



MID PENN BANCORP INC.

2024 ANNUAL REPORT TO SHAREHOLDERS





“AS WE MOVE
FORWARD, WE
RECOGNIZE BOTH
THE CHALLENGES
AND THE
OPPORTUNITIES
IN THE EVOLVING
ECONOMIC
ENVIRONMENT.”

A LETTER TO OUR SHAREHOLDERS

RORY G. RITRIEVI
CHAIR, PRESIDENT, AND
CHIEF EXECUTIVE OFFICER

JOHN E. NOONE
LEAD INDEPENDENT DIRECTOR

Dear Fellow Shareholders,

At the end of last year's shareholder letter, we cautioned our comments about 2024 due to the ongoing difficulty of the operating environment, particularly the inverted interest rate yield curve, persistent inflation, ongoing geopolitical strife from two foreign wars, and a concern over the safety and soundness of commercial real estate across the country. Each of these factors was considered in the development of our 2024 strategic plan, with the end result being a plan focused on the following: maintaining strong asset quality; controlling loan growth to preserve liquidity; improving core deposit growth; increasing net interest margin; enhancing noninterest revenues; getting back to neutral or positive operating leverage by controlling expenses; and continuing our legacy of community support in our operating activity, our charitable giving and our service hours. We are pleased to report to you in this letter that we substantially accomplished each of our objectives in 2024 leading to what we feel is one of our best overall performances in the 16-year history with our current management team.

“WE ARE PLEASED TO
REPORT TO YOU...
WE SUBSTANTIALLY
ACCOMPLISHED EACH
OF OUR OBJECTIVES
IN 2024...”

FINANCIAL YEAR IN REVIEW

With an intentionally restrained 4.5% organic increase in loans, a 7.9% organic increase in core deposits, a 16-basis point increase in net interest margin, a 0.0% net charge off ratio and a decrease in operating expenses, we were able to deliver over 7% organic revenue growth, a 30% improvement in net income and a 26+% increase in earnings per share in 2024. Those results put us in a position to not only pay a cash dividend of \$0.80 per share for the year, but also improve our tangible book value per share by 9%. Most importantly, we also maintained strong asset quality and enhanced our capital base both organically and through a follow-on capital raise completed in the fourth quarter. The result is a capital position entering FY2025 that allows us to continue that balance sheet, revenue and profitability growth.

TOTAL SHAREHOLDER RETURN

The strong operating performance outlined above translated to another solid year of shareholder return, our true measurement of a successful year. For the year, our total shareholder return was 22.7%. For the last five years, total shareholder return was 17.9% and for the last 10 years it is now 151.1%. Those return metrics place us in the top quartile of our peer group while also outperforming the S&P over the ten-year period. In the tenure of the current management team, our total shareholder return is 318.8%.

BANKING ACTIVITY ACROSS THE FOOTPRINT

As mentioned above, we intentionally softened our loan growth in 2024 in order to preserve liquidity and to lower the concentration of commercial real estate loans we hold. That does not mean, however, that our lenders were not active. In 2024, with \$713.5 million in commercial loan production, \$130.7 million in residential mortgage production and \$35.6 million in consumer loan production, we originated a total of \$879.8 million in new loans, marking the fifth-highest level of overall production in the last 16 years. Our lending activity throughout PA, NJ, and DE is important to the economic activity and financial stability of each of the communities in which we operate. While we remained active lenders, we also developed new deposit relationships to fund those loans. In fact, we achieved \$1.82 of deposit growth for each \$1.00 of loan growth, which was helpful in not only improving liquidity but also in increasing our net interest margin. Beyond loans and deposits, we also recognized measurable increases in assets under management and insurance revenues, both of which drive noninterest income growth. Our business development bankers throughout the company excelled in delivering all of the products and services we offer to businesses, individuals and municipalities across our footprint.

“WE ARE COMMITTED TO ADVANCING THE SYSTEMS WE AND OUR CUSTOMERS RELY ON TO MAINTAIN A WORLD-CLASS SECURITY POSTURE.”

INVESTMENT IN OUR CUSTOMERS

Throughout 2024, we focused on expanding our physical market presence while also enhancing our digital banking capabilities including an expansion of the team that delivers those capabilities to our customers. While we are committed to making it easier and more efficient for our customers to conduct their banking activity with us at a time most convenient for them, we are also committed to advancing the systems we and our customers rely on to maintain a world-class security posture. The latter commitment remains unwavering and is at the core of every investment we make in technology-driven banking. Fraudsters are becoming increasingly more sophisticated and so must our education, detection, prevention and enforcement to continue to effectively stop them.

EXPANSION OF EXISTING MARKETS

We entered the Greater Philadelphia region in 2018 with the acquisition of Chester County based First Priority Bank. Since that time, we have organically grown our presence in that region by more than 10% on average each year, such growth being supplemented by an additional acquisition in 2023. To build on that success, in 2024 we announced our plan for new financial centers in Camden, NJ, and Wayne, PA, both of which are now open. And to further increase our presence in that strategically important market, in November 2024 we announced

our intention to merge with William Penn Bank of Bucks County. Upon completion of the merger, we will have financial centers in the western suburbs of Philadelphia as well as within the city of Philadelphia and in Southern New Jersey, giving us a meaningful presence throughout the area.

With over six million residents, hundreds of thousands of businesses and dozens of strong municipalities, we feel the Philadelphia market is among the best in the country for the delivery of the type of banking products and services we offer. This move aligns with our long-term vision of creating sustainable and profitable growth driven by deepening relationships throughout all of the communities we serve.

COMMUNITY INVESTMENT

Our ongoing commitment to the communities we serve is a real source of pride for all Mid Penn stakeholders. Through our employee volunteerism, financial education programs, signature philanthropic endeavors and ongoing giving initiatives, we have strengthened each community in which we have a financial center beyond the provision of loans, deposits, wealth management and insurance. All of our employees exemplify our community mission

every day by fostering strong relationships with businesses, individuals and municipalities who rely on us for their financial well-being. In 2024, we contributed \$200,000 to two Pennsylvania-based breast cancer charities with proceeds from the 9th annual Mid Penn Bank Celebrity Golf Classic. Our lifetime of giving through that event now exceeds \$1.2 million. We also participated in our 9th annual NoShaveNovember partnership with Penn State Health's Department of Urology and raised \$340,000 for prostate cancer testing and research. That partnership has now raised over \$1.3 million for a very worthwhile cause. Our total giving for the year reached \$2.24 million and Mid Penn employees volunteered their own time to the tune of 13,782 hours. Part of that volunteerism centered around the delivery of financial literacy education through our new MPB Classroom initiative. Fourteen community partners used the online MPB Financial Wellness Center in 2024. We sponsored 55 schools through the program with 190 teachers in those schools participating. The budget calculator in the online Financial Wellness Center was

used 10,500 times within the year and over 11,000 students increased their financial knowledge by using the tools and materials available. The majority of these students come from minority, underrepresented and disadvantaged communities. We deem financial literacy to be a critically important part of an economy that works for all U.S. residents, not just those who currently enjoy access.

THE UPCOMING 17th YEAR

As we move forward, we recognize both the challenges and the opportunities in the evolving economic environment. With ongoing uncertainty and concern around inflation and its impact on the interest rate environment, potential trade wars, as well as regulatory developments and competitive dynamics, we must remain proactive, diligent and agile. We are confident that we have the exact leadership team on the Board and at the company to build yet another annual strategic operating plan that will guide us in the continued enhancement of shareholder value and community development and support. We also have full confidence in our amazing team of associates throughout Mid Penn that effectuates that strategic plan every day. In our time here, as we built and refocused this company time and time again to respond to the ever-changing environment, it has been accomplished by great decisioning at the Board and Senior Management Team and delivered by an employee group that has been better recruited, better educated, better motivated and better rewarded than at any peer. It always has been, and continues to be, our secret sauce and will be again in 2025.

On behalf of the Board of Directors, the Senior Management Team and all of the associates of Mid Penn, we thank you for your continued trust and investment in Mid Penn throughout 2024. We look forward to making 2025 even better.



Rory G. Ritrievi
Chair, President and Chief Executive Officer

“OUR ONGOING
COMMITMENT TO THE
COMMUNITIES WE SERVE
IS A REAL SOURCE OF
PRIDE FOR ALL MID PENN
STAKEHOLDERS.”

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549
FORM 10-K

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

For the fiscal year ended December 31, 2024

OR

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

For the transition period from _____ to _____

Commission file number 1-13677

MID PENN BANCORP, INC.

(Exact Name of Registrant as Specified in its Charter)

Pennsylvania

(State or Other Jurisdiction of
Incorporation or Organization)

2407 Park Drive

Harrisburg, Pennsylvania

(Address of Principal Executive Offices)

25-1666413

(I.R.S. Employer
Identification Number)

17110

(Zip Code)

Registrant's telephone number, including area code **1.866.642.7736**

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

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

Securities registered pursuant to Section 12(g) of the Act: None.

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

Large accelerated filer	☐ Accelerated Filer	☒ Emerging Growth Company	☐
Non-accelerated Filer	☐ Smaller Reporting 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 Act). Yes ☐ No ☒

The aggregate market value of the registrant's voting and non-voting common equity held by non-affiliates computed by reference to the closing price of the common equity of \$21.95 per share, as reported by The NASDAQ Stock Market LLC ("NASDAQ"), on June. 30, 2024, the last business day of the registrant's most recently completed second quarter was approximately \$389.4 million. As of February 28, 2025, the registrant had 19,355,997 shares of common stock outstanding, par value \$1.00 per share.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive proxy statement of the Registrant for the 2025 Annual Meeting of Shareholders are incorporated by reference in Part III.

Auditor Firm ID: 49

Auditor Name: RSM US LLP

Auditor Location: Philadelphia, PA USA

FORM 10-K
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MID PENN BANCORP, INC.

GLOSSARY OF DEFINED ACRONYMS AND TERMS

2023 Plan	2023 Stock Incentive Plan
ACL	Allowance for Credit Losses
AFS	Available for Sale
AOCI	Accumulated Other Comprehensive Income/(Loss)
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
the Bank	Mid Penn Bank
BOLI	Bank Owned Life Insurance
bp or bps	basis point(s)
Brunswick	Brunswick Bancorp
Brunswick Acquisition	Merger acquisition of Brunswick
Brunswick Bank	Brunswick Bank & Trust Company
CCL	Provision for Credit Losses - Credit Commitments
CD	Certificate of Deposit
CECL	Current Expected Credit Losses as defined by FASB ASC Topic 326
DCF	Discounted Cash Flow
DIF	FDIC's Deposit Insurance Fund
DRIP	Dividend Reinvestment Plan
FASB	Financial Accounting Standards Board
FDIC	Federal Deposit Insurance Corporation
FHLB	Federal Home Loan Bank of Pittsburgh
FICO	Fair Isaac Corporation credit scoring model
First Priority	First Priority Financial Corp.
FOMC	Federal Open Market Committee
FTE	Fully taxable-equivalent
GAAP	Accounting principles generally accepted in the United States of America
GDP	Gross domestic product
HFS	Held for Sale
HTM	Held to Maturity
LGD	Loss Given Default
LHFI	Loans held for investment
LIHTC	Low-Income Housing Tax Credits
Loans	Loans, net of unearned income
Management Discussion	Management's Discussion and Analysis of Financial Condition and Results of Operations
Merger	Merger acquisition of William Penn
Merger Agreement	Agreement and Plan of Merger between Mid Penn and William Penn.
Mid Penn or the Corporation	Mid Penn Bancorp, Inc.
NASDAQ	Major stock exchange where the Corporation's shares are traded
N/M	Not meaningful - (percentage changes greater than +/- 150% not considered meaningful)
OBS	Off-Balance Sheet
OCI	Other Comprehensive Income
PCD	Purchased Credit Deteriorated
PCL	Provision for Credit Losses - Loans
PD	Probability of Default
Phoenix	Phoenix Bancorp Inc.
Public Offering	Underwritten public offering of 2,375,000 shares of the Corporation's common stock
Riverview	Riverview Financial Corporation
Riverview Acquisition	Merger acquisition of Riverview
ROA	Return on Assets
ROE	Return on Equity
SBA	Small Business Association
Scottdale	Scottdale Bank and Trust Company
SEC	Securities Exchange Commission
SOFR	Secured Overnight Financing Rate
William Penn	William Penn Bancorporation
WSJP	Wall Street Journal Prime

MID PENN BANCORP, INC.

PART I

ITEM 1. BUSINESS

The disclosures set forth in this Item are qualified by the section captioned "Special Cautionary Notice Regarding Forward-Looking Statements" contained in Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, and other cautionary statements set forth elsewhere in this report.

Mid Penn Bancorp, Inc.

Mid Penn Bancorp, Inc. is a financial holding company incorporated in August 1991 in the Commonwealth of Pennsylvania. Mid Penn Bancorp, Inc. and its wholly owned bank and nonbank subsidiaries are collectively referred to herein as "Mid Penn" or the "Corporation." On December 31, 1991, Mid Penn acquired, as part of the holding company formation, all of the outstanding common stock of Mid Penn Bank, referred to herein as "The Bank", and the Bank became a wholly-owned subsidiary of Mid Penn. In addition to Mid Penn Bank, Mid Penn maintains five wholly-owned nonbanks subsidiaries: MPB Financial Services, LLC, which serves as the mid-tier holding company for MPB Risk Services, LLC, a licensed insurance producer, MPB Wealth Management, LLC (which ceased operating during the first quarter of 2024), and MPB Launchpad Fund I, LLC, which was formed to hold certain financial holding company eligible investments; and MPB Realty Holding, LLC, which was formed for purposes of holding certain assets acquired for debts previously contracted. As of December 31, 2024, the accounts and activities of these nonbank subsidiaries were not material to warrant separate disclosure or segment reporting. Mid Penn's primary business is to supervise and coordinate the business of the Bank and its nonbank subsidiaries, and to provide them with the capital and resources to fulfill their respective missions.

Mid Penn's consolidated financial condition and results of operations consist almost entirely of that of the Bank, which is managed as a single business segment. At December 31, 2024, Mid Penn had total consolidated assets of \$5.5 billion with total deposits of \$4.7 billion and total shareholders' equity of \$655.0 million. The holding company and its nonbank subsidiaries currently do not own or lease any real property. The Bank owns or leases the banking offices as identified in Part I, Item 2.

Mid Penn Bank

Mid Penn Bank was organized in 1868 under a predecessor name, Millersburg Bank, and became a state-chartered bank in 1931. Millersburg Bank obtained trust powers in 1935, at which time its name was changed to Millersburg Trust Company. In 1971, Millersburg Trust Company adopted the name "Mid Penn Bank". Mid Penn's legal headquarters are located at 2407 Park Drive, Harrisburg, Pennsylvania 17110, and the Bank's legal headquarters are located at 349 Union Street, Millersburg, Pennsylvania 17061.

On March 1, 2015, in connection with the acquisition of Phoenix Bancorp, Inc. ("Phoenix") by Mid Penn, Phoenix's wholly-owned banking subsidiary, Miners Bank, was merged with and into the Bank, with the Bank being the surviving charter.

On January 8, 2018, Mid Penn completed its acquisition of The Scottdale Bank and Trust Company ("Scottdale") through the merger of Scottdale with and into the Bank (the "Scottdale Merger"). The Scottdale Merger resulted in the addition of five branches in Western Pennsylvania operating as "Scottdale Bank & Trust, a Division of Mid Penn Bank".

On July 31, 2018, Mid Penn completed its acquisition of First Priority Financial Corp. pursuant to which First Priority was merged with and into Mid Penn (the "First Priority Merger"), with Mid Penn being the surviving corporation in the First Priority Merger. As part of this acquisition, First Priority's banking subsidiary, First Priority Bank, was merged with and into the Bank. The First Priority Merger resulted in the addition of eight offices in Southeastern Pennsylvania.

On November 30, 2021, Mid Penn completed its acquisition of Riverview Financial Corporation, the holding company for Riverview Bank, through the merger of Riverview with and into Mid Penn. In connection with the Riverview Acquisition, Riverview Bank was merged with and into the Bank, with the Bank as the surviving institution. The Riverview merger resulted in the addition of twenty-three community banking offices and three limited purpose offices across Western Pennsylvania.

MID PENN BANCORP, INC.

On December 30, 2022, Mid Penn purchased the assets of Managing Partners, Inc., an independent insurance agency that serviced the Central Pennsylvania area.

On May 19, 2023, Mid Penn completed its acquisition of Brunswick through the merger of Brunswick with and into Mid Penn with Mid Penn being the surviving corporation. In connection with this acquisition, Brunswick Bank, a wholly-owned subsidiary of Brunswick, merged with and into Mid Penn Bank, a wholly-owned subsidiary of Mid Penn. This transaction included the acquisition of five branches and extended Mid Penn's footprint into Middlesex and Monmouth counties in central New Jersey.

On July 31, 2024, Mid Penn acquired the insurance business and related accounts of, Commonwealth Benefits Group, a full-service employee benefits firm that served mid to large employers across central and eastern Pennsylvania, northern Maryland, and northern Virginia, for a purchase price of \$2.0 million at closing and an additional \$800 thousand potentially payable pursuant to a three year earnout.

On October 31, 2024, Mid Penn entered into an Agreement and Plan of Merger with William Penn Bancorporation pursuant to which William Penn will merge with and into Mid Penn in an all-stock transaction valued at approximately \$107 million, based on Mid Penn's closing stock price as of October 30, 2024. The Merger has been approved unanimously by each company's board of directors and is expected to close in the first half of 2025. Completion of the transaction is subject to customary closing conditions, including the receipt of required regulatory approvals and the approval of Mid Penn and William Penn shareholders.

Under the terms of the Merger Agreement, shareholders of William Penn will have the right to receive, for each share of common stock, par value \$0.01 per share, of William Penn, 0.426 shares of Mid Penn common stock (the "Exchange Ratio") and cash in lieu of fractional shares, subject to adjustment and proration as described in the Merger Agreement.

Additional information related to the recent acquisitions can be found in "Note 2 - Business Combinations", to the Consolidated Financial Statements contained in Part II, Item of this report.

As of December 31, 2024, the Bank operates 42 full-service retail banking locations in the Pennsylvania counties of Berks, Blair, Bucks, Chester, Clearfield, Cumberland, Dauphin, Fayette, Huntingdon, Lancaster, Lehigh, Luzerne, Montgomery, Perry, Schuylkill and Westmoreland, along with 3 full-service retail banking locations in the New Jersey counties of Middlesex and Monmouth. One new full-service retail banking location opened in Camden County, New Jersey in January 2025.

Mid Penn's primary business consists of attracting deposits and loans from the Bank's network of community banking offices. The Bank engages in full-service commercial banking and trust business, making available to the community a wide range of financial services, including, but not limited to, mortgage and home equity loans, secured and unsecured commercial and consumer loans, lines of credit, construction financing, farm loans, community development and local government loans and various types of time and demand deposits. The Pennsylvania Department of Banking and Securities and the Federal Deposit Insurance Corporation supervise the Bank. Deposits of the Bank are insured by the FDIC's Deposit Insurance Fund ("DIF") to the maximum extent provided by law. In addition, the Bank provides a full range of trust and retail investment services. The Bank also offers other services such as online banking, telephone banking, cash management services, automated teller services and safe deposit boxes.

Business Strategy

The Bank provides services to commercial businesses and real estate investors, consumers, nonprofit organizations, and municipalities through its 45 full-service retail banking properties, one loan production office, one wealth management office, two corporate administrations offices, and one operations facility, primarily based in Pennsylvania. Mid Penn's primary markets reflect a diversified manufacturing and services base across sixteen Pennsylvania counties and two counties in New Jersey, including having several offices in and around the state capital region of Harrisburg. The Bank emphasizes developing long-term customer relationships, maintaining high quality service, and providing prompt responses to customer needs. Mid Penn believes that local relationship building and its prudent approach to lending are important factors in the success and growth of Mid Penn.

MID PENN BANCORP, INC.

Human Capital

The majority of employees of the Corporation are employed by the Bank, with a shared services agreement to support the operation of the holding company. As of December 31, 2024, the Bank had 591 full-time and 23 part-time employees. Additionally, Mid Penn's nonbank subsidiaries employed 9 full-time employees and 1 part-time employee as of December 31, 2024. The Corporation and its employees are not subject to a collective bargaining agreement and the Corporation believes it enjoys good relations with its employees.

Diversity & Inclusion

The Corporation believes that a diverse and inclusive workforce fosters an environment where everyone can thrive and be successful. As of December 31, 2024, approximately 65% of our workforce is female. Bank leadership has seen the benefits of Employee Resource Groups ("ERG") within our organization. In 2022, Mid Penn formalized committee members on our Women's Leadership Network, Diversity, Equality, and Inclusion ("DEI"), and our Culture Committees. Throughout 2024, the entire organization has benefited from the contributions of these groups. Each group allows employees to come together based on shared characteristics to address common challenges and to drive positive impact within the workforce. We have found that our Women's Leadership Network has provided a sense of belonging and camaraderie for our primarily female workforce. The Women's Leadership group has expanded its reach by creating a subgroup called MPB Moms. This group serves as a community for mothers to connect, share like experiences and offer support to each other as they balance their personal and professional lives. Our DEI group has laid the groundwork to help create a more diverse and inclusive workplace by promoting understanding, respect, and awareness of different cultures, backgrounds, and perspectives. Our Culture Committee has focused on contributing to a positive organizational culture by fostering open communication, collaboration, and a sense of community; this sense of community is important to Mid Penn as we continue to expand geographically. The Culture Committee also supports wellness initiatives by creating initiatives, programs, and resources to encourage physical, mental, and emotional wellness. The committee aims to support healthy work-life balance, understand and better utilize our benefit programs, and foster a positive, wellness-oriented workplace culture. We have found that employees who belong to any of our ERGs are more engaged, are developing leadership skills, and are gaining new experiences through volunteer and networking opportunities.

Education and Development

We encourage and support the growth and development of our employees and, wherever possible, seek to fill positions by promotion within the organization. The education and development of our employees is a priority, and we continue to invest in tools, education programs, certifications, and continuing education to help our employees build their knowledge, skills and experience. We provide in-house training to employees on a variety of topics, including leadership and professional development, cybersecurity, risk, compliance, and technology.

Benefits

On an ongoing basis, we promote the health and wellness of our employees by strongly encouraging work-life balance. Our benefits package includes health care coverage, retirement benefits, life and disability insurance, tuition-reimbursement, parental leave, wellness programs, and paid time off.

Retention

Employee retention helps us operate efficiently and offers continuity to our customers and the community. We believe our concern for our employees' well-being, supporting our employees' career goals, offering competitive wages, and providing valuable benefits aids in retention of our employees.

Community Involvement

The Bank is dedicated to supporting charitable community organizations through corporate donations, employee volunteerism and fundraising. In 2024, our employees demonstrated their commitment to our communities by personally giving more than \$69 thousand to charitable organizations within Mid Penn's footprint through our Dress Down Friday program.

MID PENN BANCORP, INC.

Lending Activities

The Bank offers a variety of loan products to its customers, including commercial real estate loans, residential real estate loans, commercial and industrial loans, and consumer loans. The Bank's primary lending objectives are as follows:

- to establish relationships with creditworthy customers who exhibit positive historical repayment trends, stable cash flows and secondary sources of repayment from tangible collateral;
- to establish a diversified loan portfolio; and
- to provide a satisfactory return to Mid Penn's shareholders by properly pricing loans to include the cost of funds, administrative costs, bad debts, local economic conditions, competition, customer relationships, the term of the loan, credit risk, collateral quality, and a reasonable profit margin.

Credit risk is managed through portfolio diversification, underwriting policies and procedures, and loan monitoring practices. Lenders are provided with detailed underwriting policies for all types of credit risks accepted by the Bank and must obtain appropriate internal approvals for credit extensions. The Bank also maintains strict documentation requirements and robust credit quality assurance practices in order to identify credit portfolio weaknesses as early as possible, so any exposures that are discovered might be mitigated or potential losses reduced. The Bank generally secures its loans with real estate, with such collateral values dependent and subject to change based on real estate market conditions within its market area. As of December 31, 2024, the Bank's highest concentration of credit is in commercial real estate.

Investment Activities

Mid Penn's securities portfolio is a source for both liquidity and interest earnings and serves to support pledging requirements on public funds deposits through investments in primarily higher-quality, fixed-income debt securities. Mid Penn does not have any significant non-governmental concentrations within its investment securities portfolio.

Mid Penn maintains both a held-to-maturity investment portfolio and an available-for-sale investment portfolio. Both portfolios are comprised primarily of lower-risk debt securities, including U.S. Treasury and U.S. government agencies, mortgage-backed U.S. government agencies, investment-grade municipal securities, and corporate bonds. The held-to-maturity portfolio was established to support the Bank's growth in public fund deposits, which may require pledging of investment securities. The investments in the held-to-maturity portfolio are recorded on the balance sheet at book value (amortized cost), while the available-for-sale securities are recorded on the balance sheet at fair value. These debt securities derive fair values relative to investments of the same type and credit profile with similar maturity dates. As the interest rate environment changes, Mid Penn's fair value of securities will change. This difference between the amortized cost and fair value of available-for-sale investment securities, or unrealized loss, amounted to \$24.3 million as of December 31, 2024. On an after-tax basis, this unrealized loss on available-for-sale securities resulted in a decrease to shareholders' equity, through the accumulated other comprehensive loss component, of \$1.6 million. As of December 31, 2024, there was no allowance for credit losses on either the held-to-maturity or available-for-sale investment portfolios. The majority of the investments are high quality United States and municipal securities that, if held to maturity, are expected to result in no realized loss to the Bank.

Deposits and Other Sources of Funds

The Bank primarily uses deposits and, to a lesser extent, wholesale borrowings to finance lending and investment activities. Wholesale borrowing sources include advances from the Federal Home Loan Bank of Pittsburgh, overnight borrowings from the Bank's other correspondent banking relationships, and advances from the Federal Reserve's Discount Window.

All borrowings, except for lines of credit with the Bank's correspondent banks, require collateral in the form of loans or securities. Collateral levels, therefore, limit the extent of borrowings and the available lines of credit extended by the Bank's creditors. As a result, generating and retaining retail deposits remains critical to the future funding and growth of the business. Deposit growth within the banking industry has been subject to strong competition from a variety of financial services companies. This competition may require financial institutions to adjust their product offerings and pricing to maintain and grow deposits.

Additionally, the safety of traditional bank deposit products has remained an attractive option during periods of market volatility. Mid Penn's ability to attract retail funds in the future will continue to be impacted by the public's appetite for the safety of insured or local investments versus the returns offered by alternative choices as part of their personal investment mix.

MID PENN BANCORP, INC.

Competition

The financial services and banking business is highly competitive, and the profitability of Mid Penn depends principally upon the Corporation's ability to successfully compete in its market area. The Bank actively competes with other financial services companies for deposit, loan, trust and wealth management business. Competitors include other commercial banks, credit unions, savings banks, savings and loan associations, insurance companies, securities brokerage firms, finance companies, mutual funds, and product/service alternatives via the Internet. Financial institutions compete primarily on the quality of services rendered, interest rates on loans and deposits, service charges, the convenience of banking facilities, location and hours of operation and, in the case of loans to larger commercial borrowers, relative lending limits.

Many competitors are larger than the Corporation and have significantly greater financial resources, personnel, and locations from which to conduct business. In addition, the Bank is subject to banking regulations while certain non-banking competitors may not be subject to similar regulations. For more information, see the "Supervision and Regulation" section below and Item 1A, "Risk Factors".

Mid Penn has been able to compete effectively with other financial institutions by emphasizing customer-focused relationship management and services, convenient hours, efficient and friendly employees, a consultative sales approach, local decision making, and quality products.

Supervision and Regulation

General

Financial holding companies and banks are extensively regulated under both federal and state laws. The regulation and supervision of the Corporation and particularly the Bank are primarily focused on the protection of depositors, the DIF, and the monetary system, and do not prioritize shareholder interests. Enforcement actions that may be imposed by federal and state banking regulators include the imposition of a conservator or receiver, cease-and-desist orders and written agreements, the termination of insurance on deposits, the imposition of civil money penalties, and removal and prohibition orders. If a banking regulator takes any enforcement action, the value of an equity investment in Mid Penn could be substantially reduced or eliminated. As of December 31, 2024, the Corporation was not subject to any supervisory enforcement actions.

Federal and state banking laws contain numerous provisions affecting various aspects of the business and operations of Mid Penn and the Bank. Mid Penn is subject to, among others, the regulations of the Securities and Exchange Commission and the Board of Governors of the Federal Reserve System (the "Federal Reserve"). The Bank is subject to, among others, the regulations of the Pennsylvania Department of Banking and Securities and the FDIC. The descriptions below of, and references to, applicable statutes and regulations are not intended to be complete lists or reflective of all applicable provisions or their effects on the Corporation. They are summaries of the more significant laws and regulations and are qualified in their entirety by reference to the complete provisions of such statutes and regulations.

Holding Company Regulation

Mid Penn is a registered financial holding company subject to supervision and regulation by the Federal Reserve. As such, it is subject to the Bank Holding Company Act of 1956 ("BHCA") and many of the Federal Reserve's regulations promulgated thereunder. The Federal Reserve has broad enforcement powers over financial and bank holding companies, including the power to impose substantial fines and civil penalties.

The BHCA requires Mid Penn to file an annual report with the Federal Reserve regarding the holding company and its subsidiary bank. The Federal Reserve also conducts examinations of the holding company. The Bank is not a member of the Federal Reserve System; however, the Federal Reserve possesses cease-and-desist powers over financial and bank holding companies and their subsidiaries where actions would constitute an unsafe or unsound practice or violation of law. The Federal Reserve also makes policy that applies to the declaration and distribution of dividends by financial and bank holding companies.

The BHCA restricts a financial or bank holding company's ability to acquire control of additional banks. In addition, the BHCA restricts the activities in which financial or bank holding companies may engage directly or through nonbank subsidiaries.

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Gramm-Leach-Bliley Financial Modernization Act

Under the Gramm-Leach-Bliley Financial Modernization Act ("GLB"), bank holding companies that meet certain management, capital, and Community Reinvestment Act standards, are permitted to elect to become financial holding companies. No prior regulatory approval will be required for a financial holding company to acquire a company, other than a bank or savings association, engaged in certain financial activities permitted under GLB. Activities cited by GLB as being financial in nature include:

- securities underwriting, dealing and market making;
- sponsoring mutual funds and investment companies;
- insurance underwriting and agency;
- merchant banking activities; and
- activities that the Federal Reserve has determined by regulation to be closely related to banking.

In addition to permitting financial holding companies' entry into new lines of business, the law allows companies the freedom to streamline existing operations and to potentially reduce costs. The GLB may increase both opportunity and competition.

In December 2019, Mid Penn made the election to be treated as a financial holding company as its subsidiary bank was well capitalized under the FDIC Improvement Act's prompt corrective action provisions, the holding company and Bank were deemed by the regulators to be well managed, and the Bank had at least a satisfactory rating under the Community Reinvestment Act. The required filing supporting this election was a declaration that the bank holding company wished to become a financial holding company and met all applicable requirements. Mid Penn made the election given the Corporation's growth and the intended broadening spectrum of financial product and service offerings to potentially include, but not be limited to, insurance and wealth management services.

Bank Regulation

As a Pennsylvania-chartered, non-member bank, the Bank is subject to supervision, regulation, and examination by both the Pennsylvania Department of Banking and Securities and the FDIC. The deposits of the Bank are insured by the FDIC to the maximum extent provided by law. The FDIC assesses deposit insurance premiums, the amount of which depends in part on both the asset size and the condition of the Bank. Moreover, the FDIC may terminate deposit insurance of the Bank under certain circumstances. The federal and state banking regulatory agencies have broad enforcement powers over depository institutions under their jurisdiction, including the power to terminate deposit insurance, to impose fines and other civil and criminal penalties, and to appoint a conservator or receiver if any of a number of conditions is met. In addition, the Bank is subject to a variety of local, state, and federal laws that affect its operations.

Banking regulations affect a wide range of the Bank's activities and operations, including, but not limited to, permissible types and amounts of loans, investments and other activities, capital adequacy, branching, interest rates on loans, compensation standards, payment of dividends, various bank account and bank service disclosures, and the safety and soundness of banking practices.

Capital Requirements, Prompt Corrective Action and Basel III Capital Reforms

Under risk-based capital requirements for financial or bank holding companies, Mid Penn is required to maintain a minimum ratio of total capital to risk-weighted assets (including certain off-balance-sheet activities, such as standby letters of credit) of 10.5%. At least half of the total capital is to be composed of common equity, retained earnings and qualifying perpetual preferred stock, less goodwill ("Tier 1 Capital"). The remainder may consist of subordinated debt, non-qualifying preferred stock, and a limited amount of the loan loss allowance ("Tier 2 Capital"). Combined, the Tier 1 Capital and Tier 2 Capital comprise regulatory "Total Capital". As of December 31, 2024, Mid Penn complied with these risk-based capital requirements.

In addition, the Federal Reserve has established minimum leverage ratio requirements for bank holding companies. These requirements provide for a minimum leverage ratio of Tier 1 Capital to adjusted average quarterly assets ("leverage ratio") equal to 3% for bank holding companies that meet certain specified criteria, including having the highest regulatory rating. All other bank holding companies will generally be required to maintain a leverage ratio of at least 4-5%. The requirements also provide that bank holding companies experiencing internal growth or making acquisitions will be expected to maintain strong capital positions substantially above the minimum supervisory levels without significant reliance on intangible assets. Furthermore, the requirements indicate that the Federal Reserve will continue to consider a "Tangible Tier 1

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Leverage Ratio" (deducting all intangibles) in evaluating proposals for expansion or new activity. As of December 31, 2024, Mid Penn has met these leverage requirements, and the Federal Reserve has not advised Mid Penn of any specific minimum Tier 1 leverage ratio requirement.

The Bank is subject to similar capital requirements adopted by the FDIC, and as of December 31, 2024, the Bank's capital levels were sufficient to be considered "well-capitalized". The FDIC has not advised the Bank of any specific minimum leverage ratios.

The capital ratios of Mid Penn and the Bank are described in "Note 17 - Regulatory Matters", within Item 8, Notes to Consolidated Financial Statements, which are included herein.

Banking regulators may further refine capital requirements applicable to banking organizations, including those discussed in the "Regulatory Capital Changes" section below. Changes to capital requirements could materially affect the profitability of Mid Penn or the fair value of Mid Penn stock.

In addition to the required minimum capital levels described above, federal law establishes a system of "prompt corrective actions" which federal banking agencies are required to take, and certain actions which they have discretion to take, based upon the capital category into which a federally regulated depository institution falls. Regulations set forth detailed procedures and criteria for implementing prompt corrective action in the case of any institution that is not adequately capitalized. Under the rules, an institution will be deemed to be "adequately capitalized" if it exceeds the minimum federal regulatory capital requirements. However, it will be deemed "undercapitalized" if it fails to meet the minimum capital requirements, "significantly undercapitalized" if it has a Total Risk-Based Capital ratio that is less than 6%, a Tier 1 Risk-Based Capital ratio that is less than 3%, or a leverage ratio that is less than 3%, and "critically undercapitalized" if the institution has a ratio of tangible equity to total assets that is equal to or less than 2%.

The prompt corrective action rules require an undercapitalized institution to file a written capital restoration plan, along with a performance guaranty by its holding company or a third party. In addition, an undercapitalized institution becomes subject to certain automatic restrictions including a prohibition on payment of dividends, a limitation on asset growth and expansion, in certain cases, a limitation on the payment of bonuses or raises to senior executive officers, and a prohibition on the payment of certain "management fees" to any "controlling person". Institutions that are classified as undercapitalized are also subject to certain additional supervisory actions, including increased reporting burdens and regulatory monitoring, a limitation on the institution's ability to make acquisitions, open new branch offices, or engage in new lines of business, obligations to raise additional capital, restrictions on transactions with affiliates, and restrictions on interest rates paid by the institution on deposits. In certain cases, bank regulatory agencies may require replacement of senior executive officers or directors, or sale of the institution to a willing purchaser. If an institution is deemed "critically undercapitalized" and continues in that category for four quarters, the statute requires, with certain limited exceptions, that the institution be placed in receivership.

Mid Penn and the Bank are subject to the Basel III Rules that are based upon the final framework of the Basel Committee for strengthening capital and liquidity regulation. Under the Basel III Rules, Mid Penn and the Bank apply the standardized approach in measuring risk weighted assets ("RWA") and regulatory capital.

Under the Basel III Rules, Mid Penn and the Bank are subject to the following minimum capital ratios:

- Common equity tier 1 capital ("CET1") to risk-weighted assets of 4.5%
- Tier 1 capital to RWA of 6.0%
- Total capital to RWA of 8.0%
- Leverage ratio of 4.0%

The Basel III Rules also included a "capital conservation buffer" of 2.5%, composed entirely of CET1, in addition to the minimum capital to RWA ratios outlined above, resulting in effective minimum common equity tier 1, Tier 1 and total capital ratios of 7.0%, 8.5% and 10.5%, respectively. The capital conservation buffer is designed to absorb losses during periods of economic stress. Banking institutions with a capital ratio above the minimum, but below the conservation buffer, will face restrictions on dividends, equity repurchases, and executive compensation based on the amount of the shortfall and the institution's "eligible retained income" (that is, four quarter trailing net income, net of distributions and tax effects not reflected in net income). As of December 31, 2024, the Corporation and the Bank exceeded the minimum capital requirements, including the capital conservation buffer, as prescribed in the Basel III Rules.

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The Basel III Rules provide for a number of required deductions from and adjustments to CET1. These deductions and adjustments include, for example, goodwill, other intangible assets, and deferred tax assets ("DTAs") that arise from net operating loss and tax credit carryforwards net of any related valuation allowance. DTAs arising from temporary differences that could not be realized through net operating loss carrybacks and investments in non-consolidated financial institutions must also be deducted from CET1 to the extent that they exceed certain thresholds. Through subsequent rulemaking, the federal banking agencies provided certain forms of relief to banking organizations, such as Mid Penn and the Bank, that are not subject to the advanced approaches framework. Mid Penn and the Bank made a one-time, permanent election under the Basel III Rules to exclude the effects of certain components of accumulated ("AOCI") included in shareholders' equity under generally accepted accounting principles in the United States ("GAAP") in determining regulatory capital ratios.

Under the Basel III Rules, certain off-balance sheet commitments and obligations are converted into RWA, that together with on-balance sheet assets, are the base against which regulatory capital is measured. The Basel III Rules defined the risk-weighting categories for bank holding companies and banks that follow the standardized approach, such as Mid Penn and the Bank, based on a risk-sensitive analysis, depending on the nature of the exposure.

The Capital Simplifications Rules eliminated the standalone prior approval requirement in the Basel III Rules for any repurchase of common stock. In certain circumstances, repurchases of our common stock may be subject to a prior approval or notice requirement under other regulations or policies of the Federal Reserve. Any redemption or repurchase of preferred stock or subordinated debt remains subject to the prior approval of the Federal Reserve.

Safety and Soundness Standards

The federal banking regulatory agencies have adopted a set of guidelines prescribing safety and soundness standards for depository institutions such as the Bank. The guidelines establish general standards relating to management practices, internal controls and information systems, internal audit systems, loan documentation, credit underwriting, interest rate exposure, asset growth, asset quality, liquidity, capital, earnings, compensation, fees, and benefits. In general, the guidelines require, among other things, appropriate systems and practices to identify and manage the risks and exposures specified in the guidelines. The guidelines prohibit excessive compensation as an unsafe and unsound practice and describe compensation as excessive when the amounts paid are unreasonable or disproportionate to the services performed by an executive officer, employee, director, or principal shareholder.

In addition, the agencies adopted regulations that authorize an agency to order an institution that has been given notice by an agency that it is not satisfying any of such safety and soundness standards to submit a compliance plan. If an institution is not satisfying certain safety and soundness standards and fails to submit to the banking regulatory agency an acceptable compliance plan or fails to implement an accepted plan, the agency may issue an order directing action to correct the deficiency and may issue an order directing other actions be taken, including restricting asset growth, restricting interest rates paid on deposits, restricting dividend payments to shareholders, and requiring an increase in the institution's ratio of tangible equity to assets. For the periods reported in this Form 10-K and in the period subsequent to December 31, 2024, up to the date of the filing of this Form 10-K, Mid Penn was not subject to any such bank regulatory orders.

Commercial Real Estate Guidance

Federal agencies released additional guidance in July 2023, in response to the increased commercial real estate ("CRE") concentrations that have occurred in recent years. The guidance identifies institutions that are potentially exposed to significant CRE concentration risk as those who have experienced rapid growth in CRE lending, have notable exposures to a specific type of CRE, or are approaching, or exceed the following supervisory criteria:

- Total loans reported on the Report of Condition for construction, land development, and other land represent 100 percent or more of the institution's total capital; or
- Total CRE loans as defined in the CRE guidance represent 300 percent or more of the institution's total capital, and the outstanding balance of the institution's CRE loan portfolio has increased by 50 percent or more during the prior 36 months.

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If the Bank's portfolio exceeds the guidelines mentioned above, additional risk management practices may be needed. In the analysis of the CRE portfolio, the consideration of the following factors could mitigate the risk posed by the concentration:

- Portfolio diversification across property types;
- Geographic dispersion of CRE loans;
- Underwriting standards;
- Level of pre-sold units or other types of take-out commitments on construction loans; and
- Portfolio liquidity.

Banks that have experienced significant growth in their CRE lending will receive closer regulatory review than those that have not.

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

Commercial real estate loans increased 9.2% from December 31, 2023 to December 31, 2024. Commercial real estate loans were the largest driver of the \$190.3 million growth in the total loan portfolio. Non-owner occupied commercial real estate loan exposure represents 28.2% of total loan balances and is primarily limited to suburban offices.

Payment of Dividends and Other Restrictions

Mid Penn's holding company is a legal entity separate and distinct from its wholly-owned Bank subsidiary. There are various legal and regulatory limitations on the extent to which the Bank can, among other things, finance, or otherwise supply funds to the holding company. Specifically, dividends from the Bank are the principal source of the holding company's cash funds, and there are certain legal restrictions under Pennsylvania law and Pennsylvania banking regulations on the payment of dividends by state-chartered banks. The relevant regulatory agencies also have authority to prohibit Mid Penn and the Bank from engaging in what, in the opinion of such regulatory body, constitutes an unsafe or unsound banking practice. Depending upon the financial condition of the holding company and the Bank, the payment of dividends could be deemed by a regulatory agency to constitute such an unsafe or unsound practice. The holding company and the Bank were not subject to any such dividend prohibitions during the years ended December 31, 2024, 2023, and 2022.

Deposit Insurance

The FDIC insures deposits of the Bank through the DIF. The FDIC maintains the DIF by assessing depository institutions an insurance premium. The amount each institution is assessed is based upon a variety of factors that include the level of assets and tangible equity, and the condition of the Bank (the degree of risk the institution poses to the insurance fund). The FDIC insures deposits up to \$250,000. The Bank pays an insurance premium into the DIF based on a regulatory defined assessment calculation. The FDIC uses a risk-based premium system that assesses higher rates on those institutions that pose greater risks to the DIF. The FDIC places each institution in one of four risk categories using a two-step process based first on capital ratios (the capital group assignment) and then on other relevant information (the supervisory group assignment). Subsequently, the rate for each institution within a risk category may be adjusted depending upon different factors that either enhance or reduce the risk the institution poses to the DIF, including the unsecured debt, secured liabilities and brokered deposits related to each institution. Finally, certain risk multipliers may be applied to the adjusted assessment.

