level (% of Target Opportunity):</b> |        |               | <b>50%</b>        | <b>100%</b> | <b>150%</b> |

Definitions:

- 3-year Average Core ROA: "Core return on average assets" or "Core ROA" means the return on average assets adjusted for merger related costs and expenses. Core ROA is determined for each member of the Peer Group for each annual period and then averaged to determine the Average Core ROA for each member of the Peer Group.
- 3-year Total Shareholder Return: "Total Shareholder Return" represents the stock price appreciation measured by comparing each Peer Group member's 20 day average stock price prior to the start of the first calendar year of the Performance Period, with each member's 20 day average stock price at the end of the third calendar year of the Performance Period, plus reinvested dividends throughout the Performance Period.

The Committee maintains flexibility and discretion to amend, modify, terminate or otherwise adjust the Plan, as necessary, including, but not limited to, adjusting measure

definitions, if such adjustments ensure a better comparison relative to the peer group and more appropriately reflect the goals of the LTIP and the Company's compensation philosophy.

Peer Group:

The "Peer Group" includes the following organizations:

|  |  |
|--|--|
| 1st Source Corporation (SRCE)              | Midland Bancorp, Inc. (MSBI)           |
| City Holding Company (CHCO)                | MidwestOne Financial Group, Inc (MOFG) |
| Enterprise Financial Services Corp. (EFSC) | Northwest Bancshares, Inc.             |
| First Busey (BUSE)                         | Park National (PRK)                    |
| First Commonwealth Financial Corp. (FCF)   | Peoples Bancorp Inc. (PEBO)            |
| German American Bancorp Inc. (GABC)        | QCR Holdings, Inc. (QCRH)              |
| Great Southern Bancorp, Inc. (GSBC)        | Republic Bancorp, Inc. (RBCA)          |
| Horizon Bancorp. (HBNC)                    | S & T Bancorp, Inc. (STBA)             |
| Lakeland Financial Corporation (LKFN)      | Univest Financial Corporation (UVSP)   |

The Committee maintains discretion to change (including adding, subtracting or replacing) the members of the Peer Group at any time during a Performance Period in order that the Peer Group continue to be representative of the Company's peers in terms of size, market, strategy, or such other attributes as the Committee determines appropriate.

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**PREMIER FINANCIAL CORP.**  
**2018 EQUITY INCENTIVE PLAN**  
**RESTRICTED STOCK AWARD AGREEMENT**  
**(Non-Employee Director)**

|  |  |
|--|--|
| <b>Grantee:</b>                                      |  |
| <b>Grant Date:</b>                                   | April 25, 2023   |
| <b>Number of Shares of Restricted Stock Granted:</b> |  |
| <b>Vesting Schedule:</b>                             | 100% on the first anniversary of the Grant Date (the "Vesting Date") |

This Restricted Stock Award Agreement (this "Agreement") is made as the Grant Date set forth above by and between Premier Financial Corp., an Ohio corporation (the "Company"), and the Grantee identified above. Undefined capitalized terms used in this Agreement shall have the meanings set forth in the 2018 Equity Incentive Plan (the "2018 Plan").

WHEREAS, the Company maintains the 2018 Plan pursuant to which Restricted Stock Awards may be granted to incent or compensate employees of the Company or an Affiliate.

WHEREAS, Grantee is, as of the Grant Date, a Director of the Company or an Affiliate.

WHEREAS, the Committee has approved the issuance of this Agreement, and the grant of the Restricted Stock Award described in this Agreement.

NOW THEREFORE, in consideration of the mutual premises and obligations contained in this Agreement, the parties agree as follows:

**1. Grant of Restricted Stock.** The Company hereby grants to Grantee as of the Grant Date, and subject to the terms and conditions of this Agreement, an Award consisting of the number of Shares of Restricted Stock identified above, which Restricted Stock shall consist of Shares of the Company, par value \$0.01.

**2. Vesting.** The Restricted Stock will vest according to the Vesting Schedule set forth above provided the Grantee remains on the applicable Vesting Date, and has continuously been from the Grant Date until the start of each applicable Vesting Date, a Director.