Beginning with the second quarter of 2011 and as applicable continuously through to the current period, as mandated by the Dodd-Frank Act, the assessment base that the FDIC uses to calculate assessment premiums is the Bank's average assets minus average tangible equity. As the asset base of the banking industry is larger than the deposit base, the range of assessment rates is a low of 2.5 bp and a high of 45 bp, per \$100 of assets.

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The FDIC was required under the Dodd-Frank Act to establish assessment rates that allowed the DIF to achieve a reserve ratio of 1.35% of Insurance Fund insured deposits by September 2020. In addition, the FDIC has established a long term goal of a "designated reserve ratio" of 2%, a target ratio that, until it is achieved, will not likely result in the FDIC reducing assessment rates.

The reserve ratio is currently below the minimum and in October 2022, the FDIC adopted a final rule to increase initial base deposit insurance assessment rates uniformly by 2 basis points with the intention of reaching the statutory minimum by September 30, 2028. These new rates will remain in effect until the reserve ratio meets or exceeds 2%.

Consumer Protection Laws

A number of laws govern the relationship between the Bank and its customers. For example, the Community Reinvestment Act is designed to encourage services, investments, and lending activities in low- and moderate-income areas. Federal Bank regulatory agencies passed a final rule in August 2023 to strengthen and modernize the regulations to better achieve the purposes of the law. These changes will begin to take effect on January 1, 2026.

The Home Mortgage Disclosure Act and the Equal Credit Opportunity Act attempt to minimize lending decisions based on impermissible criteria, such as race or gender. The Truth-in-Lending Act and the Truth-in-Savings Act require banks to provide certain disclosure of relevant terms related to loans and savings accounts, respectively. Anti-tying restrictions (which prohibit conditioning the availability or terms of credit on the purchase of another banking product) further restrict the Bank's relationships with its customers. The Bank maintains a comprehensive compliance management program to promote its compliance with these and other applicable consumer protection laws and regulations.

Privacy Laws

The federal banking regulators have issued a number of regulations governing the privacy of consumer financial and customer information. The regulations limit the disclosure by financial institutions, such as the Corporation and Bank, of nonpublic personal information about individuals who obtain financial products or services for personal, family, or household purposes. Subject to certain exceptions allowed by law, the regulations cover information sharing between financial institutions and nonaffiliated third parties. More specifically, the regulations require financial institutions to provide:

- initial notices to customers about their privacy policies, describing the conditions under which they may disclose nonpublic personal financial information to nonaffiliated third parties and affiliates;
- annual notices of their privacy policies to their current customers; and
- a reasonable method for consumers to "opt out" of disclosures to nonaffiliated third parties.

Affiliate Transactions

Transactions between the Bank and the Corporation, and/or its nonbank subsidiary affiliates are governed by Sections 23A and 23B of the Federal Reserve Act. An "affiliate" of a bank or savings institution is any company or entity that controls, is controlled by, or is under common control with the bank or savings institution. Generally, a subsidiary of a depository institution that is not also a depository institution is not treated as an affiliate of the bank for purposes of Sections 23A and 23B. Sections 23A and 23B are intended to protect insured depository institutions from suffering losses arising from transactions with non-insured affiliates, by limiting the extent to which a bank or its subsidiaries may engage in covered transactions with any one affiliate and with all affiliates of the bank in the aggregate, and requiring that such transactions be on terms that are consistent with safe and sound banking practices.

The USA Patriot Act, Anti-Money Laundering and Anti-Terrorism Financing

The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 ("USA Patriot Act") broadened the application of anti-money laundering regulations to apply to additional types of financial institutions, such as broker-dealers, and strengthened the ability of the U.S. government to detect and prosecute international money laundering and the financing of terrorism. Under Title III of the USA Patriot Act, also known as the International Money Laundering Abatement and Anti-Terrorism Financing Act of 2001, all financial institutions, including Mid Penn and the Bank, are required in general to identify their customers, adopt formal and comprehensive anti-money laundering programs, scrutinize or prohibit altogether certain transactions of special concern, and be prepared to respond to

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inquiries from U.S. law enforcement agencies concerning their customers and their transactions. The principal provisions of Title III of the USA Patriot Act require that regulated financial institutions, including state-chartered banks:

- establish an anti-money laundering program that includes training and audit components;
- comply with regulations regarding the verification of the identity of any person seeking to open an account;
- take additional required precautions with non-U.S. owned accounts; and
- perform certain verification and certification of money laundering risk for their foreign correspondent banking relationships.

Additional information sharing among financial institutions, regulators, and law enforcement authorities is encouraged for financial institutions that comply with this provision and the authorization of the Secretary of the Treasury to adopt rules to further encourage cooperation and information-sharing.

The USA Patriot Act also expanded the conditions under which funds in a U.S. interbank account may be subject to forfeiture and increased the penalties for violation of anti-money laundering regulations. Failure of a financial institution to comply with the USA Patriot Act's requirements could have serious legal and reputational consequences for the institution. The effectiveness of a financial institution in combating money-laundering activities is a factor to be considered in any application submitted by the financial institution under the Bank Merger Act, which applies to the Bank.

The Bank has adopted policies, procedures, and controls to address compliance with the requirements of the USA Patriot Act under the existing regulations and will continue to revise and update its policies, procedures and controls to reflect changes required by the USA Patriot Act and implementing regulations.

JOBS Act

In 2012, the Jumpstart Our Business Startups Act (the "JOBS Act") became law. The JOBS Act is aimed at facilitating capital raising by smaller companies, banks, and bank holding companies. Certain changes implemented by the JOBS Act that impacted Mid Penn included (i) raising the threshold requiring registration under the Securities Exchange Act of 1934 (the "Exchange Act") for banks and bank holdings companies from 500 to 2,000 holders of record, and (ii) raising the threshold for triggering deregistration under the Exchange Act for banks and bank holding companies from 300 to 1,200 holders of record.

Dodd-Frank Act

The Dodd-Frank Act, which became law in July 2010, significantly changed regulation of financial institutions and the financial services industry. Dodd-Frank created a Financial Services Oversight Council to identify emerging systemic risks and improve interagency cooperation, and centralized responsibility for consumer financial protection by creating a new agency, the Consumer Financial Protection Bureau, which is responsible for implementing, examining, and enforcing compliance with federal consumer financial laws. Dodd-Frank also permanently raised the current standard maximum deposit insurance amount to \$250,000, established strengthened capital standards for banks, disallowed certain trust preferred securities from qualifying as Tier 1 Capital (subject to certain grandfather provisions for existing trust preferred securities), established new minimum mortgage underwriting standards, granted the Federal Reserve the power to regulate debit card interchange fees, and implemented corporate governance changes.

Effects of Government Policy and Potential Changes in Regulation

Changes in regulations applicable to the Corporation, the Bank, or its nonbank subsidiaries, or shifts in monetary or other government policies, could have a material effect on our business. The Corporation's business is also affected by the state of the financial services industry in general. As a result of legal, economic, and competitive changes, management believes that the Corporation and the financial services industry will continue to experience an increased rate of change from both the opportunities and competitive challenges resulting from greater product and service offerings, technological advancements, and business combinations.

From time to time, legislation is enacted that has the effect of increasing the compliance and operations requirements and the cost of doing business, changing the tax structure applicable to Mid Penn, limiting or expanding permissible activities, or affecting the competitive balance between banks and other financial institutions. Proposals to change the laws and regulations governing the operations and taxation of banks, bank holding companies and other financial institutions are

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frequently made in Congress and the various bank regulatory agencies. Mid Penn cannot predict the likelihood of any major changes or the impact such changes might have on Mid Penn, the Bank, or the nonbank subsidiaries. Congressional bills and other proposals could result in additional significant changes to the financial services and banking system, including, but not limited to, provisions for limitations on deposit insurance coverage, changing the timing and method financial institutions use to pay for deposit insurance, expanding the power of banks by removing the restrictions on bank underwriting activities, changing the regulation of bank derivatives activities, and allowing commercial enterprises to own banks. As a consequence of the extensive regulation of commercial banking activities in the United States, the Bank's business is particularly susceptible to being affected by federal legislation and regulations that may increase the costs of doing business or change the Corporation's competitive landscape. Whether any future legislation will be enacted, or additional regulations will be adopted, and how they might impact Mid Penn, cannot be determined at this time.

Mid Penn's earnings are, and will be affected by, domestic economic conditions and the monetary and fiscal policies of the United States government and its agencies. The monetary policies of the Federal Reserve have had, and will likely continue to have, an impact on the operating results of commercial banks because of the Federal Reserve's power to implement national monetary policy to, among other things, promote employment, control inflation or combat recession. The Federal Reserve has a major impact on the loan and deposit rates offered by the Bank and its competitors, and on the levels of bank loans, investments and deposits, through its open market operations in United States government securities and through its regulation of, among other things, the discount rate on borrowings of member banks and the reserve requirements against member bank deposits. It is not possible to reasonably predict the nature, amount, frequency, and impact of future changes in monetary and fiscal policies.

Environmental Laws

Management does not anticipate that compliance with environmental laws and regulations will have any material effect on Mid Penn's capital, expenditures, earnings, or competitive position. However, environmentally-related hazards have become a source of high risk and liability for some financial institutions.

Additionally, the Pennsylvania Economic Development Agency, Fiduciary and Lender Environmental Liability Protection Act provides, among other things, protection to lenders from environmental liability and remediation costs under the environmental laws for releases and contamination caused by others. A lender who engages in activities involved in the routine practices of commercial lending, including, but not limited to, the providing of financial services, holding of security interests, workout practices, foreclosure or the recovery of funds from the sale of property shall not be liable under the environmental acts or common law equivalents to the Pennsylvania Department of Environmental Resources or to any other person by virtue of the fact that the lender engages in such commercial lending practice. A lender, however, will be liable if it, its employees or agents, directly cause an immediate release or directly exacerbate a release of a regulated substance on or from the property, or knew and willfully compelled the borrower to commit an action which caused such release or to violate an environmental act. The Pennsylvania Economic Development Agency, Fiduciary and Lender Environmental Liability Protection Act does not limit federal liability, which still exists under certain circumstances.

Corporate Governance

The Sarbanes-Oxley Act of 2002 ("SOX") and related rules and regulations adopted by the SEC and NASDAQ addressed the following issues: corporate governance, auditor independence and accounting standards, executive compensation, insider loans, whistleblower protection, and enhanced and timely disclosure of corporate information. Mid Penn has established policies, procedures, and systems designed to promote compliance with these regulations. Section 404 of SOX requires publicly held companies to document, test and certify that their internal control systems over financial reporting are effective. Effective for year-end financial reports beginning with December 31, 2017, Mid Penn is subject to the independent attestation requirement under Section 404 of the SOX. The Bank remains subject to independent auditor attestation under FDIC regulation 363.3(b), which is a similar independent attestation requirement at the Bank level.

Available Information

Mid Penn's common stock is registered under Section 12(b) of the Exchange Act and is traded on NASDAQ under the trading symbol MPB. Mid Penn is subject to the informational requirements of the Exchange Act, and, accordingly, files reports, proxy statements and other information with the SEC. Mid Penn is an electronic filer with the SEC. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The SEC's Internet site address is www.sec.gov.

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Mid Penn's headquarters are located at 2407 Park Drive, Harrisburg, Pennsylvania 17110, and its telephone number is 1-866-642-7736. Mid Penn's website is midpennbank.com and Mid Penn makes available through its website, free of charge, its annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports as soon as reasonably possible after filing with the SEC. Mid Penn has adopted a Code of Ethics that applies to all employees and this document is also available on Mid Penn's website. The information included on our website is not considered a part of this document.

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ITEM 1A. RISK FACTORS

Before investing in Mid Penn common stock, an investor should carefully read and consider the risk factors described below, which are not intended to be all inclusive, and to review other information contained in this report and in our other filings with the SEC. We are subject to a number of risks potentially impacting our business, financial condition, results of operations and cash flows. As a financial services company, certain elements of risk are inherent in what we do and the business decisions we make. Thus, we encounter risk as part of the normal course of our business, and we design risk management processes to help manage these risks. The risks and uncertainties described below are not the only ones facing Mid Penn's holding company, the Bank, and nonbank subsidiaries. Some of these risks and uncertainties are interrelated and the occurrence of one or more of them may exacerbate the effect of others. Additional risks and uncertainties that we are not aware of, or that we currently deem less significant, or that we are otherwise not specifically focused on, may also impact our business, results of operations, and our common stock. If any of these known or unknown risks or uncertainties actually occurs, our business, financial condition and results of operations could be materially and adversely affected. If this were to happen, the market price of our common stock could decline significantly, and an investor could lose all or part of his or her investment in Mid Penn.

Unless the context otherwise requires, references to "we," "us", "our," "Mid Penn", or "Mid Penn Bancorp, Inc.," collectively refer to Mid Penn Bancorp, Inc. and its subsidiaries, and specific references to the "Bank" refer to Mid Penn Bank, the wholly owned banking subsidiary of Mid Penn Bancorp, Inc.

Risks Related to Our Primary Business and Industry

Mid Penn is subject to interest rate risk.

Mid Penn's earnings and cash flows are largely dependent upon the Bank's net interest income. Net interest income 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 Mid Penn's control, including general economic conditions and policies of various governmental and regulatory agencies and, in particular, the Board of Governors of the Federal Reserve System (the "Federal Reserve"). Changes in monetary policy, including changes in interest rates, could influence not only the interest income the Bank receives on loans and securities and the amount of interest expense it pays on deposits and borrowings, but such changes could also affect (i) the Bank's ability to originate loans and obtain deposits, (ii) the fair value of financial assets and liabilities, and (iii) the average duration of mortgage-backed securities in the Bank's investment portfolio. 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, Mid Penn'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 investments fall more quickly than the interest rates paid on deposits and borrowings. Mid Penn may be subject to a greater risk of rising interest rates due to the current period of rising interest rates and high inflation. In 2024, the Federal Reserve cut interest rates three times in response to cooling inflation and a weakening labor market, after raising interest rates in 2023 and 2022 to curb inflation, which was expected to drive down the prices of income or dividend-paying securities. The risk that interest rates may remain volatile is pronounced.

Management believes it has implemented effective asset and liability management strategies and interest rate risk management activities to reduce the potential effects of changes in interest rates on Mid Penn's results of operations. Any substantial, unexpected, prolonged, or rapid change in market interest rates could have a material adverse effect on the Bank's net interest income and Mid Penn's financial condition and results of operations.

Mid Penn is subject to credit risk.

As of December 31, 2024, approximately 82% of the Bank's loan portfolio consisted of commercial real estate, commercial and industrial, and construction loans. These types of loans are generally viewed as having more risk of default than residential real estate loans or secured consumer loans. Commercial loans are also typically larger than residential real estate loans and consumer loans. Because the loan portfolio contains a significant number of commercial and industrial loans, and construction and commercial real estate loans with relatively large balances, the deterioration of one or a few of these loans could cause a significant increase in non-performing loans. In addition, Mid Penn's credit risk may be exacerbated when the collateral held by Mid Penn cannot be readily realized or liquidated at prices sufficient to recover the full amount of the credit or derivative exposure due to Mid Penn. An increase in non-performing loans or collateral value deficiencies could result in a net loss of earnings from these loans, an increase in the provision for credit losses on loans

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and an increase in loan charge-offs, all of which could have a material adverse effect on Mid Penn's financial condition and results of operations.

The allowance for credit losses may not be sufficient to cover actual loan losses.

Following the issuance by the Financial Accounting Standards Board ("FASB") of Accounting Standards Update ("ASU") 2016-13, "Measurement of Credit Losses on Financial Instruments," effective January 1, 2023, Mid Penn adjusted its loan allowance methodology to reflect the new standard, which requires periodic estimates of lifetime expected credit losses on financial assets and categorizes expected credit losses as allowances for credit losses under the current expected credit loss ("CECL") methodology. Under the CECL model, financial institutions are required to use historical information, current conditions, and reasonable forecasts to estimate the expected loss over the life of the loan. The ACL on loans and leases represents management's estimate of all expected credit losses over the expected contractual life of our existing portfolio loans. The level of the allowance reflects management's continuing evaluation of industry concentrations; specific credit risks; loan loss experience; current loan portfolio quality; changes in present economic, political and regulatory conditions; other external factors such as the ongoing pandemic; and unidentified losses inherent in the current loan portfolio. The determination of the appropriate level of the allowance for credit losses inherently involves a high degree of subjectivity and requires Mid Penn to make significant estimates of current credit risks and future trends, all of which may undergo material changes. Changes in economic and market conditions affecting borrowers, new information regarding existing loans, identification of additional problem credits and other factors, both within and outside of Mid Penn's control, impact the determination of the allowance. In addition, bank regulatory agencies periodically review Mid Penn's allowance for credit losses and may require an increase in the provision for credit losses or the recognition of further loan charge-offs, based on judgments different than those of management.

Any increase in the allowance will result in a decrease in net income and, possibly, capital, and may have a material adverse effect on Mid Penn's financial condition and results of operations.

Competition from other financial institutions may adversely affect Mid Penn's and the Bank's profitability.

Mid Penn's banking subsidiary is subject to rapid changes in technology, regulation, and product innovation, and faces substantial competition in originating both commercial and consumer loans. This competition comes principally from other banks, credit unions, savings institutions, mortgage banking companies and other lenders. Many of its larger competitors who offer loans enjoy advantages over the Bank, including greater financial resources and higher lending limits, a wider geographic presence, more accessible branch office locations, the ability to offer a wider array of services or more favorable pricing alternatives, as well as lower origination and operating costs. This competition could reduce Mid Penn's net income by decreasing the number and size of loans that its banking subsidiary originates, and the interest rates it may charge on these loans.

In attracting business and consumer deposits, the Bank faces substantial competition from other insured depository institutions such as other commercial banks, savings institutions, and credit unions, as well as institutions offering uninsured investment alternatives, including money market funds. Many of Mid Penn's larger competitors who accept deposits also enjoy advantages over the Bank, including greater financial resources, more aggressive marketing campaigns, better brand recognition, and more convenient branch locations. These competitors may offer higher interest rates than Mid Penn, which could decrease the deposits that the Bank attracts or require an increase in rates and interest expense to retain existing deposits or attract new deposits. Increased deposit competition could adversely affect Mid Penn's ability to generate the funds necessary for lending operations. As a result, Mid Penn may need to seek other sources of funds that may be more expensive to obtain and could increase its cost of funds.

Mid Penn's banking subsidiary and nonbank subsidiaries also compete with non-banking providers of financial services, such as brokerage firms, consumer finance companies, credit unions, insurance agencies and governmental organizations, which may offer more favorable terms. Some of its non-banking competitors are not subject to the same extensive and costly regulations that govern Mid Penn's operations. As a result, such non-banking competitors may have advantages over Mid Penn's banking subsidiary and nonbank subsidiaries in providing certain products and services. This competition may reduce or limit Mid Penn's margins on banking services, revenues from nonbanking subsidiaries' activities, reduce its market share and adversely affect its earnings and financial condition.

Mid Penn depends on the accuracy and completeness of information about customers and counterparties.

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In deciding whether to extend credit or enter into other transactions, Mid Penn may rely on information furnished by or on behalf of customers and counterparties, including financial statements, credit reports and other financial information. Mid Penn may also rely on representations of those customers, counterparties or other third parties, such as independent auditors, as to the accuracy and completeness of that information. Reliance on inaccurate or misleading financial statements, credit reports or other financial information could have a material adverse impact on Mid Penn's business and, in turn, Mid Penn's financial condition and results of operations.

The discontinuance of LIBOR presents risks to the financial instruments originated, held or serviced by Mid Penn that use LIBOR as a reference rate.

The London Interbank Offered Rate ("LIBOR") and certain other "benchmarks" are the subject of recent national, international, and other regulatory guidance and proposals for reform. These reforms may cause such benchmarks to perform differently than in the past or have other consequences, which cannot be predicted. On July 27, 2017, the United Kingdom's Financial Conduct Authority ("FCA"), which regulates LIBOR, publicly announced that it intended to stop persuading or compelling banks to submit LIBOR rates after 2021. Since then, regulators, industry groups and certain committees (e.g., the Alternative Reference Rates Committee) have, among other things, published recommended fall-back language for LIBOR-linked financial instruments, identified recommended alternatives for certain LIBOR rates (e.g., the Secured Overnight Financing Rate ("SOFR") as the recommended alternative to U.S. Dollar LIBOR), and proposed implementations of the recommended alternatives in floating rate instruments.

The administrator of LIBOR ceased publishing most non-USD LIBOR settings beginning on January 1, 2022, and as of July 1, 2023, the overnight one-month, three-month, six-month, and 12-month USD LIBOR settings were no longer published.

Currently, SOFR is the alternative reference rate replacing LIBOR for most types of transactions. SOFR is viewed as a "riskless rate" as it is derived from rates on overnight U.S. Treasury repurchase transactions, which are essentially overnight loans secured by U.S. Treasury securities and are largely viewed as not presenting credit risk. The BSBY is another alternative reference rate that is in use primarily in the loan market. BSBY is intended to reflect large banks' marginal wholesale cost of funds and is a credit-sensitive rate with a forward-looking term structure.

The failure to properly transition away from LIBOR may result in increased supervisory scrutiny. In addition, the implementation of LIBOR reform proposals may result in increased compliance costs and operational costs, including costs related to continued participation in LIBOR and the transition to a replacement reference rate or rates, which cannot currently be reasonably estimated.

The discontinuance of LIBOR may result in uncertainty or differences in the calculation of the applicable interest rate or payment amount depending on the terms of the governing documents, may adversely affect the value of Mid Penn's floating rate obligations, loans, deposits, derivatives, and other financial instruments tied to LIBOR rates and may also increase operational and other risks to Mid Penn and the industry, including reputational and litigation risk.

The Basel III capital requirements require Mid Penn to maintain higher levels of capital, which could reduce profitability.

We are subject to comprehensive capital adequacy requirements intended to protect against losses that Mid Penn may incur. Basel III established higher levels of base capital, certain capital buffers, and a migration toward common equity as the key source of regulatory capital. Although these capital requirements have been phased in and met by Mid Penn, the Basel III requirements signal a growing effort by domestic and international bank regulatory agencies to require financial institutions, including depository institutions, to maintain higher levels of capital. The Basel III implementation activities and related regulatory capital targets required additional capital to support our business risk profile. Maintaining higher levels of capital potentially reduces opportunities to leverage interest-earning assets, which could limit the net interest income and profitability of Mid Penn, and adversely impact our financial condition and results of operations.

Our SBA lending program is dependent upon the federal government, and we face specific risks associated with originating SBA loans.

Our SBA lending program is dependent upon the federal government. As an SBA Preferred Lender, we enable our clients to obtain SBA loans without being subject to the potentially lengthy SBA approval process necessary for lenders that are not SBA Preferred Lenders. Our SBA lending program depends on interaction with the SBA, which is an independent agency of the federal government. During a lapse of funding, such as a government shutdown, the SBA may not be able to

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engage in such interaction which may have a material adverse effect on our financial condition and the demand for our services could decline. The SBA periodically reviews the lending operations of participating lenders to assess, among other things, whether the lender exhibits prudent risk management. When weaknesses are identified, the SBA may request corrective actions or impose enforcement actions, including revocation of the lender's Preferred Lender status. If we lose our status as a Preferred Lender, we may lose some or all of our customers to lenders who are SBA Preferred Lenders. Also, any changes to the SBA program, including changes to the level of guarantee provided by the federal government on SBA loans, could adversely affect our business and earnings.

We generally sell the guaranteed portion of our SBA 7(a) program loans in the secondary market. These sales have resulted in premium income for us at the time of sale and created a stream of future servicing income. We may not be able to continue originating these loans or selling them in the secondary market. Furthermore, even if we are able to continue originating and selling SBA 7(a) program loans in the secondary market, we might not continue to realize premiums upon the sale of the guaranteed portion of these loans. When we sell the guaranteed portion of our SBA 7(a) program loans, we incur credit risk on the non-guaranteed portion of the loans, and if a customer defaults on the non-guaranteed portion of a loan, we share any loss and recovery related to the loan pro-rata with the SBA. If the SBA establishes that a loss on an SBA guaranteed loan is attributable to significant technical deficiencies in the manner in which the loan was originated, funded or serviced by us, the SBA may deny its liability under the guaranty for the affected loan or loans, reduce the amount of the guaranty, or, if it has already paid under the guaranty, seek recovery of the principal loss related to the deficiency from us, which could adversely affect our business and earnings.

The laws, regulations and standard operating procedures that are applicable to SBA loan products may change in the future. We cannot predict the effects of these changes on our business and profitability. Because government regulation greatly affects the business and financial results of all commercial banks and bank holding companies, changes in the laws, regulations and procedures applicable to SBA loans could adversely affect our business and earnings.

Acts of terrorism, natural disasters, global climate change, pandemics and global conflicts may have a negative impact on our business and operations.

Acts of terrorism, natural disasters, global climate change, pandemics, global conflicts, and geopolitical tensions (including as a result of the Russia-Ukraine and Israel-Hamas conflicts) or other similar events could have a negative impact on our business and operations. While we have business continuity plans in place, such events occurring or persisting, such as the COVID-19 or any future pandemic, could disrupt or delay the normal operations of our business and our facilities (including communications and technology), result in harm to or cause travel limitations on our employees, and have a similar impact on our clients, suppliers, third-party vendors and counterparties. These events also could impact us negatively to the extent that they result in reduced capital markets activity, lower asset price levels, or disruptions in general economic activity in the United States or abroad, or in financial market settlement functions. In addition, these or similar events may impact economic growth negatively, which could have an adverse effect on our business and operations and may have other adverse effects on us in ways that we are unable to predict.

If Mid Penn's information systems are interrupted or sustain a breach in security, those events may negatively affect Mid Penn's financial performance and reputation.

In conducting its business, Mid Penn relies heavily on its information systems. Maintaining and protecting those systems and data is difficult and expensive, as is dealing with any failure, interruption, or breach in security of these systems, whether due to acts or omissions by Mid Penn or by a third party, and whether intentional or not. Any such failure, interruption, or breach could result in failures or disruptions in Mid Penn's customer relationship management, general ledger, deposit, loan, and other systems. A breach of Mid Penn's information security may result from fraudulent activity committed against Mid Penn or its clients, resulting in financial loss to Mid Penn or its clients, or privacy breaches against Mid Penn's clients. Such fraudulent activity may consist of check fraud, electronic fraud, wire fraud, "phishing", social engineering, identity theft, or other deceptive acts. The policies, procedures, and technical safeguards put in place by Mid Penn to prevent or limit the effect of any failure, interruption, or security breach of its information systems and data may be insufficient to prevent or remedy the effects of any such occurrences. The occurrence of any failures, interruptions, or security breaches of Mid Penn's information systems and data could damage Mid Penn's reputation, cause Mid Penn to incur additional expenses, result in online services or other businesses becoming inoperable, subject Mid Penn to regulatory sanctions or additional regulatory scrutiny, or expose Mid Penn to civil litigation and possible financial liability, any of which could have a material adverse effect on Mid Penn's financial condition and results of operations.

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Mid Penn's business operations and interaction with customers are increasingly done via technology and electronic delivery channels, and this has increased risks related to cyber-attacks and cyber incidents.

In the normal course of business, we collect, process, and retain sensitive and confidential information regarding our customers. Although we devote significant resources and management focus to ensuring the integrity of our systems, Mid Penn is exposed to the risk of cyber-attacks in the normal course of business. In general, cyber incidents can result from deliberate attacks or unintentional events. An increased level of attention in the industry is focused on cyber-attacks that include, but are not limited to, gaining unauthorized access to digital systems for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. To combat against these attacks, Mid Penn has certain security systems and policies and procedures in place to prevent or limit the effect of the possible security breach of its information systems and it has insurance against some cyber-risks and attacks. While Mid Penn has not incurred any material losses related to cyber-attacks, nor is it aware of any specific or threatened cyber-incidents as of the date of this report, it may incur substantial costs and suffer other negative consequences if it falls victim to successful cyber-attacks. Such negative consequences could include remediation costs that may include liability for stolen assets or information and repairing system damage that cyber-attacks may have caused; deploying additional personnel and protection technologies, training employees, and engaging third party experts and consultants; lost revenues resulting from unauthorized use of proprietary information or the failure to retain or attract customers following an attack; litigation; and reputational damage adversely affecting customer or investor confidence, any of which could have a material adverse effect on our business, financial condition or results of operations.

We are required to make a number of judgments in applying generally accepted accounting standards, and different estimates and assumptions in the application of these accounting standards could result in a decrease in capital and/or other material changes to our reports of financial condition and results of operations.

Generally accepted accounting principles involve certain estimates and processes that are particularly susceptible to significant change, including those related to the determination of the allowance for credit losses and reserve for unfunded lending commitments, the fair value of and potential impairment of certain financial instruments including investment securities, income tax assets or liabilities (including deferred tax assets and any related valuation allowance), and share-based compensation. While we have identified critical accounting policies and have procedures and processes in place to support making the related judgments and estimates, changes to the processes, assumptions, or models in the application of these generally accepted accounting principles, and the impact to the related judgments and estimates could result in a decrease to net income and, possibly, capital and may have a material adverse effect on our financial condition and results of operations. From time to time, the Financial Accounting Standards Board, and the SEC issues changes to or updated interpretations of the financial accounting and reporting guidance that governs the preparation of Mid Penn's financial statements. These changes are beyond our control, can be difficult to predict, and could materially impact how we report our financial condition and results of operations. We could be required to apply new or revised guidance retrospectively, which may result in the revision of prior financial statements by material amounts. The implementation of new or revised guidance could also result in material adverse effects to our reported capital.

Mid Penn's mortgage banking income may experience significant volatility.

Mortgage banking income is highly influenced by the level and direction of market forces including mortgage interest rates, and real estate and refinancing activity. Mid Penn sells a significant amount of residential mortgage loans into the secondary market. The sale of these loans generates noninterest income and can be a source of liquidity for the Bank. Disruption in the secondary market for residential mortgage loans as well as declines in real estate values could result in an inability to sell mortgage loans on the secondary market, which could negatively impact Mid Penn's liquidity position. A decline in real estate values could decrease the potential of mortgage originations for Mid Penn, which could negatively impact our earnings.

Additionally, in lower interest rate environments, the demand for mortgage loans and refinancing activity will tend to increase. This has the effect of increasing fee income but could adversely impact the estimated fair value of Mid Penn's mortgage servicing rights as the rate of loan prepayments increase. In higher interest rate environments, the demand for mortgage loans and refinancing activity will generally be lower. This has the effect of decreasing mortgage loan originations and refinance activities, and related fee income opportunities.

Mid Penn could be required to repurchase mortgage loans or indemnify mortgage loan purchasers due to breaches of representations and warranties, borrower fraud, or certain borrower defaults, which could have a material adverse impact on our liquidity, results of operations and financial condition.

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Mid Penn originates and sells a significant amount of residential mortgage loans into the secondary market. When Mid Penn sells mortgage loans, Mid Penn is required to make customary representations and warranties to purchasers about the mortgage loans and the manner in which they were originated. The agreements pursuant to which the loans are sold require Mid Penn to repurchase or substitute mortgage loans in the event there was a breach of any of these representations or warranties. In addition, Mid Penn may be required to repurchase mortgage loans as a result of borrower fraud or in the event of early payment default of the borrower on a mortgage loan. If repurchase and indemnity demands increase significantly, Mid Penn's liquidity, results of operations and financial condition may be adversely affected.

Mid Penn's profitability depends significantly on economic conditions in Pennsylvania.

Unlike larger or regional financial institutions that are more geographically diversified, Mid Penn's success is dependent to a significant degree on economic conditions in Pennsylvania, especially in the eighteen counties and the specific markets primarily served by Mid Penn. The banking industry is affected by general economic conditions, including the effects of inflation, recession, unemployment, real estate values, trends in national and global economics, and other factors beyond our control. An economic recession or a delayed recovery over a prolonged period of time in Pennsylvania, or more specific to the counties or communities in Pennsylvania served by Mid Penn, could cause an increase in the level of the Bank's non-performing assets and loan losses, thereby causing operating losses, impairing liquidity, and eroding capital. Mid Penn cannot assure that adverse changes in the local and state economy supporting its market area would not have a material adverse effect on Mid Penn's consolidated financial condition, results of operations, and cash flows.

Mid Penn is subject to claims and litigation pertaining to fiduciary responsibility.

From time to time, customers and shareholders may make claims and take legal action pertaining to Mid Penn's performance of its fiduciary responsibilities. Whether such claims and legal action related to Mid Penn's performance of its fiduciary responsibilities are founded or unfounded, if such claims and legal actions are not resolved in a manner favorable to Mid Penn, the claims or related litigation processes may result in significant financial expense and liability, and/or adversely affect the market perception of Mid Penn and its products and services, as well as impact customer demand for those products and services. Any financial liability or reputation damage could have a material adverse effect on Mid Penn's business, which, in turn, could have a material adverse effect on Mid Penn's financial condition and results of operations.

Mid Penn operates in a highly regulated environment and may be adversely affected by changes in federal, state and local laws and regulations.

The Corporation, the Bank, and its nonbank subsidiaries are collectively subject to extensive regulation, supervision, and examination by federal and state banking authorities. The potential exists for additional or amended federal or state laws and regulations, or changes in supervisory policies or activities, to materially affect many aspects of Mid Penn's operations, including capital levels, lending and funding practices, and liquidity standards. New laws and regulations may increase costs of regulatory compliance and of doing business and otherwise affect operations and may significantly affect the markets in which Mid Penn does business, the markets for and value of Mid Penn's loans and investments, the ability to attract deposits at a reasonable cost, the fees charged, and ongoing operations, costs and profitability. Further, additional legislation and regulations that could significantly affect Mid Penn's powers, authority and operations may be enacted or adopted in the future, which could have a material adverse effect on its financial condition and results of operations. Also, regulators have significant discretion and authority to prevent or remedy unsafe or unsound practices or violations of laws by banks and bank holding companies in the performance of their supervisory and enforcement duties. Any changes in applicable regulations or federal, state or local legislation, or the exercise of bank regulatory authority, may have a negative impact on Mid Penn's results of operations, financial condition, and its ability to pay dividends on common stock. The burden imposed by federal and state regulators puts Mid Penn at a competitive disadvantage compared to less regulated competitors such as finance companies, mortgage banking companies and leasing companies.

In addition, changes in laws or regulations that affect Mid Penn's customers and business partners could negatively affect Mid Penn's revenues and expenses. Certain changes in laws such as tax law reforms that impose limitations on the deductibility of interest may decrease the demand for Mid Penn's products or services and could negatively affect its revenues and results of operations. Other changes in laws or regulations could cause Mid Penn's third-party service providers and other vendors to increase the prices they charge to Mid Penn and negatively affect Mid Penn's expenses and financial results.

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The soundness of other financial institutions may adversely affect Mid Penn.

Financial services institutions are interrelated as a result of trading, clearing, counterparty, or other relationships. Mid Penn has exposure to many different industries and counterparties, and routinely executes transactions with counterparties in the financial services industry, including commercial banks, brokers and dealers, investment banks, and other institutional clients. Many of these transactions expose Mid Penn to credit risk and losses in the event of a default by a counterparty or client. Any such losses could have a material adverse effect on Mid Penn's financial condition and results of operations.

During 2023, five banks either failed or were sold in an FDIC-assisted transaction. Mid Penn did not have any direct exposure to any of the affected banks. However, if other banks or financial institutions enter receivership or become insolvent in the future in response to financial conditions affecting the banking system and financial markets, our ability to access our existing cash, cash equivalents and investments may be threatened and could have a material adverse effect on our business and financial condition.

Volatility in financial markets and the economy may have materially adverse effects on our liquidity and financial condition.

The capital and credit markets have recently experienced extreme volatility and economic disruption, most recently due to the takeover by the FDIC of both Silicon Valley Bank ("SVB") and Signature Bank in March 2023, and, prior to that, due to the COVID-19 pandemic. Adverse financial market and economic conditions can exert downward pressure on stock prices, security prices, and credit availability for certain issuers without regard to their underlying financial strength. The volatility resulting from the failures of SVB and Signature Bank has particularly impacted the price of securities issued by financial institutions, including Mid Penn's.

If such levels of financial market and economic disruption and volatility continue, there can be no assurance that Mid Penn will not experience adverse effects, which may materially affect its liquidity, financial condition, and profitability.

Mid Penn's banking subsidiary may be required to pay higher FDIC insurance premiums or special assessments which may adversely affect its earnings.

Poor economic conditions and the resulting bank failures from the most recent recession stressed the DIF and increased the costs of the Bank's FDIC insurance assessments. Promptly following the recent failures of SVB and Signature Bank in March 2023, the federal banking regulators announced that the FDIC will use funds from the DIF to ensure that all depositors in SVB and Signature Bank are made whole, at no cost to taxpayers. Mid Penn anticipates that the FDIC will impose additional special assessments on all banks in order to replenish the DIF. Mid Penn generally is unable to control the amount of premiums or special assessments that its banking subsidiary is required to pay for FDIC insurance. As of December 31, 2024, Mid Penn has not been subject to additional special assessments. Any special assessments or future changes in the calculation or assessment of FDIC insurance premiums may have a material adverse effect on the results of Mid Penn's operations and financial condition.

If we conclude that there is a decline in the value of any of our AFS investment securities, we may be required to record an allowance for credit losses where periodic changes are recognized in earnings.

Mid Penn reviews its available-for-sale investment securities portfolio at each quarter-end reporting period to determine if any security has a fair value less than its amortized cost. To determine whether a decline in fair value resulted from a credit loss or other factors, Mid Penn performs further analysis as outlined below:

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

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Due to the complexity of the process, inputs, calculations, and assumptions used in determining whether an investment is in an unrealized loss position, Mid Penn's assessment of or disclosure of the credit loss on investments may not accurately reflect the actual credit loss in the future.

Mid Penn is subject to environmental, social and governance ("ESG") risks that could adversely affect our results of operations, reputation, and the market price of our securities.

Mid Penn is subject to a variety of risks arising from ESG matters. ESG matters include environmental and climate change activism, diversity activism, and racial and social justice issues. Such matters may involve our personnel, customers, or third parties with whom we do business. Risks arising from ESG matters may adversely affect, among other things, our reputation and the market price of our securities. Further, Mid Penn may be exposed to negative publicity based on the identity and activities of our shareholders, those to whom we lend and with which we otherwise do business, and the public's view of the approach and requirements of our state or federal regulators, customers, and business partners with respect to ESG matters. Any such negative publicity could arise through traditional media or electronic social media platforms. Mid Penn's relationships and reputation with our existing and prospective customers and third parties with which we do business could be damaged if we were to become the subject of any such negative publicity. This, in turn, could have an adverse effect on Mid Penn's ability to attract and retain customers and employees and could have a negative impact on the market price for our securities.

Investor advocacy groups, investment funds and influential investors have begun to consider the steps taken and resources allocated by financial institutions and other commercial organizations with respect to ESG matters when making investment decisions. Certain investors are beginning to incorporate the business risks of ESG regulation and activism and the adequacy of companies' responses to these into their investment decisions. These shifts in investing priorities may result in adverse effects on the market price of Mid Penn's securities.

The U.S. Congress, state legislatures and federal and state regulatory agencies, as well as certain stock exchanges, continue to propose numerous initiatives related to ESG matters. The lack of empirical data surrounding the credit and other financial risks posed by ESG regulation and activism render it impossible to predict how specifically ESG matters may impact Mid Penn's financial condition and results of operations.

Federal and state banking regulators and supervisory authorities, investors and other stakeholders have increasingly viewed financial institutions as a tool to effect ESG activism, both directly and with respect to their customers, which may result in financial institutions coming under increased pressure regarding the disclosure and management of ESG matters. Given that ESG matters could impose systemic risks upon the financial sector, via disruptions in economic activity resulting from activism, Mid Penn faces increasing focus on our resilience to ESG risks. Ongoing legislative or regulatory uncertainties and changes regarding ESG risk management and practices may result in higher regulatory, compliance, credit and reputational risks and costs.

Actual or perceived shortcomings with respect to these ESG initiatives and reporting can impact Mid Penn's ability to hire and retain employees, increase its customer base or attract and retain certain types of investors. In addition, certain organizations that provide corporate governance and other corporate risk information to investors and shareholders have developed scores and ratings to evaluate companies based upon ESG metrics. Collecting, measuring, and reporting ESG information and metrics can be costly, difficult and time consuming, is subject to evolving reporting standards, and can present numerous operational, reputational, financial, legal and other risks, any of which could have a material impact, including on Mid Penn's reputation and stock price.

Mid Penn is subject to environmental liability risk associated with lending activities.

A significant portion of Mid Penn's loan portfolio is secured by real property. During the ordinary course of business, Mid Penn 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, Mid Penn may be liable for remediation costs, as well as for personal injury and property damage. Environmental laws may require Mid Penn to incur substantial expenses and may materially reduce the affected property's value or limit Mid Penn's ability to use or sell the affected property. In addition, future laws or more stringent interpretations or enforcement policies with respect to existing laws may increase Mid Penn's exposure to environmental liability. Although Mid Penn has policies and procedures to perform an environmental review before initiating any foreclosure action on real property, these reviews may not be sufficient to detect all potential environmental hazards. The remediation costs and any other financial liabilities associated

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with an environmental hazard could have a material adverse effect on Mid Penn's financial condition and results of operations.

Mid Penn's financial performance may suffer if its information technology is unable to keep pace with its growth or industry developments.

Effective and competitive delivery of Mid Penn's products and services is increasingly dependent upon the successful and uninterrupted functioning of our information technology resources and processes provided both internally and through third party vendors. In addition to better serving customers, the effective use of technology increases efficiency and enables Mid Penn to reduce costs. Mid Penn's future success will depend, in part, upon its ability to address the needs of its customers by effectively and safely using technology to provide products and services to enhance customer convenience, attract customers who prefer technological delivery channels, and to create additional efficiencies in its operations. Many of Mid Penn's competitors have greater resources to invest in technological improvements and infrastructure. Additionally, as technology and information security requirements in the financial services industry change and evolve, keeping pace becomes increasingly complex and expensive for Mid Penn. There can be no assurance that Mid Penn will be able to effectively keep pace with these technological advancements or the related substantial costs and investments required, which could adversely affect its financial condition and results of operations.

Growing by acquisition entails certain risks, and difficulties in integrating past or future acquisitions could adversely affect our business.

On November 1, 2024, Mid Penn announced the signing of a definitive merger agreement to acquire William Penn Bancorporation and its wholly-owned subsidiary, William Penn Bank. Mid Penn has completed four other whole bank merger acquisitions in recent years (The Scottdale Bank & Trust Company and First Priority Financial Corp. in 2018, Riverview Financial Corporation on November 30, 2021, and Brunswick Bancorp on May 19, 2023), as well as two nonbank acquisitions.

Generally, Mid Penn must receive federal and state regulatory approval before it can acquire a bank or bank holding company. In determining whether to approve a proposed bank acquisition, bank regulators will consider, among other factors, the effect of the acquisition on competition and future prospects. Regulators also review current and projected capital ratios and levels, the competence, experience and integrity of management and its record of compliance with laws and regulations. We cannot be certain when or if, or on what terms and conditions, any required regulatory approvals will be granted. Growth by acquisition involves substantial risks, as the ultimate success of such acquisitions may depend on, among other things, the ability to realize anticipated cost savings and to integrate the acquired companies and operation in a manner that does not result in decreased revenues. Excessive acquisition costs, conversion costs and the disruption of existing customer relationships in both the acquired companies and legacy markets may occur. If we are not able to successfully achieve the financial efficiencies or integration and growth objectives of acquisitions, the anticipated benefits of an acquisition may not be realized fully, or at all, or may take longer to realize than planned.

Further, the asset quality or other financial characteristics of an acquired company may deteriorate from the date a merger or other acquisition agreement is entered into and when the transaction is completed or the post-merger period.

Mid Penn has spent and may continue to spend significant resources identifying companies and businesses to acquire. The efficient and effective integration of any companies and businesses we acquire and integrate into our organization is critical to our growth. Our recent acquisitions, and any future acquisitions, involve numerous risks including difficulties in integrating the culture, operations, technologies and personnel of the acquired companies, the diversion of management's attention from other business concerns and the potential loss of customers. Failure to fully integrate the operations of any acquired business successfully, or to integrate the operations of future acquisition targets, could harm Mid Penn's business, financial condition, results of operations and cash flows.

We plan to pursue a growth strategy and there are risks associated with rapid growth.

We intend to pursue a growth plan consistent with our prior business strategy, including growth by acquisition, as well as leveraging our existing branch network or adding new branch locations or offices and personnel in current and adjacent markets we choose to serve. Our recent acquisitions and the pending William Penn acquisition are reflective of our growth strategy.

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Our ability to manage growth successfully will depend on our ability to attract or retain qualified personnel, maintain cost controls and efficiencies, and ensure our areas of growth continue to meet our high asset quality standards, while attracting additional loans and deposits on favorable terms, as well as on factors beyond our control, such as economic conditions and competition in existing and new markets. If we grow too quickly and are not able to attract qualified personnel, control costs and maintain asset quality, this continued rapid growth could materially adversely affect our financial performance.

The value of our goodwill and other intangible assets may decline in the future.

As of December 31, 2024, we had \$128.2 million of goodwill and \$6.2 million of other intangible assets. A significant decline in our expected future cash flows, a significant adverse change in the business climate, slower economic growth or a significant and sustained decline in the price of our common stock, any or all of which could be materially impacted by many of the risk factors discussed herein, may necessitate our taking charges in the future related to the impairment of our goodwill. Future regulatory actions could also have a material impact on assessments of goodwill for impairment. If we were to conclude that a future write-down of our goodwill is necessary, we would record the appropriate charge, which could have a material adverse effect on our results of operations. We cannot provide assurance that we will not be required to take an impairment charge in the future. Any such charge would have an adverse effect on our shareholders' equity and financial results and could cause a decline in our stock price.

Identifiable intangible assets other than goodwill consist of core deposit intangibles, books of business, and other intangible assets. Adverse events or circumstances could impact the recoverability of these intangible assets including loss of core deposits, significant losses of customer accounts and/or balances, increased competition, or adverse changes in the economy. To the extent these intangible assets are deemed unrecoverable, a non-cash impairment charge would be recorded, which could have a material adverse effect on our results of operations.

Risks Related to the Merger

Failure to complete the Merger could negatively affect our market price, future business and financial results.

Although we anticipate closing the Merger in the second quarter of 2025, we cannot guarantee when, or whether, the Merger will be completed. If the Merger is not completed for any reason, we will be subject to a number of material risks, including the following:

- Costs related to the Merger, such as legal, accounting and financial advisory fees, and, in specific circumstances, additional reimbursement and termination fees, must be paid even if the Merger is not completed.
- Declines in our market price to the extent that the current market price of our common stock already reflects a market assumption that the Merger will be completed.
- The diversion of management's attention from the day-to-day business operations and the potential disruption to each company's employees and business relationships during the period before the completion of the Merger may make it difficult to regain financial and market positions if the Merger does not occur.
- Becoming subject to litigation related to any failure to complete the Merger.

Regulatory waivers and approvals may not be received or may be received and subsequently expire, be revoked or be amended to impose conditions that are not presently anticipated or cannot be met.

Before the transactions contemplated in the Merger Agreement, including the Merger, may be completed, various waivers, approvals or consents must be obtained from various bank regulatory and other authorities, including the Board of Governors of the Federal Reserve System, the FDIC, and the Pennsylvania Department of Banking and Securities. In determining whether to grant these approvals, regulatory authorities consider a variety of factors, including the regulatory standing of each party. These approvals could be delayed or not obtained at all, including due to any or all of the following: an adverse development in any party's regulatory standing or any other factors considered by regulators in granting such approvals; governmental, political, or community group inquiries, investigations or opposition; or changes in legislation or the political or regulatory environment generally, including as a result of changes of the U.S. executive administration, or Congressional leadership and regulatory agency leadership.

Even if the approvals are granted, they may impose terms and conditions, limitations, obligations or costs, or place restrictions on the conduct of the combined company's business or require changes to the terms of the transactions contemplated by the Merger Agreement. There can be no assurance that regulators will not impose any such conditions, limitations, obligations, or restrictions or that such conditions, limitations, obligations, or restrictions will not have the

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effect of delaying the completion of any of the transactions contemplated by the Merger Agreement, imposing additional material costs on or materially limiting the revenues of the combined company following the Merger or otherwise reduce the anticipated benefits of the Merger if the Merger were completed successfully within the expected timeframe. In addition, there can be no assurance that any such conditions, limitations, obligations, or restrictions will not result in the delay or abandonment of the Merger. The completion of the Merger is conditioned on the receipt of the requisite regulatory approvals without the imposition of any materially burdensome regulatory condition and the expiration of all statutory waiting periods. Additionally, the completion of the Merger is conditioned on the absence of certain orders, injunctions, or decrees issued by any court or any governmental entity of competent jurisdiction that would prevent, prohibit, or make illegal the completion of the Merger or any of the other transactions contemplated by the Merger Agreement.

Despite the parties' expected commitment to use their reasonable best efforts to respond to any request for information and resolve any objection that may be asserted by any governmental entity with respect to the Merger Agreement, neither party is required under the terms of the Merger Agreement to take any action, commit to take any action, or agree to any condition or restriction in connection with obtaining these approvals, that would reasonably be expected to have a material adverse effect on the combined company and its subsidiaries, taken as a whole, after giving effect to the proposed Merger.

Further, such approvals are subject to expiration if the transaction is not consummated within the time period provided in the approval.

Combining Mid Penn and William Penn may be more difficult, costly or time consuming than expected, and we may fail to realize the anticipated benefits of the Merger.

The success of the Merger will depend on, among other things, our ability to integrate William Penn into our business in a manner that facilitates growth opportunities and achieves the anticipated benefits of the Merger. If we are not able to successfully achieve these objectives, the anticipated benefits of the Merger may not be realized fully or at all or may take longer to realize than expected. In addition, the actual cost and savings and anticipated benefits of the Merger could be less than anticipated, and integration may result in additional unforeseen expenses.

Litigation relating to the Merger could require us to incur significant costs and suffer management distraction, as well as delay and/or enjoin the Merger.

We are not currently able to predict the outcome of any suit arising out of or relating to the proposed Merger that may be filed in the future. If any complaints are filed, absent allegations that are material, We will not necessarily announce such filings.

We could be subject to demands or litigation related to the Merger, whether or not the Merger is consummated. Such actions may create additional uncertainty relating to the Merger, and responding to such demands and defending such actions may be costly and distracting to management. Although there can be no assurance as to the ultimate outcomes of any demand or any subsequent litigation, we do not believe that the resolution of such demands or any subsequent litigation will have a material adverse effect on our financial position, results of operations or cash flow.

We will be subject to various uncertainties while the Merger is pending that could adversely affect our financial results or the anticipated benefits of the Merger.

Uncertainty about the effect of the Merger on counterparties to contracts, employees and other parties may have an adverse effect on us or the anticipated benefits of the Merger. These uncertainties could cause contract counterparties and others who deal with us or William Penn to seek to change existing business relationships with us or William Penn, and may impair our or William Penn's ability to attract, retain and motivate key personnel until the Merger is completed and for a period of time thereafter. Employee retention and recruitment may be particularly challenging prior to the completion of the Merger, as our employees and prospective employees, and the employees and prospective employees of William Penn, may experience uncertainty about their future roles with us following the Merger.

The pursuit of the Merger and the preparation for the integration of the two companies may place a significant burden on management and internal resources. Any significant diversion of management attention away from ongoing business and any difficulties encountered in the transition and integration process could affect our financial results prior to and/or following the completion of the Merger and could limit us from pursuing attractive business opportunities and making other changes to our business prior to completion of the Merger or termination of the Merger Agreement.

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William Penn may have liabilities that are not known to us.

In connection with the Merger, we will assume all of William Penn's liabilities by operation of law. There may be liabilities that we failed or were unable to discover in the course of performing due diligence investigations into William Penn, or we may not have correctly assessed the significance of certain liabilities of William Penn identified in the course of our due diligence. Any such liabilities, individually or in the aggregate, could have an adverse effect on our business, financial condition, and results of operations.

We expect to incur substantial transaction costs in connection with the Merger.

We expect to incur a significant amount of non-recurring expenses in connection with the Merger, including legal, accounting, consulting, and other expenses. In general, these expenses are payable by us whether or not the Merger is completed. Additional unanticipated costs may be incurred following consummation of the Merger in the course of the integration of our businesses and the business of William Penn. We cannot be certain that the elimination of duplicative costs or the realization of other efficiencies related to the integration of the two businesses will offset the transaction and integration costs in the near term, or at all.

The Merger may be completed on different terms from those contained in the Merger Agreement.

Prior to the completion of the Merger, we and William Penn may, by mutual agreement, amend or alter the terms of the Merger Agreement, including with respect to, among other things, the Merger consideration or any covenants or agreements with respect to the parties' respective operations during the pendency of the Merger Agreement. Any such amendments or alterations may have negative consequences to us.

The Merger will not be completed unless important conditions are satisfied or waived, including approval of the Merger Agreement by our shareholders and William Penn's shareholders.

Specified conditions set forth in the Merger Agreement must be satisfied or waived to complete the Merger. If the conditions are not satisfied or, subject to applicable law, waived, the Merger will not occur or will be delayed and each of William Penn and us may lose some or all of the intended benefits of the Merger.

Risks Related to Mid Penn Common Stock

The trading volume in Mid Penn's common stock is less than that of other larger financial services companies.

Mid Penn's common stock is listed for trading on NASDAQ (symbol: MPB); however, the trading volume in its common stock is less than that of other larger financial services companies. A public trading market having the desired characteristics of depth, liquidity and orderliness depends on the presence in the marketplace of willing buyers and sellers of Mid Penn's common stock at any given time. This presence depends on the individual decisions of investors and general economic and market conditions over which Mid Penn has no control. Given the generally lower trading volume of Mid Penn's common stock, significant sales of Mid Penn's common stock, or the expectation of these sales, could cause Mid Penn's stock price to fall.

The market price of Mid Penn common stock may fluctuate significantly, and this may make it difficult for investors to resell shares of common stock owned by them at times or at prices they find attractive.

The market price of our common stock as reported on NASDAQ is subject to constant change during business trading hours. We expect that the market price of Mid Penn common stock will continue to fluctuate and there can be no assurance about the stability or trend of market prices for Mid Penn common stock. Stock price volatility, particularly with a stock like ours with lower trading volumes than larger financial services companies, may make it difficult for investors to resell their Mid Penn common stock when they want and at times or prices that they find attractive. Mid Penn's stock price may fluctuate significantly as a result of a variety of factors, many of which are beyond our control. These factors include those described elsewhere in this entire "Risk Factors" section, in this document, and our other filings with the SEC.

Mid Penn's ability to pay dividends on its common stock, and principal and interest on its subordinated notes, depends primarily on dividends from its banking subsidiary, which is subject to regulatory limits.

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Mid Penn is a bank holding company and its operations are conducted primarily by its banking subsidiary. Mid Penn's ability to pay dividends on its common stock, and principal and interest on its subordinated notes, depends on its receipt of dividends from the Bank. Dividend payments from its banking subsidiary are subject to legal and regulatory limitations, generally based on net profits and retained earnings, imposed by the respective regulatory agencies that supervise the Bank. The ability of the Bank to pay dividends is also subject to profitability, financial condition, liquidity, and capital management limits. There is no assurance that Mid Penn's banking subsidiary or other subsidiaries established in the future will be able to pay dividends, or that Mid Penn itself will generate adequate cash flow to pay dividends in the future. Federal Reserve policy, which applies to Mid Penn as a registered bank holding company, also provides that dividends by bank holding companies should generally be paid out of earnings from both the current period and a designated look-back period. Mid Penn's ability to pay dividends on its common stock, or the amount of any dividends paid, could have a material adverse effect on the market price of its common stock.

Mid Penn may need to, or be required to, raise additional capital in the future, and capital may not be available when needed and on terms favorable to current stockholders.

Federal banking regulators require the Corporation and the Bank to maintain adequate levels of capital to support their operations. These capital levels are determined and dictated by law, regulation, and banking regulatory agencies. Regulators may, from time to time, implement changes to regulatory capital adequacy guidelines. Furthermore, regulators may require that the Corporation and/or the Bank to maintain higher levels of capital based on their condition, risk profile, growth plans, or conditions in the banking industry or economy. Failure to maintain capital to meet current or future regulatory requirements could have a significant material adverse effect on Mid Penn's business, financial condition, and results of operations. In addition, capital levels are also determined by Mid Penn's management and board of directors, based on capital levels that they believe are necessary to support Mid Penn's business operations.

If Mid Penn raises capital through merger and acquisition activities, or through the issuance of additional shares of its common stock or other securities, it would likely dilute the ownership interests of current investors and could dilute the per share book value and earnings per share of its common stock. Furthermore, a capital raise through issuance of additional shares may have an adverse impact on Mid Penn's stock price. New investors also may have rights, preferences, and privileges senior to Mid Penn's current common stockholders, which may adversely impact its current common stockholders.

Mid Penn's ability to raise additional capital will depend on conditions in the capital markets at that time, which are outside of its control, and on its financial performance. Accordingly, Mid Penn cannot be certain of its ability to raise additional capital on acceptable terms and acceptable time frames or to raise additional capital at all. The inability to raise capital in sufficient amounts may adversely affect Mid Penn's business, financial condition and results of operations.

Offerings of debt, which would be senior to Mid Penn's common stock upon liquidation, and/or preferred equity securities which may be senior to our common stock for purposes of dividend distributions or upon liquidation, may adversely affect the market price of our common stock.

Mid Penn may attempt to increase its capital resources if the Corporation's or the Bank's capital ratios fall below the required minimums. The Corporation or the Bank could be required to raise additional capital by making additional offerings of debt or preferred equity securities, including medium-term notes, senior or subordinated notes and preferred stock. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing, or nature of our future offerings. If a future liquidation of Mid Penn occurs, holders of debt securities and shares of preferred stock and lenders with respect to other borrowings are likely to receive distributions of available assets prior to the holders of our common stock. Additional equity offerings may dilute the holdings of existing shareholders or reduce the market price of our common stock, or both. Holders of Mid Penn common stock are not entitled to preemptive rights or other protections against dilution.

Also, Mid Penn's board of directors is authorized to issue one or more classes or series of preferred stock from time to time without any action on the part of the shareholders. The board of directors also has the power, without shareholder approval, to set the terms of any such classes or series of preferred stock that may be issued, including voting rights, dividend rights, and preferences over common stock with respect to dividends or upon our dissolution, winding up and liquidation and other terms. If Mid Penn issues preferred stock in the future that has a preference over its common stock with respect to the payment of dividends or upon our liquidation, dissolution or winding up, or if preferred stock is issued with voting rights that dilute the voting power of common stock, the rights of holders of Mid Penn's common stock or the market price of the common stock could be adversely affected.

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Pennsylvania Business Corporation Law and various anti-takeover provisions under our articles of incorporation and bylaws could impede the takeover of Mid Penn.

Various Pennsylvania laws affecting business corporations may have the effect of discouraging offers to acquire Mid Penn, even if the acquisition would be advantageous to shareholders. In addition, Mid Penn has various anti-takeover measures in place under its articles of incorporation and bylaws, including a supermajority vote requirement for mergers, the staggered election of Mid Penn's board of directors, and the absence of cumulative voting. Any one or more of these laws or measures may impede the takeover of Mid Penn and may prevent its shareholders from taking part in a transaction in which they could realize a premium over the current market price of its common stock.

Mid Penn's common stock is not insured by any governmental entity.

Although Mid Penn and the Bank are regulated by governmental agencies, Mid Penn common stock is not a deposit account or other obligation of the Bank or any other bank and, therefore, is not insured against loss by the FDIC, any other deposit insurance fund, any other governmental entity or by any other public or private entity. Investment in Mid Penn common stock is inherently risky for the reasons described elsewhere in this "Risk Factors" section, in this document, and our other filings with the SEC. Mid Penn common stock is also subject to the same market forces that affect the price of common stock in any other publicly traded company. As a result, investors who acquire Mid Penn common stock may lose some or all of their investment.

General Risk Factors

Mid Penn's controls and procedures may fail or be circumvented.

Management maintains Mid Penn's internal controls, disclosure controls and procedures, and corporate governance policies and procedures, and periodically reviews and updates them. Any system of controls, however well designed and operated, is based in part on performance by personnel or certain assumptions and can provide only reasonable, not absolute, assurances that the objectives of the system are met. Any failure or circumvention of Mid Penn's controls and procedures or failure to comply with regulations related to controls and procedures could have a material adverse effect on Mid Penn's business, results of operations, and financial condition.

Mid Penn may not be able to attract and retain skilled personnel.

Mid Penn's success depends, in large part, on its ability to attract and retain qualified, key personnel. Competition for the best personnel in most activities engaged in by Mid Penn can be intense, and Mid Penn may not be able to hire or retain them. Limitations in the way regulated financial institutions can compensate their officers and employees, including those requirements contained in Dodd-Frank, may make it more difficult for regulated financial institutions, including Mid Penn, to compete with unregulated companies for talent. The unexpected loss of services of one or more of Mid Penn's key personnel could have a material adverse impact on Mid Penn's business because of their skills, knowledge of Mid Penn's market, years of industry experience, and the difficulty of promptly finding qualified replacement personnel.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None

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ITEM 1C. CYBERSECURITY

Mid Penn places an emphasis on managing risks effectively to achieve its business goals and maintain the confidence of its shareholders. Cybersecurity is one of the company's most critical risks and is an integral part of our Risk Management program. We are open about our willingness to take risks and regularly review and update our risk management policies to keep up with the ever-changing financial landscape. Our risk committees, made up of experienced professionals, carefully evaluate the risks associated with our business activities, ensuring that our risk-taking aligns with our overall corporate goals.

Mid Penn engages a team of external assessors, auditors, and consultants to support our cybersecurity and risk management efforts. We seek information and guidance from reputable third-party organizations such as CISA, RMA, and FS-ISAC to aid in making responsible decisions and mitigating risks. We utilize threat detection and prevention technologies to analyze network traffic and identify atypical behavior that may indicate a potential cyber threat. This proactive approach is intended to enable us to detect threats before they can cause harm to our systems or compromise sensitive information. Additionally, we conduct regular penetration testing and vulnerability assessments to identify and remedy potential deficiencies in our systems.

Mid Penn protects and monitors its technology environment with industry leading security tools including next-generation firewalls with intrusion prevention services, intrusion detection and response tools, email security gateway, log and event monitoring software, and an industry-leading antivirus solution. Each system is administered and monitored by members of our Information Technology and Information Security staff. Real-time alerts received from these systems are responded to by staff and worked until the threat is determined to be mitigated. Impactful computer security events would be subject to the guidance provided in our Incident Response Program, that is tested annually so we are ready to respond if needed.

Mid Penn relies on several reputable service providers who provide systems or support to our technology environment. Service providers are selected carefully and monitored closely through our Vendor Management program. With routine, ongoing service provider reviews that exist throughout the relationship with the service provider, and with alerting for notable events for our service providers in place, we can quickly identify potential threats and mitigate threats with our service providers as needed.

We have created a robust Information Security Awareness Program to deliver our employees pertinent and timely educational content. Mindful that human error can be a significant factor in cybersecurity incidents, our employees undergo regular training to stay informed about the latest threats and best practices. This reduces the risk of inadvertent security breaches and cultivates a culture of security throughout the organization. Additionally, we regularly conduct social engineering tests on our employees to keep them sharp and alert for threats through email, text messages, and voice calls.

Mid Penn did not experience a material incident to our computer systems or networks in 2024.

Mid Penn's Information Technology and Security management team is responsible for implementing and executing the company's cybersecurity strategy on a day-to-day basis. This team of cybersecurity experts specializes in managing risks for financial services providers. The Chief Information Security Officer has 20 years of experience and is accompanied by an Information Security Officer with eleven years of experience in the field. With more than 15 years of experience in information technology and network security, the Information Technology Operations Manager is highly skilled in network security and risk mitigation. Information Technology and Security management hold a monthly meeting to assess the organization's cybersecurity position and distributes information to the Board of Directors.

The Board of Directors oversees the risk management process, while executive leadership implements risk mitigation and cybersecurity strategies. The company's cybersecurity strategy is actively overseen and guided by the Board of Directors through a quarterly subcommittee meeting with the full Board engaged annually. Executive management provides cybersecurity and risk management updates to the Board through the Risk Committee and the Technology Steering Committee. Information Technology knowledge is considered a core competency by eight of eleven Board members. They guide the full Board in setting cybersecurity objectives, approving policies, and allocating resources.

We acknowledge that risk is a natural part of the financial industry. The threat landscape is ever-changing, and with increasingly sophisticated techniques, threat actors pose a greater risk to Mid Penn and its customers, leaving us vulnerable to cyberattacks and information security incidents. However, our commitment is to maintain a careful balance between innovation and risk mitigation. To achieve this, we have developed a risk appetite that aligns with our strategic goals and regulatory requirements. This framework encourages innovation while ensuring our risks are well-understood, measured, and managed.

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ITEM 2. PROPERTIES

The Bank owns a building in Harrisburg, Pennsylvania, located at 2407 Park Drive, which serves as the Corporation's headquarters. The Bank also owns a building in Millersburg, Pennsylvania, located at 349 Union Street, which serves as the Bank's headquarters. Additionally, the Bank owns one building in Halifax, Pennsylvania that serves as an operational support facility and one building in Harrisburg, Pennsylvania that serves as corporate administrative and operational support offices. Administrative space is also leased in Malvern, Pottsville, Lancaster, Clearfield and Chambersburg, Pennsylvania. As of December 31, 2024, the Bank's retail office network was comprised of 45 full-service retail locations. The Bank owned 26 of those locations and leased 19 locations.

All real estate owned by Mid Penn is free and clear of encumbrances. Mid Penn's leases expire at various dates through the year 2039 and generally include options to renew. For additional information regarding the lease commitments, See "Note 7 - Leases", within Item 8, Notes to Consolidated Financial Statements.

ITEM 3. LEGAL PROCEEDINGS

Mid Penn and its subsidiaries are subject to various pending and threatened legal proceedings or other matters arising out of the normal conduct of business in which claims for monetary damages are asserted. As of the date of this report, management, after consultation with legal counsel, does not anticipate that the aggregate ultimate liability arising out of such pending or threatened matters will be material to Mid Penn's consolidated financial position. On at least a quarterly basis, Mid Penn assesses its liabilities and contingencies in connection with such matters. For those matters where it is probable that Mid Penn will incur losses and the amounts of the losses can be reasonably estimated, Mid Penn records an expense and corresponding liability in its consolidated financial statements. To the extent such matters could result in exposure in excess of that liability, the amount of such excess is not currently estimable. The range of losses for matters where an exposure is not currently estimable or considered probable is not believed to be material in the aggregate. This is based on information currently available to Mid Penn and involves elements of judgment and significant uncertainties. While Mid Penn does not believe that the outcome of pending or threatened litigation or other matters will be material to Mid Penn's consolidated financial position, it cannot rule out the possibility that such outcomes will be material to the consolidated results of operations for a particular reporting period in the future. In addition, regardless of the ultimate outcome of any such legal proceeding, inquiry or investigation, any such matter could cause Mid Penn to incur additional expenses, which could be significant, and possibly material, to Mid Penn's results of operations in any future period.

In addition, management does not know of any material proceedings contemplated by governmental authorities against Mid Penn or any of its properties.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED SHAREHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

The Corporation's common stock is traded on NASDAQ under the symbol MPB.

Transfer Agent: Computershare, Attn: Shareholder Services, P.O. Box 30170, College Station, TX 77842-3170. Phone: 1-800-368-5948.

Number of Shareholders: As of March 13, 2025, there were approximately 5,000 shareholders of record of Mid Penn's common stock.

Dividends: Mid Penn's dividend payout philosophy looks to provide reasonable quarterly cash returns to shareholders while still retaining sufficient earnings to finance future growth and maintain sound capital levels. The declaration of cash dividends on Mid Penn's common stock is at the discretion of its Board of Directors, and any decision to declare a dividend is based on a number of factors, including, but not limited to, earnings, prospects, financial condition, regulatory capital levels, applicable covenants under any credit agreements and other contractual restrictions, Pennsylvania law, federal and Pennsylvania bank regulatory law, and other factors deemed relevant.

Dividend Reinvestment and Stock Purchases: Shareholders of Mid Penn may acquire additional shares of common stock by reinvesting their cash dividends under the Dividend Reinvestment Plan without paying a brokerage fee. Voluntary cash contributions may also be made under the Plan. For additional information about the Plan, contact the Transfer Agent.

Annual Meeting: The Annual Meeting of the Shareholders of Mid Penn is expected to be held virtually at 10:00 a.m. on Tuesday, May 13, 2025.

Accounting, Auditing and Internal Control Complaints: Information on how to report a complaint regarding accounting, internal accounting controls or auditing matters is available at Mid Penn's website: **www.midpennbank.com**

Purchases of Equity Securities by the Issuer and Affiliated Purchasers: In 2020, Mid Penn announced the adoption of a treasury stock repurchase program ("Repurchase Program") authorizing the repurchase of up to \$15.0 million of Mid Penn's outstanding common stock, which represents approximately 3.5% of the issued shares based on Mid Penn's closing stock price and shares issued as of March 31, 2022. The Repurchase Program was extended through April 24, 2025 by Mid Penn's Board of Directors on April 24, 2024. Under the Repurchase Program, Mid Penn may conduct repurchases of its common stock through open market transactions (which may be by means of a trading plan adopted under SEC Rule 10b5-1) or in privately negotiated transactions. Repurchases under the program are made at the discretion of management and are subject to market conditions and other factors. There is no guarantee as to the exact number of shares that Mid Penn may repurchase.

The Repurchase Program may be modified, suspended or terminated at any time, in Mid Penn's discretion, based upon a number of factors, including liquidity, market conditions, the availability of alternative investment opportunities and other factors Mid Penn deems appropriate. The Repurchase Program does not obligate Mid Penn to repurchase any shares.

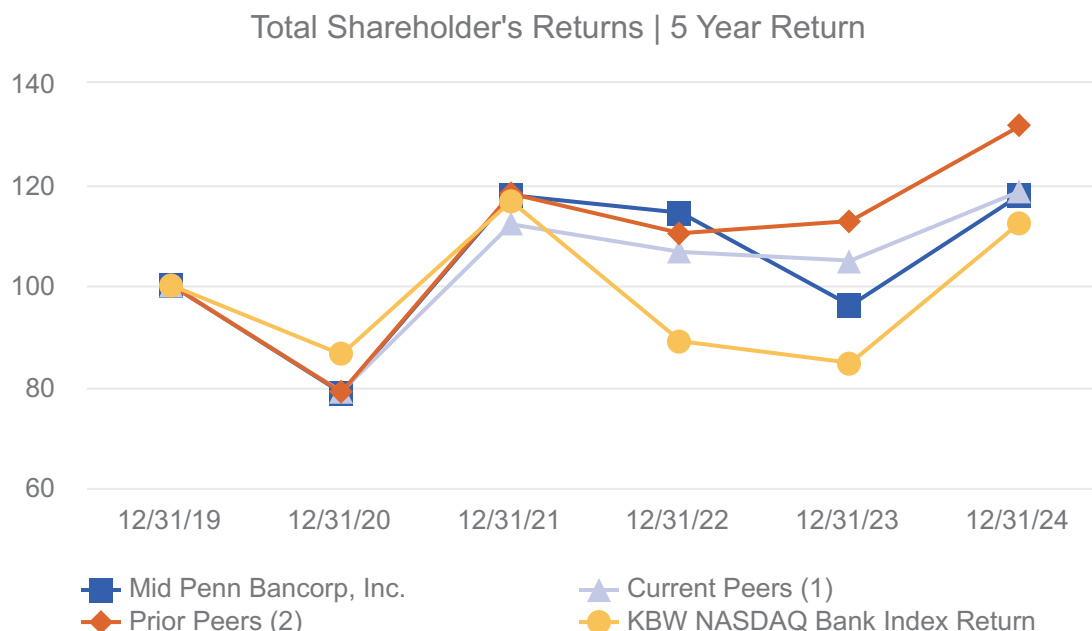
During the year ended December 31, 2024, Mid Penn repurchased 15,500 shares of common stock at an average price of \$20.81 per share. No shares were purchased during the fourth quarter of 2024. As of December 31, 2024, Mid Penn had repurchased 440,722 shares of common stock at an average price of \$22.78 per share under the Program. The Repurchase Program had approximately \$5.0 million remaining available for repurchase as of December 31, 2024.

Securities Authorized for Issuance under Equity Compensation Plans: Information regarding the Corporation's equity compensation plans is included in Part III, Item 12, Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters.

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Stock Performance Graph

As of December 31, 2024, to better align with the Company's direct competitors, the Company has chosen to change the composition of its peer group for the performance graph below. The total shareholder return is based on a \$100 investment on December 31, 2019.



<i>Index</i>	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024
Mid Penn Bancorp, Inc.	100.00	78.79	117.84	114.38	96.05	117.89
Current Peers (1)	100.00	79.03	112.09	106.63	104.92	118.63
Prior Peers (2)	100.00	78.92	118.12	110.33	112.74	131.54
KBW NASDAQ Bank Index Return	100.00	86.37	116.64	88.97	84.71	112.44

(1) Current Peers includes AROW, CCNE, CHMG, CNOB, CZFS, CZNC, FCF, FFIC, FISI, FRBA, LNKB, ORRF, PFIS, PGC, SHBI, STBA, TMP, UNTY and UVSP; Excludes FLIC due to pending merger with CNOB

(2) Prior Peers includes AMAL, CCNE, CHCO, CNOB, FCF, FFIC, FISI, KRNY, MCB, NFBK, ORRF, PGC, STBA, TBBK, TMP, TRST, UVSP and WASH; Excludes CATC due to completed merger with EBC

Note: Peer group returns reflect average total return of respective peer group

In accordance with the rules of the SEC, this section, captioned "Stock Performance Graph," is not incorporated by reference into any of our future filings made under the Securities Exchange Act of 1934 or the Securities Act of 1933. The Stock Performance Graph, including its accompanying table and footnotes, is not deemed to be soliciting material or to be filed under the Exchange Act or the Securities Act.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**SPECIAL CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS**

Certain of the matters discussed in this document or in documents incorporated by reference herein, including matters discussed under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations," may constitute forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, or Securities Act, and Section 21E of the Securities Exchange Act of 1934, or Exchange Act. These forward-looking statements represent plans, estimates, objectives, goals, guidelines, expectations, intentions, projections and statements of our beliefs concerning future events, business plans, objectives, and expected operating results, including after giving effect to the Merger, and the assumptions upon which those statements are based. Forward looking statements include without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and are typically identified with words such as "may," "could," "should," "will," "would," "believe," "anticipate," "estimate," "expect," "intend," "plan," or words or phrases of similar meaning. We caution that the forward-looking statements are based largely on our expectations and are subject to a number of known and unknown risks and uncertainties that are subject to change based on factors which are, in many instances, beyond our control. Actual results, performance or achievements could differ materially from those contemplated, expressed, or implied by the forward-looking statements.

The following factors, among others, could cause our financial performance to differ materially from that expressed in such forward-looking statements:

- Mid Penn's ability to efficiently integrate acquisitions, including the Merger, into its business and operations, which may take longer than anticipated, may be more costly than anticipated and may have unanticipated adverse results relating to Mid Penn's existing business and operations;
- the possibility that the anticipated benefits of the Merger, including anticipated cost savings and other synergies of the Merger may take longer to be realized or may not be achieved in their entirety, and attrition in key client, partner and other relationships relating to the Merger may be greater than expected;
- the effects of future economic conditions on Mid Penn, the Bank, our nonbank subsidiaries, and our markets and customers;
- governmental monetary and fiscal policies, as well as legislative and regulatory changes;
- future actions or inactions of the United States government, including a failure to increase the government debt limit or a prolonged shutdown of the federal government;
- business or economic disruption from national or global epidemic or pandemic events;
- the risks of changes in interest rates on the level and composition of deposits, loan demand, and the values of loan collateral, the value of investment securities, and interest rate protection agreements;
- the effects of competition from other commercial banks, thrifts, mortgage banking firms, consumer finance companies, credit unions, securities brokerage firms, insurance companies, money market and other mutual funds and other financial institutions operating in our market area and elsewhere, including institutions operating locally, regionally, nationally and internationally, together with such competitors offering banking products and services by mail, telephone, computer and the internet;
- an increase in the Pennsylvania Bank Shares Tax to which the Bank's capital stock is currently subject, or imposition of any additional taxes on the capital stock of Mid Penn or the Bank;
- impacts of the capital and liquidity requirements imposed by bank regulatory agencies;
- the effect of changes in accounting policies and practices, as may be adopted by regulatory agencies, as well as the Public Company Accounting Oversight Board, Financial Accounting Standards Board, the SEC, and other accounting and reporting rule making authorities;
- the costs and effects of litigation and of unexpected or adverse outcomes in such litigation, including litigation related to the Merger;
- changes in technology;
- our ability to implement business strategies, including our acquisition strategy;
- our ability to successfully expand our franchise, including through acquisitions or establishing new offices at favorable prices;
- our ability to successfully integrate any banks, companies, offices, assets, liabilities, customers, systems and management personnel we acquire into our operations and our ability to realize related revenue synergies and cost savings within expected time frames;
- potential goodwill impairment charges, or future impairment charges and fluctuations in the fair values of reporting units or of assets in the event projected financial results are not achieved within expected time frames;

- our ability to attract and retain qualified management and personnel;
- results of regulatory examination and supervision processes;
- the ability to obtain regulatory approvals and satisfy other closing conditions to the Merger, including approval by the shareholders of Mid Penn and William Penn;
- the possibility of increased scrutiny by, and/or additional regulatory requirements of, governmental authorities as a result of the Merger;
- potential exposure to unknown or contingent risks and liabilities we have acquired, or may acquire, or target for acquisition, including in connection with the Merger;
- the failure of assumptions underlying the establishment of reserves for loan and lease losses, the assessment of potential impairment of investment securities, and estimations of values of collateral and various financial assets and liabilities;
- our ability to maintain compliance with the listing rules of The NASDAQ Stock Market;
- our ability to maintain the value and image of our brand and protect our intellectual property rights;
- volatility in the securities markets;
- disruptions due to flooding, severe weather, or other natural disasters or acts of God;
- acts of war, terrorism, or global military conflict;
- supply chain disruption; and
- the risk factors described in Item 1A of this Annual Report.

All written or oral forward-looking statements attributable to Mid Penn are expressly qualified in their entirety by these cautionary factors.

This Management's Discussion and Analysis of Financial Condition and Results of Operations analyzes the major elements of Mid Penn's Consolidated Financial Statements from the view of management and should be read in conjunction with the Consolidated Financial Statements of the Corporation and Notes thereto and other detailed information appearing elsewhere in this Annual Report on Form 10-K. The comparability of the results of operations for the years ended 2024 and 2023, compared to 2022, in general, have been materially impacted by the Brunswick Acquisition, which closed on May 19, 2023.

Mid Penn is not aware of any current trends, events, uncertainties or any current recommendations by the regulatory authorities which, if they were to be implemented, would have a material effect on Mid Penn's or the Bank's liquidity, capital resources, or operations.

Executive Overview

Mid Penn is a financial holding company incorporated in August 1991 in the Commonwealth of Pennsylvania.

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

The following table presents a summary of the Corporation's earnings and selected performance ratios:

	December 31,		
	2024	2023	2022
Net Income	\$ 49,437	\$ 37,397	\$ 54,806
Diluted EPS	\$ 2.90	\$ 2.29	\$ 3.44
Dividends Declared	\$ 0.80	\$ 0.80	\$ 0.80
Return on average assets ⁽²⁾	0.91 %	0.77 %	1.22 %
Return on average equity ⁽²⁾	8.61 %	7.16 %	10.98 %
Net interest margin ⁽¹⁾	3.11 %	3.26 %	3.59 %
Non-performing assets to total assets	0.41 %	0.27 %	0.21 %
Net charge-off to average loans	0.019 %	0.009 %	(0.002)%

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

(2) Annualized ratios

During the second quarter of 2023, Mid Penn completed the Brunswick Acquisition, which added total assets of \$390.7 million comprised primarily of \$324.5 million of loans. This transaction resulted in the addition of 5 branches in central New Jersey. Mid Penn issued 849,510 shares of its common stock as well as a net cash payment to Brunswick shareholders of \$27.6 million, for total consideration of \$45.7 million for all outstanding stock and the cancellation of options of Brunswick.

Summary of Financial Results

- Net Income Per Share - Mid Penn's net income available to common shareholders ("earnings") for the year ended December 31, 2024 was \$49.4 million or \$2.90 per common share basic and diluted, compared to earnings of \$37.4 million or \$2.29 per common share basic and diluted for the year ended December 31, 2023. The results for the year ended December 31, 2024 were favorably impacted by loan growth, and interest income growth.
- Net Interest Income
 - Net Interest Margin - For the year ended December 31, 2024, Mid Penn's FTE net interest margin was 3.11% versus 3.26% for the year ended December 31, 2023. The Federal Reserve's Federal Open Market Committee ("FOMC") decreased rates three times during 2024. The yield on interest-earning assets increased 44 basis point(s) ("bp") for the year ended December 31, 2024 compared to the year ended December 31, 2023 and the rate on interest-bearing liabilities increased 70 bp for the year ended December 31, 2024 compared to the year ended December 31, 2023.
 - Loan Growth - Total loans, net of unearned income, as of December 31, 2024 were \$4.4 billion compared to \$4.3 billion as of December 31, 2023, an increase of \$190.3 million, or 4.5%. The loan growth occurred primarily within Mid Penn's commercial real estate loan portfolio. The mix of commercial real estate and commercial portfolios in relation to the total change in the loan portfolio increased 111.1% and 15.9%, respectively from December 31, 2023 to December 31, 2024. Non-owner occupied office commercial real estate exposure represents 28.2% of total loan balances and is primarily limited to suburban offices.
 - Deposit Growth - Total deposits increased \$343.7 million, or 7.9%, from \$4.3 billion at December 31, 2023, to \$4.7 billion at December 31, 2024.
- Asset Quality - ACL at December 31, 2024 was \$35.5 million, or 0.80% of total loans, as compared to \$34.2 million, or 0.80% of total loans at December 31, 2023.

- Net Charge-offs/Recoveries - Mid Penn had net loan charge-offs of \$817 thousand and net loan charge-offs of \$332 thousand for the years ended December 31, 2024 and 2023, respectively.
- Non-performing assets - Total non-performing assets were \$22.7 million at December 31, 2024, an increase compared to non-performing assets of \$14.5 million at December 31, 2023. The increase was partially a result of the addition of two commercial loans with a combined balance of \$3.0 million, and two commercial real estate loans with a combined balance of \$2.3 million being placed on nonaccrual in the fourth quarter of 2024.
- Provision/Benefit for credit losses - Loans - The provision for credit losses - loans was \$2.1 million for the year ended December 31, 2024 compared to \$3.3 million for the year ended December 31, 2023. The decrease in provision for the year ended December 31, 2024, is primarily due to a decrease in loss factors across most portfolios. Prior to 2023, ACL and related provision are presented in accordance with the previous accounting guidance using the incurred loss method. The PCL for the year ended December 31, 2023 includes an initial provision for credit losses on non-PCD loans acquired in the Brunswick Acquisition of \$2.0 million.
- Noninterest Income - Noninterest income totaled \$22.5 million for the year ended December 31, 2024, a \$2.5 million, or 12.4%, increase compared to the year ended December 31, 2023. The increase was primarily attributable to a \$2.2 million increase in other miscellaneous income, driven by increases in Bank-owned life insurance benefits received, and a \$1.1 million increase in mortgage banking income, partially offset by a \$379 thousand decrease in fiduciary and wealth management and a \$314 thousand decrease in mortgage hedging.
- Noninterest Expense - Noninterest expense totaled \$117.6 million, a decrease of \$972 thousand, or 0.8%, compared to noninterest expense of \$118.6 million for the year ended December 31, 2023. The decrease was primarily driven by a \$5.0 million decrease in merger and acquisition expenses and a \$3.0 million decrease in post-acquisition restructuring expenses, partially offset by a \$4.8 million increase in salaries and benefits expense, driven by year-end employee bonus incentives, increases in employee salaries, and increased costs of employee medical benefits, a \$1.4 million increase in legal and professional fees, and a \$1.4 million increase in software licensing and utilization expense.
- Borrowings paid downs - During 2024, Mid Penn paid off \$35.3 million of long-term debt.
- Share Repurchases - Mid Penn repurchased 15,500 shares during 2024 at an average price per share of \$20.81 under its share repurchase program.
- Business Combinations
 - On July 31, 2024, Mid Penn acquired the insurance business and related accounts of a full-service employee benefits firm that serves mid to large employers across central and eastern Pennsylvania, northern Maryland, and northern Virginia, for a purchase price of \$2.0 million at closing and an additional \$800 thousand potentially payable pursuant to a three year earnout.
 - On May 19, 2023, Mid Penn completed its acquisition of Brunswick through the merger of Brunswick with and into Mid Penn with Mid Penn being the surviving corporation. In connection with this acquisition, Brunswick Bank, a wholly-owned subsidiary of Brunswick, merged with and into Mid Penn Bank, a wholly-owned subsidiary of Mid Penn.

Critical Accounting Estimates

Mid Penn's Consolidated Financial Statements are prepared in accordance with accounting principles generally accepted in the United States ("GAAP") and conform to general practices within the banking industry. Application of certain principles involves significant judgments and estimates by management that have a material impact on the carrying value of certain assets and liabilities. The judgments and estimates used in applying these principles are based on historical experiences and

other factors which are believed to be reasonable under the circumstances. Because of the nature of the judgments and estimates that have been made, actual results could differ from these judgments and estimates, which could have a material impact on the carrying values of assets and liabilities and the reported results of operations.