**3. Additional Vesting.**

a. *Death or Disability.* Notwithstanding any provision of Section 2 or Section 4, the Restricted Stock shall vest in the event and on the date of Grantee's death or Disability prior to any Vesting Date.

b. *Retirement.* Notwithstanding any provision of Section 2 or Section 4, the Restricted Stock shall vest as of the date of Grantee's Retirement (as defined in the 2018 Plan) on a pro-rated basis using a fraction the numerator of which is the number of full and partial months during which the Grantee was a Director since the Grant Date and the denominator of which is the total number of months in the Vesting Schedule, with such vesting occurring on the date of Grantee's Retirement.

c. *Change in Control.* Notwithstanding any provision of Section 2 or Section 4, in the event a Change in Control of the Company occurs after the Grant Date but prior to the Vesting Date and the Grantee's position as a Director is terminated by the Company other than for Cause during the period beginning 30 days immediately prior and ending on the effective date of the Change in Control, the Award shall immediately vest as of the later of the date of such termination or the date of such Change in Control.

**4. Risk of Forfeiture and Restrictions on Transfer.** Until vested pursuant to Section 2 or Section 3, the Shares of Restricted Stock and all related rights with respect to the Shares of Restricted Stock are subject to forfeiture and shall be forfeited in the event of a termination of Grantee's status as a Director. Upon the forfeiture of any Restricted Stock, the Shares of Restricted Stock shall automatically revert to and become the property of the Company, together with any rights described in Section 6. Until vested, the Restricted Stock may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, except by will or the laws of descent and distribution.

**5. Administration.**

a. *Book Entry.* The Restricted Stock granted herein shall be evidenced by a book entry registration by the Company for the benefit of the Grantee.

Each such registration will be held by the Corporation or its agent.

b. *Settlement.* With regard to any shares of Restricted Stock that become fully vested, the Company will, within 60 days of the date such vesting, transfer Shares for such Restricted Stock free of all restrictions set forth in the 2018 Plan and this Agreement to the Grantee. In the event of

Grantee's death or if the Grantee dies before the Company has distributed any portion of the vested Restricted Stock, the Company will transfer Shares for such Restricted Stock to the Grantee's estate.

## 6. Shareholder Rights.

- a. **Voting.** The Grantee will have the right to vote all Shares of Restricted Stock received under or as a result of this Agreement, including unvested Shares which are subject to forfeiture or restrictions on transfer following the Grant Date.
- b. **Dividends.** The Grantee will have the right to receive dividends, if any, with respect to the Shares of Restricted Stock as and when paid to other holders of Shares entitled to receive the dividends. No dividends shall be paid to the Grantee with respect to any Shares of Restricted Stock that are forfeited by the Grantee.

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**7. No Right to Continued Service or to Awards.** The granting of an Award shall impose no obligation on the Company or any Affiliate to continue the services of the Grantee as a Director.

**8. Tax Withholding.** The Company or an Affiliate, as applicable, shall have the power and right to deduct, withhold or collect any amount required by law or regulation to be withheld with respect to any taxable event arising with respect to the Award. Alternatively, the Company reserves the right not to withhold taxes and to reflect any income on a Form 1099 or such other appropriate tax form.

**9. Federal Income Tax Election.** The Grantee hereby acknowledges receipt of advice that, pursuant to current federal income tax laws, (i) he or she has thirty (30) days in which to elect to be taxed in the current taxable year on the fair market value of the restricted Common Stock in accordance with the provisions of Internal Revenue Code Section 83(b), and (ii) if no such election is made, the taxable event will occur upon expiration of restrictions on transfer at termination of the Restriction Period and the tax will be measured by the fair market value of the restricted Common Stock on the date of the taxable event.

**10. Requirements of Law.** The grant of the Award shall be subject to all applicable laws, rules and regulations (including applicable federal and state securities laws) and to all required approvals of any governmental agencies or national securities exchange, market or other quotation system.

**11. Notices.** Any notice required to be delivered to the Company under this Agreement shall be in writing and addressed to the Secretary of the Company at the Company's principal corporate offices. Any notice required to be delivered to the Grantee under this Agreement shall be in writing and addressed to the Grantee at the Grantee's address as shown in the records of the Company. Either party may designate another address in writing (or by such other method approved by the Company) from time to time.