Management of the Corporation considers the accounting judgments relating to the allowance for credit losses and goodwill impairment to be the accounting area that requires the most subjective and complex judgments.

Allowance for Credit Losses

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

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

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

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

For further discussion of the methodology used in the determination of the ACL, refer to "Note 1, Summary of Significant Accounting Policies", "Note 3 - Investment Securities", "Note 4 - Loans and Allowance for Credit Losses - Loans" and "Note 18 - Commitments and Contingencies" to the Consolidated Financial Statements. To the extent actual outcomes differ from management estimates, additional PCL may be required that would adversely impact earnings in future periods.

The allowance for credit losses - Loans was \$35.5 million as of December 31, 2024, an increase of \$1.3 million, or 3.9%, compared to \$34.2 million as of December 31, 2023. The increase was primarily the result of an increase in the reserve for individually analyzed loans during the fourth quarter of 2024.

Goodwill

Mid Penn evaluates goodwill annually for impairment unless events occur which indicate that impairment is possible, a triggering event. At December 31, 2024, Mid Penn had goodwill of \$128.2 million and Mid Penn's stock continues to trade below book value.

Our annual impairment test was conducted during the fourth quarter of 2024. Goodwill is calculated as a purchase premium using the market participant and peer group control premium approach. Additional factors considered include actual earnings in relation to forecasted earnings, liquidity levels, changes in deposit balances, and credit quality, among

others. No goodwill impairment has been recorded for 2024. Management will continue to monitor internal metrics and macroeconomic trends to determine if there is likelihood of goodwill impairment.

Refer to Note 1 - Summary of Significant Accounting Policies and Note 6 - Goodwill and Intangible Assets for further details on the Company's goodwill.

Results of Operations

Net Interest Income

Net interest income, Mid Penn's primary source of earnings, represents the difference between interest income received on loans, investments, and overnight funds, and interest expense paid on deposits and short- and long-term borrowings. Net interest income is affected by changes in interest rates and changes in average balances (volume) in the various interest-sensitive assets and liabilities. Interest and average rates in the table below are presented on a fully taxable-equivalent basis ("FTE"). Tax-equivalent adjustments were calculated using a statutory corporate tax rate of 21% for the years ended December 31, 2024, 2023 and 2022. For purposes of calculating loan yields, average loan balances include non-accrual loans. Loan fees of \$4.8 million, \$4.6 million and \$8.4 million are included with loan interest income in the following table for the years ended December 31, 2024, 2023, and 2022, respectively.

The following table includes average balances, effective interest differential and interest yields for the years ended December 31:

	Average Balances, Income and Interest Rates								
	2024			2023			2022		
	Average Balance	Interest	Yield/Rate	Average Balance	Interest	Yield/Rate	Average Balance	Interest	Yield/Rate
<i>(Dollars in thousands)</i>									
ASSETS:									
Interest Bearing Balances	\$ 30,576	\$ 1,127	3.69%	\$ 24,270	\$ 361	1.49%	\$ 26,633	\$ 69	0.26%
Investment Securities:									
Taxable	543,157	15,254	2.81	544,896	15,141	2.78	500,156	11,663	2.33
Tax-Exempt	73,834	1,464	1.98	78,163	1,540	2.49	78,039	1,497	2.43
Total Investment Securities	616,991	16,718	2.71	623,059	16,681	2.68	578,195	13,160	2.34
Federal Funds Sold	36,436	1,928	5.29	7,161	373	5.21	311,989	1,826	0.59
Loans, net of unearned income	4,373,922	265,522	6.07	3,868,307	218,060	5.65	3,217,282	150,256	4.68
Restricted Investment in Bank Stocks	14,155	1,288	9.10	11,121	864	7.77	6,045	289	4.78
Total Interest-earning Assets	5,072,080	286,583	5.65	4,533,918	236,339	5.21	4,140,144	165,600	4.02
Cash and Due from Banks	39,995			49,503			63,608		
Other Assets	300,904			299,666			272,422		
Total Assets	\$5,412,979			\$4,883,087			\$4,476,174		
LIABILITIES & SHAREHOLDERS' EQUITY:									
Interest-bearing Demand	\$1,001,813	\$ 19,001	1.90%	\$ 950,326	\$ 13,893	1.46%	\$1,051,605	\$ 3,847	0.37%
Money Market	913,311	26,580	2.91	926,034	21,424	2.31	1,040,762	5,277	0.51
Savings	275,692	244	0.09	312,053	230	0.07	355,229	193	0.05
Time	1,541,654	70,495	4.57	1,116,552	43,749	3.92	524,944	4,827	0.92
Total Interest-bearing Deposits	3,732,470	116,320	3.12	3,304,965	79,296	2.40	2,972,540	14,144	0.48
Short-term borrowings	190,885	10,575	5.54	107,323	7,087	6.60	11,914	441	3.70
Long-term debt	27,937	1,321	4.73	45,304	975	2.15	23,344	352	1.51
Subordinated debt and trust preferred securities	46,045	1,696	3.68	49,328	2,008	4.07	70,583	2,830	4.01
Total Interest-bearing Liabilities	3,997,337	129,912	3.25	3,506,920	89,366	2.55	3,078,381	17,767	0.58
Noninterest-bearing Demand	780,538			800,582			848,991		
Other Liabilities	62,820			53,530			49,864		
Shareholders' Equity	572,284			522,055			498,938		
Total Liabilities & Shareholders' Equity	\$5,412,979			\$4,883,087			\$4,476,174		
Net Interest Income	\$ 156,671			\$ 146,973			\$ 147,833		
Taxable Equivalent Adjustment ⁽¹⁾	1,018			811			778		
Net Interest Income (taxable-equivalent basis)	\$ 157,689			\$ 147,784			\$ 148,611		
Total Yield on Earning Assets			5.65%			5.21%			4.02%
Rate on Supporting Liabilities			3.25			2.55			0.58
Average Interest Spread			2.40			2.66			3.44
Net Interest Margin ⁽¹⁾			3.11			3.26			3.59

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

The volume analysis of changes in net interest income as of December 31 are as follows:

(Dollars in thousands)	Years Ended December 31, 2024 vs. December 31, 2023			Years ended December 31, 2023 vs. December 31, 2022		
	Increase (decrease)			Increase (decrease)		
	Volume	Rate	Net	Volume	Rate	Net
INTEREST INCOME:						
Interest Bearing Balances	\$ 94	\$ 672	\$ 766	\$ (6)	\$ 298	\$ 292
Investment Securities:						
Taxable	(48)	161	113	1,042	2,436	3,478
Tax-Exempt	(108)	32	(76)	3	40	43
Total Investment Securities	(156)	193	37	1,045	2,476	3,521
Federal Funds Sold	1,525	30	1,555	(1,798)	345	(1,453)
Loans, net of unearned income	28,567	18,895	47,462	30,468	37,336	67,804
Restricted Investment Bank Stocks	236	188	424	243	332	575
Total Interest Income	30,266	19,978	50,244	29,952	40,787	70,739
INTEREST EXPENSE:						
Interest Bearing Deposits:						
Interest Bearing Demand	752	4,356	5,108	(375)	10,421	10,046
Money Market	(294)	5,450	5,156	(585)	16,732	16,147
Savings	(25)	39	14	(22)	59	37
Time	16,664	10,082	26,746	5,443	33,479	38,922
Total Interest-Bearing Deposits	17,097	19,927	37,024	4,461	60,691	65,152
Short-term Borrowings	4,629	(1,141)	3,488	6,300	346	6,646
Long-term Debt	(373)	719	346	332	291	623
Subordinated Debt	(134)	(178)	(312)	(852)	30	(822)
Total Interest Expense	21,219	19,327	40,546	10,241	61,358	71,599
NET INTEREST INCOME	\$ 9,047	\$ 651	\$ 9,698	\$ 19,711	\$ (20,571)	\$ (860)

(1) The effect of changing volume and rate, which cannot be segregated, has been allocated entirely to the rate column. Tax-exempt income is shown on a tax equivalent basis using a statutory corporate tax rate of 21% for the years ended December 31, 2024, 2023 and 2022.

For the year ended December 31, 2024, Mid Penn's FTE net interest margin was 3.11% versus 3.26% for the year ended December 31, 2023 and 3.59% for the year ended December 31, 2022. During 2024, FTE net interest income increased \$9.7 million, or 6.6%, compared to 2023. Interest income increased \$30.3 million as the result of a \$538.2 million, or 11.9%, increase in average interest-earning assets in 2024 compared to 2023, and increased \$20.0 million as the result of a 44 bp increase in the yield on interest-earning assets in 2024 compared to 2023. The decrease to net interest margin was primarily a result of an increase in funding costs and growth in average interest-bearing liabilities, partially offset by higher yields on interest-earning assets and growth in average interest-earning assets.

Average total loans, net, increased \$505.6 million, or 13.1%, contributing \$28.6 million to the increase in interest income. The yield on average total loans, net, increased from 5.65% for 2023 to 6.07% for 2024. The increase in the yield was primarily the result of the higher interest rate environment during 2024.

Total average federal funds sold increased \$29.3 million, contributing \$1.5 million to the increase in FTE interest income, and the average yield on federal funds sold increased 8 bps, contributing \$30 thousand to the increase in FTE interest income.

Interest expense for 2024 increased by \$40.5 million or 45.4% when compared to 2023. The cost of interest-bearing liabilities increased to 3.25% in 2024 from 2.55% in 2023 and 0.58% in 2022. The rate on total interest-bearing deposits increased to 3.12% in 2024 from 2.40% in 2023 and 0.48% in 2022. The increase in the rate was primarily a result of deposit growth and a shift in the mix of deposits from noninterest-bearing to higher yielding demand, money market and time deposits. Mid Penn continued to offer higher rates to both retain and attract deposits. In addition, average short-term borrowings of \$190.9 million were used to help fund loan growth, contributing to the \$3.5 million increase in interest expense on short-term borrowings for the year ended December 31, 2024 as compared to 2023.

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

Provision for Credit Losses - Loans

The provision for credit losses on loans was \$2.1 million for the year ended December 31, 2024, a decrease of \$1.2 million or 34.9% compared to a provision for credit losses of \$3.3 million for the year ended December 31, 2023. The provision for credit losses on loans for the year ended December 31, 2023 decreased \$1.0 million, or 23.4%, from the \$4.3 million provision for credit losses on loans for the year ended December 31, 2022. The decrease in provision for the year ended December 31, 2024 was primarily due to a decrease in loss factors across most portfolios. The benefit for credit losses on off-balance sheet credit exposures was \$628 thousand for the year ended December 31, 2024, compared to a provision of \$404 thousand or the year ended December 31, 2023. Prior to 2023, ACL and related provision are presented in accordance with the previous accounting guidance using the incurred loss method.

For the year ended December 31, 2024, Mid Penn had net charge-offs of \$817 thousand compared to net charge-offs of \$332 thousand for the year ended December 31, 2023, and net recoveries of \$60 thousand for the year ended December 31, 2022 . A summary of charge-offs and recoveries of loans and the provision for loan losses is shown in the table below.

The following table represents the analysis of the allowance for credit losses:

	Years ended December 31,		
	2024	2023	2022
<i>(In Thousands)</i>			
Balance, beginning of year	\$ 34,187	\$ 18,957	\$ 14,597
Loans charged off:			
Commercial real estate			
CRE Nonowner Occupied	—	—	7
CRE Owner Occupied	—	16	—
Total Commercial real estate	—	16	7
Commercial and industrial	819	238	1
Residential mortgage			
1-4 Family 1st Lien	7	13	25
1-4 Family Rental	2	—	—
HELOC and Junior Liens	21	—	1
Total residential mortgage	30	13	26
Consumer	52	135	97
Total loans charged off	901	402	131
Recoveries on loans previously charged off:			
Commercial real estate			
CRE Nonowner Occupied	2	—	—
CRE Owner Occupied	4	—	128
Total commercial real estate	6	—	128
Commercial and industrial	1	—	13
Construction			
Other Construction	—	—	24
Total construction	—	—	24
Residential mortgage			
1-4 Family 1st Lien	16	7	2
1-4 Family Rental	22	31	—
HELOC and Junior Liens	—	—	2
Total residential mortgage	38	38	4
Consumer	39	32	22
Total loans recovered	84	70	191
Net charge-offs (recoveries)	817	332	(60)
Provision for loan losses	2,144	3,295	4,300
Impact from the adoption of CECL	—	11,931	—
Purchase Credit Deteriorated loans	—	336	—
Balance, end of year	\$ 35,514	\$ 34,187	\$ 18,957

The following table represents the ratio of net charge-offs (recoveries) to total average loans outstanding:

(In thousands)

As of December 31, 2024	Net charge-offs (Recoveries)	Average Loans outstanding	Ratio of net charge-offs (recoveries) to total average loans outstanding
Commercial real estate			
CRE Nonowner Occupied	\$ (2)	\$ 1,204,473	0.000 %
CRE Owner Occupied	(4)	624,542	(0.001)
Multifamily	—	384,374	0.000
Farmland	—	217,667	0.000
Total Commercial Real Estate	(6)	2,431,056	0.000
Commercial and industrial	818	695,730	0.118
Construction			
Residential Construction	—	101,234	0.000
Other Construction	—	349,481	0.000
Total Construction	—	450,715	0.000
Residential mortgage			
1-4 Family 1st Lien	(9)	323,524	(0.003)
1-4 Family Rental	(20)	344,261	(0.006)
HELOC and Junior Liens	21	136,634	0.015
Total Residential Mortgage	(8)	804,419	(0.001)
Consumer	13	7,276	0.179
Total Loans	\$ 817	\$ 4,389,196	0.019 %

As of December 31, 2023			
Commercial real estate			
CRE Nonowner Occupied	\$ —	\$ 1,111,413	0.000 %
CRE Owner Occupied	16	586,357	0.003
Multifamily	—	261,289	0.000
Farmland	—	199,452	0.000
Total Commercial Real Estate	16	2,158,511	0.001
Commercial and industrial	238	641,264	0.037
Construction			
Residential Construction	—	100,851	0.000
Other Construction	—	378,962	0.000
Total Construction	—	479,813	0.000
Residential mortgage			
1-4 Family 1st Lien	6	342,485	0.002
1-4 Family Rental	(31)	253,606	(0.012)
HELOC and Junior Liens	—	128,912	0.000
Total Residential Mortgage	(25)	725,003	(0.003)
Consumer	103	6,486	1.588
Total Loans	\$ 332	\$ 4,011,077	0.008 %

As of December 31, 2022

Commercial real estate					
CRE Nonowner Occupied	\$	7	\$	961,766	0.001 %
CRE Owner Occupied		(128)		479,599	(0.027)
Multifamily		—		188,040	0.000
Farmland		—		158,844	0.000
Total Commercial Real Estate		(121)		1,788,249	(0.007)
Commercial and industrial		(12)		572,291	(0.002)
Construction					
Residential Construction		—		59,170	0.000
Other Construction		(24)		340,751	(0.007)
Total Construction		(24)		399,921	(0.006)
Residential mortgage					
1-4 Family 1st Lien		23		285,331	0.008
1-4 Family Rental		—		114,992	0.000
HELOC and Junior Liens		(1)		114,610	(0.001)
Total Residential Mortgage		22		514,933	0.004
Consumer		75		9,141	0.821
Total Loans	\$	(60)	\$	3,284,535	(0.002) %

Noninterest Income

Noninterest income and variance analysis as of December 31:

(Dollars in thousands)	Years Ended December 31,			\$ Variance 2024 vs. 2023	% Variance 2024 vs. 2023
	2024	2023	2022		
Income from fiduciary and wealth management activities	\$ 4,680	\$ 5,059	\$ 5,071	\$ (379)	(7.5)%
ATM debit card interchange income	3,851	4,019	4,362	(168)	(4.2)
Service charges on deposits	2,176	1,943	2,078	233	12.0
Mortgage banking income	2,476	1,353	1,607	1,123	83.0
Mortgage hedging income	10	324	1,471	(314)	(96.9)
Net gain on sales of SBA loans	347	571	262	(224)	(39.2)
Earnings from cash surrender value of life insurance	1,141	1,112	1,013	29	2.6
Other income	7,812	5,627	7,793	2,185	38.8
Total Noninterest Income	\$ 22,493	\$ 20,008	\$ 23,657	\$ 2,485	12.4 %

For the year ended December 31, 2024, noninterest income totaled \$22.5 million, an increase of \$2.5 million or 12.4%, compared to noninterest income of \$20.0 million for the year ended December 31, 2023. Income from mortgage banking, service charges on deposits, earnings from cash surrender value of life insurance, and other income all increased compared to the prior year.

Mortgage banking income increased \$1.1 million for the year ended December 31, 2024 compared to the year ended December 31, 2023. Mortgage loan originations and secondary-market loan sales and gains increased during 2024 as a result of decreases in interest rates. Mortgage hedging income was \$10 thousand for the year ended December 31, 2024 compared to \$324 thousand for the same period in 2023.

Other income increased \$2.2 million for the year ended December 31, 2024 compared to the year ended December 31, 2023. The increase in noninterest income is primarily driven by a \$2.2 million increase in other miscellaneous noninterest income, driven by increases in Bank-owned life insurance benefits received.

For details on the variances of noninterest income for the year ended December 31, 2023 compared to the year ended December 31, 2022 refer to the "Noninterest Income" section of the Management's Discussion and Analysis in the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

Noninterest expense and variance analysis as of December 31:

(In Thousands)	Years Ended December 31,			\$ Variance 2024 vs. 2023	% Variance 2024 vs. 2023
	2024	2023	2022		
Salaries and employee benefits	\$ 64,098	\$ 59,345	\$ 52,601	\$ 4,753	8.0 %
Software licensing and utilization	9,300	7,927	7,524	1,373	17.3
Occupancy expense, net	7,571	7,349	6,900	222	3.0
Equipment expense	4,928	5,121	4,493	(193)	(3.8)
Shares tax	2,350	2,713	2,786	(363)	(13.4)
Legal and professional fees	4,306	2,945	2,761	1,361	46.2
ATM/card processing	2,284	2,108	2,139	176	8.3
Intangible amortization	1,784	1,780	2,012	4	0.2
FDIC assessment	4,170	3,500	1,594	670	19.1
(Gain) loss on sale or write-down of foreclosed assets, net	80	(144)	(133)	224	N/M
Merger and acquisition expense	545	5,544	294	(4,999)	(90.2)
Post-acquisition restructuring expense	—	2,952	329	(2,952)	(100.0)
Other expenses	16,200	17,448	16,139	(1,248)	(7.2)
Total Noninterest Expense	<u>\$ 117,616</u>	<u>\$ 118,588</u>	<u>\$ 99,439</u>	<u>\$ (972)</u>	<u>(0.8)%</u>

N/M - Not Meaningful

For the year ended December 31, 2024, noninterest expense totaled \$117.6 million, a decrease of \$1.0 million, or 0.8%, compared to noninterest expense of \$118.6 million for the year ended December 31, 2023. The decrease was primarily driven by a \$5.0 million decrease in merger and acquisition expenses, and a \$3.0 million decrease in post-acquisition restructuring, partially offset by a \$4.8 million increase in salaries and benefits expense, driven by year-end employee bonus incentives, increases in employee salaries, and increased costs of employee medical benefits, a \$1.4 million increase in legal and professional fees, and a \$1.4 million increase in software licensing and utilization.

For details on the variances of noninterest expense for the year ended December 31, 2023 compared to the year ended December 31, 2022 refer to the "Noninterest Expense" section of the Management's Discussion and Analysis in the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

Income Taxes

The provision for income taxes was \$10.6 million during the year ended December 31, 2024, an increase of \$3.3 million compared to \$7.3 million for the same period in 2023. The provision for income taxes for the year ended December 31, 2024 reflects an effective combined Federal and state tax rate ("ETR") of 17.6%, compared to an ETR of 16.3% for the year ended December 31, 2023. The increase in the effective tax rates in 2024 compared to 2023 was a result of higher state taxes, driven by a prior year's benefit from the Brunswick acquisition. Generally, Mid Penn's effective tax rate is below the federal statutory rate due to earnings on tax-exempt loans, investments, and earnings from the cash surrender value of life insurance, as well as the impact of federal income tax credits, including those awarded from Mid Penn's low-

income housing investments. The realization of Mid Penn's deferred tax assets is dependent on future earnings. Mid Penn currently anticipates that future earnings will be adequate to fully realize the currently recorded deferred tax assets.

Financial Condition

Mid Penn's total assets were \$5.5 billion as of December 31, 2024, reflecting an increase of \$180.1 million, or 3.4%, compared to total assets of \$5.3 billion as of December 31, 2023. The increase was primarily driven by organic loan growth, increases in investment securities, and an increase in Fed Funds Sold.

Investment Securities

Mid Penn's portfolio of held-to-maturity ("HTM") securities, recorded at amortized cost, decreased \$16.7 million to \$382.4 million as of December 31, 2024, as compared to \$399.1 million as of December 31, 2023. Mid Penn's total available-for-sale ("AFS") securities portfolio increased \$36.9 million from \$223.6 million at December 31, 2023 to \$260.5 million at December 31, 2024.

At December 31, 2024, the unrealized loss on AFS investment securities resulted in a negative impact to shareholders' equity of \$1.6 million (comprised of a gross unrealized loss on securities of \$2.0 million, net of deferred income tax). At December 31, 2023, the unrealized gain on AFS investment securities resulted in a positive impact to shareholders' equity of \$2.0 million (comprised of a gross unrealized gain on securities of \$2.1 million, net of deferred income tax). Mid Penn does not have any significant concentrations of non-governmental securities within its investment portfolio.

Mid Penn's investment portfolio is utilized primarily to support overall liquidity and interest rate risk management, to provide collateral supporting pledging requirements for public funds on deposit, and to generate additional interest income within reasonable risk parameters. Mid Penn's investment portfolio includes both held-to-maturity securities and available-for-sale securities.

The following table presents the expected maturities of the investment portfolio and the weighted average yields (calculated based on historical cost and net of tax) as of December 31, 2024:

(In Thousands)	Maturing							
	One Year and Less		After One Year thru Five Years		After Five Years Thru Ten Years		After Ten Years	
	Weighted Average Yield		Weighted Average Yield		Weighted Average Yield		Weighted Average Yield	
As of December 31, 2024	Amount		Amount		Amount		Amount	
Available for sale securities, at fair value:								
U.S. Treasury and U.S. government agencies	\$ 5,476	3.49 %	\$14,224	2.40 %	\$ 1,807	3.30 %	\$ —	— %
Mortgage-backed U.S. government agencies	—	—	—	—	5,292	2.53	197,652	3.72
State and political subdivision obligations	—	—	—	—	2,948	2.49	648	2.23
Corporate debt securities	4,990	5.15	7,190	4.32	20,250	4.42	—	—
	<u>\$10,466</u>	<u>4.28 %</u>	<u>\$21,414</u>	<u>3.05 %</u>	<u>\$30,297</u>	<u>3.84 %</u>	<u>\$198,300</u>	<u>3.71 %</u>
Held to maturity securities, at amortized cost:								
U.S. Treasury and U.S. government agencies	\$ 8,100	3.07%	\$99,111	1.88%	\$134,730	2.10%	\$ —	—%
Mortgage-backed U.S. government agencies	—	—	1,937	2.97	4,865	2.80	30,791	2.01
State and political subdivision obligations	9,457	2.39	37,111	2.45	15,010	2.27	15,884	2.59
Corporate debt securities	2,006	3.89	3,995	3.18	19,450	4.10	—	—
	<u>\$19,563</u>	<u>2.83 %</u>	<u>\$142,154</u>	<u>2.08 %</u>	<u>\$174,055</u>	<u>2.36 %</u>	<u>\$ 46,675</u>	<u>2.21 %</u>

Loans, net of unearned income

The following table presents the ending balance of loans outstanding, by type, as of December 31:

	2024		2023		Change in Balance	
	Balance	% of Total Loans	Balance	% of Total Loans	\$	%
<i>(Dollars in thousands)</i>						
Commercial real estate						
CRE Nonowner Occupied	\$ 1,251,010	28.1 %	\$ 1,149,553	27.0 %	\$ 101,457	8.8 %
CRE Owner Occupied	624,007	14.0	629,904	14.8	(5,897)	(0.9)
Multifamily	412,900	9.3	309,059	7.3	103,841	33.6
Farmland	224,709	5.1	212,690	5.0	12,019	5.7
Total Commercial Real Estate	2,512,626	56.5	2,301,206	54.1	211,420	9.2
Commercial and industrial	705,392	15.9	675,079	15.9	30,313	4.5
Construction						
Residential Construction	99,399	2.2	92,843	2.2	6,556	7.1
Other Construction	326,171	7.3	362,624	8.5	(36,453)	(10.1)
Total Construction	425,570	9.5	455,467	10.7	(29,897)	(6.6)
Residential mortgage						
1-4 Family 1st Lien	313,592	7.1	339,142	8.0	(25,550)	(7.5)
1-4 Family Rental	336,636	7.6	341,937	8.0	(5,301)	(1.6)
HELOC and Junior Liens	140,392	3.2	132,795	3.1	7,597	5.7
Total Residential Mortgage	790,620	17.9	813,874	19.1	(23,254)	(2.9)
Consumer	8,862	0.2	7,166	0.2	1,696	23.7
	<u>\$ 4,443,070</u>	<u>100.0 %</u>	<u>\$ 4,252,792</u>	<u>100.0 %</u>	<u>\$ 190,278</u>	<u>4.5 %</u>

Total loans, net of unearned income, as of December 31, 2024 were \$4.4 billion compared to \$4.3 billion as of December 31, 2023, an increase of \$190.3 million.

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

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

The following table represents the Commercial Real Estate portfolio by property type along with the weighted average loan to value as of December 31, 2024:

(Dollars in thousands)

	December 31, 2024			December 31, 2023		
	Balance	% of portfolio	Weighted Average LTV ⁽²⁾	Balance	% of portfolio	Weighted Average LTV ⁽²⁾
Commercial Real Estate						
Owner Occupied ⁽¹⁾	\$ 624,007	24.8 %	N/A	\$ 629,904	27.5 %	N/A
Farmland ⁽¹⁾	224,709	8.9	N/A	212,690	9.2	N/A
Multifamily	412,900	16.4	63.8	309,059	13.4	58.9
Non Owner Occupied						
Retail	426,171	17.0	60.3	414,485	18.0	51.0
Office	296,468	11.8	63.2	301,810	13.1	64.4
Industrial	161,683	6.4	53.2	156,075	6.8	49.3
Hospitality	152,060	6.1	51.2	137,718	6.0	49.4
Flex	44,187	1.8	44.2	39,374	1.7	56.0
Mobile Home Park	17,748	0.7	67.7	21,298	0.9	68.4
Health Care	14,511	0.6	55.3	15,618	0.7	54.6
Other Property Types	138,182	5.5	64.1	63,175	2.7	43.2
Total Commercial Real Estate	<u>\$ 2,512,626</u>	<u>100.0%</u>	<u>59.9 %</u>	<u>\$ 2,301,206</u>	<u>100.0%</u>	<u>55.4 %</u>

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

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

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

(In Thousands)

As of December 31, 2024	One Year and Less	One to Five Years	Five to Fifteen Years	Over Fifteen Years	Total
Commercial real estate					
CRE Nonowner Occupied	\$ 59,218	\$ 402,110	\$ 499,042	\$ 290,640	\$ 1,251,010
CRE Owner Occupied	24,643	66,949	258,018	274,397	624,007
Multifamily	43,742	157,530	107,420	104,208	412,900
Farmland	648	8,603	61,388	154,070	224,709
Total Commercial real estate	128,251	635,192	925,868	823,315	2,512,626
Commercial and industrial	28,535	335,077	105,795	235,985	705,392
Construction					
Residential Construction	61,942	24,436	11,742	1,279	99,399
Other Construction	148,374	138,126	17,267	22,404	326,171
Total Construction	210,316	162,562	29,009	23,683	425,570
Residential mortgage					
1-4 Family 1st Lien	4,749	26,252	80,764	201,827	313,592
1-4 Family Rental	10,733	54,091	99,131	172,681	336,636
HELOC and Junior Liens	8,956	14,778	34,165	82,493	140,392
Total Residential Mortgage	24,438	95,121	214,060	457,001	790,620
Consumer	2,698	1,805	1,404	2,955	8,862
Total loans held in portfolio	\$ 394,238	\$ 1,229,757	\$ 1,276,136	\$ 1,542,939	\$ 4,443,070

Fixed interest rates:

Commercial real estate

CRE Nonowner Occupied	\$ 48,354	\$ 206,561	\$ 73,775	\$ 9,349	\$ 338,039
CRE Owner Occupied	17,627	46,818	21,985	2,054	88,484
Multifamily	37,898	84,222	6,755	—	128,875
Farmland	483	7,422	6,620	56	14,581
Total Commercial real estate	104,362	345,023	109,135	11,459	569,979
Commercial and industrial	15,481	203,308	20,008	11,207	250,004

Construction

Residential Construction	25,215	7,324	315	—	32,854
Other Construction	24,555	37,269	1,094	808	63,726
Total Construction	49,770	44,593	1,409	808	96,580

Residential mortgage

1-4 Family 1st Lien	4,713	21,152	50,657	132,028	208,550
1-4 Family Rental	7,395	49,140	4,893	8,532	69,960
HELOC and Junior Liens	454	6,665	23,972	2,400	33,491
Total Residential Mortgage	12,562	76,957	79,522	142,960	312,001
Consumer	1,409	1,782	1,404	503	5,098
Total fixed interest rates	\$ 183,584	\$ 671,663	\$ 211,478	\$ 166,937	\$ 1,233,662

Floating interest rates:

Commercial real estate

CRE Nonowner Occupied	\$ 10,864	\$ 195,549	\$ 425,267	\$ 281,291	\$ 912,971
CRE Owner Occupied	7,016	20,131	236,033	272,343	535,523
Multifamily	5,843	73,309	100,665	104,208	284,025
Farmland	165	1,180	54,769	154,014	210,128
Total Commercial real estate	23,888	290,169	816,734	811,856	1,942,647
Commercial and industrial	13,054	131,768	85,787	224,779	455,388

Construction

Residential Construction	36,727	17,113	11,426	1,279	66,545
Other Construction	123,819	100,856	16,173	21,597	262,445
Total Construction	160,546	117,969	27,599	22,876	328,990

Residential mortgage

1-4 Family 1st Lien	36	5,100	30,107	69,799	105,042
1-4 Family Rental	3,338	4,951	94,238	164,149	266,676
HELOC and Junior Liens	8,502	8,114	10,193	80,092	106,901
Total Residential Mortgage	11,876	18,165	134,538	314,040	478,619
Consumer	1,290	23	—	2,451	3,764
Total floating interest rates	210,654	558,094	1,064,658	1,376,002	3,209,408
Total fixed and floating interest rates	\$ 394,238	\$ 1,229,757	\$ 1,276,136	\$ 1,542,939	\$ 4,443,070

Credit Quality, Credit Risk, and Allowance for Credit Losses

Mid Penn adopted FASB ASC 326, in accordance with the amendments of FASB ASU 2016-13, effective January 1, 2023. The guidance in FASB ASC 326 replaced Mid Penn's previous incurred loss methodology with a methodology that reflects the current expected credit losses and requires consideration of a broader range of reasonable and supportable information

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

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

The following table represents the allowance for credit loss as a percentage of total loans:

(In Thousands)

As of December 31, 2024	Total ACL - Loans	Total Loans	% of Total Loans Outstanding	Allowance as a % of Loan Category
Commercial real estate				
CRE Nonowner Occupied	\$ 11,047	\$ 1,251,010	28.1 %	0.9 %
CRE Owner Occupied	5,243	624,007	14.0	0.8
Multifamily	3,432	412,900	9.3	0.8
Farmland	1,932	224,709	5.1	0.9
Total Commercial real estate	21,654	2,512,626	56.5	0.9
Commercial and industrial	7,122	705,392	15.9	1.0
Construction				
Residential Construction	931	99,399	2.2	0.9
Other Construction	2,131	326,171	7.3	0.7
Total Construction	3,062	425,570	9.5	0.7
Residential mortgage				
1-4 Family 1st Lien	1,503	313,592	7.1	0.5
1-4 Family Rental	1,756	336,636	7.6	0.5
HELOC and Junior Liens	392	140,392	3.2	0.3
Total Residential mortgage	3,651	790,620	17.9	0.5
Consumer	25	8,862	0.2	0.3
Total	\$ 35,514	\$ 4,443,070	100.0 %	0.8 %

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

Upon the adoption of FASB ASC 326 on January 1, 2023, Mid Penn recorded an overall increase of \$15.0 million to the ACL on January 1, 2023 as a result of the adoption of CECL. Retained earnings decreased \$11.5 million and deferred tax assets increased by \$3.1 million. Included in the \$15.0 million increase to the ACL was \$3.1 million for certain OBS credit exposures that were previously recognized in other liabilities before the adoption of CECL. The ACL and the related PCL for the year ended December 31, 2022 reflects Mid Penn's application of the incurred loss method for estimating credit losses.

The following table represents non-performing assets as of:

	December 31,		
	2024	2023	2022
<i>(Dollars in thousands)</i>			
Non-performing Assets:			
Total non-accrual loans	\$ 22,610	\$ 14,216	\$ 8,585
Foreclosed real estate	44	293	43
Total non-performing assets	22,654	14,509	8,628
Accruing loans 90 days or more past due	—	—	654
Total risk elements	\$ 22,654	\$ 14,509	\$ 9,282
Non-accrual loans as a percentage of total loans outstanding	0.51 %	0.33 %	0.24 %
Non-performing assets as a percentage of total loans outstanding and foreclosed real estate	0.51%	0.34%	0.25%
Allowance for credit losses as a percentage of total loans	0.80%	0.80%	0.54%
Ratio of ACL to non-performing loans	157.07%	240.48%	220.82%

Total nonperforming assets were \$22.7 million at December 31, 2024, an increase compared to nonperforming assets of \$14.5 million at December 31, 2023. The increase since December 31, 2023 was primarily the result of the addition of two commercial loans with a combined balance of \$3.0 million, and two commercial real estate loans with a combined balance of \$2.3 million being placed on nonaccrual in the fourth quarter of 2024.

Deposits and Other Funding Sources

Mid Penn's primary source of funds are retail deposits from businesses, public funds depositors, and consumers in its market area. For the year ended December 31, 2024, deposits totaled \$4.7 billion, an increase of \$343.7 million, or 7.9%, compared to \$4.3 billion as of December 31, 2023.

Average balances and average interest rates applicable to deposits by major classification for the years ended December 31:

	2024		2023		Change	
	Balance	Rate	Balance	Rate	\$	%
<i>(Dollars in thousands)</i>						
Noninterest-bearing demand deposits	\$ 780,538	0.00 %	\$ 800,582	0.00 %	\$ (20,044)	(2.50)%
Interest-bearing demand deposits	1,001,813	1.90	950,326	1.46	51,487	5.42
Money market	913,311	2.91	926,034	2.31	(12,723)	(1.37)
Savings	275,692	0.09	312,053	0.07	(36,361)	(11.65)
Time	1,541,654	4.57	1,116,552	3.92	425,102	38.07
	<u>\$ 4,513,008</u>	<u>2.58 %</u>	<u>\$ 4,105,547</u>	<u>1.93 %</u>	<u>\$ 407,461</u>	<u>9.92 %</u>

As of December 31, 2024, uninsured deposits were approximately \$1.4 billion compared to \$1.2 billion as of December 31, 2023. The maturities of the uninsured time deposits as of December 31, 2024 were as follows:

<i>(In thousands)</i>	2024
Three months or less	\$ 183,138
Over three months to six months	89,493
Over six months to twelve months	72,526
Over twelve months	15,552
	\$ 360,709

Short-term borrowings as of December 31, 2024 totaled \$2.0 million, compared to \$241.5 million as of December 31, 2023, and consisted of \$2.0 million of FHLB overnight borrowings. As of December 31, 2024, the Bank had long-term debt outstanding in the amount of \$23.6 million compared to \$59.0 million as of December 31, 2023.

Subordinated debt and trust preferred securities totaled \$45.7 million as of December 31, 2024 compared to \$46.4 million as of December 31, 2023. There were no redemptions of subordinated debt in 2024. In April 2023, Mid Penn redeemed \$10.0 million subordinated debt issued in December of 2017. See "Note 11 - Subordinated Debt and Trust Preferred Securities", within Item 8, Notes to Consolidated Financial Statements.

Shareholders' Equity and Capital

Shareholders' equity, or capital, is evaluated in relation to total assets and the risk associated with those assets. The detailed computation of Mid Penn's regulatory capital ratios can be found in "Note 17 - Regulatory Matters", within Item 8, Notes to Consolidated Financial Statements. The greater the Corporation's capital resources, the more likely it is to meet its cash obligations and absorb unforeseen losses. Capital management practices have been, and will continue to be, of paramount importance to the Corporation in support of both its regulatory capital requirements and its shareholders.

Shareholders' equity increased \$112.7 million, or 20.8%, to \$655.0 million as of December 31, 2024 from \$542.4 million as of December 31, 2023, primarily as result of completion of the underwritten public offering of 2,375,000 shares of common stock in November 2024, and net income, partially offset by dividends declared of \$13.8 million and share repurchases totaling \$323 thousand.

Mid Penn maintained regulatory capital levels, leverage ratios, and risk-based capital ratios as of December 31, 2024 and 2023, as follows:

	December 31, 2024	December 31, 2023	Regulatory Minimum for Capital Adequacy
Tier I Leverage Capital (to Average Assets)	9.98 %	8.32 %	4.00 %
Common Equity Tier I (to Risk-Weighted Assets)	12.09	9.78	7.00
Tier I Risk-Based Capital (to Risk-Weighted Assets)	12.09	9.78	8.50
Total Risk-Based Capital (to Risk-Weighted Assets)	13.98 %	11.69 %	10.50 %

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

Liquidity

Mid Penn's objective is to maintain adequate liquidity to meet funding needs at a reasonable cost and to provide contingency plans to meet unanticipated funding needs or a loss of funding sources, while minimizing interest rate risk.

Adequate liquidity provides resources for credit needs of borrowers, for depositor withdrawals, and for funding corporate operations. Sources of liquidity are as follows:

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

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

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

The Consolidated Statements of Cash Flows provide additional information. Mid Penn's operating activities during the year ended December 31, 2024 provided \$51.4 million of cash, mainly due to net income. Cash used in investing activities during the year ended December 31, 2024 was \$208.7 million, mainly the result of the net increase in loans. Cash provided by financing activities during the year ended December 31, 2024 totaled \$131.2 million, primarily the result of an increase in net deposits.

Contractual Obligations

Mid Penn has substantial aggregate contractual obligations to make future cash payments as of December 31, 2024 as outlined below:

	Total	Payments Due by Period			
		One Year or Less	One to Three Years	Three to Five Years	More than Five Years
<i>(Dollars in thousands)</i>					
Operating lease obligations	\$ 8,978	\$ 2,361	\$ 4,057	\$ 1,943	\$ 617
Finance lease obligation	3,992	260	520	535	2,677
Certificates of deposit	1,684,672	1,511,996	152,422	16,530	3,724
Long-term debt	20,586	344	20,241	1	—
Subordinated debt	45,741	—	—	—	45,741
	<u>\$ 1,763,969</u>	<u>\$ 1,514,961</u>	<u>\$ 177,240</u>	<u>\$ 19,009</u>	<u>\$ 52,759</u>

Details on expected maturities of investments, loans and deposits are presented in the above sections of Management's Discussion and Analysis. We are not aware of any other commitments or contingent liabilities which may have a material adverse impact on Mid Penn's liquidity or capital resources.

Effects of Inflation

A bank's asset and liability structure is substantially different from that of an industrial company in that virtually all assets and liabilities of a bank are monetary in nature. Management believes the impact of inflation on its financial results depends principally upon Mid Penn's ability to measure its sensitivity to changes in interest rates and to take appropriate actions, as needed or controllable by the Bank, to mitigate the impacts of inflation on performance. Interest rates do not necessarily move in the same direction or at the same magnitude as the prices of other goods and services. As discussed

previously, management seeks to manage the relationship between interest sensitive assets and liabilities in order to protect against wide interest rate fluctuations, including those resulting from inflation.

Information included elsewhere in this report will assist in the understanding of how Mid Penn is positioned to react to changing interest rates and inflationary trends. In particular, the previously discussed risk factors, the composition of and yields on loans and investments, and the composition and costs of deposits and other interest-bearing liabilities, should be considered.

Off-Balance Sheet Risk

Mid Penn makes contractual commitments to extend credit and extends lines of credit, which are subject to Mid Penn's credit approval and monitoring procedures. As of December 31, 2024, commitments to extend credit amounted to \$1.2 billion compared to \$1.5 billion as of December 31, 2023.

Mid Penn also issues standby letters of credit to its customers. The risk associated with standby letters of credit is essentially the same as the credit risk involved in loan extensions to customers. Standby letters of credit increased to \$64.3 million at December 31, 2024, from \$62.2 million at December 31, 2023.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

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

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

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

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

The following table reflects the effect of hypothetical changes in interest rates:

Change in Basis Points	% Change in Net Interest Income	Policy Risk Limit
400	9.0%	≥ -25%
300	6.8%	≥ -20%
200	4.6%	≥ -15%
100	2.4%	≥ -10%
(100)	(2.3)%	≥ -10%
(200)	(4.7)%	≥ -15%
(300)	(7.2)%	≥ -20%
(400)	(8.2)%	≥ -25%

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The following audited financial statements are set forth in this Annual Report on Form 10-K on the following pages:

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Management Report on Internal Controls Over Financial Reporting

The Corporation carried out an evaluation, under the supervision and with the participation of the Corporation's management, including the Corporation's Chief Executive Officer and Chief Financial Officer, of the effectiveness of its disclosure controls and procedures, as defined in SEC Rules 13a-15(e) and 15d-15(e). Based upon the evaluation, the Corporation's Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2024, the Corporation's disclosure controls and procedures are effective. Disclosure controls and procedures are designed to ensure that information required to be disclosed in the Corporation's reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

The management of the Corporation is responsible for establishing and maintaining adequate internal control over financial reporting. The Corporation's internal control system is designed 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. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness of 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.

Management assessed the effectiveness of the Corporation's internal control over financial reporting as of December 31, 2024, using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control-Integrated Framework (2013)*. Based on this assessment, management concluded that, as of December 31, 2024, the Corporation's internal control over financial reporting is effective based on those criteria.

The effectiveness of the Corporation's internal control over financial reporting has been audited by RSM US LLP, an independent registered public accounting firm, as stated in their report which is included herein.