**12. Governing Law.** The 2018 Plan and this Agreement shall be governed by and construed in accordance with the laws of (other than laws governing conflicts of laws) the State of Ohio.

**13. Award Subject to Plan.** The Award is subject to the terms and conditions described in this Agreement and the 2018 Plan, which is incorporated by reference into and made a part of this Agreement. In the event of a conflict between the terms of the 2018 Plan and the terms of this Agreement, the terms of this Agreement will govern. The Committee has the sole responsibility of interpreting the 2018 Plan and this Agreement, and its determination of the meaning of any provision in the 2018 Plan or this Agreement will be binding on the Grantee.

**14. Successors and Assigns.** The Company may assign any of its rights under this Agreement. This Agreement will be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement will be binding upon the Grantee and the Grantee's beneficiaries, executors, administrators and assigns.

**15. Severability.** The invalidity or unenforceability of any provision of the 2018 Plan or this Agreement shall not affect the validity or enforceability of any other provision of the 2018 Plan or this

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Agreement, and each provision of the 2018 Plan and this Agreement shall be severable and enforceable to the extent permitted by law.

**16. Signature in Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to this Agreement transmitted by facsimile transmission, by electronic mail in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original signature.

**17. ACKNOWLEDGEMENT AND REPRESENTATION OF GRANTEE.** The Grantee hereby acknowledges receipt of a copy of the 2018 Plan and this Agreement. The Grantee has read and understands the terms and provisions thereof, and accepts the Award subject to all of the terms and conditions of the 2018 Plan and this Agreement. The Grantee acknowledges that there may be adverse tax consequences upon the vesting or settlement of the Awards or disposition of the underlying shares and that the Grantee has been advised to consult a tax advisor prior to such vesting, settlement or disposition.

**18. Clawback.** Notwithstanding any other provisions in this Agreement or the 2018 Plan, all payments made to the Grantee pursuant to this Agreement shall be subject to potential cancellation, recoupment, recession, payback or other action in accordance with any applicable clawback policy that the Company may adopt from time to time or any applicable law, as may be in effect from time to time

[SIGNATURES ON FOLLOWING PAGE]

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

**GRANTEE**

Signature

Print Name

Acceptance Date

**PREMIER FINANCIAL CORP.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

2018 Equity Incentive Plan – Non-Employee Director RSA Agr (2024)

EXHIBIT 10.29

**PREMIER FINANCIAL CORP.**

**EXECUTIVE SHORT TERM INCENTIVE PLAN**

**(Effective for Performance Periods Beginning On or After January 1, 2024)**

Premier Financial Corp. (the "Company") maintains this Executive Short Incentive Plan (the "STIP") to identify the specific performance related objectives required for the payout of short term cash incentives for the benefit of certain key executives of the Company and the Company's subsidiaries. An award under the STIP (each a "STIP Award") is designed to align an individual's compensation with the success of the Company based upon the achievement of certain performance measures at the end of the performance period. The STIP and all STIP Awards are administered and overseen by the Compensation Committee (the "Committee") of the Board of Directors of Premier Financial Corp.

The individuals eligible to receive an award under the STIP will be determined by the Company, or by the Committee with respect to the CEO and any other officers covered by Rule 16a-1(f) under the Securities Exchange Act of 1934 (the "Executive Officers"), from time to time.

**Target and Actual Awards and Form of Payout:**

A STIP Award will be communicated to each participant through an individual statement prepared by the CEO or Chief Human Resources Officer setting forth the applicable Corporate Performance Goals (as defined below), the specific threshold/target/maximum performance levels for each Corporate Performance Goal, the performance period, the recipient's Target STIP Award (as defined below), the portion of the Target STIP Award attributable to the Corporate Performance Goals, and the portion of the Target STIP Award attributable to the participant's individual performance goals.

A "Target STIP Award" will be identified at the time of grant and is determined as a percentage of the recipient's base salary.

A performance period under the STIP will be the 12 month period beginning on January 1 of the year in which the award is issued and ending on December 31 of that year.

Following the end of each applicable performance period, the Committee will certify performance results relative to the level of achievement of the Corporate Performance Goals for all participants. The date the Committee certifies the performance results is referred to as the "Certification Date." At the Committee's discretion, the performance levels relating to STIP Awards may be calculated without regard to extraordinary items or adjusted, as the Committee deems equitable, in recognition of unusual or non-recurring events affecting the Company or its subsidiaries or changes in applicable tax laws or accounting principles.

With respect to the CEO and Executive Officers, on or before the Certification Date, the Committee will (1) assess the CEO's performance and determine and approve the level of attainment by the CEO of the CEO's individual performance goals established by the Committee, and (2) with respect to all other Executive Officers, review the annual assessment conducted by the CEO of each Executive Officer's personal performance compared to their individual performance goals. The CEO, or the CEO's delegate, will approve all levels of personal performance compared to individual performance goals for any participant in the STIP who is not an Executive Officer.

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STIP Awards will be paid out as "Actual Awards" based upon the attainment of the Corporate Performance Goals and individual performance goals. The Committee will approve the Actual Award to be paid to the CEO and each Executive Officer. The CEO, or the CEO's delegate, will approve the Actual Award to be paid to any participant in the STIP who is not an Executive Officer. Following the determination of the Actual Award, each participant will receive a written confirmation of the Actual Award, setting forth the level of achievement of all goals and the amount of the Actual Award. The Actual Award will be paid in cash as soon as practicable, but not later than March 15 of the year following the end of the applicable performance period.

**Performance Measures, Weightings, Goals and Payout Calibration:**

For each performance period, the Committee will identify the applicable performance measures (the "Corporate Performance Goals") to be applied. For each performance period, the Committee will identify the relative weighting and the target performance level required to receive 100% of the award opportunity associated with each applicable Corporate Performance Goal. The Committee will also establish (1) a threshold performance level the attainment of which will result in a 50% payout of the award opportunity for the applicable Corporate Performance Goal, and (2) a maximum performance level the attainment of which will result in a 150% payout of the award opportunity for the applicable Corporate Performance Goal. Payouts for performance between threshold and target levels, or between target and maximum levels, will be interpolated. If the threshold performance level is not attained for a Corporate Performance Goal, no payout will be made with respect to that Corporate Performance Goal. No payout relating to the Corporate Performance Goal will exceed 150% of the award opportunity even if performance exceeds the stated maximum performance level. Each Corporate Performance Goal will be assessed separately and may result in the payment of an Actual Award regardless of whether the other Corporate Performance Goals have been achieved.

No payout relating to a participant's individual performance goals will exceed 150% of the award opportunity.

**General Terms**

**1. Vesting and Forfeiture.**

a) All STIP Awards are subject to forfeiture until they vest. Except as otherwise provided herein, STIP Awards will vest and become nonforfeitable on the Certification Date provided the participant remains an Employee on the Certification Date, and has continuously been, from the grant date of the award through the Certification Date, an employee of the Company or a subsidiary of the Company (this continued employment status referred to herein as the participant's "Continued Service"). If a STIP Award is forfeited before vesting for any reason, including the termination of participant's Continued Service, neither the Company nor any subsidiary shall have any further obligations to the participant with respect to the STIP Award.

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b) Notwithstanding Section 1(a), if the participant's Continuous Service terminates during a performance period as a result of the participant's death or Disability (as defined below), a pro-rated STIP Award (determined by the number of months, including any partial months elapsed during the performance period) will vest on the Certification Date as if the participant's Continuous Service had not terminated. To the extent applicable, the portion

of the Actual Award attributable to the Corporate Performance Goals will be determined as described above and the portion of the Actual Award attributable to the participant's individual performance goals will be determined as if these goals were satisfied at target (or with a "meets" or otherwise satisfactory ranking). The Actual Award will be paid to the participant, or the participant's estate or surviving beneficiary in the event of the participant's death, within 90 days of vesting.