/s/ Rory G. Ritrievi

Rory G. Ritrievi
President and
Chief Executive Officer
March 13, 2025

/s/ Justin T. Webb

Justin T. Webb
Chief Financial Officer
March 13, 2025

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Mid Penn Bancorp, Inc. and Subsidiaries

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Mid Penn Bancorp, Inc. and Subsidiaries (the Company) as of December 31, 2024 and 2023, the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for each of the three years in the period ended December 31, 2024, and the related notes to the consolidated financial statements (collectively, the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013, and our report dated March 13, 2025 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits 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. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

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

Allowance for Credit Losses on Loans – Adjustments to Historical Losses

As described in Note 1 and Note 4 of the financial statements, the Company's allowance for credit losses (ACL) on loans is established through a provision for credit losses on loans and represents management's estimate of all expected credit losses over the expected contractual life of the Company's loan portfolio. The methodology for estimating the amount of expected credit losses reported in the ACL on loans has two basic components: a collective, or pooled, component for estimated expected credit losses for pools of loans that share similar risk characteristics, and an asset-specific component involving individual loans that do not share risk characteristics with other loans and the measurement of expected credit losses for such individual loans. In estimating the ACL on loans for the collective component, loans are segregated into loan pools based on loan purpose codes and similar risk characteristics. The ACL on loans as of December 31, 2024 was \$35.5 million, which consists of an ACL on loans collectively evaluated for credit losses of \$34.1 million and an ACL on loans individually evaluated for credit losses of \$1.4 million.

The Company estimates the collective ACL on loans utilizing a discounted cash flow (DCF) methodology applied to portfolio segments and their loan pools segregated by similar risk characteristics. The Company's DCF methodology adjusts loan level contractual cash flows for probability of default and loss given default and prepayment and curtailment rate assumptions to calculate expected future cash flows. A correlation between the selected macroeconomic indicators of

national unemployment rate and GDP and historic loss levels, adjusted to include representative peer group loss experience, was developed to predict loss expectations based on current economic conditions and a reasonable and supportable forecast period. At the end of the reasonable and supportable forecast period, the Company reverts to the long-term mean of the macroeconomic indicator. For the December 31, 2024 ACL on loans, the Company determined that reasonable and supportable forecasts could be made for a 12-month period and used a reversion period of four quarters reverting to the historical mean on a straight-line basis. The Company also calculates a qualitative portion of the ACL, which is based on general economic conditions and other internal and external factors affecting Mid Penn's loan portfolio. At December 31, 2024, qualitative factors considered for the ACL on loans included concentrations of credit, lending process, and peer group divergence.

We identified the adjustments to historical losses, both as it relates to the economic forecast selection and the qualitative factors, within the Company's ACL on loans calculation as a critical audit matter as auditing the underlying adjustments required significant auditor judgment in the evaluation of the Company's assumptions.

Our audit procedures related to the Company's adjustments to historical loss information component of the ACL on loans included the following, among others:

- We obtained an understanding of the relevant controls related to the ACL on loans and tested such controls for design and operating effectiveness, including controls relating to management's review and approval of the ACL on loans calculation, management's assessment and review of the adjustments to historical loss information component of the ACL on loans for current conditions and forecasted scenarios and management's validation of underlying source data.
- We tested management's calculation of adjustments to historical loss information within the ACL on loans calculation by:
 - Agreeing calculation inputs to the Company's internal and external source data, including for current and forecasted conditions;
 - Verifying the mathematical accuracy of the calculation of adjustments to historical loss information; and
 - Evaluating whether adjustments to historical loss information within the ACL on loans, or lack thereof, were reasonable and consistent with Company provided internal data and external independent data, including data related to current and forecasted periods.
- We assessed the reasonableness of management's calculated changes in adjustments to historical loss information within the ACL on loans calculation by:
 - Evaluating the magnitude and directional consistency of changes, or lack thereof, in the level of adjustments to historical loss information between periods; and
 - Evaluating whether management's conclusions were reasonable and consistent with Company provided internal data and external independent data, including data related to current and forecasted periods.
- We agreed management's calculated adjustments to historical loss information to the ACL on loans calculation.

Goodwill Impairment – Fair Value of Reporting Unit

As described in Note 1 and Note 6 of the financial statements, the Company's goodwill balance was \$128.2 million as of December 31, 2024. Goodwill is tested annually for impairment, or at interim periods if certain events occur which may indicate the fair value of the reporting unit has fallen below its carrying amount, by comparing the estimated fair value of Company's single reporting unit to its carrying value. The Company estimates the fair value of its single reporting unit through multiple valuation techniques, including a public company market change of control approach and a peer group change of control approach. Significant judgment is required to estimate the fair value of the Company's single reporting unit including the evaluation of current market data as well as the selection of a control premium.

We identified the Company's annual goodwill impairment test as a critical audit matter due to the complexity of the analysis and certain significant assumptions made by management in estimating the fair value of the Company's reporting unit such as the determination of a reasonable control premium and the identification of peer public companies. Auditing management's assumptions required a high degree of auditor judgement, subjectivity, and increased audit effort, including the use of internal valuation specialists, due to the impact these assumptions could have on the accounting estimate.

Our audit procedures related to the Company's annual goodwill impairment test included the following, among others:

- We obtained an understanding of the relevant controls related to management's annual test of goodwill for impairment and tested such controls for design and operating effectiveness, including controls over management's preparation of the significant assumptions such as the control premium.

- We tested the completeness and accuracy of the underlying data used by management in the fair value estimate by agreeing Company financial data to internal Company records.
- We utilized internal valuation specialists who assisted in the following, among others:
 - Evaluating the completeness and accuracy of the market data used in management's calculation of the control premium by comparing such market data to independently sourced information.
 - Evaluating the comparability of the Company to the peer public companies identified by management through consideration of size, location, and recent results of operations, among other factors.
 - Evaluating the appropriateness of the valuation models used in management's analysis and comparing management's selected control premium to publicly available market data.

We have served as the Company's auditor since 2020.

/s/ RSM US LLP

Philadelphia, Pennsylvania

March 13, 2025

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Mid Penn Bancorp, Inc. and Subsidiaries

Opinion on the Internal Control Over Financial Reporting

We have audited Mid Penn Bancorp, Inc. and Subsidiaries' (the Company) internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements of the Company and our report dated March 13, 2025 expressed an unqualified opinion.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting in the accompanying Management Report on Internal Controls Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit 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 audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

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.

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.

/s/ RSM US LLP

Philadelphia, Pennsylvania

March 13, 2025

(In thousands, except per share data)

	December 31, 2024	December 31, 2023
ASSETS		
Cash and due from banks	\$ 37,002	\$ 45,435
Interest-bearing balances with other financial institutions	14,490	34,668
Federal funds sold	19,072	16,660
Total cash and cash equivalents	70,564	96,763
Investment securities:		
Held to maturity, at amortized cost (fair value \$340,648 and \$357,521)	382,447	399,128
AFS, at fair value (amortized cost \$284,770 and \$245,886)	260,477	223,555
Equity securities, at fair value	428	438
Loans held for sale, at fair value	7,064	3,855
Loans, net of unearned income	4,443,070	4,252,792
Less: ACL - Loans	(35,514)	(34,187)
Net loans	4,407,556	4,218,605
Premises and equipment, net	38,806	36,909
Operating lease right of use asset	7,699	8,953
Finance lease right of use asset	2,548	2,727
Cash surrender value of life insurance	51,521	54,497
Restricted investment in bank stocks	7,461	16,768
Accrued interest receivable	26,846	25,820
Deferred income taxes	22,747	24,146
Goodwill	128,160	127,031
Core deposit and other intangibles, net	6,242	6,479
Foreclosed assets held for sale	44	293
Other assets	50,326	44,825
Total Assets	\$ 5,470,936	\$ 5,290,792
LIABILITIES & SHAREHOLDERS' EQUITY		
Deposits:		
Noninterest-bearing demand	\$ 759,169	\$ 801,312
Interest-bearing transaction accounts	2,319,753	2,086,450
Time	1,611,005	1,458,450
Total Deposits	4,689,927	4,346,212
Short-term borrowings	2,000	241,532
Long-term debt	23,603	59,003
Subordinated debt	45,741	46,354
Operating lease liability	8,092	9,285
Accrued interest payable	13,484	14,257
Other liabilities	33,071	31,799
Total Liabilities	4,815,918	4,748,442
Shareholders' Equity:		
Common stock, par value \$1.00 per share; 40,000,000 shares authorized; 19,796,519 issued at December 31, 2024 and 16,998,929 at December 31, 2023; 19,355,797 outstanding at December 31, 2024 and 16,573,707 at December 31, 2023	19,797	16,999
Additional paid-in capital	480,491	405,725
Retained earnings	181,597	145,982
Accumulated other comprehensive loss	(16,825)	(16,637)
Treasury Stock, at cost; 440,722 and 425,222 shares at December 31, 2024 and December 31, 2023	(10,042)	(9,719)
Total Shareholders' Equity	655,018	542,350
Total Liabilities and Shareholders' Equity	\$ 5,470,936	\$ 5,290,792

The accompanying notes are an integral part of these Consolidated Financial Statements.

(In thousands, except per share data)

	Years Ended December 31,		
	2024	2023	2022
INTEREST INCOME			
Loans, including fees	\$ 265,522	\$ 218,060	\$ 150,256
Investment securities:			
Taxable	16,542	16,005	11,952
Tax-exempt	1,464	1,540	1,497
Other interest-bearing balances	1,127	361	69
Federal funds sold	1,928	373	1,826
Total Interest Income	286,583	236,339	165,600
INTEREST EXPENSE			
Deposits	116,320	79,295	14,144
Short-term borrowings	10,575	7,087	441
Long-term and subordinated debt	3,017	2,984	3,182
Total Interest Expense	129,912	89,366	17,767
Net Interest Income	156,671	146,973	147,833
Provision for credit losses - loans	2,144	3,295	4,300
(Benefit)/Provision for credit losses - CCL	(628)	404	—
Net Interest Income After Provision for Credit Losses	155,155	143,274	143,533
NONINTEREST INCOME			
Fiduciary and wealth management	4,680	5,059	5,071
ATM debit card interchange	3,851	4,019	4,362
Service charges on deposits	2,176	1,943	2,078
Mortgage banking	2,476	1,353	1,607
Mortgage hedging	10	324	1,471
Net gain on sales of SBA loans	347	571	262
Earnings from cash surrender value of life insurance	1,141	1,112	1,013
Other	7,812	5,627	7,793
Total Noninterest Income	22,493	20,008	23,657
NONINTEREST EXPENSE			
Salaries and employee benefits	64,098	59,345	52,601
Software licensing and utilization	9,300	7,927	7,524
Occupancy, net	7,571	7,349	6,900
Equipment	4,928	5,121	4,493
Shares tax	2,350	2,713	2,786
Legal and professional fees	4,306	2,945	2,761
ATM/card processing	2,284	2,108	2,139
Intangible amortization	1,784	1,780	2,012
FDIC Assessment	4,170	3,500	1,594
Loss (Gain) on sale of foreclosed assets, net	80	(144)	(133)
Merger and acquisition	545	5,544	294
Post-acquisition restructuring	—	2,952	329
Other	16,200	17,448	16,543
Total Noninterest Expense	117,616	118,588	99,843
INCOME BEFORE PROVISION FOR INCOME TAXES	60,032	44,694	67,347
Provision for income taxes	10,595	7,297	12,541
NET INCOME AVAILABLE TO COMMON SHAREHOLDERS	\$ 49,437	\$ 37,397	\$ 54,806
PER COMMON SHARE DATA:			
Basic Earnings Per Common Share	\$ 2.90	\$ 2.29	\$ 3.44
Diluted Earnings Per Common Share	\$ 2.90	\$ 2.29	\$ 3.44
Weighted-average basic shares outstanding	17,026,240	16,319,006	15,912,877
Weighted-average diluted shares outstanding	17,070,862	16,350,963	15,934,635

The accompanying notes are an integral part of these Consolidated Financial Statements.

(In Thousands)	Year Ended December 31,		
	2024	2023	2022
Net income	<u>\$ 49,437</u>	<u>\$ 37,397</u>	<u>\$ 54,806</u>
Other comprehensive (loss)/income:			
Unrealized (losses)/gains arising during the period on available for sale securities, net of income tax.	(1,550)	1,988	(19,072)
Unrealized holding gains arising during the period on interest rate derivatives used in cash flow hedges, net of income tax.	665	820	—
Change in defined benefit plans, net of income tax. ⁽¹⁾	723	(212)	(294)
Reclassification adjustment for settlement gains and activity related to benefit plans, net of income tax. ⁽²⁾	(26)	(17)	(8)
Total other comprehensive (loss)/income	<u>(188)</u>	<u>2,579</u>	<u>(19,374)</u>
Total comprehensive income	<u>\$ 49,249</u>	<u>\$ 39,976</u>	<u>\$ 35,432</u>

- (1) The change in defined benefit plans consists primarily of unrecognized actuarial (losses) gains on defined benefit plans during the period.
- (2) The reclassification adjustment for defined benefit plans includes settlement gains, amortization of prior service costs, and amortization of net gain or loss. Amounts are included in other income on the Consolidated Statements of Income within the total noninterest income. See "Note 14 - Postretirement Benefit Plans", to the Consolidated Financial Statements for more information.

The accompanying notes are an integral part of these Consolidated Financial Statements.

(In thousands, except per share data)	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Treasury Stock	Total Shareholders' Equity
	Shares	Amount					
Balance, January 1, 2022	16,056,282	\$ 16,056	\$ 384,742	\$ 91,043	\$ 158	\$ (1,923)	\$ 490,076
Net income	—	—	—	54,806	—	—	54,806
Total other comprehensive loss, net of taxes	—	—	—	—	(19,374)	—	(19,374)
Common stock cash dividends declared - \$0.80 per share	—	—	—	(12,735)	—	—	(12,735)
Riverview restricted stock ⁽¹⁾	—	—	776	—	—	—	776
Repurchased stock (109,891 shares)	—	—	—	—	—	(2,957)	(2,957)
Employee Stock Purchase Plan	7,152	7	193	—	—	—	200
Director Stock Purchase Plan	5,876	6	159	—	—	—	165
Restricted stock activity	25,176	25	1,117	—	—	—	1,142
Balance, December 31, 2022	<u>16,094,486</u>	<u>\$ 16,094</u>	<u>\$ 386,987</u>	<u>\$ 133,114</u>	<u>\$ (19,216)</u>	<u>\$ (4,880)</u>	<u>\$ 512,099</u>
Net income	—	\$ —	\$ —	\$ 37,397	\$ —	\$ —	\$ 37,397
Total other comprehensive income, net of taxes	—	—	—	—	2,579	—	2,579
Common stock cash dividends declared - \$0.80 per share	—	—	—	(12,981)	—	—	(12,981)
Common stock issued to Brunswick shareholders ⁽²⁾	849,510	850	17,245	—	—	—	18,095
Impact of adopting CECL ⁽³⁾	—	—	—	(11,548)	—	—	(11,548)
Repurchased stock (216,879 shares) ⁽⁴⁾	—	—	(37)	—	—	(4,839)	(4,876)
Employee Stock Purchase Plan	13,459	13	290	—	—	—	303
Director Stock Purchase Plan	7,884	8	171	—	—	—	179
Restricted stock activity	33,590	34	1,069	—	—	—	1,103
Balance, December 31, 2023	<u>16,998,929</u>	<u>\$ 16,999</u>	<u>\$ 405,725</u>	<u>\$ 145,982</u>	<u>\$ (16,637)</u>	<u>\$ (9,719)</u>	<u>\$ 542,350</u>
Net income	—	\$ —	\$ —	\$ 49,437	\$ —	\$ —	\$ 49,437
Total other comprehensive loss, net of taxes	—	—	—	—	(188)	—	(188)
Common stock cash dividends declared - \$0.80 per share	—	—	—	(13,822)	—	—	(13,822)
Common stock issuance ⁽⁵⁾	2,731,250	2,731	73,225	—	—	—	75,956
Repurchased stock (15,500 shares) ⁽⁴⁾	—	—	—	—	—	(323)	(323)
Employee Stock Purchase Plan	19,829	20	418	—	—	—	438
Director Stock Purchase Plan	5,072	5	118	—	—	—	123
Restricted stock activity	41,439	42	1,005	—	—	—	1,047
Balance, December 31, 2024	<u>19,796,519</u>	<u>\$ 19,797</u>	<u>\$ 480,491</u>	<u>\$ 181,597</u>	<u>\$ (16,825)</u>	<u>\$ (10,042)</u>	<u>\$ 655,018</u>

- (1) Additionally, 2,500 shares of restricted stock were paid out in cash resulting in \$776 thousand of cash consideration relating to stock awards.
- (2) Shares issued as a result of the acquisition of Brunswick Bancorp ("Brunswick"). See "Note 2 - Business Combinations", to the Consolidated Financial Statements for more information.
- (3) The Corporation adopted ASC 326, Financial Instruments - Credit Losses, effective January 1, 2023. See "Note 1 - Summary of Significant Accounting Policies" for further details.
- (4) Includes tax effects of repurchased stock.
- (5) Shares issued as a result of the underwritten public offering of 2,375,000 shares of common stock at a price of \$29.50 per share on November 4, 2024.

The accompanying notes are an integral part of these Consolidated Financial Statements.

(In thousands)

	Year Ended December 31,		
	2024	2023	2022
Operating Activities:			
Net Income	\$ 49,437	\$ 37,397	54,806
Adjustments to reconcile net income to net cash provided by operating activities:			
Provision for credit losses	1,516	3,699	4,300
Depreciation	4,866	4,900	4,283
Amortization of intangibles	1,784	1,780	2,012
Net amortization of security discounts/premiums	397	472	729
Noncash operating lease expense	2,184	1,945	1,755
Amortization of finance lease right of use asset	179	180	180
Earnings on cash surrender value of life insurance	(1,141)	(1,112)	(1,013)
Mortgage loans originated for sale	(113,741)	(82,714)	(138,611)
Proceeds from sales of mortgage loans originated for sale	113,008	82,687	149,257
Gain on sale of mortgage loans	(2,476)	(1,353)	(1,607)
SBA loans originated for sale	(4,603)	(11,211)	(5,310)
Proceeds from sales of SBA loans originated for sale	4,951	10,640	5,571
Gain on sale of SBA loans	(347)	(571)	(262)
(Loss)/Gain on sale of property, plant, and equipment	(10)	—	938
Loss/(Gain) on sale or write-down of foreclosed assets	80	(144)	(133)
Write-off of bank premises and equipment held for sale	—	—	705
Accretion of subordinated debt	(613)	(587)	(555)
Stock compensation expense	1,047	1,103	1,142
Change in deferred income tax cost/(benefit)	1,516	(1,551)	2,262
Fair value adjustment on equity investments	—	—	70
Increase accrued interest receivable	(1,026)	(6,244)	(7,080)
(Increase)/Decrease in other assets	(4,988)	9,736	(13,261)
(Decrease)/Increase in accrued interest payable	(773)	10,043	510
Decrease in operating lease liability	(2,123)	(2,540)	(3,136)
Increase/(Decrease) in other liabilities	2,264	(4,214)	2,439
Net Cash Provided By Operating Activities	51,388	52,341	59,991
Investing Activities:			
Proceeds from the sale of available-for-sale securities	—	1,751	—
Proceeds from the maturity or call of available-for-sale securities	33,756	16,611	14,574
Purchases of available-for-sale securities	(72,712)	—	(213,976)
Proceeds from the maturity or call of held-to-maturity securities	16,356	10,490	14,942
Purchases of held-to-maturity securities	—	—	(85,664)
Stock dividends of FHLB and other bank stock	1,288	864	289
Reduction (Purchases) of restricted investment in bank stock	8,019	(9,317)	530
Net cash (paid)/received from acquisition	(2,676)	1,068	(901)
Net increase in loans	(190,658)	(424,939)	(411,800)
Purchases of bank premises and equipment	(6,916)	(2,770)	(4,249)
Proceeds from the sale of premises and equipment	163	—	220
Proceeds from the sale of foreclosed assets	359	1,256	242
Proceeds from bank-owned life insurance	6,683	774	—
Gain on bank-owned life insurance	(2,566)	(125)	—
Net change in investments in tax credits and other partnerships	162	(4,588)	—
Net cash paid on branch sale	—	—	(18,918)
Net Cash Used in Investing Activities	(208,742)	(408,925)	(704,711)
Financing Activities:			
Net increase/(Decrease) in deposits	343,715	286,498	(202,607)

Proceeds from long-term debt	—	25,000	—
Common stock dividends paid	(13,822)	(12,981)	(12,735)
Proceeds from Employee and Director Stock Purchase Plan stock issuance	561	482	364
Proceeds from public offering of common stock	75,956	—	—
Treasury stock purchased	(323)	(4,876)	(2,957)
Riverview restricted stock ⁽¹⁾	—	—	776
Net change in finance lease liability	(134)	(93)	(90)
Net change in short-term borrowings	(239,532)	138,885	102,647
Long-term debt repayment	(35,266)	(30,449)	(76,771)
Subordinated debt redemption and trust preferred securities	—	(10,000)	(16,778)
Net Cash Provided by Financing Activities	131,155	392,466	(208,151)
Net increase/(decrease) in cash and cash equivalents	(26,199)	35,882	(852,871)
Cash and cash equivalents, beginning of period	96,763	60,881	913,752
Cash and cash equivalents, end of period	<u>\$ 70,564</u>	<u>\$ 96,763</u>	<u>\$ 60,881</u>
Supplemental Disclosures of Cash Flow Information:			
Cash paid for interest	\$ 130,685	\$ 77,413	\$ 17,255
Cash paid for income taxes	853	7,965	7,552
Supplemental Noncash Disclosures:			
Recognition of operating lease right of use assets	\$ 930	\$ 2,100	\$ —
Recognition of operating lease liabilities	930	2,100	1,498
Obsolete Riverview asset write-off	—	—	705
Loans transferred to foreclosed assets held for sale	164	1,362	152
Carrying value of assets sold in branch sale	—	—	2,159
Liabilities assigned in branch sale	—	—	21,076
Fair value of assets acquired in business combination, excluding cash	1,547	362,070	—
Goodwill recorded ⁽¹⁾⁽²⁾	1,129	12,800	—
Liabilities assumed in business combination ⁽²⁾	—	345,043	—
Stock issued in business combination ⁽³⁾	—	18,095	—

- (1) Includes the impact of the Insurance Acquisition on July 31, 2024. See "Note 2 - Business Combinations" to the Consolidated Financial Statement for additional information.
- (2) This disclosure includes the impact of the Brunswick Acquisition on May 19, 2023. See "Note 2 - Business Combinations" to the Consolidated Financial Statements for more information.
- (3) Additionally, 2,500 shares of restricted stock were paid out in cash resulting in \$776 thousand of cash consideration relating to stock awards.

The accompanying notes are an integral part of these Consolidated Financial Statements.

Note 1 - Summary of Significant Accounting Policies*Nature of Operations*

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

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

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

Basis of Presentation

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

For comparative purposes, the December 31, 2023 and December 31, 2022 balances have been reclassified, when necessary, to conform to the 2024 presentation. Such reclassifications had no impact on net income or total shareholders' equity. In the opinion of management, all adjustments necessary for fair presentation of the periods presented have been reflected in the accompanying consolidated financial statements. All such adjustments are of a normal, recurring nature.

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

The accounting and reporting policies of Mid Penn conform with accounting principles generally accepted in the United States ("GAAP") and to general practice within the financial industry. Following is a description of the more significant accounting policies.

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

Significant Group of Concentrations of Credit Risk - Most of the Corporation's activities are with customers located within Pennsylvania. "Note 3 - Investment Securities" discusses the types of investment securities in which the Corporation invests. "Note 4 - Loans and Allowance for Loan Losses" discusses the types of lending that the Corporation engages in as well as loan concentrations. The Corporation does not have a significant concentration of credit risk with any one customer.

Fair Value Measurements - The Corporation uses estimates of fair value in applying various accounting standards for its consolidated financial statements on either a recurring or non-recurring basis. Fair value is defined as the price to sell an asset or transfer a liability in an orderly transaction between willing and able market participants. The Corporation groups

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its assets and liabilities measured at fair value in three hierarchy levels, based on the observability and transparency of the inputs.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls has been determined based on the lowest level input that is significant to the fair value measurement in its entirety. It is the Corporation's policy to maximize the use of observable inputs and minimize the use of unobservable inputs in estimating fair value. Unobservable inputs are utilized in determining fair value estimates only to the extent that observable inputs are not available. The need to use unobservable inputs generally results from a lack of market liquidity and trading volume. Transfers between levels of fair value hierarchy are recorded at the end of the reporting period.

Cash and Cash Equivalents - For purposes of the Consolidated Statements of Cash Flows, cash and cash equivalents include cash on hand, balances due from banks, and federal funds sold, all of which mature within ninety days.

Restrictions on Cash and Due from Bank Accounts - The Bank is required by banking regulations to maintain certain minimum cash reserves. As of both December 31, 2024 and 2023, there was no cash reserve balances required to be maintained at the Federal Reserve Bank of Philadelphia because the Bank had sufficient vault cash available.

Debt Investment Securities - Mid Penn determines the classification of investment securities at the time of purchase. If Mid Penn has the intent and the ability at the time of purchase to hold debt securities until maturity, they are classified as held-to-maturity ("HTM"). HTM investment securities are stated at amortized cost. Debt securities Mid Penn does not intend to hold to maturity are classified as available for sale ("AFS") and carried at estimated fair value with unrealized gains or losses reported as a separate component of stockholders' equity in accumulated other comprehensive income (loss), net of applicable income taxes. Available for sale securities are a part of Mid Penn's asset/liability management strategy and may be sold in response to changes in interest rates, prepayment risk or other market factors. Management has elected to reclassify realized gains and losses from accumulated other comprehensive income when securities are sold on the trade date.

Interest income and dividends on securities are recognized in interest income on an accrual basis. Premiums and discounts on debt securities are amortized as an adjustment to interest income over the period to maturity of the related security using the effective interest method. Realized gains or losses on the sale of securities are determined using the specific identification method.

ASC 326, Financial Instruments-Credit Losses, was adopted by Mid Penn on January 1, 2023. ASC 326 introduced the CECL methodology for estimating allowances for credit losses. ASC 326 applies to all financial instruments carried at amortized cost, including HTM securities, and makes targeted improvements to the accounting for credit losses on AFS securities.

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

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

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

At the date of adoption, Mid Penn's estimated allowance for credit losses on AFS and HTM securities under ASC 326 was deemed immaterial due to the composition of these portfolios. Both portfolios consist primarily of U.S. government agency guaranteed mortgage-backed securities for which the risk of loss is minimal. Therefore, Mid Penn did not recognize a cumulative effect adjustment through retained earnings related to the AFS and HTM securities.

AFS Securities

ASC 326, Financial Instruments-Credit Losses, made targeted improvements to the accounting for credit losses on AFS securities. The concept of other-than-temporarily impaired has been replaced with the allowance for credit losses. Unlike HTM securities, AFS securities are evaluated on an individual level and pooling of securities is not allowed.

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

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

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

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

Accrued interest receivable is excluded from the estimate of credit losses for AFS securities. At December 31, 2024, accrued interest receivable totaled \$1.2 million for AFS securities and was reported in accrued interest receivable on the accompanying Consolidated Balance Sheet.

HTM Securities

ASC 326, Financial Instruments-Credit Losses, requires institutions to measure expected credit losses on financial assets carried at amortized cost on a collective or pool basis when similar risks exist. Mid Penn uses several levels of segmentation in order to measure expected credit losses:

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

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

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

At December 31, 2024, Mid Penn's HTM securities totaled \$382.4 million. After applying appropriate probability of default and loss given default assumptions, the total amount of current expected credit losses was deemed immaterial. Therefore, no reserve was recorded at December 31, 2024.

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Accrued interest receivable is excluded from the estimate of credit losses for HTM securities. At December 31, 2024, accrued interest receivable totaled \$1.8 million for HTM securities and was reported in accrued interest receivable on the accompanying Consolidated Balance Sheet.

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

Equity Securities - The Corporation reports its equity securities with readily determinable fair values at fair value on the Consolidated Balance Sheet, with realized and unrealized gains and losses reported in other expense on the Consolidated Statements of Income. As of December 31, 2024 and 2023, Mid Penn's equity securities consisted of Community Reinvestment Act funds totaling \$428 thousand and \$438 thousand, respectively. No equity securities were sold during the years ended December 31, 2024, 2023 and 2022.

Federal Home Loan Bank ("FHLB") and Atlantic Community Bankers' Bank ("ACBB") Stock - The Bank is a member of the FHLB and the ACBB and is required to maintain an investment in the stock of the FHLB and ACBB. No market exists for these stocks, and the Bank's investment can be liquidated only through redemption by the FHLB or ACBB, at the discretion of and subject to conditions imposed by the FHLB and ACBB. Historically, FHLB and ACBB stock redemptions have been at cost (par value), which equals the Corporation's carrying value. The Corporation monitors its investment in FHLB and ACBB stock for impairment through review of recent financial results of the FHLB and ACBB including capital adequacy and liquidity position, dividend payment history, redemption history and information from credit agencies. The Corporation has not identified any indicators of impairment of FHLB or ACBB stock. During the years ended December 31, 2024, 2023, and 2022 dividends received from the FHLB totaled \$1.3 million, \$864 thousand, and \$289 thousand respectively.

Investment in Limited Partnership - Mid Penn is a limited partner in a partnership that provides low-income housing in Enola, Pennsylvania. The carrying value of Mid Penn's investment in the limited partnership was zero at December 31, 2024 and \$15 thousand at December 31, 2023, net of amortization, using the proportional amortization method and is reported in other assets on the Consolidated Balance Sheets. Mid Penn's maximum exposure to loss is limited to the carrying value of its investment.

Mid Penn also owns a limited partnership interest in a low-income housing project to construct thirty-seven apartments and common amenities in Dauphin County, Pennsylvania. The total investment in this limited partnership, net of amortization, was \$3.7 million and \$4.5 million on December 31, 2024 and December 31, 2023, respectively, and was included in the reported balance of other assets on the Consolidated Balance Sheet. All of the units qualified for Federal Low-Income Housing Tax Credits ("LIHTCs") as provided for in Section 42 of the Internal Revenue Code of 1986, as amended. Mid Penn's limited partner capital contribution commitment was \$7.6 million, and the investment was fully funded within a three-year period beginning in 2020 and ending during the first quarter of 2021. The investment in the limited partnership is reported in other assets on the Consolidated Balance Sheet and is being amortized over a ten-year period using the proportional amortization method which began upon commencement of operations of the facility in December 2021. The project was formally awarded \$8.5 million in total LIHTCs by the Pennsylvania Housing Finance Agency, which will be recognized over the ten-year period from December 2021 through November 2029. Mid Penn received low-income housing tax credits related to this project of \$2.2 million for the tax year ended December 31, 2024, \$1.3 million for the tax year ended December 31, 2023, and \$853 thousand for the tax year ended December 31, 2022. Mid Penn's maximum exposure to loss is limited to the carrying value of its investment.

Mid Penn is a limited partner in a partnership that provides low-income housing in Mechanicsburg, Pennsylvania. The total investment in this limited partnership, net of amortization, was \$9.7 million at December 31, 2024 and \$8.9 million at December 31, 2023, respectively, and was included in other assets on the Consolidated Balance Sheet. All of the units qualified for Federal Low-Income Housing Tax Credits ("LIHTCs") as provided for in Section 42 of the Internal Revenue Code of 1986, as amended. The investment in the limited partnership is being amortized over a ten-year period using the proportional amortization method which began upon commencement of operations of the facility in December 2023. The project was formally awarded \$12.0 million in total LIHTCs by the Pennsylvania Housing Finance Agency, which will be recognized over the ten-year period from December 2023 through November 2033. Mid Penn received low-income housing tax credits related to this project of \$1.1 million for the tax year ended December 31, 2024, and zero for the tax year ended December 31, 2023. Mid Penn's maximum exposure to loss is limited to the carrying value of its investment.

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Mid Penn also owns a limited partnership interest in a low-income housing project to construct/rehabilitate seventeen apartments and two commercial shops in Schuylkill County, Pennsylvania. The total investment in this limited partnership, net of amortization, was \$3.1 million and \$3.3 million on December 31, 2024 and December 31, 2023, respectively, and was included in the reported balance of other assets on the Consolidated Balance Sheet. All of the units qualified for Federal Low-Income Housing Tax Credits ("LIHTCs") as provided for in Section 42 of the Internal Revenue Code of 1986, as amended. Mid Penn's limited partner capital contribution commitment was \$4.4 million, and the investment was fully funded within a three-year period beginning in 2020 and ending during the first quarter of 2023. The investment in the limited partnership is reported in other assets on the Consolidated Balance Sheet and is being amortized over a 10-year period using the proportional amortization method which began upon commencement of operations of the facility in 2023. The project was formally awarded \$4.8 million in total LIHTCs by the Pennsylvania Housing Finance Agency, which will be recognized over the ten-year period from December 2023 through November 2033. Mid Penn received low-income housing tax credits related to this project of \$484 thousand for the tax years ended December 31, 2024, and 2023, respectively. Mid Penn's maximum exposure to loss is limited to the carrying value of its investment.

Loans Held for Sale - During the third quarter of 2021, the Corporation made the election to measure mortgage loans held for sale at fair value. Derivative financial instruments related to mortgage banking activities are also recorded at fair value, as detailed under the heading "Mortgage Banking Derivative Financial Instruments," below. The Corporation determines fair value for its mortgage loans held for sale based on the price that secondary market investors would pay for loans with similar characteristics, including interest rate and term, as of the date fair value is measured. Changes in fair values during the period are recorded as components of mortgage banking income on the Consolidated Statements of Income. Interest income earned on mortgage loans held for sale is classified in interest income on the Consolidated Statements of Income.

Loans - Loans that management has the intent and ability to hold for the foreseeable future are reported at their outstanding principal balances, net of an allowance for loan losses, unamortized deferred fees and costs and unamortized premiums or discounts. The net amount of nonrefundable loan origination fees and certain direct costs associated with the lending process are deferred and amortized to interest income over the contractual lives of the loans using methods which approximate the level yield method. Discounts and premiums are amortized or accreted to interest income over the estimated term of the loans using methods that approximate the level yield method. Interest income on loans is accrued based on the unpaid principal balance outstanding and the contractual terms of the loan agreements.

A substantial portion of the loan portfolio is comprised of commercial and real estate loans throughout Pennsylvania. The ability of the Corporation's debtors to honor their contracts is dependent upon the general economic conditions of this area.

The loan portfolio is segmented into commercial real estate loans, commercial and industrial loans, construction loans, residential mortgage loans, and consumer loans. Commercial and industrial loans are underwritten after evaluating and understanding the borrower's ability to repay the loan through operating profitably and effectively growing its business. The Corporation's management examines current and projected cash flows to determine the ability of the borrower to repay their obligations as agreed. Commercial loans are primarily made based on the credit quality and cash flows of the borrower and secondarily on the underlying collateral provided by the borrower. The cash flows of borrowers, however, may not be as expected and the collateral securing these loans may fluctuate in value. Most commercial loans are secured by the assets being financed or other business assets such as accounts receivable or inventory and may incorporate a personal guarantee to add strength to the credit and reduce the risk on a transaction to an acceptable level; however, some short-term loans may be made on an unsecured basis to the most credit worthy borrowers.

Commercial real estate loans are subject to underwriting standards and processes similar to commercial loans. Commercial real estate lending typically involves higher loan principal amounts and the repayment of these loans is generally largely dependent on the successful operation of the property securing the loan or the business conducted on the property securing the loan.

With respect to loans to developers and builders, the Corporation generally requires the borrower to have a proven record of success and an expertise in the building industry. Construction loans are underwritten utilizing feasibility studies, independent appraisal reviews, sensitivity analysis of absorption and lease rates and financial analysis of the developers and property owners. Construction loans are generally based upon estimates of costs and value associated with the complete project. These estimates may be inaccurate. Construction loans often involve the disbursement of substantial funds with repayment substantially dependent on the success of the ultimate project.

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The Corporation's non-real estate consumer loans are based on the borrower's proven earning capacity over the term of the loan. The Corporation monitors payment performance periodically for consumer loans to identify any deterioration in the borrower's financial strength. To monitor and manage consumer loan risk, policies and procedures are developed and modified, as needed, jointly by management and staff. This activity, coupled with a relatively small volume of consumer loans, minimizes risk.

Acquired Loans - At the purchase or acquisition date, loans are evaluated to determine whether there has been more than insignificant credit deterioration since origination. Loans that have experienced more than insignificant credit deterioration since origination are referred to as PCD loans. In its evaluation of whether a loan has experienced more than insignificant deterioration in credit quality since origination, Mid Penn takes into consideration loan grades, past due and nonaccrual status. Mid Penn may also consider external credit rating agency ratings for borrowers and for non-commercial loans, FICO score or band, probability of default levels, and number of times past due. At the purchase or acquisition date, the amortized cost basis of PCD loans is equal to the purchase price and an initial estimate of credit losses. The initial recognition of expected credit losses on PCD loans has no impact on net income. When the initial measurement of expected credit losses on PCD loans is calculated on a pooled loan basis, the expected credit losses are allocated to each loan within the pool. Any difference between the initial amortized cost basis and the unpaid principal balance of the loan represents a noncredit discount or premium, which is accreted (or amortized) into interest income over the life of the loan. Subsequent changes to the ACL on PCD loans are recorded through the PCL. For purchased loans that are not deemed to have experienced more than insignificant credit deterioration since origination and are therefore not deemed PCD, any discounts or premiums included in the purchase price are accreted (or amortized) over the contractual life of the individual loan.

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

There were no loans acquired for the year ended December 31, 2024. Loans acquired in the Brunswick acquisition, included in the balance of loans, net of unearned interest, on the Consolidated Balance Sheets for December 31, 2023 totaled \$324.5 million.

Non-accrual Loans - The Corporation classifies loans as past due when the payment of principal or interest is greater than 30 days delinquent based on the contractual next payment due date. The Corporation's policies related to when loans are placed on non-accrual status conform to guidelines prescribed by regulatory authorities. Loans are placed on non-accrual status when it is probable that principal or interest is not fully collectible, or generally when principal or interest becomes 90 days past due, whichever occurs first. When loans are placed on non-accrual status, interest receivable is reversed against interest income in the current period and amortization of any discount ceases. Interest payments received thereafter are applied as a reduction to the remaining principal balance unless management believes that the ultimate collection of the principal is likely, in which case payments are recognized in earnings on a cash basis. Loans are removed from non-accrual status when they become current as to both principal and interest and the collectability of principal and interest is no longer doubtful.

Generally, a non-accrual loan that is restructured remains on non-accrual for a reasonable period of time (generally, at least six consecutive months) to demonstrate the borrower can meet the restructured terms. However, performance prior to the restructuring, or significant events that coincide with the restructuring, are considered in assessing whether the borrower can meet the new terms and may result in the loan being returned to accrual status after a shorter performance period. If the borrower's ability to meet the revised payment schedule is not reasonably assured, the loan remains classified as a non-accrual loan.

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

Allowance for Credit Losses - Mid Penn's ACL - loans methodology is based upon guidance within FASB ASC Subtopic 326-20, as well as regulatory guidance from the FDIC, its primary federal regulator. The ACL - loans is a valuation account that is deducted from the loans' amortized cost basis to present the net amount expected to be collected on the loans. Credit quality within the loan portfolio is continuously monitored by management and is reflected within the ACL -

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loans. The ACL - loans is an estimate of expected losses inherent within Mid Penn's existing loan portfolio. The ACL - loans is adjusted through the PCL and reduced by the charge off of loan amounts, net of recoveries.

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

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

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

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

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

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

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

The PD and LGD measures are used in conjunction with prepayment data as inputs into the DCF model to calculate the cash flows at the individual loan level. Contractual cash flows based on loan terms are adjusted for PD, LGD and prepayments to derive loss cash flows. These loss cash flows are discounted by the loan's coupon rate to arrive at the

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discounted cash flow based quantitative loss. The prepayment studies are updated quarterly by a third-party for each applicable pool.

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

Qualitative factors used in the ACL methodology include the following:

- Lending process
- Concentrations of credit
- Peer Group Divergence

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

Mid Penn may also purchase loans or acquire loans through a business combination. At the purchase or acquisition date, loans are evaluated to determine whether there has been more than insignificant credit deterioration since origination. Loans that have experienced more than insignificant credit deterioration since origination are referred to as PCD loans. In its evaluation of whether a loan has experienced more than insignificant deterioration in credit quality since origination, Mid Penn takes into consideration loan grades, past due and nonaccrual status. Mid Penn may also consider external credit rating agency ratings for borrowers and for non-commercial loans, FICO score or band, probability of default levels, and number of times past due. At the purchase or acquisition date, the amortized cost basis of PCD loans is equal to the purchase price and an initial estimate of credit losses. The initial recognition of expected credit losses on PCD loans has no impact on net income. When the initial measurement of expected credit losses on PCD loans is calculated on a pooled loan basis, the expected credit losses are allocated to each loan within the pool. Any difference between the initial amortized cost basis and the unpaid principal balance of the loan represents a noncredit discount or premium, which is accreted (or amortized) into interest income over the life of the loan. Subsequent changes to the ACL on PCD loans are recorded through the PCL. For purchased loans that are not deemed to have experienced more than insignificant credit deterioration since origination and are therefore not deemed PCD, any discounts or premiums included in the purchase price are accreted (or amortized) over the contractual life of the individual loan.

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

Premises and Equipment - Land is carried at cost. Buildings, furniture, fixtures, equipment, land improvements, and leasehold improvements are stated at cost less accumulated depreciation. Depreciation is computed by the straight-line method over the estimated useful lives of the assets. Building assets are depreciated using an estimated useful life of five to fifty years. Furniture, fixtures, and equipment are depreciated using an estimated useful life of three to ten years. Land improvements are depreciated over an estimated useful life of ten to twenty years. Leasehold improvements are depreciated using an estimated useful life that is the lesser of the remaining life of the lease or ten to fifteen years. Maintenance and

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normal repairs are charged to expense when incurred, while major additions and improvements are capitalized. Gains and losses on disposals are reflected in current operations.

The Corporation reviews the carrying value of long-lived assets and certain identifiable intangibles for impairment whenever events and changes in circumstances indicate that the carrying amount of an asset may not be recoverable, as prescribed by ASC Topic 360, "Accounting for the Impairment or Disposal of Long-Lived Assets".

Bank Premises and Equipment Held For Sale - Bank premises and equipment designated as held for sale are included in Other Assets on the Balance Sheet, and are carried at the lower of cost or market value, and totaled \$702 thousand and \$974 thousand at December 31, 2024 and 2023, respectively. The \$272 thousand decrease in balance at December 31, 2024 related to the sale of the Riverview Halifax building in 2024. As of December 31, 2024, one property remained for sale.

Foreclosed Assets Held for Sale - Real estate properties acquired through, or in lieu of, loan foreclosure are initially recorded at their fair value less estimated disposition costs. When such assets are acquired, any shortfall between the loan carrying value and the estimated fair value of the underlying collateral less disposition costs is recorded as an adjustment to the allowance for loan losses while any excess is recognized in income. The Corporation periodically performs a valuation of the property held; any excess of carrying value over fair value less disposition costs is charged to earnings as impairment. Routine maintenance and real estate taxes are expensed as incurred.

Bank-Owned Life Insurance ("BOLI") - Mid Penn is the owner and beneficiary of BOLI policies on current and former Mid Penn directors, as well as BOLI policies acquired through the Phoenix, First Priority, Riverview and Brunswick acquisitions covering certain former Miners Bank, First Priority, Riverview, and Brunswick employees. These policies are 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, if applicable. Increases in the cash surrender value of these policies are included in noninterest income in the Consolidated Statements of Income. The Corporation's BOLI policies are invested in general account and hybrid account products that have been underwritten by highly-rated third party insurance carriers.