"Disability" means a participant's inability (established by an independent physician selected by the Committee and reasonably acceptable to the participant or to the participant's legal representative) due to illness, accident or otherwise to perform his or her duties, which is expected to be permanent or for an indefinite duration longer than twelve (12) months.

c) Notwithstanding Section 1(a), if the participant's Continuous Service terminates before the end of a performance period as a result of Retirement or termination by the Company without Cause (as defined below), a pro-rated STIP Award (determined by the number of months, including any partial months elapsed during the performance period) will vest on the Certification Date. To the extent applicable, the portion of the Actual Award attributable to the Corporate Performance Goals will be determined as described above and the portion of the Actual Award attributable to the participant's individual performance goals will be determined as if these goals were satisfied at target (or with a "meets" or otherwise satisfactory ranking) unless otherwise determinable by the Committee or the CEO in their sole discretion. The Actual Award will be paid to the participant, or the participant's estate or surviving beneficiary in the event of the participant's death, within 90 days of vesting.

"Retirement" means the participant's retirement from the employ of the Company under one or more of the retirement plans of the Company, or as otherwise specified by the Committee.

If the participant is party to an employment, severance, change in control or other similar agreement with the Company or a Subsidiary (an "Employment Agreement") that incorporates a definition of "Cause", that definition of "Cause", as it may be amended, shall be used for purposes of the STIP. If the participant is not party to an Employment Agreement, "Cause" will mean a participant's: (a) willful and continued failure to substantially perform assigned duties; (b) gross misconduct; (c) breach of any term of any agreement with the Company or a subsidiary; (d) conviction of (or plea of no contest or nolo contendere to)(i) a felony or a misdemeanor that originally was charged as a felony but which was subsequently reduced to a misdemeanor through negotiation with the charging entity or (ii) a crime other than a felony, which involves a breach of trust or fiduciary duty owed to the Company or a subsidiary; or (e) violation of the Company's code of conduct or any other policy of the Company or a subsidiary that applies to the participant.

d) If a participant is party to an Employment Agreement that provides for the vesting or payment of a STIP Award in connection with the termination of the participant's Continued Service or employment, for any of the termination reasons described in 1(b) or 1(c) above, the

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terms of the Employment Agreement shall control with respect to the payment or vesting of a STIP Award.

2. Effect of a Change in Control. If there is a Change in Control (as defined in the PFC Equity Incentive Plan) during a performance period, any unvested STIP Award will be deemed earned and vested at target levels, unless the Committee determines actual performance or that a different treatment is appropriate, on the effective date of the Change in Control and the Cash Payout paid no later than sixty (60) days following the effective date of the change in control.

3. No Right to Continued Service. This Plan does not confer upon a participant any right to be retained in any position, as an employee, consultant or director of the Company. Further, nothing in this Plan will be construed to limit the discretion of the Company to terminate the participant's Continuous Service at any time, with or without Cause.

4. Interpretation. Any dispute regarding the interpretation of this Plan will be submitted to the Committee for review. The resolution of such dispute by the Committee will be final and binding on the participant and the Company.

5. Discretionary Nature of Plan; Amendment. This Plan and any unvested STIP Award is discretionary and may be amended, cancelled or terminated by the Company at any time, in its sole discretion. The grant of a STIP Award or Target Award does not create any contractual right or other right to receive any Actual Award or any STIP Award in the future. Future STIP Awards, if any, will be at the sole discretion of the Company. Any amendment, modification, or termination of the Plan or these Terms and Conditions will not constitute a change or impairment of the terms and conditions of the participant's employment with the Company.

6. Section 409A. This Plan and any STIP Award is intended to comply with Section 409A of the Code or an exemption thereunder and shall be construed and interpreted in a manner that is consistent with the requirements for avoiding additional taxes or penalties under Section 409A of the Code. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Plan comply with Section 409A of the Code and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the participant on account of non-compliance with Section 409A of the Code.

7. Clawback. Notwithstanding any other provisions in this Plan or any statements issued with respect to Target Awards or Actual Awards, all payments made to a participant pursuant to this Plan will be subject to potential cancellation, recoupment, recession, payback or other action in accordance with any applicable clawback

policy that the Company may adopt from time to time or any applicable law, as may be in effect from time to time.

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**Exhibit 21**

**List of Subsidiaries of First Defiance Financial Corp.**

| <b>Name</b>                                | <b>Jurisdiction of Incorporation</b> |
|--|--------------------------------------|
| Premier Bank                               | OH                                   |
| First Insurance Group of the Midwest, Inc. | OH                                   |
| PFC Risk Management, Inc.                  | NV                                   |
| PFC Capital, LLC                           | OH                                   |

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**Exhibit 23.1**

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in Registration Statements on Form S-8 Nos. (333-268207; 333-236215; 333-197203; 333-224483 and 333-166891) of Premier Financial Corp. of our report dated **March 1, 2023** **February 28, 2024** relating to the consolidated financial statements and effectiveness of internal control over financial reporting, appearing in this Annual Report on Form 10-K of Premier Financial Corp. for the year ended **December 31, 2022** **December 31, 2023**.

/s/ Crowe LLP  
\_\_\_\_\_  
Crowe LLP

Cleveland, Ohio

**March 1, 2023** **February 28, 2024**

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**EXHIBIT 24.1**

**POWER OF ATTORNEY**

Each director and officer of Premier Financial Corp. (the Corporation), whose signature appears below hereby appoints Gary M. Small, Paul Nungester, and Shannon M. Kuhl, or any of them, as his or her attorney-in-fact, to sign, in his or her name and behalf and in any and all capacities stated below, and to cause to be filed with the Securities and Exchange Commission, the Corporation's Annual Report on Form 10-K (the Annual Report) for the fiscal year ended **December 31, 2022**, December 31, 2023, and likewise to sign and file any amendments, including post-effective amendments, to the Annual Report, granting unto each said attorney-in-fact full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection with the execution and filing of the Annual Report and any amendment to the Annual Report, with full power of substitution and revocation, and hereby ratifying all that such attorney-in-fact or his or her substitute may do by virtue hereof.

IN WITNESS WHEREOF, the undersigned have executed this Power of Attorney, either manually or through the application of a digital or facsimile signature, in counterparts if necessary, effective as of February 1, 2023.

Signature

Title

*/s/Gary M. Small*

Gary M. Small

Chief Executive Officer, President and Director

*/s/Paul Nungester*

Paul Nungester

Executive Vice President and Chief

Financial Officer (principal accounting officer)

*/s/Donald P. Hileman*

Donald P. Hileman

Executive Chairman and Director

*/s/Richard J. Schiraldi*

Richard J. Schiraldi

Vice Chairman of the Board

*/s/Marty E. Adams*

Marty E. Adams

Director

*/s/Zahid Afzal*

Zahid Afzal

Director

*/s/Louis M. Altman*

Louis M. Altman

Director

*/s/Terri A. Bettinger*

Terri A. Bettinger

Director

*/s/John L. Bookmyer*

John L. Bookmyer

Director

*/s/Lee Burdman*

Lee Burdman

Director

*/s/Jean A. Hubbard*

Jean A. Hubbard

Director

*/s/Nikki R. Lanier*

Nikki R. Lanier

Director

*/s/Charles D. Niehaus*

Charles D. Niehaus

Director

*/s/Mark A. Robison*

Mark A. Robison

Director

*/s/Samuel S. Strausbaugh*

Samuel S. Strausbaugh

Director

**Exhibit 31.1**

SARBANES-OXLEY ACT OF 2002, SECTION 302  
CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Gary M. Small, President and Chief Executive Officer, certify that:

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**REFINITIV** 

- 1) I have reviewed this annual report on Form 10-K of Premier Financial Corp. (the "Registrant");
- 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
5. 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; and

Dated: **March 1, 2023** February 28, 2024

/s/ Gary M. Small  
Gary M. Small  
President and Chief Executive Officer  
(Principal Executive Officer)

SARBANES-OXLEY ACT OF 2002, SECTION 302  
CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Paul Nungester, Chief Financial Officer, certify that:

- 1) I have reviewed this annual report on Form 10-K of Premier Financial Corp. (the "registrant");
- 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; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses 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.

Dated: **March 1, 2023** February 28, 2024

/s/ Paul Nungester

Paul Nungester  
Chief Financial Officer  
(Principal Financial Officer)

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**Exhibit 32.1**

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Premier Financial Corp (the "Registrant") on Form 10-K for the year ended **December 31, 2022** December 31, 2023 as filed with the Securities and Exchange Commission (the "Report"), I, Gary M. Small, President and Chief Executive Officer of the Registrant, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

By: /s/ Gary M. Small  
Name: Gary M. Small  
Title: President and Chief  
Executive Officer

Date: **March 1, 2023** February 28, 2024

A signed original of this Certification has been provided to the Registrant and will be retained by the Registrant and furnished to the Securities and Exchange Commission or its staff upon request.