Mid Penn is also party to certain Split-Dollar Life Insurance Arrangements, and in accordance with GAAP, has accrued a liability related to the postretirement benefits covered by an endorsement split-dollar life insurance arrangement, and a liability for the future death benefit.

Goodwill and Other Intangible Assets - Goodwill represents the excess of the purchase price over the underlying fair value of merged entities. We assess goodwill for impairment annually as of October 31 of each year. The Corporation has one reporting unit, community banking, which includes the Bank, the Corporation's wholly-owned banking subsidiary. If certain events occur which indicate goodwill might be impaired between annual tests, goodwill must be tested when such events occur. In making this assessment, we use the widely accepted valuation techniques, including the public company market change of control approach and the peer group change of control approach, to determine the fair valuation of the reporting unit. Both approaches include earnings and price-to-tangible book value multiples of comparable public companies, which are applied to the earnings and equity of the reporting unit. The projected tangible book value ("TBV") multiple serves as an indicator of whether the market price or perceived value of the Company's tangible assets exceeds its book value. In 2024, the company applied a control premium based on its review of observable transactions and comparable marketplace data. Several factors are considered, such as operating results, business plans, economic projections, anticipated future cash flows, current market data, etc. There are inherent uncertainties related to these factors and our judgment in applying them to the analysis of goodwill impairment. Changes in economic and operating conditions could result in goodwill impairment in future periods. The Bank did not identify any impairment on its outstanding goodwill from its most recent testing, which was performed as of October 31, 2024.

Core deposit intangible ("CDI") is a measure of the value of checking and savings deposits acquired in business combinations. The fair value of the CDI stemming from any given business combination is based on the present value of the expected cost savings attributable to the core deposit funding relative to an alternative source of funding. CDI is amortized over the estimated useful lives of the existing deposit relationships acquired, but does not exceed ten years. Significantly all CDI is amortized using the sum of the years digits method.

Customer list intangibles are a measure of the inherent value of certain customer arrangements acquired in business combinations. The fair value of the customer list is based on the income approach which employs a present value analysis,

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which calculates the expected after-tax cash flow benefits of the net revenues generated by the acquired customers over the expected life of the acquired customers, discounted at a long-term market-oriented after-tax rate of return on investment. The value assigned to the acquired customers represents the future economic benefit from acquiring the customers (net of operating expenses). The customer list is amortized over a 10 to 20-year projection period, a sufficient time to capture the economic value of the customer list given an assumed customer attrition rate.

The Corporation evaluates such identifiable intangibles for impairment when events and circumstances indicate that its carrying amount may not be recoverable. If an impairment loss is determined to exist, the loss is reflected as an impairment charge in the Consolidated Statements of Income for the period in which such impairment is identified. No impairment charges were required for the years ended December 31, 2024, 2023, or 2022.

Leases - Mid Penn leases certain premises and equipment and recognizes a right-of-use ("ROU") asset and a related lease liability for each distinct lease agreement. The lease ROU asset consists of the amount of the initial measurement of the lease liability, adjusted for any lease payments made to the lessor at or before the commencement date, minus any lease incentives received, and any initial direct costs incurred by the lessee (defined as costs of a lease that would not have been incurred had the lease not been executed). The related lease liability is equal to the present value of the future lease payments, discounted using the rate implicit in the lease (or if that rate cannot be readily determined, the lessee's incremental borrowing rate). Given that the rate implicit in the lease is rarely available, all lease liability amounts are calculated using Mid Penn's incremental borrowing rate at lease inception, on a collateralized basis, for a similar term. For operating leases existing prior to January 1, 2019, the rate for the remaining lease term as of January 1, 2019 was used.

Operating and finance lease ROU assets, as well as operating lease liabilities, are presented as separate line items on the Consolidated Balance Sheet, while finance lease liabilities are classified as a component of long-term debt.

Operating lease expense, recognized as a component of occupancy expense on the Consolidated Statements of Income, consists of a single lease cost calculated so that the remaining cost of the lease is allocated over the remaining lease term on a straight-line basis. Operating lease expense also includes variable lease payments not included in the lease liability, and any impairment of the ROU asset. Finance lease expense consists of the amortization of the ROU asset, recognized as a component of occupancy expense and interest expense on the lease liability, which is recorded as a component of other interest expense, both on the Consolidated Statements of Income.

In assessing whether a contract contains a lease, Mid Penn reviews third-party agreements to determine if the contract conveys the right to control the use of identified property, plant, or equipment for a period of time in exchange for consideration, and grants Mid Penn the right to both obtain substantially all of the economic benefits from the identified asset's use and the direct the use of the identified asset throughout the term of the agreement.

Upon identification that a lease agreement exists, Mid Penn performs an assessment of the consideration to be paid related to the identified asset and quantifies both the lease components, consisting of consideration paid to transfer a good or service to Mid Penn and non-lease components, consisting of consideration paid for distinct elements of the contract that are not related to securing the use of the leased asset, such as property taxes, common area maintenance, utilities, and insurance.

Many of Mid Penn's lease agreements include options to extend or renew contracts subsequent to the expiration of the initial lease term. Additionally, for leases that contain escalation clauses related to consumer or other price indices, Mid Penn includes the known lease payment amount as of the commencement date in the calculation of ROU assets and related lease liabilities. Subsequent increases in rental payments over the known amount at the commencement date due to increase in the indices will be expensed as incurred.

None of Mid Penn's lease agreements include residual value guarantees or material variable lease payments. Mid Penn does not have material restrictions or covenants imposed by leases that would impact Mid Penn's ability to pay dividends or cause Mid Penn to incur additional financial obligations.

Comprehensive Income - Comprehensive income consists of net income and other comprehensive income (loss). Other comprehensive income (loss) includes changes in unrealized gains and losses on securities available for sale arising during the period and reclassification adjustments for realized gains and losses on securities available for sale included in net income. Mid Penn has an unfunded noncontributory defined benefit plan for directors and other postretirement benefit plans covering full-time employees. These plans utilize assumptions and methods to calculate the fair value of plan assets

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and recognizing the overfunded and underfunded status of the plans on its Consolidated Balance Sheet. Gains and losses, prior service costs and credits are recognized in other comprehensive income (loss), net of tax, until they are amortized, or immediately upon curtailment.

Trust Assets and Income - Assets held by the Bank in a fiduciary or agency capacity for customers of the trust department of the Bank are not included in the Consolidated Financial Statements since such items are not assets of the Bank. Assets under management totaled \$473.5 million as of December 31, 2024. Most trust income is recognized as earned, which is not materially different than if it were reported on the accrual basis.

Revenue Recognition - Mid Penn recognizes revenue when earned based upon contractual terms, as transactions occur, or as related services are provided, and collectability is reasonably assured. The largest source of revenue for Mid Penn is interest income. Noninterest income is earned from various banking and financial services that Mid Penn offers through its subsidiaries. In certain circumstances, noninterest income is reported net of associated expenses. Following is further detail on the various types of noninterest income Mid Penn earns and when it is recognized:

Interest Income - primarily recognized on an accrual basis according to loan agreements, investment securities contracts or other such written contracts.

Income from Fiduciary and Wealth Management Activities - consists of trust, wealth management, and investment management fee income, brokerage transaction fee income, and estate fee income. Trust, wealth management, and investment management fee income consists of advisory fees that are typically based on market values of clients' managed portfolios and transaction fees for fiduciary services performed, both of which are recognized as earned. Brokerage transaction fee income includes advisory fees, which are recognized as earned on a monthly basis and transaction fees that are recognized when transactions occur. Payment is typically received in the following month. Estate fee income is recognized as services are performed over the service period, generally eighteen months.

ATM Debit Card Interchange Income - consists of interchange fees earned when Mid Penn's debit cards are processed through card payments networks. The interchange fee is calculated as a percentage of the total electronic funds transfer ("EFT") transaction plus a per-transaction fee, which varies based on the type of card used, the method used to process the EFT transaction, and the type of business at which the transaction was processed. Revenue is recognized daily as transactions occur and interchange fees are subsequently processed. Payment for interchange activity is received primarily daily, while some fees are aggregated and payment is received in the following month.

Service Charges on Deposits - consist of cash management, overdraft, non-sufficient fund fees and other service charges on deposit accounts. Revenue is primarily transactional and recognized when earned, which is at the time the respective initiating transaction occurs, and the related service charge is subsequently processed. Payment for service charges on deposit accounts is primarily received immediately or in the following month through a direct charge to the customers' accounts.

Mortgage Banking Income - consists of gains or losses on the sale of residential mortgage loans and is recognized when the sale is completed.

Mortgage Hedging Income - relates to the changes in fair value of interest rate locks, forward mortgage loan sales commitments and hedging instruments on forward sales commitments.

Other Income - includes credit card royalties, check orders, letter of credit fees and merchant services income. These fees are primarily transactional, and revenue is recognized when transactions occur, and the related services are subsequently processed. Payment is primarily received immediately or in the following month.

Mid Penn does not exercise significant judgments in the recognition of income, as typically income is not recognized until the performance obligation has been satisfied.

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Income Taxes - Income tax expense is determined using the asset and liability method and consists of income taxes that are currently payable and deferred income taxes. Deferred income tax expense (benefit) is determined by recognizing deferred tax assets and liabilities for future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates that are expected to apply to taxable income in years in which those temporary differences are expected to be recovered or settled. Changes in tax rates on deferred tax assets and liabilities are recognized in income in the period that includes the enactment date.

A valuation allowance is established for deferred tax assets when management determines that it is more likely than not that some portion or all of a deferred tax asset will not be realized. In making such determinations, the Corporation considers all available positive and negative evidence that may impact the realization of deferred tax assets. These considerations include future reversals of existing taxable temporary differences, projected future taxable income, and available tax planning strategies.

The Corporation files a consolidated federal income tax return including the results of its wholly-owned subsidiaries. The Corporation estimates income taxes payable based on the amount it expects to owe the various tax authorities (i.e., federal and state). Income taxes represent the net estimated amount due to, or to be received from, such tax authorities. In estimating income taxes, management assesses the relative merits and risks of the appropriate tax treatment of transactions, taking into account statutory, judicial, and regulatory guidance in the context of the Corporation's tax position. Although the Corporation uses the best available information to record income taxes, underlying estimates and assumptions can change over time as a result of unanticipated events or circumstances such as changes in tax laws and judicial guidance influencing its overall tax position.

An uncertain tax position is recognized only if it is more-likely-than-not to be sustained upon examination, including resolution of any related appeals or litigation process, based on the technical merits of the position. The amount of tax benefit recognized in the financial statements is the largest amount of benefit that is more than fifty percent likely to be sustained upon ultimate settlement of the uncertain tax position. If the initial assessment fails to result in recognition of a tax benefit, the Corporation subsequently recognizes a tax benefit if there are changes in tax law or case law that raise the likelihood of prevailing on the technical merits of the position to more-likely-than-not, the statute of limitations expires, or there is a completion of an examination resulting in a settlement of that tax year or position with the appropriate agency. The Corporation's policy is to classify interest and penalties associated with income taxes within other expenses.

The Corporation is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress for any tax periods. Management believes it is no longer subject to income tax examinations for years prior to 2021.

Off-Balance Sheet Arrangements - The Corporation enters into contractual loan commitments to extend credit, normally with fixed expiration dates or termination clauses, at specified rates and for specific purposes. Since a portion of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. Substantially all of the commitments to extend credit are contingent upon customers maintaining specific credit standards until the time of loan funding. The Corporation decreases its exposure to loss under these commitments by subjecting them to credit approval and monitoring procedures.

Standby letters of credit are written conditional commitments issued by the Corporation to guarantee the performance of a customer to a third party. In the event the customer does not perform in accordance with the terms of the agreement with the third party, the Corporation would be required to fund the commitment. The maximum potential amount of future payments the Corporation could be required to make is represented by the contractual amount of the commitment. If the commitment is funded, the Corporation would be entitled to seek recovery from the customer. The Corporation's policies generally require that standby letter of credit arrangements contain security and debt covenants similar to those contained in loan agreements.

Earnings per Common Share - The Corporation presents basic and diluted earnings per common share ("EPS") data for its common stock. Basic EPS is calculated by dividing the net income attributable to shareholders of the Corporation by the weighted average number of shares of common stock outstanding during the period. Diluted EPS is determined by

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adjusting the profit or loss attributable to shareholders and the weighted average number of shares of common stock outstanding adjusted for the effects of all dilutive potential common shares comprised of restricted stock awards.

Treasury Stock - Common stock held in treasury is accounted for using the cost method, which treats stock held in treasury as a reduction to total stockholders' equity. The shares may be purchased in the open market or in privately negotiated transactions from time to time depending upon the market conditions and other factors over a one-year period or such longer period of time as may be necessary to complete such repurchases.

Derivative Financial Instruments

Loan-level Interest Rate Swaps

The Corporation offers certain derivative products directly to qualified commercial lending clients seeking to manage their interest rate risk. The Corporation economically hedges interest rate swap transactions to execute with commercial lending clients by entering into offsetting interest rate swap transactions with institutional derivatives market participants. Derivative transactions executed as part of this program are not designed as qualifying hedging relationships and are, therefore, carried at fair value with the change in fair value recorded as noninterest income. Because these derivatives have mirror-image contractual terms, in addition to collateral provisions which mitigate the impact of non-performance risk, the changes in fair value are expected to substantially offset.

Cash Flow Hedges of Interest Rate Risk

Mid Penn's objectives in using interest rate derivatives are to reduce volatility in net interest income and to manage its exposure to interest rate movements. To accomplish this objective, Mid Penn primarily uses interest rate swaps as part of its interest rate risk management strategy. Beginning in the first quarter of 2023, Mid Penn entered into interest rate swaps designated as cash flow hedges to hedge the cash flows associated with existing brokered CDs.

For derivatives designated and that qualify as cash flow hedges of interest rate risk, the unrealized gain or loss on the derivative is recorded in AOCI and subsequently reclassified into interest income in the same period during which the hedged transaction affects earnings. Amounts reported in AOCI related to derivatives will be reclassified to interest income as interest payments are made on Mid Penn's variable-rate liabilities.

Mortgage Banking Derivative Financial Instruments

In connection with its mortgage banking activities, Mid Penn entered into commitments to originate certain fixed-rate residential mortgage loans for customers, also referred to as interest rate locks. In addition, Mid Penn entered into forward commitments for the future sales or purchases of mortgage-backed securities to or from third-party counterparties to hedge the effect of changes in interest rates on the values of both the interest rate locks and mortgage loans held for sale. Forward sales commitments may have also be in the form of commitments to sell individual mortgage loans at a fixed price at a future date. The amount necessary to settle each interest rate lock was based on the price that secondary market investors would pay for loans with similar characteristics, including interest rate and term, as of the date fair value is measured.

Recent Accounting Pronouncements

Accounting Standards Adopted

On January 1, 2023, the Corporation adopted ASC 326, *Financial Instruments - Credit Losses*, which replaces the incurred loss methodology, and is referred to as CECL. The measurement of expected credit losses under CECL applies to financial assets measured at amortized cost, including loans and HTM debt securities. It also applies to OBS credit exposures (loan commitments, standby letters of credit, financial guarantees, and other similar instruments) and net investments in leases recognized by a lessor in accordance with ASC Topic 842.

The Corporation adopted CECL using the modified retrospective method for all financial assets measured at amortized cost, net of investments in leases and OBS credit exposures. Results for reporting periods beginning after January 1, 2023 are presented under CECL, while prior period results are reported in accordance with the previously applicable incurred

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loss methodology. The Corporation recorded an overall increase of \$15.0 million to the ACL on January 1, 2023 as a result of the adoption of CECL. Retained earnings decreased \$11.5 million and deferred tax assets increased by \$3.1 million. Included in the \$15.0 million increase to the ACL was \$3.1 million for certain OBS credit exposures that were previously recognized in other liabilities before the adoption of CECL.

On January 1, 2023, the Corporation adopted ASU 2022-02, *Financial Instruments - Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures*, which eliminates the accounting guidance for troubled debt restructurings in Accounting Standards Codification ("ASC") Subtopic 310-40, Receivables - Troubled Debt Restructurings by Creditors, while enhancing disclosure requirements for certain loan refinancings and restructurings by creditors when a borrower is experiencing financial difficulty. Additionally, ASU 2022-02 requires entities to disclose current-period gross write-offs by year of origination for financing receivables and net investments in leases within the scope of ASC Subtopic 326-20, Financial Instruments - Credit Losses - Measured at Amortized Cost. See "Note 4 - Loans and Allowance for Credit Losses - Loans" for the new financial statement disclosures applicable under this update.

The updates to the significant accounting policies related to CECL are further discussed in "Note 3 - Investment Securities", "Note 4 - Loans and Allowance for Credit Losses - Loans" and "Note 18 - Commitments and Contingencies".

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

The amendments in this update permit reporting entities to elect to account for their tax equity investments, regardless of the tax credit program from which the income tax credits are received, using the proportional amortization method if certain conditions are met. A reporting entity may make an accounting policy election to apply the proportional amortization method on a tax-credit-program-by-tax-credit-program basis rather than electing to apply the proportional amortization method at the reporting entity level or to individual investments. The amendments in this update also remove certain guidance for Qualified Affordable Housing Project investments and require the application of the delayed equity contribution guidance to all tax equity investments. The amendments in this update are effective for fiscal years beginning after December 15, 2023, and must be applied on either a modified retrospective or a retrospective basis.

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

ASU 2023-07 amends the ASC to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The amendments in this update are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024.

Accounting Standards Pending Adoption

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

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

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

ASU 2023-09 amends the ASC to enhance income tax disclosures by requiring entities to disclose income taxes paid (net of refunds received) disaggregated by federal, state and foreign taxes. Additionally, entities are required to disclose amounts greater than 5% of the total income taxes paid to an individual jurisdiction. The amendments are effective for annual periods beginning after December 15, 2024. ASU 2023-09 is not expected to have a significant impact on the Corporation's financial statements.

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

The amendments in the ASU apply to all reporting entities that account for profits interest awards as compensation to employees or nonemployees in return for goods or services. The amendments are effective for annual periods beginning

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after December 15, 2025, and interim periods within those annual periods. ASU 2024-01 is not expected to have a significant impact on the Corporation's financial statements.

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

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

ASU 2024-03: The FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*

The amendments in the ASU improve financial reporting by requiring that public business entities disclose additional information about specific expense categories in the notes to financial statements at interim and annual reporting periods. The amendments are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. ASU 2024-03 is not expected to have a significant impact on the Corporation's financial statements.

ASU 2024-04: The FASB issued ASU - 2024-04, *Debt—Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments*

The amendments in the ASU clarify the requirements for determining whether certain settlements of convertible debt instruments should be accounted for as an induced conversion. The amendments in the ASU are effective for all entities for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods. Early adoption is permitted for all entities that have adopted the amendments in ASU2020-06. ASU 2024-04 is not expected to have a significant impact on the Corporation's financial statements.

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Note 2 -Business Combinations

Commonwealth Benefits Group Acquisition

On July 31, 2024, Mid Penn acquired the insurance business and related accounts of a full-service employee benefits firm that serves mid to large employers across central and eastern Pennsylvania, northern Maryland, and northern Virginia, for a purchase price of \$2.0 million at closing and an additional \$800 thousand potentially payable pursuant to a three year earnout.

Mid Penn has recognized total goodwill of \$1.1 million, which is calculated as the excess of both the consideration exchanged and liabilities assumed compared to the fair market value of identifiable assets acquired.

Mid Penn incurred expenses related to the Commonwealth Benefits Group acquisition of \$545 thousand for the year ended December 31, 2024, which is included in noninterest expense in the Consolidated Statements of Income.

Brunswick Acquisition

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

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

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

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

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

(In thousands)

Assets acquired:

Cash and cash equivalents	\$	21,029
Federal funds sold		7,604
Investment securities		2,423
Loans		324,471
Goodwill		12,800
Core deposit intangible		999
Premises and equipment		4,568
Cash surrender value of life insurance		3,361
Deferred income taxes		6,393
Accrued interest receivable		1,171
Other assets		5,884
Total assets acquired		390,703

Liabilities assumed:

Deposits:		
Noninterest-bearing demand		60,888
Interest-bearing demand		11,767
Money Market		47,362
Savings		14,203
Time		147,163
Long-term debt		60,136
Accrued interest payable		1,911
Other liabilities		1,613
Total liabilities assumed		345,043

Consideration paid	\$	45,660
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Cash paid	\$	27,565
Fair value of common stock issued		18,095

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

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Note 3 - Investment Securities

AFS Securities

At December 31, 2024, the fair value of AFS securities totaled \$260.5 million. At December 31, 2024, no securities were identified that violated credit loss triggers; therefore, no DCF analysis was performed, and no credit loss was recognized on any of the securities available for sale.

Accrued interest receivable is excluded from the estimate of credit losses for AFS securities. At December 31, 2024, accrued interest receivable totaled \$1.2 million for AFS securities, and was reported in accrued interest receivable on the accompanying Consolidated Balance Sheet.

HTM Securities

At December 31, 2024, Mid Penn's HTM securities totaled \$382.4 million. The Company primarily held highly rated HTM securities, including taxable and tax-exempt securities issued mainly by the U.S government, state governments, and political subdivisions. As of December 31, 2024, the majority of Mid Penn's HTM securities were rated as A1/BBB by Moody's and/or Standard & Poor's ratings services. Credit ratings of HTM securities, which are a key factor in estimating expected credit losses, are reviewed on a quarterly basis.

At December 31, 2024, there were no HTM securities that were past due 30 days or more as to principal or interest payments. Additionally, Mid Penn had no HTM securities classified as nonaccrual at December 31, 2024. Therefore, no allowance for credit losses was recorded as of December 31, 2024.

Accrued interest receivable is excluded from the estimate of credit losses for HTM securities. At December 31, 2024, accrued interest receivable totaled \$1.8 million for HTM securities and was reported in accrued interest receivable on the accompanying Consolidated Balance Sheet.

The following tables set forth the amortized cost and estimated fair value of investment securities for the periods presented:

	December 31, 2024			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
<i>(In thousands)</i>				
Available-for-sale				
U.S. Treasury and U.S. government agencies	\$ 22,247	\$ —	\$ 740	\$ 21,507
Mortgage-backed U.S. government agencies	222,464	11	19,531	202,944
State and political subdivision obligations	4,309	—	713	3,596
Corporate debt securities	35,750	—	3,320	32,430
Total available-for-sale debt securities	<u>\$ 284,770</u>	<u>\$ 11</u>	<u>\$ 24,304</u>	<u>\$ 260,477</u>
Held-to-maturity				
U.S. Treasury and U.S. government agencies	\$ 241,941	\$ —	\$ 28,133	\$ 213,808
Mortgage-backed U.S. government agencies	37,593	—	5,508	32,085
State and political subdivision obligations	77,462	—	6,840	70,622
Corporate debt securities	25,451	—	1,318	24,133
Total held-to-maturity debt securities	<u>382,447</u>	<u>—</u>	<u>41,799</u>	<u>340,648</u>
Total	<u>\$ 667,217</u>	<u>\$ 11</u>	<u>\$ 66,103</u>	<u>\$ 601,125</u>

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

Estimated fair values of debt securities are based on quoted market prices, where applicable. If quoted market prices are not available, fair values are based on quoted market prices of instruments of a similar type, credit quality and structure, adjusted for differences between the quoted instruments and the instruments being valued. See "Note 13 - *Fair Value Measurement*," for additional information.

Investment securities having a fair value of \$440.0 million at December 31, 2024, and \$380.3 million at December 31, 2023, were pledged primarily to secure public deposits, some Trust department deposit accounts, and certain other borrowings. In accordance with legal provisions for alternatives other than pledging of investments, Mid Penn also obtains letters of credit from the FHLB to secure certain public deposits. These FHLB letter of credit commitments totaled \$156.0 million as of December 31, 2024 and \$153.5 million as of December 31, 2023.

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The following tables present gross unrealized losses and fair value of investments aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at December 31, 2024 and 2023.

(Dollars in thousands)

	Less Than 12 Months			12 Months or More			Total		
	Number of Securities	Estimated Fair Value	Gross Unrealized Losses	Number of Securities	Estimated Fair Value	Gross Unrealized Losses	Number of Securities	Estimated Fair Value	Gross Unrealized Losses
December 31, 2024									
Available-for-sale debt securities:									
U.S. Treasury and U.S. government agencies	—	\$ —	\$ —	12	\$ 21,507	\$ 740	12	\$ 21,507	\$ 740
Mortgage-backed U.S. government agencies	9	72,499	1,847	91	130,445	17,684	100	202,944	19,531
State and political subdivision obligations	—	—	—	8	3,596	713	8	3,596	713
Corporate debt securities	—	—	—	18	32,430	3,320	18	32,430	3,320
Total available-for-sale debt securities	9	\$ 72,499	\$ 1,847	129	\$ 187,978	\$ 22,457	138	\$ 260,477	\$ 24,304
Held-to-maturity debt securities:									
U.S. Treasury and U.S. government agencies	—	\$ —	\$ —	143	\$ 213,808	\$ 28,133	143	\$ 213,808	\$ 28,133
Mortgage-backed U.S. government agencies	2	163	1	62	31,922	5,507	64	32,085	5,508
State and political subdivision obligations	8	3,176	30	169	67,446	6,810	177	70,622	6,840
Corporate debt securities	4	10,500	—	11	13,633	1,318	15	24,133	1,318
Total held-to-maturity debt securities	14	13,839	31	385	326,809	41,768	399	340,648	41,799
Total	23	\$ 86,338	\$ 1,878	514	\$ 514,787	\$ 64,225	537	\$ 601,125	\$ 66,103

(Dollars in thousands)

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

At December 31, 2024 and 2023, the majority of the unrealized losses on securities in an unrealized loss position were attributable to U.S. Treasury and U.S. government agencies, and mortgage-backed U.S. government agencies.

Mid Penn had no securities considered by management to be credit related losses as of December 31, 2024 and December 31, 2023, and did not record any securities losses in the respective periods ended on these dates. Mid Penn does not consider the securities with unrealized losses on the respective dates to be credit related losses as the unrealized losses were deemed to be temporary changes in value related to market movements in interest yields at various periods similar to the maturity dates of holdings in the investment portfolio, and not reflective of an erosion of credit quality.

There were no gross realized gains and losses on the sale of AFS securities as of December 31, 2024.

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

(In thousands)

	Available-for-sale		Held-to-maturity	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
December 31, 2024				
Due in 1 year or less	\$ 10,503	\$ 10,466	\$ 19,563	\$ 19,420
Due after 1 year but within 5 years	22,397	21,414	140,217	130,043
Due after 5 years but within 10 years	28,562	25,006	169,190	145,879
Due after 10 years	844	647	15,884	13,221
	62,306	57,533	344,854	308,563
Mortgage-backed securities	222,464	202,944	37,593	32,085
	<u>\$ 284,770</u>	<u>\$ 260,477</u>	<u>\$ 382,447</u>	<u>\$ 340,648</u>

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Note 4 - Loans and Allowance for Credit Losses - Loans

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

<i>(In thousands)</i>	December 31, 2024	December 31, 2023
Commercial real estate		
CRE Nonowner Occupied	\$ 1,251,010	\$ 1,149,553
CRE Owner Occupied	624,007	629,904
Multifamily	412,900	309,059
Farmland	224,709	212,690
Total Commercial real estate	2,512,626	2,301,206
Commercial and industrial	705,392	675,079
Construction		
Residential Construction	99,399	92,843
Other Construction	326,171	362,624
Total Construction	425,570	455,467
Residential mortgage		
1-4 Family 1st Lien	313,592	339,142
1-4 Family Rental	336,636	341,937
HELOC and Junior Liens	140,392	132,795
Total Residential Mortgage	790,620	813,874
Consumer	8,862	7,166
Total loans	\$ 4,443,070	\$ 4,252,792

Total loans are stated at the amount of unpaid principal, adjusted for net deferred fees and costs. Net deferred loan fees were \$3.8 million and \$4.2 million as of December 31, 2024 and 2023, respectively.

Accrued interest receivable is not included in the amortized cost basis of Mid Penn's loans. At December 31, 2024, accrued interest receivable for loans totaled \$22.9 million with no related ACL and was reported in other assets on the accompanying Consolidated Balance Sheet.

The Bank has granted loans to certain of its executive officers, directors, and their related interests. The aggregate amount of these loans was \$13.8 million and \$22.0 million at December 31, 2024 and 2023, respectively. During 2024, \$924 thousand of new loans, advances and loans to new related parties were extended and repayments totaled \$3.0 million. In addition, for the year ended December 31, 2024 there were \$8.0 million of loans that were no longer extended to related parties. None of these loans were past due, in non-accrual status, or restructured at December 31, 2024.

Past Due and Nonaccrual Loans

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

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<i>(In thousands)</i>	30-59 Days Past Due	60-89 Days Past Due	Greater than 90 Days	Total Past Due	Current	Total Loans	Loans Receivable > 90 Days and Accruing
December 31, 2024							
Commercial real estate							
CRE Nonowner Occupied	\$ 1,281	\$ 1,515	\$ 11,658	\$ 14,454	\$ 1,236,556	\$ 1,251,010	\$ —
CRE Owner Occupied	39	51	262	352	623,655	624,007	—
Multifamily	—	—	—	—	412,900	412,900	—
Farmland	184	—	—	184	224,525	224,709	—
Total Commercial real estate	1,504	1,566	11,920	14,990	2,497,636	2,512,626	—
Commercial and industrial	74	3	794	871	704,521	705,392	—
Construction							
Residential Construction	—	—	—	—	99,399	99,399	—
Other Construction	—	—	—	—	326,171	326,171	—
Total Construction	—	—	—	—	425,570	425,570	—
Residential mortgage							
1-4 Family 1st Lien	2,853	220	516	3,589	310,003	313,592	—
1-4 Family Rental	374	7	137	518	336,118	336,636	—
HELOC and Junior Liens	724	209	2,157	3,090	137,302	140,392	—
Total Residential Mortgage	3,951	436	2,810	7,197	783,423	790,620	—
Consumer	20	—	—	20	8,842	8,862	—
Total	<u>\$ 5,549</u>	<u>\$ 2,005</u>	<u>\$ 15,524</u>	<u>\$ 23,078</u>	<u>\$4,419,992</u>	<u>\$4,443,070</u>	<u>\$ —</u>

<i>(In thousands)</i>	30-59 Days Past Due	60-89 Days Past Due	Greater than 90 Days	Total Past Due	Current	Total Loans	Loans Receivable > 90 Days and Accruing
December 31, 2023							
Commercial real estate							
CRE Nonowner Occupied	\$ 3,339	\$ 682	\$ 2,115	\$ 6,136	\$ 1,143,417	\$ 1,149,553	\$ —
CRE Owner Occupied	1,734	—	859	2,593	627,311	629,904	—
Multifamily	—	—	—	—	309,059	309,059	—
Farmland	—	—	—	—	212,690	212,690	—
Total Commercial real estate	5,073	682	2,974	8,729	2,292,477	2,301,206	—
Commercial and industrial	638	24	1,270	1,932	673,147	675,079	—
Construction							
Residential Construction	—	270	303	573	92,270	92,843	—
Other Construction	—	—	2,256	2,256	360,368	362,624	—
Total Construction	—	270	2,559	2,829	452,638	455,467	—
Residential mortgage							
1-4 Family 1st Lien	1,554	217	847	2,618	336,524	339,142	—
1-4 Family Rental	2,520	—	644	3,164	338,773	341,937	—
HELOC and Junior Liens	574	50	1,027	1,651	131,144	132,795	—
Total Residential Mortgage	4,648	267	2,518	7,433	806,441	813,874	—
Consumer	41	31	—	72	7,094	7,166	—
Total	<u>\$ 10,400</u>	<u>\$ 1,274</u>	<u>\$ 9,321</u>	<u>\$ 20,995</u>	<u>\$4,231,797</u>	<u>\$4,252,792</u>	<u>\$ —</u>

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

(In thousands)	December 31, 2024			December 31, 2023		
	With a Related Allowance	Without a Related Allowance	Total	With a Related Allowance	Without a Related Allowance	Total
Commercial real estate						
CRE Nonowner Occupied	\$ 2,622	\$ 11,153	\$ 13,775	\$ 361	\$ 4,144	\$ 4,505
CRE Owner Occupied	—	546	546	—	1,909	1,909
Multifamily	—	154	154	93	80	173
Farmland	—	—	—	—	—	—
Total Commercial real estate	2,622	11,853	14,475	454	6,133	6,587
Commercial and industrial	758	3,894	4,652	1,222	64	1,286
Construction						
Residential Construction	—	—	—	—	303	303
Other Construction	—	—	—	—	2,256	2,256
Total Construction	—	—	—	—	2,559	2,559
Residential mortgage						
1-4 Family 1st Lien	—	1,028	1,028	—	1,875	1,875
1-4 Family Rental	—	176	176	2	699	701
HELOC and Junior Liens	—	2,279	2,279	—	1,208	1,208
Total Residential Mortgage	—	3,483	3,483	2	3,782	3,784
Consumer	—	—	—	—	—	—
Total loans	\$ 3,380	\$ 19,230	\$ 22,610	\$ 1,678	\$ 12,538	\$ 14,216

The amount of interest income recognized on nonaccrual loans was approximately \$128 thousand and \$174 thousand during the three months ended December 31, 2024 and 2023, respectively. During the years ended December 31, 2024 and 2023, the amount of interest income recognized on nonaccrual loans was approximately \$584 thousand and \$1.2 million, respectively.

Credit Quality Indicators

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

PASS - This type of classification consists of 6 subcategories:

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

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

Good Acceptable Risk / Pass - This type of classification is a reasonable credit risk having financial ratios on par with its peers and demonstrates slightly improving trends over time; the Borrower lists good quality assets with relatively low leverage and ample debt capacity.

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

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

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

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

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

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

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

The following table presents risk ratings by loan portfolio segment and origination year, which is the year of origination or renewal.

	December 31, 2024							
	Term Loans Amortized Cost Basis by Origination Year						Revolving Loans Amortized Cost Basis	
(In thousands)	2024	2023	2022	2021	2020	Prior		Total
CRE Nonowner Occupied								
Pass	\$ 85,501	\$ 176,018	\$ 343,072	\$ 152,157	\$ 130,650	\$ 325,478	\$ 11,732	\$ 1,224,608
Special mention	—	—	—	—	—	3,105	—	3,105
Substandard or lower	—	1,515	1,260	—	3,281	17,241	—	23,297
Total CRE Nonowner Occupied	85,501	177,533	344,332	152,157	133,931	345,824	11,732	1,251,010
Gross charge offs	—	—	—	—	—	—	—	—
Current period recoveries	—	—	—	—	—	2	—	2
Net charge offs	—	—	—	—	—	2	—	2
CRE Owner Occupied								
Pass	52,922	99,065	106,876	66,160	77,774	199,725	11,630	614,152
Special mention	—	222	4,991	227	—	2,133	—	7,573
Substandard or lower	—	—	—	194	—	2,088	—	2,282
Total CRE Owner Occupied	52,922	99,287	111,867	66,581	77,774	203,946	11,630	624,007
Gross charge offs	—	—	—	—	—	—	—	—

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Current period recoveries	—	—	—	—	—	4	—	4
Net recoveries	—	—	—	—	—	4	—	4
Multifamily								
Pass	4,843	66,119	118,568	101,871	40,450	78,070	2,771	412,692
Special mention	—	—	—	—	—	54	—	54
Substandard or lower	—	—	—	—	—	154	—	154
Total Multifamily	4,843	66,119	118,568	101,871	40,450	78,278	2,771	412,900
Gross charge offs	—	—	—	—	—	—	—	—
Current period recoveries	—	—	—	—	—	—	—	—
Net charge offs	—	—	—	—	—	—	—	—
Farmland								
Pass	27,449	31,259	56,178	42,693	25,119	24,729	14,801	222,228
Special mention	—	128	—	—	—	2,163	190	2,481
Substandard or lower	—	—	—	—	—	—	—	—
Total Farmland	27,449	31,387	56,178	42,693	25,119	26,892	14,991	224,709
Gross charge offs	—	—	—	—	—	—	—	—
Current period recoveries	—	—	—	—	—	—	—	—
Net charge offs	—	—	—	—	—	—	—	—
Commercial and industrial								
Pass	114,175	106,657	78,702	54,312	21,532	92,723	222,525	690,626
Special mention	—	62	503	31	—	3,534	4,498	8,628
Substandard or lower	—	—	—	892	1,168	1,632	2,446	6,138
Total commercial and industrial	114,175	106,719	79,205	55,235	22,700	97,889	229,469	705,392
Gross charge offs	—	(201)	—	—	(206)	(412)	—	(819)
Current period recoveries	—	—	—	—	—	1	—	1
Net charge offs	—	(201)	—	—	(206)	(411)	—	(818)
Residential Construction								
Pass	34,275	37,222	15,559	—	—	2,007	10,336	99,399
Special mention	—	—	—	—	—	—	—	—
Substandard or lower	—	—	—	—	—	—	—	—
Total Residential	34,275	37,222	15,559	—	—	2,007	10,336	99,399
Gross charge offs	—	—	—	—	—	—	—	—
Current period recoveries	—	—	—	—	—	—	—	—
Net recoveries	—	—	—	—	—	—	—	—
Other Construction								
Pass	66,711	94,619	104,439	11,664	10,983	11,928	25,827	326,171
Special mention	—	—	—	—	—	—	—	—
Substandard or lower	—	—	—	—	—	—	—	—
Total Other Construction	66,711	94,619	104,439	11,664	10,983	11,928	25,827	326,171
Gross charge offs	—	—	—	—	—	—	—	—
Current period recoveries	—	—	—	—	—	—	—	—
Net recoveries	—	—	—	—	—	—	—	—

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1-4 Family 1st Lien								
Performing	27,580	59,762	45,946	34,743	42,727	98,891	2,915	312,564
Non-performing	—	—	—	—	211	817	—	1,028
Total 1-4 Family 1st Lien	27,580	59,762	45,946	34,743	42,938	99,708	2,915	313,592
Gross charge offs	—	—	—	—	—	(7)	—	(7)
Current period recoveries	—	—	—	—	—	16	—	16
Net recoveries	—	—	—	—	—	9	—	9
1-4 Family Rental								
Performing	28,735	51,488	88,594	59,397	35,222	69,890	2,009	335,335
Non-performing	—	147	—	—	595	559	—	1,301
Total 1-4 Family Rental	28,735	51,635	88,594	59,397	35,817	70,449	2,009	336,636
Gross charge offs	—	—	—	—	—	(2)	—	(2)
Current period recoveries	—	—	—	—	—	22	—	22
Net recoveries	—	—	—	—	—	20	—	20
HELOC and Junior Liens								
Performing	6,096	16,125	9,856	4,845	2,182	10,887	88,122	138,113
Non-performing	—	21	—	—	—	1,257	1,001	2,279
Total HELOC and Junior Liens	6,096	16,146	9,856	4,845	2,182	12,144	89,123	140,392
Gross charge offs	—	—	(21)	—	—	—	—	(21)
Current period recoveries	—	—	—	—	—	—	—	—
Net charge offs	—	—	(21)	—	—	—	—	(21)
Consumer								
Performing	4,214	972	354	394	107	234	2,587	8,862
Non-performing	—	—	—	—	—	—	—	—
Total consumer	4,214	972	354	394	107	234	2,587	8,862
Gross charge offs	—	—	(2)	—	—	(50)	—	(52)
Current period recoveries	—	—	1	—	—	38	—	39
Net charge offs	—	—	(1)	—	—	(12)	—	(13)
Total								
Pass	385,876	610,959	823,394	428,857	306,508	734,660	299,622	3,589,876
Special mention	—	412	5,494	258	—	10,989	4,688	21,841
Substandard or lower	—	1,515	1,260	1,086	4,449	21,115	2,446	31,871
Performing	66,625	128,347	144,750	99,379	80,238	179,902	95,633	794,874
Nonperforming	—	168	—	—	806	2,633	1,001	4,608
Total	\$ 452,501	\$ 741,401	\$974,898	\$529,580	\$392,001	\$949,299	\$ 403,390	\$4,443,070

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	December 31, 2023						Revolving Loans Amortized Cost Basis	
	Term Loans Amortized Cost Basis by Origination Year							
(In thousands)	2023	2022	2021	2020	2019	Prior		Total
CRE Nonowner Occupied								
Pass	\$ 119,793	\$ 329,715	\$ 160,583	\$ 140,083	\$ 86,629	\$ 267,210	\$ 10,030	\$ 1,114,043
Special mention	—	—	—	—	6,009	7,926	—	13,935
Substandard or lower	—	5,209	—	3,162	229	12,975	—	21,575
Total CRE Nonowner Occupied	119,793	334,924	160,583	143,245	92,867	288,111	10,030	1,149,553
Gross charge offs	—	—	—	—	—	—	—	—
Current period recoveries	—	—	—	—	—	—	—	—
Net charge offs	—	—	—	—	—	—	—	—
CRE Owner Occupied								
Pass	92,561	121,231	75,711	86,322	60,761	174,680	14,388	625,654
Special mention	—	—	—	—	—	190	—	190
Substandard or lower	—	—	208	—	—	3,852	—	4,060
Total CRE Owner Occupied	92,561	121,231	75,919	86,322	60,761	178,722	14,388	629,904
Gross charge offs	—	—	—	—	—	(16)	—	(16)
Current period recoveries	—	—	—	—	—	—	—	—
Net charge offs	—	—	—	—	—	(16)	—	(16)
Multifamily								
Pass	26,776	44,450	105,406	41,713	23,118	65,480	1,881	308,824
Special mention	—	—	—	—	—	62	—	62
Substandard or lower	—	—	—	—	—	173	—	173
Total Multifamily	26,776	44,450	105,406	41,713	23,118	65,715	1,881	309,059
Gross charge offs	—	—	—	—	—	—	—	—
Current period recoveries	—	—	—	—	—	—	—	—
Net charge offs	—	—	—	—	—	—	—	—
Farmland								
Pass	32,525	61,405	45,211	29,628	7,926	20,956	11,962	209,613
Special mention	194	—	—	—	—	2,304	186	2,684
Substandard or lower	—	—	—	—	—	345	48	393
Total Farmland	32,719	61,405	45,211	29,628	7,926	23,605	12,196	212,690
Gross charge offs	—	—	—	—	—	—	—	—
Current period recoveries	—	—	—	—	—	—	—	—
Net charge offs	—	—	—	—	—	—	—	—
Commercial and industrial								
Pass	158,824	106,714	68,448	29,961	50,206	57,892	188,714	660,759
Special mention	—	89	2,224	—	227	2,200	4,391	9,131
Substandard or lower	—	—	662	—	—	1,978	2,549	5,189
Total commercial and industrial	158,824	106,803	71,334	29,961	50,433	62,070	195,654	675,079

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Gross charge offs	—	(100)	—	(111)	—	(27)	—	(238)
Current period recoveries	—	—	—	—	—	—	—	—
Net charge offs	—	(100)	—	(111)	—	(27)	—	(238)
Residential construction								
Pass	43,043	25,159	6,444	979	—	—	16,645	92,270
Special mention	—	—	—	—	—	—	—	—
Substandard or lower	—	573	—	—	—	—	—	573
Total Residential construction	43,043	25,732	6,444	979	—	—	16,645	92,843
Gross charge offs	—	—	—	—	—	—	—	—
Current period recoveries	—	—	—	—	—	—	—	—
Net recoveries	—	—	—	—	—	—	—	—
Other construction								
Pass	110,553	156,055	48,214	21,378	10,247	5,856	6,617	358,920
Special mention	—	—	—	1,447	—	—	—	1,447
Substandard or lower	—	—	—	—	—	2,257	—	2,257
Total Other construction	110,553	156,055	48,214	22,825	10,247	8,113	6,617	362,624
Gross charge offs	—	—	—	—	—	—	—	—
Current period recoveries	—	—	—	—	—	—	—	—
Net recoveries	—	—	—	—	—	—	—	—
1-4 Family 1st Lien								
Performing	77,801	51,651	41,133	48,748	9,348	106,353	2,240	337,274
Non-performing	—	—	37	218	—	1,613	—	1,868
Total 1-4 Family 1st Lien	77,801	51,651	41,170	48,966	9,348	107,966	2,240	339,142
Gross charge offs	—	—	—	—	—	(13)	—	(13)
Current period recoveries	—	—	—	—	—	7	—	7
Net recoveries	—	—	—	—	—	(6)	—	(6)
1-4 Family Rental								
Performing	62,897	90,092	64,766	38,672	16,831	64,309	1,885	339,452
Non-performing	—	—	56	1,252	—	1,177	—	2,485
Total 1-4 Family Rental	62,897	90,092	64,822	39,924	16,831	65,486	1,885	341,937
Gross charge offs	—	—	—	—	—	—	—	—
Current period recoveries	—	—	—	—	—	31	—	31
Net recoveries	—	—	—	—	—	31	—	31
HELOC and Junior Liens								
Performing	17,936	11,460	5,711	2,962	1,684	8,236	83,598	131,587
Non-performing	—	—	—	—	—	1,208	—	1,208
Total HELOC and Junior	17,936	11,460	5,711	2,962	1,684	9,444	83,598	132,795
Gross charge offs	—	—	—	—	—	—	—	—
Current period recoveries	—	—	—	—	—	—	—	—
Net recoveries	—	—	—	—	—	—	—	—

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Consumer								
Performing	2,361	754	649	273	223	103	2,803	7,166
Non-performing	—	—	—	—	—	—	—	—
Total consumer	2,361	754	649	273	223	103	2,803	7,166
Gross charge offs	(86)	—	(10)	(9)	—	(30)	—	(135)
Current period recoveries	26	—	—	1	—	5	—	32
Net charge offs	(60)	—	(10)	(8)	—	(25)	—	(103)
Total								
Pass	584,075	844,729	510,017	350,064	238,887	592,074	250,237	3,370,083
Special mention	194	89	2,224	1,447	6,236	12,682	4,577	27,449
Substandard or lower	—	5,782	870	3,162	229	21,580	2,597	34,220
Performing	160,995	153,957	112,259	90,655	28,086	179,001	90,526	815,479
Nonperforming	—	—	93	1,470	—	3,998	—	5,561
Total	\$745,264	\$1,004,557	\$625,463	\$446,798	\$273,438	\$809,335	\$347,937	\$4,252,792

Mid Penn had no loans classified as "Doubtful" as of December 31, 2024 and 2023. There was \$861 thousand and \$121 thousand in loans for which formal foreclosure proceedings were in process at December 31, 2024 and December 31, 2023, respectively.

Collateral-Dependent Loans

A financial asset is considered to be collateral-dependent when the debtor is experiencing financial difficulty and repayment is expected to be provided substantially through the sale or operation of the collateral. For all classes of financial assets deemed collateral-dependent, Mid Penn elected the practical expedient to estimate expected credit losses based on the collateral's fair value less cost to sell. In most cases, Mid Penn records a partial charge-off to reduce the loan's carrying value to the collateral's fair value less cost to sell. Substantially all of the collateral supporting collateral-dependent financial assets consists of various types of real estate, including residential properties; commercial properties such as retail centers, office buildings, and lodging; agriculture land; and vacant land. Total collateral-dependent loans as of December 31, 2024 were \$22.6 million.

Allowance for Credit Losses

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

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

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

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together to determine the total ACL, which reflects management's expectations of future conditions based on reasonable and supportable forecasts.

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

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

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

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

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

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

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

Qualitative factors used in the ACL methodology include the following:

- Lending process
- Concentrations of credit
- Peer Group Divergence

The ACL for individual loans, such as non-accrual and PCD, that do not share risk characteristics with other loans is measured as the difference between the discounted value of expected future cash flows, based on the effective interest rate

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

Mid Penn may also purchase loans or acquire loans through a business combination. At the purchase or acquisition date, loans are evaluated to determine whether there has been more than insignificant credit deterioration since origination. Loans that have experienced more than insignificant credit deterioration since origination are referred to as PCD loans. In its evaluation of whether a loan has experienced more than insignificant deterioration in credit quality since origination, Mid Penn takes into consideration loan grades, past due and nonaccrual status. Mid Penn may also consider external credit rating agency ratings for borrowers and for non-commercial loans, FICO score or band, probability of default levels, and number of times past due. At the purchase or acquisition date, the amortized cost basis of PCD loans is equal to the purchase price and an initial estimate of credit losses. The initial recognition of expected credit losses on PCD loans has no impact on net income. When the initial measurement of expected credit losses on PCD loans is calculated on a pooled loan basis, the expected credit losses are allocated to each loan within the pool. Any difference between the initial amortized cost basis and the unpaid principal balance of the loan represents a noncredit discount or premium, which is accreted (or amortized) into interest income over the life of the loan. Subsequent changes to the ACL on PCD loans are recorded through the PCL. For purchased loans that are not deemed to have experienced more than insignificant credit deterioration since origination and are therefore not deemed PCD, any discounts or premiums included in the purchase price are accreted (or amortized) over the contractual life of the individual loan.

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

The following table presents the activity in the ACL - loans by portfolio segment for the year ended December 31, 2024 and 2023:

(In thousands)

	Balance at December 31, 2023	Charge offs	Recoveries	Net loans (charged off)	(Benefit)/ Provision for credit	Year Ended December 31, 2024
Commercial Real Estate						
CRE Nonowner Occupied	\$ 10,267	\$ —	\$ 2	\$ 2	\$ 778	\$ 11,047
CRE Owner Occupied	5,646	—	4	4	(407)	5,243
Multifamily	2,202	—	—	—	1,230	3,432
Farmland	2,064	—	—	—	(132)	1,932
Commercial and industrial	7,131	(819)	1	(818)	809	7,122
Construction						
Residential Construction	1,256	—	—	—	(325)	931
Other Construction	2,146	—	—	—	(15)	2,131
Residential Mortgage						
1-4 Family 1st Lien	1,207	(7)	16	9	287	1,503
1-4 Family Rental	1,859	(2)	22	20	(123)	1,756
HELOC and Junior Liens	389	(21)	—	(21)	24	392
Consumer	20	(52)	39	(13)	18	25
Total	\$ 34,187	\$ (901)	\$ 84	\$ (817)	\$ 2,144	\$ 35,514

MID PENN BANCORP, INC.

<i>(In thousands)</i>	Balance at December 31, 2022	CECL Impact	PCD Loans	Charge offs	Recoveries	Net loans (charged off) recovered	Provision /(Benefit) for credit losses	Year Ended December 31, 2023
Commercial Real Estate								
CRE Nonowner Occupied	\$ 8,284	\$ 259	\$ 312	\$ —	\$ —	\$ —	\$ 1,412	\$ 10,267
CRE Owner Occupied	2,916	91	2	(16)	—	(16)	2,653	5,646
Multifamily	1,111	35		—	—	—	1,056	2,202
Farmland	831	26		—	—	—	1,207	2,064
Commercial and industrial	4,593	6,601	5	(238)	—	(238)	(3,830)	7,131
Construction								
Residential Construction	—	1,270	12	—	—	—	(26)	1,256
Other Construction	—	1,931	1	—	—	—	214	2,146
Residential Mortgage								
1-4 Family 1st Lien	370	1,307	4	(13)	7	(6)	(468)	1,207
1-4 Family Rental	288	731		—	31	31	809	1,859
HELOC and Junior Liens	661	(230)		—	—	—	(42)	389
Consumer	29	154		(135)	32	(103)	(60)	20
Unallocated	(126)	(244)		—	—	—	370	—
Total	\$ 18,957	\$ 11,931	\$ 336	\$ (402)	\$ 70	\$ (332)	\$ 3,295	\$ 34,187

MID PENN BANCORP, INC.

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

<i>(In thousands)</i>	ACL - Loans			Loans		
	Collectively Evaluated for Credit Loss	Individually Evaluated for Credit Loss	Total ACL - Loans	Collectively Evaluated for Credit Loss	Individually Evaluated for Credit Loss	Total Loans
December 31, 2024						
Commercial real estate						
CRE Nonowner Occupied	\$ 9,945	\$ 1,102	\$ 11,047	\$ 1,237,235	\$ 13,775	\$ 1,251,010
CRE Owner Occupied	5,243	—	5,243	623,461	546	624,007
Multifamily	3,432	—	3,432	412,746	154	412,900
Farmland	1,932	—	1,932	224,709	—	224,709
Commercial and industrial	6,785	337	7,122	700,740	4,652	705,392
Construction						
Residential Construction	931	—	931	99,399	—	99,399
Other Construction	2,131	—	2,131	326,171	—	326,171
Residential mortgage						
1-4 Family 1st Lien	1,503	—	1,503	312,564	1,028	313,592
1-4 Family Rental	1,756	—	1,756	336,460	176	336,636
HELOC and Junior Liens	392	—	392	138,113	2,279	140,392
Consumer	25	—	25	8,862	—	8,862
Total	\$ 34,075	\$ 1,439	\$ 35,514	\$ 4,420,460	\$ 22,610	\$ 4,443,070

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

MID PENN BANCORP, INC.
Modifications to Borrowers Experiencing Financial Difficulty

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

Information related to loans modified (by type of modification), whereby the borrower was experiencing financial difficulty at the time of modification as of December 31, 2024, is set forth in the following table:

<i>(In thousands)</i>	Interest Only	Term Extension	Combination: Interest Only and Term Extension	Total	% of Total Class of Financing Receivable
Year ended December 31, 2024					
Commercial and industrial	\$ —	\$ —	\$ 287	\$ 287	0.04 %
1-4 Family Rental	—	184	—	184	0.05
HELOC and Junior Liens	—	—	92	92	0.07
Total	\$ —	\$ 184	\$ 379	\$ 563	

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

As of December 31, 2024, there were no defaulted troubled debt restructured loans, as all troubled debt restructured loans were current with respect to their associated forbearance agreements. There were also no defaults on troubled debt restructured loans within twelve months of restructure during 2023.

Year ended December 31, 2023	Interest Only	Term Extension	Combination: Interest Only and Term Extension	Total	% of Total Class of Financing Receivable
Commercial real estate					
CRE Owner Occupied	\$ 51	\$ —	\$ 180	\$ 231	0.04 %
Total Commercial real estate	51	—	180	231	0.02
Commercial and industrial	—	150	—	150	0.02
Construction					
Other Construction	—	700	—	700	0.19
Total Construction	—	700	—	700	0.15
Total loans	\$ 51	\$ 850	\$ 180	\$ 1,081	

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Note 5 - Premises and Equipment

The following is a summary of premises and equipment as of December 31:

<i>(In thousands)</i>	2024	2023
Land	\$ 6,251	\$ 6,663
Buildings	28,948	29,680
Furniture, fixtures, and equipment	23,656	23,091
Leasehold improvements	3,317	2,469
Capital expenditures in process	4,941	1,165
Total cost	67,113	63,068
Less accumulated depreciation	(28,307)	(26,159)
Total premises and equipment	<u>\$ 38,806</u>	<u>\$ 36,909</u>

Depreciation expense was \$4.9 million in 2024, \$4.9 million in 2023, and \$4.3 million in 2022.

Note 6 - Goodwill and Intangible Assets

The following table summarizes the changes in goodwill:

<i>(In thousands)</i>	For the Years Ended December 31,	
	2024	2023
Goodwill balance, beginning of year	\$ 127,031	\$ 114,231
Brunswick Acquisition	—	12,800
Commonwealth Benefits Group Acquisition	1,129	—
Goodwill balance, end of year	<u>\$ 128,160</u>	<u>\$ 127,031</u>

On July 31, 2024, Mid Penn acquired the insurance business and related accounts of a full-service employee benefits firm that serves mid to large employers across central and eastern Pennsylvania, northern Maryland, and northern Virginia. Goodwill totaling \$1.1 million was booked as a result of this business combination.

On May 19, 2023, Mid Penn purchased Brunswick Bank in a business combination. Goodwill totaling \$12.8 million was booked as a result of this business combination.

The following table summarizes the changes in core deposit intangible.

<i>(In thousands)</i>	For the Years Ended December 31,		
	2024	2023	2022
Core deposit intangible balance, beginning of year	\$ 4,649	\$ 4,964	\$ 7,282
Brunswick core deposit intangibles	—	999	—
Riverview (adjustment) acquisition	—	—	(705)
Amortization of core deposit intangibles	1,267	1,314	1,613
Core deposit and other intangible balances, end of year	<u>\$ 3,382</u>	<u>\$ 4,649</u>	<u>\$ 4,964</u>

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The following table shows the amortization expense for future periods:

(In thousands)

2025	\$	1,035
2026		812
2027		591
2028		370
2029		260
2030-thereafter		314
Total	\$	<u>3,382</u>

Customer List Intangible

As a result of the Commonwealth Financial Group and Riverview Acquisitions, Mid Penn recorded a customer list intangible asset included in total intangible assets related to the insurance and wealth management customers assumed in the acquisitions. This intangible is amortized as an expense over ten years using the sum of the years' amortization method.

The following table summarizes the changes in the customer list intangible during the years ended December 31:

(In thousands)

	2024	2023
Customer list intangible balance, beginning of year	\$ 1,830	\$ 2,275
Commonwealth Financial Group acquisition	1,481	—
Amortization of customer list intangible	512	445
Customer list intangible, end of year	<u>\$ 2,799</u>	<u>\$ 1,830</u>

The following table shows the amortization expense for future periods:

(In thousands)

2025	\$	608
2026		532
2027		456
2028		380
2029		304
2030-thereafter		519
Total	\$	<u>2,799</u>

Note 7 - Leases

Mid Penn has operating and finance leases for certain premises and equipment.

Operating and finance lease ROU assets, as well as operating lease liabilities, are presented as separate line items on the Consolidated Balance Sheet, while finance lease liabilities are classified as a component of long-term debt.

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Supplemental consolidated balance sheet information for each of the lease classifications as of December 31 was as follows:

	2024		2023	
	Operating Leases	Finance Lease	Operating Leases	Finance Lease
<i>(Dollars in thousands)</i>				
ROU	\$ 7,699	\$ 2,548	\$ 8,953	\$ 2,727
Lease liability	8,092	3,063	9,285	3,197
Weighted average remaining lease term (in years)	5.12	14.17	5.60	15.17
Weighted average discount rate	3.68%	3.81%	3.66%	3.81%

Interest expense on finance lease liabilities is included in other interest expense, while all other lease costs are included in occupancy expense on Mid Penn's Consolidated Statements of Income. Following is a summary of lease costs during the years ended December 31:

<i>(In thousands)</i>	2024	2023	2022
Finance lease cost:			
Amortization of ROU asset	\$ 179	\$ 180	\$ 180
Interest expense on lease liability	119	123	127
Total finance lease cost	298	303	307
Operating lease cost	2,322	2,081	2,057
Sublease income	(21)	(29)	(24)
Total lease costs	<u>\$ 2,599</u>	<u>\$ 2,355</u>	<u>\$ 2,340</u>

The rental expense paid to related parties was \$274 thousand for each of 2024, 2023 and 2022.

Supplemental cash flow information related to operating and finance leases for the years ended December 31 was as follows:

<i>(In thousands)</i>	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from finance leases	\$ 119	\$ 123
Operating cash flows from operating leases	2,382	2,556
Financing cash flows from finance leases	134	93

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A maturity analysis of operating and finance lease liabilities and a reconciliation of the undiscounted cash flows to the total operating and finance lease liability amounts is presented below.

<i>(In thousands)</i>	December 31, 2024	
	Operating Leases	Finance Lease
Lease payments due:		
2025	\$ 2,361	\$ 260
2026	2,179	260
2027	1,878	260
2028	1,136	259
2029	807	276
2030 and thereafter	617	2,677
Total lease payments	8,978	3,992
Less: imputed interest	(886)	(929)
Present value of lease liabilities	<u>\$ 8,092</u>	<u>\$ 3,063</u>

The future minimum payments to related parties are \$185 thousand for 2025, \$178 thousand for 2026, 2027, 2028 and 2029 and \$638 thousand thereafter.

There were no sale and leaseback transactions or leveraged leases as of December 31, 2024 or 2023. There were no leases that had not commenced as of December 31, 2024.

Note 8 - Deposits

Deposits consisted of the following as of December 31:

<i>(Dollars in thousands)</i>	2024	2023
Noninterest-bearing demand deposits	\$ 759,169	\$ 801,312
Interest-bearing demand deposits	1,101,444	947,372
Money market	958,051	850,674
Savings	260,258	288,404
Total demand and savings	3,078,922	2,887,762
Time	1,611,005	1,458,450
Total deposits	<u>\$ 4,689,927</u>	<u>\$ 4,346,212</u>

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

<i>(In thousands)</i>	Time Deposits	
	Less than \$250,000	\$250,000 or more
Maturing in 2025	\$ 1,089,099	\$ 356,781
Maturing in 2026	104,814	15,638
Maturing in 2027	24,083	1,222
Maturing in 2028	10,503	264
Maturing in 2029	4,790	250
Maturing thereafter	3,007	554
	<u>\$ 1,236,296</u>	<u>\$ 374,709</u>

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Mid Penn had \$319.8 million in brokered certificates of deposits as of December 31, 2024 and \$244.8 million as of December 31, 2023. As of December 31, 2024 and 2023, Mid Penn had \$83.7 million and \$96.7 million of CDAR (Certificate of Deposit Account Registry) deposits, respectively.

Deposits and other funds from related parties held by Mid Penn at December 31, 2024 and 2023 amounted to \$31.8 million and \$48.3 million, respectively.

Note 9 - Short-term Borrowings

Total short-term borrowings were \$2.0 million as of December 31, 2024 and \$241.5 million as of December 31, 2023, respectively. Short-term borrowings generally consist of federal funds purchased and advances from the FHLB with an original maturity of less than a year. Federal funds purchased from correspondent banks mature in one business day and reprice daily based on the Federal Funds rate. Advances from the FHLB are collateralized by our investment in the common stock of the FHLB and by a blanket lien on selected loan receivables comprised principally of real estate secured loans within the Bank's portfolio totaling \$2.3 billion at December 31, 2024. The Bank had short-term borrowing capacity from the FHLB up to the Bank's unused borrowing capacity of \$1.5 billion (equal to \$1.6 billion of maximum borrowing capacity less the aggregate amount of FHLB letter of credits securing public funds deposits, and other FHLB advances and obligations outstanding) upon satisfaction of any stock purchase requirements of the FHLB.

The Bank also has unused overnight lines of credit with other correspondent banks amounting to \$35.0 million at December 31, 2024. No draws have been made on these lines of credit and on December 31, 2024 and 2023, the balance was \$0.

Note 10 - Long-term Debt

The following table presents a summary of long-term debt as of December 31:

<i>(Dollars in thousands)</i>	December 31, 2024	December 31, 2023
FHLB fixed rate instruments:		
Due January 2024, 1.10%	\$ —	\$ 10,000
Due March 2024, 5.60%	—	25,000
Due February 2026, 4.51%	20,000	20,000
Due August 2026, 4.80%	523	782
Due February 2027, 6.71%	17	24
Total FHLB fixed rate instruments	20,540	55,806
Lease obligations included in long-term debt	3,063	3,197
Total long-term debt	\$ 23,603	\$ 59,003

Mid Penn prepaid no FHLB fixed rate instruments during the years ended December 31, 2024 and 2023.

As a member of the FHLB, the Bank can access a number of credit products which are utilized to provide liquidity. As of December 31, 2024, and 2023, the Bank had long-term debt outstanding in the amount of \$23.6 million and \$59.0 million, respectively, consisting of FHLB fixed rate instruments, and a finance lease liability.

The FHLB fixed rate instruments are secured under the terms of a blanket collateral agreement with the FHLB consisting of FHLB stock and qualifying Mid Penn loan receivables, principally real estate secured loans. Mid Penn also obtains letters of credit from the FHLB to secure certain public fund deposits of municipality and school district customers who agree to use of the FHLB letters of credit. These FHLB letter of credit commitments totaled \$156.0 million and \$153.5 million as of December 31, 2024 and 2023, respectively.

During the first quarter of 2019, Mid Penn entered into a lease agreement for one facility under a non-cancelable finance lease, which commenced March 1, 2019 and expires February 28, 2039 and is included in long-term debt on the Consolidated Balance Sheets. See "Note 7 - Leases", for more information related to Mid Penn's finance lease obligation.

The aggregate principal amounts due on FHLB fixed rate instruments subsequent to December 31, 2024 are as follows:

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2025	\$	318
2026		20,220
2027		2
Thereafter		—
	\$	<u>20,540</u>

Note 11 - Subordinated Debt and Trust Preferred Securities*Subordinated Debt Assumed November 2021 with the Riverview Acquisition*

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

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

Subordinated Debt Issued December 2020

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

The December 2020 Notes bear interest at a rate of 4.50% per year for the first five years and then float at the Wall Street Journal's Prime Rate, provided that the interest rate applicable to the outstanding principal balance during the period the December 2020 Notes are floating will at no time be less than 4.50%. Interest is payable quarterly in arrears on March 31, June 30, September 30 and December 31, of each year, beginning on March 31, 2021. The December 2020 Notes will mature on December 31, 2030 and are redeemable, in whole or in part, without premium or penalty, on any interest payment date on or after December 31, 2025 and prior to December 31, 2030, subject to any required regulatory approvals. Additionally, if (i) all or any portion of the December 2020 Notes cease to be deemed Tier 2 Capital, (ii) interest on the December 2020 Notes fails to be deductible for United States federal income tax purposes or (iii) Mid Penn will be considered an "investment company," Mid Penn may redeem the December 2020 Notes, in whole but not in part, by giving 10 days' notice to the holders of the December 2020 Notes. In the event of a redemption described in the previous sentence, Mid Penn will redeem the December 2020 Notes at 100% of the principal amount of the December 2020 Notes, plus accrued and unpaid interest thereon to but excluding the date of redemption.

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

Subordinated Debt Issued March 2020

On March 20, 2020, Mid Penn entered into agreements with accredited investors who purchased \$15.0 million aggregate principal amount of Mid Penn Subordinated Notes due March 2030 (the "March 2020 Notes"). As a result of Mid Penn's merger with Riverview on November 30, 2021, \$6.9 million of the March 2020 Notes balance were redeemed as Riverview was a holder of the March 2020 Notes. The balance of March 2020 Notes outstanding as of December 31, 2023 was \$8.1 million. The March 2020 Notes held at December 31, 2024 are treated as Tier 2 capital for regulatory capital purposes.

The March 2020 Notes bear interest at a rate of 4.00% per year for the first five years and then float at the Wall Street Journal's Prime Rate, provided that the interest rate applicable to the outstanding principal balance during the period the March 2020 Notes are floating will at no time be less than 4.25%. Interest is payable semi-annually in arrears on June 30 and December 30 of each year, beginning on June 30, 2020, for the first five years after issuance and will be payable

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quarterly in arrears thereafter on March 30, June 30, September 30 and December 30. The March 2020 Notes will mature on March 30, 2030 and are redeemable in whole or in part, without premium or penalty, at any time on or after March 30, 2025 and prior to March 30, 2030. Additionally, if all or any portion of the March 2020 Notes cease to be deemed Tier 2 Capital, Mid Penn may redeem, on any interest payment date, all or part of the 2020 Notes. In the event of a redemption described in the previous sentence, Mid Penn will redeem the March 2020 Notes at 100% of the principal amount of the March 2020 Notes, plus accrued and unpaid interest thereon to but excluding the date of redemption.

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

Note 12 - Derivative Financial Instruments

Mid Penn manages its exposure to certain interest rate risks through the use of derivatives; however, none are entered into for speculative purposes. During the year ended December 31, 2024, Mid Penn entered into outstanding derivative contracts designated as hedges. Mid Penn's free-standing derivative financial instruments are required to be carried at their fair value on the Consolidated Balance Sheets.

Mortgage Banking Derivative Financial Instruments

In connection with its mortgage banking activities, Mid Penn entered into commitments to originate certain fixed-rate residential mortgage loans for customers, also referred to as interest rate locks. In addition, Mid Penn entered into forward commitments for the future sales or purchases of mortgage-backed securities to or from third-party counterparties to hedge the effect of changes in interest rates on the values of both the interest rate locks and mortgage loans held for sale. Forward sales commitments may have also be in the form of commitments to sell individual mortgage loans at a fixed price at a future date. The amount necessary to settle each interest rate lock was based on the price that secondary market investors would pay for loans with similar characteristics, including interest rate and term, as of the date fair value is measured. During the year ended December 31, 2023, Mid Penn did not participate in mortgage banking derivative activities.

Information related to mortgage banking derivative activity is set forth in the following table:

	December 31, 2024		December 31, 2023	
	Notional Amount	Asset (Liability) Fair Value	Notional Amount	Asset (Liability) Fair Value
<i>(In thousands)</i>				
Interest Rate Lock Commitments				
Positive Fair Values	\$ 120	\$ 1	\$ —	\$ —
Negative Fair Values	1,084	(4)	—	—
Forward Commitments				
Positive Fair Values	2,380	7	—	—
Negative Fair Values	\$ 1,167	\$ (6)	\$ —	\$ —

For the year ended December 31, 2024, 2023, and 2022, Mid Penn recorded net gains from mortgage banking hedging activity of \$10 thousand, \$324 thousand, and \$1.5 million, respectively.

The following table presents derivative financial instruments and the amount of the net gains or losses recognized within other noninterest income on the Consolidated Statements of Income for the years ended December 31:

	2024	2023
<i>(In thousands)</i>		
Interest Rate Lock Commitments	\$ (3)	\$ 37
Forward Commitments	14	287
Total	\$ 11	\$ 324

MID PENN BANCORP, INC.*Loan-level Interest Rate Swaps*

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

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

<i>(Dollars in thousands)</i>	December 31, 2024	December 31, 2023
Interest rate swaps on loans with customers		
Notional amount	\$ 217,150	\$ 187,192
Weighted average remaining term (years)	5.11	6.24
Receive fixed rate (weighted average)	4.68 %	4.59 %
Pay variable rate (weighted average)	6.64 %	7.50 %
Estimated fair value ⁽¹⁾	\$ 11,118	\$ 10,484

<i>(Dollars in thousands)</i>	December 31, 2024	December 31, 2023
Interest rate swaps on loans with correspondents		
Notional amount	\$ 217,150	\$ 187,192
Weighted average remaining term (years)	5.11	6.24
Receive variable rate (weighted average)	6.64 %	7.50 %
Pay fixed rate (weighted average)	4.68 %	4.59 %
Estimated fair value ⁽²⁾	\$ 11,118	\$ 10,484

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

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

Cash Flow Hedges of Interest Rate Risk

Mid Penn's objectives in using interest rate derivatives are to reduce volatility in net interest income and to manage its exposure to interest rate movements. To accomplish this objective, Mid Penn primarily uses interest rate swaps as part of its interest rate risk management strategy. During the year ended December 31, 2024, Mid Penn entered into interest rate swaps designated as cash flow hedges to hedge the cash flows associated with existing brokered CDs.

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

<i>(Dollars in thousands)</i>	December 31, 2024	December 31, 2023
Cash flow hedges		
Notional amount	\$ 295,000	\$ 190,000
Weighted average remaining term (years)	1.55	2.22
Pay fixed rate (weighted average)	3.64 %	3.74 %
Receive variable rate (weighted average)	4.10 %	4.07 %
Estimated fair value ⁽¹⁾	\$ 2,590	\$ 1,460

(1) Estimated fair value, net of accrued interest receivable, is disclosed in Other Assets on the Consolidated Balance Sheet.

For derivatives designated and that qualify as cash flow hedges of interest rate risk, the unrealized gain or loss on the derivative is recorded in AOCI and subsequently reclassified into interest income in the same period during which the hedged transaction affects earnings. Amounts reported in AOCI related to derivatives will be reclassified to interest income as interest payments are made on Mid Penn's variable-rate liabilities. During the next twelve months ended December 31, 2025, Mid Penn estimates that an additional \$1.4 million will be reclassified as a decrease to interest expense.

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Note 13 - Fair Value Measurement

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

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

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

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

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

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

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

(In thousands)	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Available-for-sale securities:				
U.S. Treasury and U.S. government agencies	\$ —	\$ 21,507	\$ —	\$ 21,507
Mortgage-backed U.S. government agencies	—	202,944	—	202,944
State and political subdivision obligations	—	3,596	—	3,596
Corporate debt securities	—	32,430	—	32,430
Equity securities	428	—	—	428
Loans held for sale	—	7,064	—	7,064
Other assets:				
Derivative assets	—	13,708	—	13,708
Other liabilities:				
Derivative liabilities	—	11,118	—	11,118

(In thousands)	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Available-for-sale securities:				
U.S. Treasury and U.S. government agencies	\$ —	\$ 35,649	\$ —	\$ 35,649
Mortgage-backed U.S. government agencies	—	152,683	—	152,683
State and political subdivision obligations	—	3,646	—	3,646
Corporate debt securities	—	31,577	—	31,577
Equity securities	438	—	—	438
Loans held for sale	—	3,855	—	3,855
Other assets:				
Derivative assets	—	11,944	—	11,944
Other liabilities:				
Derivative Liabilities	—	10,484	—	10,484

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

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

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

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

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

Mortgage banking derivatives - represent the fair value of mortgage banking derivatives in the form of interest rate locks and forward commitments with secondary market investors and the fair value of interest rate swaps. The fair values of the Corporation's interest rate locks, forward commitments and interest rate swaps represent the amounts that would be required to settle the derivative financial instruments at the balance sheet date. These characteristics classify interest rate swap agreements as Level 2. See "Note 12 - Derivative Financial Instruments," for additional information.

Certain financial assets and financial liabilities are measured at fair value on a nonrecurring basis; that is, the instruments are not measured at fair value on an ongoing basis, but are subject to fair value adjustments in certain circumstances (for example, upon their acquisition or when there is evidence of impairment). The following table illustrates financial instruments measured at fair value on a nonrecurring basis:

(In thousands)	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Individually evaluated loans, net of ACL	\$ —	\$ —	\$ 21,171	\$ 21,171
Foreclosed assets held for sale	—	—	44	44

(In thousands)	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Individually evaluated loans, net of ACL	\$ —	\$ —	\$ 13,399	\$ 13,399
Foreclosed assets held for sale	—	—	293	293

Net loans - This category consists of loans that were individually evaluated for credit losses, net of the related ACL, and have been classified as Level 3 assets. All of Mid Penn's individually evaluated loans for 2024 and 2023, whether reporting a specific allowance allocation or not, are considered collateral-dependent. Mid Penn utilized Level 3 inputs such as independent appraisals of the underlying collateral, which generally includes various Level 3 inputs which are not observable. Appraisals may be adjusted downward by management for qualitative factors such as economic conditions and estimated liquidation expenses.

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

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The following table presents additional information about the valuation techniques for level 3 assets measured at fair value on a nonrecurring basis.

<i>(In thousands)</i>	December 31, 2024				
	Fair Value	Valuation Technique	Significant Unobservable Input	Range of Inputs	Weighted Average
Individually evaluated loans, net of ACL	\$ 21,171	Appraisal of collateral	Appraisal adjustments	—% - 100%	5.6%
Foreclosed assets held for sale	44	Appraisal of collateral	Appraisal adjustments	26% - 26%	26.0%

<i>(In thousands)</i>	December 31, 2023				
	Fair Value	Valuation Technique	Significant Unobservable Input	Range of Inputs	Weighted Average
Individually evaluated loans, net of ACL	\$ 13,399	Appraisal of collateral	Appraisal adjustments	—% - 100%	5.7%
Foreclosed assets held for sale	293	Appraisal of collateral	Appraisal adjustments	25% - 94%	64.5%

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

	December 31, 2024				
	Carrying Amount	Estimated Fair Value			
(In thousands)		Level 1	Level 2	Level 3	Total
Financial instruments - assets					
Cash and cash equivalents	\$ 70,564	\$ 70,564	\$ —	\$ —	\$ 70,564
Available-for-sale securities	260,477	—	260,477	—	260,477
Held-to-maturity securities	382,447	—	340,648	—	340,648
Equity securities	428	428	—	—	428
Loans held for sale	7,064	—	7,064	—	7,064
Net loans	4,407,556	—	—	4,430,623	4,430,623
Restricted investment in bank stocks	7,461	—	7,461	—	7,461
Accrued interest receivable	26,846	26,846	—	—	26,846
Derivative assets	13,708	—	13,708	—	13,708
Financial instruments - liabilities					
Deposits	\$ 4,689,927	\$ —	\$ 4,684,548	\$ —	\$ 4,684,548
Short-term borrowings	2,000	—	2,000	—	2,000
Long-term debt ⁽¹⁾	20,540	—	19,120	—	19,120
Subordinated debt	45,741	—	42,811	—	42,811
Accrued interest payable	13,484	13,484	—	—	13,484
Derivative liabilities	11,118	—	11,118	—	11,118

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

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

(1) Long-term debt excludes finance lease obligations

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

Note 14 - Postretirement Benefit Plans

Mid Penn has an unfunded noncontributory defined benefit plan for directors, which provides defined benefits based on the respective director's years of service, as well as a postretirement healthcare and life insurance benefit plan, which is noncontributory, covering certain full-time employees. Mid Penn also assumed noncontributory defined benefit pension plans as a result of the acquisitions of Scottsdale on January 8, 2018 and Riverview on November 30, 2021. None of Mid Penn's plans contained a promised interest crediting rate.

Service costs related to plans benefiting Mid Penn employees are reported as a component of salaries and employee benefits on the Consolidated Statements of Income, while interest costs, expected return on plan assets, amortization (accretion) of prior service cost, and settlement gain are reported as a component of other income. Service costs, interest costs, and amortization of prior service costs related to plans benefiting Mid Penn's nonemployee directors are reported as a component of director fees and benefits expense within the other expense line item on the Consolidated Statement of Income.

The accrued benefit liability, related income statement impacts, and other significant aspects of the plans are detailed below.

Life Insurance - Full-time employees who had at least ten years of service as of January 1, 2008 and retire with the Bank after age 55 and at least 20 years of service are eligible for term life insurance coverage. The insurance amount will be \$50 thousand until age 65. After age 65, the insurance amount will decrease by \$5 thousand per year until age 74. Thereafter,

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the insurance amount will be \$5 thousand. The payment of the life insurance premium by the Corporation shall terminate at any time if the retired employee obtains other employment.

Health Benefit Plan - Full-time employees who had at least 10 years of service as of January 1, 2008 and who retire at age 55 or later, after completion of at least 20 years of service, are eligible for medical benefits. Medical benefits are provided for up to five years after retirement. Employees who retired prior to December 31, 2015 may elect the least expensive single coverage in the employer's group medical plan. If the retiree becomes eligible for Medicare during the five year duration of coverage, the Bank will pay, at its discretion, premiums for single 65-special coverage or similar supplemental coverage. For those employees who retired between September 18, 2015 and December 31, 2015, the Bank will only pay up to \$5 thousand towards such medical coverage. Employees who retired after December 31, 2015 may not participate in the employer's group medical plan. Instead, the Bank will reimburse the retiree for up to \$5 thousand (grossed up by 36.79% as of December 31, 2024) in medical costs. The reimbursement shall terminate at any time during the five-year period if the retired employee obtains other employment or the retired employee dies.

The following tables provide a reconciliation of the changes in the plan's health and life insurance benefit obligations and fair value of plan assets for the years ended December 31, 2024 and 2023, and a statement of the funded status at December 31, 2024 and 2023.

	December 31,	
	2024	2023
<i>(In thousands)</i>		
Change in benefit obligations:		
Benefit obligations, January 1	\$ 271	\$ 297
Service cost	1	1
Interest cost	11	13
Change in experience	(28)	(22)
Change in assumptions	(7)	—
Benefit payments	(22)	(18)
Benefit obligations, December 31	<u>\$ 226</u>	<u>\$ 271</u>
Change in fair value of plan assets:		
Fair value of plan assets, January 1	\$ —	\$ —
Employer contributions	22	18
Benefit payments	(22)	(18)
Fair value of plan assets, December 31	<u>—</u>	<u>—</u>
Funded status at year end	<u>\$ (226)</u>	<u>\$ (271)</u>

Mid Penn has capped the benefit to future retirees under its post-retirement health benefit plan. Employees who had achieved ten years of service as of January 1, 2008 and subsequently retire after at least 20 years of service are eligible for reimbursement of major medical insurance premiums up to \$5 thousand, if the employee has not yet reached age 65. Upon becoming eligible for Medicare, Mid Penn will reimburse up to \$5 thousand in premiums for Medicare Advantage or a similar supplemental coverage. The maximum reimbursement period will not exceed five years regardless of retirement age and will end upon the participant obtaining other employment or the participant's death.

The amount recognized in other liabilities on the Consolidated Balance Sheets at December 31, is as follows:

	2024	2023
<i>(In thousands)</i>		
Accrued benefit liability	\$ 226	\$ 271

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The amounts recognized in accumulated other comprehensive income as of December 31 consist of:

<i>(In thousands)</i>	2024	2023
Net (gain) loss, pretax	\$ (65)	\$ (38)
Net prior service cost, pretax	—	—

The accumulated benefit obligation for health and life insurance plans was \$226 thousand and \$271 thousand at December 31, 2024 and 2023, respectively.

The components of net periodic postretirement benefit (income) cost for 2024, 2023 and 2022 are as follows:

<i>(In thousands)</i>	2024	2023	2022
Service cost	\$ 1	\$ 1	\$ 2
Interest cost	11	13	8
Amortization of prior service cost	—	10	(24)
Amortization of net (gain) / loss	(7)	(2)	2
Net periodic postretirement benefit income	<u>\$ 5</u>	<u>\$ 22</u>	<u>\$ (12)</u>

Assumptions used in the measurement of Mid Penn's benefit obligations at December 31 are as follows:

Weighted-average assumptions:	2024	2023
Discount rate	5.32 %	4.67 %
Rate of compensation increase	—	—

Assumptions used in the measurement of Mid Penn's net periodic benefit cost for the years ended December 31 are as follows:

Weighted-average assumptions:	2024	2023	2022
Discount rate	4.67 %	4.90 %	2.40 %
Rate of compensation increase	—	—	—

Assumed health care cost trend rates at December 31 are as follows:

	2024	2023	2022
Health care cost trend rate assumed for next year	7.00%	7.00%	6.50%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.50%	5.50%	5.50%
Year that the rate reaches the ultimate trend rate	2028	2027	2026

The following table shows the estimated benefit payments for future periods:

<i>(In thousands)</i>	
2025	\$ 30
2026	28
2027	28
2028	25
2029	14
2030-2034	65

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Directors' Retirement Plan - Mid Penn has an unfunded defined benefit retirement plan ("Director's Plan") for directors with benefits based on years of service.

On October 1, 2023, the Bank decided to terminate the Plan and pay out any benefits to participants in a lump sum cash payout of \$1.3 million, which was paid out on October 1, 2024.

The following tables provide a reconciliation of the changes in the Director's Plan benefit obligations and fair value of plan assets for the years ended December 31, 2024 and 2023, and a statement of the status at December 31, 2024 and 2023. This Plan is unfunded.

<i>(In thousands)</i>		December 31,	
		2024	2023
Change in benefit obligations:			
Benefit obligations, January 1	\$	1,306	\$ 1,299
Service cost		—	56
Interest cost		—	61
Actuarial loss		—	—
Change in assumptions		—	(12)
Benefit payments		(1,306)	(98)
Benefit obligations, December 31	\$	—	\$ 1,306
Change in fair value of plan assets:			
Fair value of plan assets, January 1	\$	—	\$ —
Employer contributions		1,306	98
Benefit payments		(1,306)	(98)
Fair value of plan assets,		—	—
Funded status at year end	\$	—	\$ (1,306)

Amounts recognized in other liabilities on the Consolidated Balance Sheet at December 31 are as follows:

<i>(In thousands)</i>	2024	2023
Accrued benefit liability	\$ —	\$ 1,306

Amounts recognized in accumulated other comprehensive loss (income) as of December 31 consist of:

<i>(In thousands)</i>	2024	2023
Net prior service cost, pretax	\$ —	\$ —
Net loss, pretax	—	214

The accumulated benefit obligation for the retirement plan was zero at December 31, 2024 and \$1.3 million at December 31, 2023.

The components of net periodic retirement cost for 2024, 2023 and 2022 are as follows:

<i>(In thousands)</i>	2024	2023	2022
Service cost	\$ —	\$ 56	\$ 75
Interest cost	—	61	30
Amortization of net loss	—	34	20
Net periodic retirement cost	\$ —	\$ 151	\$ 125

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Assumptions used in the measurement of Mid Penn's benefit obligations at December 31 are as follows:

Weighted-average assumptions:	2024	2023
Discount rate	—%	4.80%
Change in consumer price index	—	3.40

Assumptions used in the measurement of Mid Penn's net periodic benefit cost for the years ended December 31 are as follows:

Weighted-average assumptions:	2024	2023	2022
Discount rate	—%	4.80%	4.90%
Change in consumer price index	—	3.40	7.00

The Bank is the owner and beneficiary of insurance policies on the lives of certain officers and directors, which informally fund the retirement plan obligation. The aggregate cash surrender value of these policies was \$4.3 million and \$4.2 million at December 31, 2024 and 2023, respectively.

Scottdale Defined Benefit Pension Plan - As a result of the acquisition of Scottdale on January 8, 2018, Mid Penn has assumed a noncontributory defined benefit pension plan ("Scottdale Plan") covering certain former employees of Scottdale. After the acquisition, Mid Penn does not allow for any further participants to join the Plan. Mid Penn's policy is to fund pension benefits as accrued. The Scottdale Plan's assets are managed by the trust department of the Bank and were primarily invested in corporate equity securities at the time of acquisition but have since been diversified into a more conservative investment profile, including fixed income debt securities. The investment objective of the plan is "Balanced" to provide relatively stable growth from assets offset by a moderate level of income with target portfolio allocations of up to 20% cash, 30-50% fixed income securities, and 40-60% equity securities. The valuation of the plan's assets is subject to market fluctuations.

For the year ended December 31, 2024, Mid Penn recognized no settlement gains. For the year ended December 31, 2023, Mid Penn recognized \$322 thousand of settlement gains, as a result of certain lump sum payouts to participants of the Scottdale Plan. The settlement gains were recorded in noninterest income as a component of other income in the Consolidated Statements of Income for the year ended December 31, 2023.