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**Exhibit 32.2**

CERTIFICATION PURSUANT TO

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**REFINITIV** 

18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Premier Financial Corp (the "Registrant") on Form 10-K for the year ended **December 31, 2022** December 31, 2023 as filed with the Securities and Exchange Commission (the "Report"), I, Paul Nungester, Executive Vice President and Chief Financial Officer of the Registrant, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

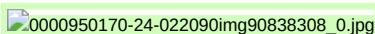
- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

By: /s/ Paul Nungester  
Name: Paul Nungester  
Title: Executive Vice President  
and Chief Financial Officer

Date: **March 1, 2023** February 28, 2024

A signed original of this Certification has been provided to the Registrant and will be retained by the Registrant and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 97



## Compensation Clawback Policy

### POLICY STATEMENT:

Premier Financial Corp. (the "Company") has adopted this Compensation Clawback Policy (the "Policy") in order to ensure that incentive compensation is paid based on accurate financial and operating data and the correct calculation of performance against applicable incentive targets.

In the event of a restatement of the financial or operating results of the Company or one of its affiliates or segments, as described below, the Company may seek recovery of incentive compensation that would not otherwise have been paid if the correct performance data had been used to determine the amount payable.

The Compensation Committee of the Board (the "Committee") shall have full authority to interpret and enforce this Policy.

### WHO SHOULD READ THIS POLICY:

This Policy should be read by all "Covered Employees" and all employees responsible for the preparation of the Company's financial statements or the administration of the Company's incentive compensation programs. This Policy applies to all "Executive Officers" of the Company, as such term is defined in Rule 10D-1(d) and Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including the Company's President; principal financial officer; principal accounting officer; any officer in charge of a principal business unit, division, or function; any other officer who performs a policy-making function; any other person who performs similar policy-making functions for the Company; and any other employee of the Company and its subsidiaries designated by the Board or the Committee from time to time by notice to the employee (collectively, the "Covered Employees").

This Policy shall apply to all Covered Employees, regardless of whether an applicable Covered Employee was "at fault" for, or had knowledge of, errors that led to the restatement. Recovery of compensation received while an individual was serving in a non-executive capacity prior to becoming a Covered Employee will not be required; provided, that recovery will be required with respect to an employee who served as Covered Employee during the applicable time period and then was subsequently determined not to be a Covered Employee.

### POLICY:

#### A. Definitions:

For purposes of this Policy, "incentive compensation" means any compensation that is granted, earned or vested based wholly or in part upon the attainment of any Financial Reporting Measure, including performance bonuses and incentive awards (including stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, phantom equity, or other equity-based awards and compensation) paid, granted, awarded, vested or accrued under any Company plan or agreement, in the form of cash or Company common stock, that are based on any Financial Reporting Measure.

For purposes of this Policy, "Financial Reporting Measures" means measures that are determined in accordance with the accounting principles used in the Company's financial statements, whether presented in or outside of the Company's financial statements, any measures derived wholly or in part from such measures (including non-GAAP measures), and other performance measures that are affected by accounting-related information.

**B. Restatement of Financial or Operating Results:**

The Company will recover reasonably promptly the amount of erroneously awarded incentive-based compensation in the event that the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any Financial Reporting Measure, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (collectively, the "Overpayment").

The date that the Company is required to prepare an accounting restatement is the earlier to occur of (i) the date the Company's board of directors, a committee of the board of directors, or the officers of the Company authorized to take such action if board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an accounting restatement, or (ii) the date a court, regulator or other legally authorized body directs the Company to prepare an accounting restatement.

The amount of Overpayment subject to this Policy is the amount of incentive-based compensation received that exceeds the amount of incentive-based compensation that otherwise would have been received had it been determined based on the restated amounts, and must be computed without regard to any taxes paid. For incentive-based compensation based on (or derived from) stock price or total shareholder return where the amount of erroneously awarded compensation is not subject to mathematical recalculation directly from the information in the applicable accounting restatement, the amount shall be determined by the Committee based on a reasonable estimate of the effect of the accounting restatement on the stock price or total shareholder return upon which the incentive-based compensation was received (in which case, the Company shall maintain documentation of such determination of that reasonable estimate and provide such documentation to Nasdaq). This amount extends to any amounts that are determined by the Committee to be recoverable pursuant to the Exchange Act, Nasdaq listing standards, and any other statutes, rules, regulations, policies, and guidance of governmental entities applicable to the Company ("Applicable Law").

**C. Forms of Recovery**

If the Committee determines to that recovery for the Overpayment is required under Applicable

Law, the Company shall have the right to demand that the Covered Employee reimburse the Company for the Overpayment. To the extent the Covered Employee does not reimburse the Company for the Overpayment, the Company shall have the right to sue for repayment and enforce the repayment through the reduction or cancellation of outstanding and future incentive or other compensation. To the extent any shares have been issued under vested awards or such shares have been sold by the Covered Employee, the Company shall have the right to cancel any other outstanding phantom or equity-based awards with a value equivalent to the Overpayment, as determined by the Committee. The Company's obligation to recover erroneously awarded compensation is not dependent on if or when the restated financial statements are filed.

**D. Exceptions to Recovery**

Notwithstanding anything herein to the contrary, the Company shall not be required to recover the Overpayment if the following conditions are met and the Committee determines that recovery would be impracticable:

1. The direct expenses paid to a third party to assist in enforcing this Policy against a Covered Employee would exceed the amount to be recovered, after the Company has made a reasonable attempt to recover the erroneously awarded incentive-based compensation, documented such reasonable attempt(s) to recover, and provided such documentation to Nasdaq; or
2. Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

**E. Time Period for Overpayment Review**

The Company may recover any Overpayment at any time for the three completed fiscal years immediately preceding the date when the Company is required, or should have reasonably concluded that it was required, to prepare an accounting restatement for a given reporting period. For illustrative purposes only, this means that if the Company determines in November 2024 that a restatement is required going back to 2021 and files restated financial statements in January 2025, this Policy would apply to incentive-based compensation received in 2023, 2022, and 2021.

Notwithstanding the period identified above, this Policy will apply only to: (i) incentive-based compensation received after a Covered Employee began service as a Covered Employee and served as a Covered Employee at any time during the performance period for such incentive-based compensation; and (ii) incentive-based compensation received while the Company's common stock is listed. Incentive-based compensation is deemed to be received with respect to a given reporting period even if payment or vesting occurs after such period.

Notwithstanding the above, if the Committee determines that any Covered Employee engaged in fraud or misconduct, the Committee shall be entitled to determine the Overpayment with respect to such Covered Employee for a period of six years after the act of fraud or misconduct.

#### **F. No Additional Payments**

In no event shall the Company be required to award Covered Employees an additional payment if the restated or accurate financial results would have resulted in a higher incentive compensation

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Exhibit 97

payment. The Company will not insure or indemnify any Covered Employee with respect to recoverable amounts, including paying or reimbursing the Covered Employee for premiums on any insurance policy covering such recoverable amounts.

#### **G. Administration**

- 1. Committee Determination Final.** Any determination by the Committee (or by any officer of the Company to whom enforcement authority has been delegated) with respect to this Policy shall be final, conclusive, and binding on all interested parties.
- 2. Applicability.** This Policy applies to all incentive compensation granted, paid, awarded, vested, accrued, or credited, except to the extent prohibited by applicable law or any other legal obligation of the Company. Application of this Policy does not preclude the Company from taking any other action to enforce a Covered Employee's obligations to the Company, including termination of employment or institution of civil or criminal proceedings.
- 3. Other Laws.** This Policy is in addition to (and not in lieu of) any right of repayment, forfeiture or right of offset against any Covered Employee that is required pursuant to Applicable Law (regardless of whether implemented at any time prior to or following the adoption of this Policy).
- 4. Amendment; Termination.** The Committee may amend or terminate this Policy at any time in its sole discretion. The Committee shall annually review this Policy for any updates, amendments, or other modifications required or recommended pursuant to Applicable Law.

October 17, 2023

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