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The following tables provide a reconciliation of the changes in the Scottsdale Plan's benefit obligations and fair value of plan assets for the year ended December 31, 2024 and 2023, and a statement of the status at December 31, 2024 and 2023:

<i>(In thousands)</i>	December 31,	
	2024	2023
Change in benefit obligations:		
Benefit obligations, January 1	\$ 2,659	\$ 3,805
Service cost	25	58
Interest cost	130	197
Settlement (gain) loss	—	(4)
Actuarial (gain) / loss	(97)	168
Settlement payments	—	(1,472)
Benefit payments	(170)	(93)
Benefit obligations, December 31	\$ 2,547	\$ 2,659
Change in fair value of plan assets:		
Fair value of plan assets, January 1	\$ 3,468	\$ 4,722
Return on plan assets	328	348
Employer contributions	—	—
Benefit payments	(170)	(93)
Administrative expenses	(29)	(37)
Settlement payments	—	(1,472)
Fair value of plan assets, December 31	3,597	3,468
Funded status at year end	\$ 1,050	\$ 809

Amounts recognized on the Consolidated Balance Sheets at December 31 are as follows:

<i>(In thousands)</i>	2024	2023
Accrued pension benefit asset	\$ 1,050	\$ 809

Amounts recognized in accumulated other comprehensive loss consist of the following as of December 31:

<i>(In thousands)</i>	2024	2023
Unrecognized actuarial gain	\$ 798	\$ 581

The accumulated benefit obligation for the retirement plan was \$2.5 million and \$2.7 million at December 31, 2024 and 2023, respectively.

The components of net periodic retirement cost for December 31 are as follows:

<i>(In thousands)</i>	2024	2023
Service cost	\$ 25	\$ 58
Interest cost	130	197
Expected return on plan assets	153	211
Recognized net actuarial gain	(25)	(63)
Net periodic retirement income	\$ (23)	\$ (19)

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Assumptions used in the measurement of Mid Penn's benefit obligations and net periodic pension costs at December 31 are as follows:

Weighted-average assumptions:	2024	2023
Discount rate	5.50%	5.00%
Expected long-term return on plan assets	4.50	4.50
Rate of compensation increases	2.50	2.50

The following table presents a summary of the Scottdale Plan's assets at fair value and the weighted-average asset allocations by investment category as of December 31:

	Estimated Fair Value	Percentage of Total Assets	Estimated Fair Value	Percentage of Total Assets
	2024		2023	
(Dollars in thousands)				
Cash and cash equivalents	\$ 263	7.3 %	\$ 90	2.6 %
Common stock	2,081	57.9	2,186	63.0
Corporate bonds	1,253	34.8	1,192	34.4
	<u>\$ 3,597</u>	<u>100.0 %</u>	<u>\$ 3,468</u>	<u>100.0 %</u>

The description of the valuation methodologies used for assets measured at fair value is disclosed below.

Common Stocks

Valued at the closing price reported on the active market on which the individual securities are traded and therefore would be categorized as Level 1 assets under the fair value hierarchy.

Corporate Bonds

Valued using matrix pricing, which is a mathematical technique used widely in the industry to value debt securities without relying exclusively on quoted market prices for the specific securities but rather relying on the securities' relationship to other benchmark quoted prices and therefore would be categorized as Level 2 assets under the fair value hierarchy.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table shows the estimated benefit payments for future periods.

(In thousands)	
2025	\$ 139
2026	137
2027	168
2028	196
2029	194
2030-2034	1,038

Riverview Defined Benefit Plan - As a result of the Riverview Acquisition on November 30, 2021, Mid Penn has assumed noncontributory defined benefit pension plans ("Riverview Plans") covering certain former employees of Riverview (or its predecessor-in-interest) as follows:

Pursuant to the consolidation with Union Bancorp, Inc. ("Union") effective November 1, 2013, Riverview assumed Union's noncontributory defined benefit pension plan, which substantially covered all Union employees. The plan

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benefits were based on average salary and years of service. Union elected to freeze all benefits earned under the plan effective January 1, 2007.

Riverview also assumed responsibility of Citizens National Bank of Meyersdale's ("Citizens") noncontributory defined benefit pension plan effective as of the December 31, 2015 merger date. The plan substantially covered all Citizens employees, and the plan benefits were based on average salary and years of service. Citizens elected to freeze all benefits earned under the plan effective January 1, 2013.

As a result of a merger effective October 1, 2017, Riverview assumed responsibility of CBT Financial Corp's ("CBT") postretirement benefits plan, which is an unfunded postretirement benefit plan covering health insurance costs and post-retirement life insurance benefits for certain retirees.

Subsequent to the Riverview Acquisition, Mid Penn disallowed any further participants to join the Riverview Plans. Mid Penn's policy is to fund pension and post-retirement benefits as accrued. The Riverview Plans' assets are managed by a third party and were primarily invested in a combination of cash and cash equivalents, equity securities and fixed income securities at the time of acquisition. The valuation of the Riverview Plans' assets is subject to market fluctuations.

The following tables provide a reconciliation of the changes in the Riverview Plans' benefit obligations and fair value of plan assets for year ended December 31, 2024, and a statement of the status at December 31, 2024 and 2023.

(In thousands)

Change in benefit obligations:	2024	2023
Benefit obligations, January 1	\$ 6,442	\$ 6,424
Interest cost	299	309
Actuarial (Loss)/gain	(483)	228
Benefit payments	(518)	(519)
Benefit obligations, December 31	<u>\$ 5,740</u>	<u>\$ 6,442</u>
Change in fair value of plan assets:		
Fair value of plan assets, January 1,	\$ 6,895	\$ 6,720
Return on plan assets	329	691
Contributions	3	3
Benefit payments	(516)	(519)
Fair value of plan assets, December 31	<u>6,711</u>	<u>6,895</u>
Funded status at year end	<u>\$ 971</u>	<u>\$ 453</u>

Amounts recognized in other liabilities on the Consolidated Balance Sheets as of December 31 are as follows:

(In thousands)

	2024	2023
Accrued pension benefit asset	<u>\$ 971</u>	<u>\$ 453</u>

As of December 31, 2024 amounts related to the Riverview Plans that have been recognized in accumulated other comprehensive loss but not yet recognized as a component of net periodic pension cost are as follows:

(In thousands)

	2024	2023
Unrecognized actuarial gain	<u>\$ 415</u>	<u>\$ 76</u>

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The components of net periodic pension and postretirement benefit cost for the year ended December 31, 2024 and 2023 are as follows:

<i>(In thousands)</i>	2024	2023
Interest cost	\$ 299	\$ 309
Expected return on plan assets	(397)	(387)
Amortization of net loss	12	—
Net periodic pension benefit	<u>\$ (86)</u>	<u>\$ (78)</u>

<i>(In thousands)</i>	2024	2023
Service credit	\$ —	\$ —
Interest cost	1	1
Unrecognized gain	(1)	(1)
Net periodic postretirement benefit	<u>\$ —</u>	<u>\$ —</u>

The accumulated benefit obligation was \$5.7 million and \$6.4 million at December 31, 2024 and 2023, respectively, for the Riverview Plans.

Weighted average assumptions used in the measurement of Mid Penn's benefit obligations and net periodic pension costs at December 31, 2024 and 2023 are as follows:

	Pension Benefits		Postretirement Life Insurance Benefits
	Union	Citizens	CBT
2024			
Discount rate	4.83 %	4.83 %	5.32 %
Expected long-term return on plan assets	6.00	6.00	n/a
2023			
Discount rate	5.02 %	5.02 %	4.70 %
Expected long-term return on plan assets	6.00	6.00	n/a

The following summarizes the actuarial assumptions used for the Riverview Plans:

For the pension plan, the selected long-term rate of return on plan assets was primarily based on the asset allocation of the plan's assets. Analysis of the historic returns on these asset classes and projections of expected future returns were considered in setting the long-term rate of return.

The benefit offered under the postretirement benefits plan is fixed; therefore, the accumulated postretirement benefit obligation is not impacted by health care cost trends or the rate of compensation increase.

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The following table presents a summary of the Riverview Plan's assets at fair value and the weighted-average asset allocations by investment category as of December 31:

	Estimated Fair Value	Percentage of Total Assets	Estimated Fair Value	Percentage of Total Assets
	2024		2023	
Weighted-average asset allocations:				
Cash and cash equivalents	\$ 60	0.9 %	\$ 48	0.7 %
Mutual fund - equity	2,619	39.0	2,499	36.2
Mutual fund / EFTs - fixed income	3,716	55.4	4,038	58.6
Common / collective trusts equity	316	4.7	310	4.5
	<u>\$ 6,711</u>	<u>100 %</u>	<u>\$ 6,895</u>	<u>100 %</u>

The valuation used is based on quoted market prices provided by an independent third party. The fair values of mutual fund investments are considered Level 1 assets in the fair value hierarchy and the collective trusts equity are considered Level 2 assets.

The following table shows the estimated benefit payments for future periods.

	Pension Benefits	Postretirement Life Insurance Benefits
(In thousands)		
2025	\$ 517	\$ 4
2026	506	3
2027	493	3
2028	493	3
2029	485	3
2030-2033	2,207	11

Note 15 - Other Benefit Plans

Mid Penn maintains several benefit plans for both current and former employees of the Corporation. Liabilities related to the plans are recorded in other liabilities on the balance sheet, and aggregate cash surrender values assets related to the life insurance plans are recorded in the cash surrender value of life insurance line item on the balance sheet. Significant aspects of the plans are detailed below.

Defined-Contribution 401(k) Plan - The Bank has a 401(k) plan that covers substantially all employees. The plan allows employees to contribute a portion of their salaries and wages to the plan and provides for Mid Penn to match a portion of employee-elected salary deferrals, subject to certain percentage maximums of their salaries and wages. The Corporation's contribution to the 401(k) Plan was \$1.8 million, \$1.7 million, and \$1.4 million for the years ending December 31, 2024, 2023, and 2022, respectively and is included as a component of salaries and benefits expense in the Consolidated Statements of Income. The plan also includes a funded contributory profit sharing provision for substantially all employees which is funded annually when applicable. The Corporation did not make a profit sharing contribution to the plan in 2024, 2023, or 2022.

Deferred Compensation Plan - Mid Penn has a directors' deferred compensation plan, which allows directors to defer receipt of director fees for a specified period in order to provide future retirement income. At December 31, 2024 and 2023, the Corporation accrued a liability of \$2.6 million and \$2.4 million, respectively, for this plan. The expense related to the plan was \$159 thousand, \$127 thousand and \$64 thousand in 2024, 2023 and 2022, respectively, and is included as a component of other expense in the Consolidated Statements of Income.

Supplemental Executive Retirement Plan - On September 6, 2022, Mid Penn entered into new or amended and restated supplemental executive retirement plan agreements ("SERPs") with six named executive officers and three other members of the Bank's executive management team. Each SERP provides for the monthly payment of a fixed cash benefit over a

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period of 15 years, commencing on the first day of the month following the Executive's separation from service: (i) occurring on or after reaching normal retirement age (age 70); (ii) due to disability; (iii) due to death; or (iv) within two years following a change in control of the Bank. The annual benefit vests over a term of four to ten years, with a portion of the annual benefit having previously vested for several of the participants. Any unvested portion of the benefit fully vests upon a change in control of the Bank. The accrued liability for the supplemental retirement plans was \$3.2 million and \$2.5 million at December 31, 2024 and 2023, respectively. The expense related to the plan was \$739 thousand, \$792 thousand and \$609 thousand in 2024, 2023 and 2022, respectively and is included as a component of salaries and benefits expense in the Consolidated Statements of Income.

Split Dollar Life Insurance Arrangements - At December 31, 2024 and 2023, the Bank had Split Dollar Life Insurance arrangements with two former executives for which the aggregate collateral assignment and cash surrender values are approximately \$1.4 million for December 31, 2024 and 2023. Mid Penn acquired Phoenix's Split Dollar Life Insurance arrangements in 2015 on select employees, which had aggregate cash surrender values of \$4.5 million and \$4.4 million at December 31, 2024 and 2023. Mid Penn acquired First Priority's Split Dollar Life Insurance arrangements in 2018 on select employees, which had aggregate cash surrender values of \$3.8 million and \$3.7 million at December 31, 2024 and 2023. Mid Penn acquired Riverview's Split Dollar Life Insurance arrangements in 2021 on select employees, which had aggregate cash surrender values of \$1.4 million and \$2.0 million at December 31, 2024 and 2023.

Rabbi Trust - As a result of the acquisition of Riverview, Mid Penn assumed certain benefit plan liabilities related to compensation arrangements within other liabilities on the Consolidated Balance Sheets, including certain executive non-qualified retirement benefits, deferred compensation plans, and executive employment and separation agreements associated with Riverview.

The details of the compensation arrangements for the years ended December 31 include:

<i>(In thousands)</i>	Fully Funded Gross Amounts	
	2024	2023
Compensation Arrangements		
Supplemental executive retirement agreements	\$ 1,112	\$ 1,214
Executive deferred compensation agreement	1,235	1,440
Total compensation agreements	\$ 2,347	\$ 2,654

The obligations are fully funded through a Rabbi Trust having a cash balance of \$2.7 million and \$2.9 million within other assets on the Consolidated Balance Sheets as of December 31, 2024 and 2023 to provide a source of funds in satisfying the obligations under the respective compensation arrangements.

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Note 16 - Income Taxes

Significant components of the Corporation's net deferred tax asset at December 31, 2024 and 2023 are shown below.

<i>(In thousands)</i>	2024	2023
Deferred tax assets:		
Allowance for loan losses	\$ 7,878	\$ 7,642
Loan fees	769	1,053
Deferred compensation	1,317	1,476
Benefit plans	50	60
Unrealized loss on securities	5,389	4,992
Lease adjustments	87	74
Business combination adjustments	4,659	5,669
Acquired NOL, Section 1231, and charitable contribution carryforwards	3,153	3,832
Rabbi Trust	521	593
Riverview AMT credits	621	696
Equity Comp	249	256
Riverview subordinated debt fair value adjustment	139	327
Software renewal costs	222	335
Unfunded and loan basis adjustments	491	635
Investments in Flow-through entities	517	391
Other	482	378
	26,544	28,409
Deferred tax liabilities:		
Depreciation	(1,160)	(1,397)
Bond accretion	(269)	(187)
Goodwill and intangibles	(505)	(1,017)
Prepaid expenses	(74)	(227)
Benefit plans	(1,368)	(1,199)
Interest Rate Swaps	(421)	(236)
	(3,797)	(4,263)
Deferred tax asset, net	\$ 22,747	\$ 24,146

In assessing the Corporation's ability to realize deferred federal tax assets, management considers whether it is more likely than not some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and prudent, feasible and permissible as well as available tax planning strategies in making this assessment. At December 31, 2024, based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is more likely than not that Mid Penn will realize the benefits of these deferred tax assets and has no valuation allowances recorded against any components of its deferred tax asset, including the carryforward balances related to net operating losses ("NOL"), Section 1231 losses, and charitable contribution carryforwards.

At December 31, 2024, Mid Penn had NOL carryforwards of \$2.4 million resulting from the November 30, 2021 acquisition of Riverview. These NOLs were assumed by Riverview in a previous acquisition and were generated during the tax years ended December 31, 2013, 2014, and 2015 and begin to expire in 2032. The Coronavirus Aid, Relief, and Economic Security ("CARES") Act, signed into law on March 27, 2020 to mitigate the economic effects of COVID-19, implemented a five-year carryback period for NOLs generated in tax years beginning in 2018, 2019, or 2020. As a result of this CARES Act provision, during the year ended December 31, 2023, Mid Penn filed the required federal tax returns to

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carryback NOLs to the 2017 tax year, comprised of (i) \$1.2 million of NOLs generated in 2018 and acquired from Scottsdale, and (ii) \$1.2 million of NOLs generated in 2018 and acquired from First Priority. The carryback of these NOLs to the 2017 tax year when the tax rate was 34% (versus 21% in 2018) generated a federal tax benefit of \$318 thousand recorded in the provision for income taxes on the Consolidated Statements of Income for the year ended December 31, 2020. The remaining NOL balance of \$119 thousand at December 31, 2021 was generated in the 2012 tax year, was acquired from First Priority, and expires in 2032. Mid Penn is limited to a deduction of the lesser of the available NOL carryforward or 80% of pre-NOL taxable income in a single tax year as set forth in the Tax Cuts and Jobs Act ("TCJA").

Mid Penn had no charitable contribution carryforwards at December 31, 2024 and December 31, 2023, while at December 31, 2022, Mid Penn had \$43 thousand charitable contribution carryforwards which were acquired from Riverview. During the years ended December 31, 2024, 2023 and 2022, Mid Penn generated sufficient taxable income to utilize all charitable contribution carryforwards. Mid Penn expects to generate sufficient taxable income to utilize all charitable contribution carryforwards in the future.

Acquired Section 1231 losses totaling \$314 thousand were recorded as a result of filing the final First Priority return in 2019 and expired in 2022.

The annual usage of acquired NOL, charitable contribution carryforwards, and Section 1231 losses is limited by Internal Revenue Service ("IRS") Section 382 regulations. These limitations are calculated separately for each acquisition as the federal long-term tax-exempt rate at the date of acquisition multiplied by the valuation of the selling company as calculated in accordance with GAAP. As a result, the usage of acquired NOLs, charitable contribution carryforwards, AMT carryforwards, and Section 1231 losses to offset taxable income related to the Riverview Acquisition is limited to \$2.0 million per year and \$1.9 million per year for the First Priority Acquisition. All contribution carryforwards related to the Scottsdale Acquisition were utilized as of December 31, 2022.

The provision for income taxes consists of the following:

<i>(In thousands)</i>	2024	2023	2022
Current tax provision			
Federal	\$ 7,118	\$ 7,570	\$ 10,212
State	864	1,033	67
Total current tax provision	<u>\$ 7,982</u>	<u>\$ 8,603</u>	<u>\$ 10,279</u>
Deferred tax expense (benefit)			
Federal	\$ 1,998	\$ (525)	\$ 2,262
State	615	(781)	—
Total deferred tax expense (benefit)	<u>2,613</u>	<u>(1,306)</u>	<u>2,262</u>
Total provision for income taxes	<u><u>\$ 10,595</u></u>	<u><u>\$ 7,297</u></u>	<u><u>\$ 12,541</u></u>

A reconciliation of the federal income tax provision at the statutory rate of 21% for 2024, 2023 and 2022 to Mid Penn's actual federal income tax provision at its effective rate is as follows:

<i>(In thousands)</i>	2024	2023	2022
Provision at the expected statutory rate	\$ 12,607	\$ 9,388	\$ 14,143
Low income housing partnership tax credits	(2,163)	(1,337)	(929)
Effect of tax-exempt income	(804)	(641)	(614)
Effect of investment in life insurance	(770)	(252)	(203)
Nondeductible merger and acquisition expense	48	207	60
State income taxes, net of federal tax benefit	1,169	199	53
Nondeductible interest	150	108	20
Other items	358	(375)	11
Provision for income taxes	<u><u>\$ 10,595</u></u>	<u><u>\$ 7,297</u></u>	<u><u>\$ 12,541</u></u>

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Mid Penn has no unrecognized tax benefits that, if recognized, would favorably affect the effective income tax rate in future periods. Mid Penn does not expect the total amount of unrecognized tax benefits to significantly increase or decrease in the next twelve months.

No amounts for interest and penalties were recorded in income tax expense in the Consolidated Statement of Income for the years ended December 31, 2024, 2023, or 2022. There were no amounts accrued for interest and penalties at December 31, 2024 or 2023.

Mid Penn and its subsidiaries are subject to U.S. federal income tax and income tax for the states of Pennsylvania, New Jersey, and Maryland. With limited exceptions, Mid Penn is no longer subject to examination by taxing authorities for years before 2017.

Note 17 - Regulatory Matters

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

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

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

- Meet a minimum Common Equity Tier I capital ratio of 4.5% of risk-weighted assets;
- Meet a minimum Tier I capital ratio of 6.0% of risk-weighted assets;
- Meet a minimum Total capital ratio of 8.0% of risk-weighted assets;
- Meet a minimum Tier I leverage capital ratio of 4.0% of average assets;
- Maintain a "capital conservation buffer" of 2.5% above the minimum risk-based capital requirements, which must be maintained to avoid restrictions on capital distributions and certain discretionary bonuses; and
- Comply with the definition of capital to improve the ability of regulatory capital instruments to absorb losses.

The Basel III Rules use a standardized approach for risk weightings. The rules provide that the failure to maintain the "capital conservation buffer" results in restrictions on capital distributions and discretionary cash bonus payments to executive officers. As a result, under the Basel III Rules, if the Bank fails to maintain the required minimum capital conservation buffer, the Corporation will be subject to limits, and possibly prohibitions, on its ability to obtain capital distributions from the Bank. If the Corporation does not receive sufficient cash dividends from the Bank, it may not have sufficient funds to pay dividends on its common stock, service its debt obligations or repurchase its common stock.

Certain restrictions exist regarding the ability of the Bank to transfer funds to the Corporation in the form of cash dividends, loans, or advances. The amount of dividends that may be paid from the Bank to the Corporation in any calendar year is limited to the Bank's current year's net profits, combined with the retained net profits of the preceding two years. For the year ended December 31, 2024, \$39.5 million of undistributed earnings of the Bank, included in the consolidated shareholders' equity balance, was available for distribution to the Corporation as dividends without prior regulatory approval, subject to regulatory capital requirements below.

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The following tables present the regulatory capital levels, leverage ratios, and risk-based capital ratios as of December 31:

	Actual		Minimum for Basel III Capital Adequacy		To Be Well-Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
<i>(Dollars in thousands)</i>						
<u>Mid Penn Bancorp, Inc.</u>						
2024						
Tier 1 Capital (to Average Assets)	\$ 535,501	10.0%	\$ 214,621	4.0%	N/A	N/A
Common Equity Tier 1 Capital (to Risk Weighted Assets)	535,501	11.9	313,979	7.0	N/A	N/A
Tier 1 Capital (to Risk Weighted Assets)	535,501	11.9	381,261	8.5	N/A	N/A
Total Capital (to Risk Weighted Assets)	618,971	13.8	470,969	10.5	N/A	N/A
<u>Mid Penn Bank</u>						
2024						
Tier 1 Capital (to Average Assets)	\$ 495,729	9.2%	\$ 214,461	4.0%	\$ 268,076	5.0%
Common Equity Tier 1 Capital (to Risk Weighted Assets)	495,729	11.1	313,456	7.0	291,066	6.5
Tier 1 Capital (to Risk Weighted Assets)	495,729	11.1	380,625	8.5	358,235	8.0
Total Capital (to Risk Weighted Assets)	533,458	11.9	470,183	10.5	447,794	10.0
<u>Mid Penn Bancorp, Inc.</u>						
2023						
Tier 1 Capital (to Average Assets)	\$ 427,353	8.3%	\$ 204,935	4.0%	N/A	N/A
Common Equity Tier 1 Capital (to Risk Weighted Assets)	427,353	9.8	305,083	7.0	N/A	N/A
Tier 1 Capital (to Risk Weighted Assets)	427,353	9.8	370,458	8.5	N/A	N/A
Total Capital (to Risk Weighted Assets)	510,734	11.7	457,624	10.5	N/A	N/A
<u>Mid Penn Bank</u>						
2023						
Tier 1 Capital (to Average Assets)	\$ 458,077	8.9%	\$ 204,777	4.0%	\$ 255,971	5.0%
Common Equity Tier 1 Capital (to Risk Weighted Assets)	458,077	10.5	304,788	7.0	283,018	6.5
Tier 1 Capital (to Risk Weighted Assets)	458,077	10.5	370,100	8.5	348,330	8.0
Total Capital (to Risk Weighted Assets)	495,104	11.4	457,182	10.5	\$ 435,412	10.0

Note 18 - Commitments and Contingencies

Mid Penn is a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of its customers. The commitments include various guarantees and commitments to extend credit. Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Mid Penn evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary upon extension of credit, is based on management's credit evaluation of the customer. Standby letters of credit and financial guarantees written are conditional commitments to guarantee the performance of a customer to a third party. Those guarantees are primarily issued to support public and private borrowing arrangements. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loans to customers. Mid Penn had \$64.3 million and \$62.2 million of standby letters of credit outstanding as of December 31, 2024 and December 31, 2023, respectively. Mid Penn does not anticipate any losses because of these transactions. The

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amount of the liability as of December 31, 2024 and December 31, 2023 for payment under standby letters of credit issued was not considered material.

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

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

The ACL - OBS at December 31, 2024 was \$2.9 million compared to \$3.6 million at December 31, 2023. The benefit for OBS for the year ended December 31, 2024 was \$628 thousand. On January 1, 2023 in conjunction with adopting ASC 326, Mid Penn recorded an additional \$3.1 million of provision for OBS which was included in the adoption cumulative effect adjustment.

The following table presents the activity in the ACL - OBS by segment for the year ended December 31, 2024 and December 31, 2023:

<i>(in thousands)</i>	Balance at December 31, 2023	(Benefit)/Provision for credit loss	Year ended December 31, 2024
1-4 Family Rental	\$ 11	\$ 5	\$ 16
C&I	1,270	(105)	1,165
CRE NonOwner Occupied	113	19	132
CRE Owner Occupied	106	(8)	98
Consumer	3	—	3
Farmland	108	(16)	92
HELOC & Junior Liens	100	(8)	92
Multifamily	24	3	27
Other Construction & Land	1,036	(244)	792
Residential Construction	778	(262)	516
Residential First Liens	18	(12)	6
	<u>\$ 3,567</u>	<u>\$ (628)</u>	<u>\$ 2,939</u>

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<i>(in thousands)</i>	Balance at December 31, 2022	Provision for credit loss	Year ended December 31, 2023
1-4 Family Rental	\$ —	\$ 11	\$ 11
C&I	33	1,237	1,270
CRE NonOwner Occupied	2	111	113
CRE Owner Occupied	4	102	106
Consumer	1	2	3
Farmland	2	106	108
HELOC & Junior Liens	13	87	100
Multifamily	—	24	24
Other Construction & Land	23	1,013	1,036
Residential Construction	6	772	778
Residential First Liens	1	17	18
	<u>\$ 85</u>	<u>\$ 3,482</u>	<u>\$ 3,567</u>

Litigation

Mid Penn and its subsidiaries are subject to various pending and threatened legal proceedings or other matters arising out of the normal conduct of business in which claims for monetary damages are asserted. As of the date of this report, management, after consultation with legal counsel, does not anticipate that the aggregate ultimate liability arising out of such pending or threatened matters will be material to Mid Penn's consolidated financial position. On at least a quarterly basis, Mid Penn assesses its liabilities and contingencies in connection with such matters. For those matters where it is probable that Mid Penn will incur losses and the amounts of the losses can be reasonably estimated, Mid Penn records an expense and corresponding liability in its consolidated financial statements. To the extent such matters could result in exposure in excess of that liability, the amount of such excess is not currently estimable. The range of losses for matters where an exposure is not currently estimable or considered probable is not believed to be material in the aggregate. This is based on information currently available to Mid Penn and involves elements of judgment and significant uncertainties. While Mid Penn does not believe that the outcome of pending or threatened litigation or other matters will be material to Mid Penn's consolidated financial position, it cannot rule out the possibility that such outcomes will be material to the consolidated results of operations for a particular reporting period in the future. In addition, regardless of the ultimate outcome of any such legal proceeding, inquiry or investigation, any such matter could cause Mid Penn to incur additional expenses, which could be significant, and possibly material, to Mid Penn's results of operations in any future period.

MID PENN BANCORP, INC.**Note 19 - Earnings Per Share**

The following table presents the computation of basic and diluted EPS:

(In thousands, except per share data)

	2024	2023	2022
Net income	\$ 49,437	\$ 37,397	\$ 54,806
Weighted average shares outstanding (basic)	17,026,240	16,319,006	15,912,877
Effect of dilutive unvested restricted stock grants	44,622	31,957	21,758
Weighted average shares outstanding (diluted)	17,070,862	16,350,963	15,934,635
Basic earnings per common share	\$ 2.90	\$ 2.29	\$ 3.44
Diluted earnings per common share	2.90	2.29	3.44

There were no antidilutive shares at December 31, 2024, 2023, and 2022.

As previously announced on a Form 8-K on November 4, 2024, Mid Penn completed an underwritten public offering of 2,375,000 shares of common stock at a price of \$29.50 per share, with the aggregate gross proceeds of the offering totaling \$70 million before underwriting discounts and offering expenses. The net proceeds of the offering after deducting the underwriting discount and other offering expenses were \$67 million.

Additionally, as previously announced on the Form 8-K on November 4, 2024, Mid Penn pursuant to an option granted to the underwriting sold an additional 356,250 shares of the Company's common stock, in full, at the public offering price less underwriting discounts and commissions, or \$28.025 per share. The issuance was completed on November 5, 2024.

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Note 20 - Shareholders' Equity

Accumulated Other Comprehensive Loss (Income)

The components of accumulated other comprehensive loss (income), net of taxes, are as follows:

<i>(In thousands)</i>	Unrealized Loss on Securities	Unrealized Holding Losses on Interest Rate Derivatives used in	Defined Benefit Plans	Total
Balance at December 31, 2021	\$ (255)	\$ —	\$ 413	\$ 158
OCI before reclassifications	(19,072)	—	(294)	(19,366)
Amounts reclassified from AOCI	—	—	(8)	(8)
Balance - December 31, 2022	(19,327)	—	111	(19,216)
OCI before reclassifications	1,988	820	(212)	2,596
Amounts reclassified from AOCI	—	—	(17)	(17)
Balance - December 31, 2023	(17,339)	820	(118)	(16,637)
OCI before reclassifications	(1,550)	665	723	(162)
Amounts reclassified from AOCI	—	—	(26)	(26)
Balance - December 31, 2024	\$ (18,889)	\$ 1,485	\$ 579	\$ (16,825)

Treasury Stock Repurchase Program

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

Mid Penn repurchased 15,500 shares during 2024 at an average price per share of \$20.81 under its share repurchase program. As of December 31, 2024, Mid Penn had repurchased 440,722 shares of common stock at an average price of \$22.78 per share under the Program. The Program had \$5.0 million remaining available for repurchase as of December 31, 2024.

Dividend Reinvestment Plan

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

Note 21 - Stock-Based Compensation Plans

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

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Stock Plan. The aggregate number of shares of common stock of the Company available for issuance under the Plan is 350,000 shares.

As of December 31, 2024, a total of 263,974 restricted shares were granted under the 2014 Restricted Stock Plan, of which 82,278 shares were unvested. The 2014 Restricted Stock Plan shares granted and vested resulted in \$1.1 million in share-based compensation expense for the years ended December 31, 2024 and 2023, respectively.

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

The following table presents compensation expense and related tax benefits for restricted stock awards recognized on the Consolidated Statements of Income:

<i>(In thousands)</i>	2024	2023	2022
Compensation expense	\$ 1,047	\$ 1,103	\$ 1,142
Tax benefit	(220)	(232)	(240)
Net income effect	\$ 827	\$ 871	\$ 902

The following table presents information regarding the non-vested restricted stock for the year ended December 31, 2024:

	Shares	Weighted-Average Grant Date Fair Value
Non-vested at January 1, 2024	88,269	\$ 26.07
Vested	(41,101)	25.50
Forfeited	(5,950)	20.59
Granted	41,060	20.05
Non-vested at December 31, 2024	82,278	23.75

At December 31, 2024, there was \$1.9 million of unrecognized compensation cost related to all non-vested share-based compensation awards, which will be recognized as compensation expense through April 2028 with a weighted average recognition period of 2.5 years. Mid Penn recognizes the impact of forfeitures as of the forfeiture date.

MID PENN BANCORP, INC.**Note 22 - Segment Reporting**

Mid Penn operates as a single reportable segment, providing a broad range of banking and financial services to individuals, businesses, and institutional clients. These services include commercial and consumer lending, deposit products, wealth management, insurance, and treasury management solutions. The Chief Executive Officer and the Chief Financial Officer are the Mid Penn Chief Operating Decision Makers ("CODM"). The CODM regularly evaluates financial performance and allocates resources on a consolidated basis.

The following table presents certain information reviewed by management:

<i>(in thousands)</i>	December 31, 2024	December 31, 2023	December 31, 2022
Net interest income	\$ 156,671	\$ 146,973	\$ 147,833
Provision for credit losses	1,516	3,699	4,300
Noninterest income	22,493	20,008	23,657
Noninterest expense	117,616	118,588	99,843
Income taxes	10,595	7,297	12,541
Net income	49,437	37,397	54,806
Total assets	5,470,936	5,290,792	4,497,954

Other Segment Information

Revenue Composition: Mid Penn generates revenue primarily from net interest income and non-interest income, including fees from deposit accounts, wealth management, insurance, and treasury services.

Capital Allocation & Performance Metrics: The CODM assesses performance based on key financial metrics, including net interest margin, return on assets ("ROA"), return on equity ("ROE") and efficiency ratio.

MID PENN BANCORP, INC.**Note 23 - Variable Interest Entities**

Mid Penn invests in Low-Income Housing Tax Credit ("LIHTC") partnerships that are considered variable interest entities ("VIEs") under ASC 810, Consolidation. These partnerships are formed to develop and operate affordable housing projects that qualify for federal tax credits under Section 42 of the Internal Revenue Code.

The Company evaluates its LIHTC investments to determine whether it has a controlling financial interest in the partnerships. A controlling financial interest exists if the Company:

- Has the power to direct activities that most significantly impact the entity's economic performance; and
- Has the obligation to absorb losses or the right to receive benefits that could be significant.

Based on this assessment, Mid Penn has determined that it is not the primary beneficiary of the LIHTC partnerships, as it does not control the significant operating decisions. Therefore, these entities are not consolidated in the financial statements.

Mid Penn accounts for its LIHTC investments using the proportional amortization method under ASC 323-740, Investments - Equity method and Joint Ventures: Investments in Qualified Affordable Housing Projects. Under this method:

- The initial investment is recorded as an asset with Other Assets on the balance sheet.
- Tax credits and other tax benefits are recognized as a reduction of income tax expense.
- The investment is amortized over the period in which the tax credits are received, with amortization recorded as a component of income tax expense.

The investments in these unconsolidated entities are reflected in other assets on the Consolidated Balance Sheet, and are summarized for the periods below:

	For the Year Ended	
	December 31, 2024	December 31, 2023
<i>(in thousands)</i>		
Income tax benefits	\$ 2,163	\$ 1,337
Amortization of LIHTC investments	2,290	1,625

LIHTC investments are periodically assessed for impairment. No impairment losses were recognized for the years ended December 31, 2024 and 2023.

In addition, Mid Penn holds private equity investments classified as variable interest entities, with a total carrying value of \$2.8 million and \$2.5 million as of December 31, 2024 and 2023, respectively. Mid Penn's maximum exposure to loss is limited to the carrying value of its investment.

MID PENN BANCORP, INC.

Note 24 - Parent Company Statements

CONDENSED BALANCE SHEETS

	December 31,	
	2024	2023
<i>(In thousands)</i>		
ASSETS		
Cash and cash equivalents	\$ 83,209	\$ 10,064
Investment in subsidiaries	617,476	575,971
Other assets	1,423	4,252
Total assets	<u>\$ 702,108</u>	<u>\$ 590,287</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Subordinated debt and trust preferred securities	\$ 45,741	\$ 46,354
Other liabilities	1,349	1,583
Shareholders' equity	655,018	542,350
Total liabilities and shareholders' equity	<u>\$ 702,108</u>	<u>\$ 590,287</u>

CONDENSED STATEMENTS OF INCOME

	Years Ended December 31,		
	2024	2023	2022
<i>(In thousands)</i>			
Income			
Other income	\$ 62	\$ 147	\$ 1,130
Total Income	<u>62</u>	<u>147</u>	<u>1,130</u>
Expenses			
(Loss) income before income tax and equity in undistributed earnings of subsidiaries	<u>(6,615)</u>	<u>(10,718)</u>	<u>(6,203)</u>
Income Tax Benefit	1,549	2,932	702
Equity in undistributed earnings of subsidiaries	54,503	45,183	60,307
Net Income	<u>\$ 49,437</u>	<u>\$ 37,397</u>	<u>\$ 54,806</u>

MID PENN BANCORP, INC.
CONDENSED STATEMENTS OF CASH FLOWS

	Years Ended December 31,		
	2024	2023	2022
<i>(In thousands)</i>			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 49,437	\$ 37,397	\$ 54,806
Equity in undistributed earnings of subsidiaries	(54,503)	(45,183)	(60,307)
Stock based compensation	1,047	1,103	1,142
Amortization of debt issuance costs	7	7	26
Net change in other assets	2,829	(3,407)	759
Net change in other liabilities	(854)	(246)	(6,285)
Net cash (used in) provided by operating activities	(2,037)	(10,329)	(9,859)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash paid for acquisition	—	(25,574)	—
Investment in subsidiary	12,810	71,493	(1,787)
Net cash provided by (used in) investing activities	12,810	45,919	(1,787)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	(13,822)	(12,981)	(12,735)
Employee and Director Stock Purchase Plans stock issuance	561	482	364
Proceeds from issuance of common stock	75,956	—	—
Treasury stock purchased	(323)	(4,876)	(2,957)
Riverview restricted stock ⁽¹⁾	—	—	776
Subordinated debt and trust preferred securities redemption	—	(10,000)	(16,778)
Net cash (used in) provided by financing activities	62,372	(27,375)	(31,330)
Net increase (decrease) in cash and cash equivalents	73,145	8,215	(42,976)
Cash and cash equivalents, beginning of year	10,064	1,849	44,825
Cash and cash equivalents, end of year	\$ 83,209	\$ 10,064	\$ 1,849

(1) Additionally, 2,500 shares of restricted stock were paid out in cash resulting in \$776 thousand of cash consideration relating to stock awards.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Mid Penn carried out an evaluation, under the supervision and with the participation of its management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Exchange Act Rule 13a-15 as of December 31, 2024. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded, as of December 31, 2024, that Mid Penn's disclosure controls and procedures were effective in recording, processing, summarizing, and reporting information required to be disclosed by Mid Penn within the time periods specified in the SEC's rules and forms, and such information is accumulated and communicated to management to allow timely decisions regarding required disclosures. Management Report on Internal Controls over Financial Reporting is located on page 60 of this report and is incorporated herein by reference.

Our independent registered public accounting firm, RSM US LLP, also attested to, and reported on, the effectiveness of Mid Penn's internal control over financial reporting as of December 31, 2024. RSM US LLP's attestation report appears in Part II, Item 8, "Financial Statements and Supplemental Data."

Changes in Internal Controls over Financial Reporting

There were no changes in Mid Penn's internal control over financial reporting during the fourth quarter of 2024 that have materially affected, or are reasonably likely to materially affect, Mid Penn's internal control over financial reporting.

Management's Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles.

Management'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 U.S. 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. Management recognizes that because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness of 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.

ITEM 9B. OTHER INFORMATION

None

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this Item, relating to directors, executive officers, and control persons, is set forth under the captions "Executive Officers", "Information Regarding Director Nominees and Continuing Directors", "Delinquent Section 16(a) Reports", "Audit Committee Report", and "Governance of the Corporation" in Mid Penn's definitive proxy statement to be used in connection with the 2025 Annual Meeting of Shareholders, which pages are incorporated herein by reference.

The Corporation has adopted a Code of Ethics that applies to directors, officers and employees of the Corporation and the Bank. The Corporation amended the Code of Ethics on January 26, 2022. A copy is posted under Governance Documents in the Corporate Information section under the Investors link on the Corporation's website, www.midpennbank.com. The Corporation's Code of Ethics may be viewed on the Mid Penn website at www.midpennbank.com or requested from the Corporate Secretary by telephone at 1-866-642-7736.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item, relating to executive compensation, is set forth under the captions "Compensation Discussion and Analysis", "Executive Compensation", "Potential Payments Upon Termination or Change In Control", "Information Regarding Director Nominees and Continuing Directors", "Compensation Committee Report", "Compensation Committee Interlocks and Insider Participation", and "Pay Versus Performance" of Mid Penn's definitive proxy statement to be used in connection with the 2025 Annual Meeting of Shareholders, which pages are incorporated herein by reference. In accordance with Items 402(v) and 407(e)(5) of Regulation S-K, the information set forth under the captions "Pay versus Performance" and "Compensation Committee Report" in such proxy statement will be deemed to be furnished in this Report and will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act as a result of furnishing the disclosure in this manner.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED SHAREHOLDER MATTERS

The information required by this Item, relating to beneficial ownership of Mid Penn's common stock, is set forth under the caption "Beneficial Ownership of Mid Penn Bancorp's Stock Held By Principal Shareholders and Management" of Mid Penn's definitive proxy statement to be used in connection with the 2025 Annual Meeting of Shareholders, which pages are incorporated herein by reference. All awards under the Mid Penn Bancorp, Inc. 2014 Restricted Stock Plan are in the form of restricted stock. Accordingly, they were not included in calculating the weighted-average exercise price because the shares of common stock will be issued for no consideration.

The following table provides information related to equity compensation plans as of December 31, 2024:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants, and Rights	Weighted-average Exercise Price of Outstanding Options, Warrants, and Rights	Number of Securities Remaining for Future Issuance Under Equity Compensation Plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders	82,278	—	5,250
Equity compensation plans not approved by security holders	—	—	—
Total	82,278	—	5,250

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this Item, relating to transactions with management and others, certain business relationships and indebtedness of management, is set forth under the captions "Certain Relationships and Related Transactions" and "Governance of the Corporation" of Mid Penn's definitive proxy statement to be used in connection with the 2025 Annual Meeting of Shareholders, which pages are incorporated herein by reference.

MID PENN BANCORP, INC.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this Item, relating to the fees and services provided by Mid Penn's principal accountant, is set forth under the caption "Audit Committee Report" and "Proposal No. 5: Ratification of the Appointment of RSM US, LLP as the Corporation's Independent Registered Public Accounting Firm for 2025" of Mid Penn's definitive proxy statement to be used in connection with the 2025 Annual Meeting of Shareholders, which pages are incorporated herein by reference.

PART IV

ITEM 15. EXHIBIT AND FINANCIAL STATEMENT SCHEDULES

(a) Financial statements are incorporated by reference in Part II, Item 8 hereof.

Reports of Independent Registered Public Accounting Firm

Consolidated Balance Sheets

Consolidated Statements of Income

Consolidated Statements of Comprehensive Income

Consolidated Statements of Changes in Shareholders' Equity

Consolidated Statements of Cash Flows

Notes to Consolidated Financial Statements

(b) The financial statement schedules, required by Regulation S-X, are omitted because the information is either not applicable or is included elsewhere in the Consolidated Financial Statements.

(c) The following Exhibits are filed as part of this filing on Form 10-K, or incorporated by reference hereto:

- 2.1 Agreement and Plan of Merger, dated as of March 29, 2017, by and among Mid Penn Bancorp, Inc., Mid Penn Bank, and The Scottsdale Bank and Trust Company (Incorporated by reference to Exhibit 2.1 to Registrant's Current Report on Form 8-K filed on March 30, 2017.)
- 2.2 Agreement and Plan of Merger, dated as of January 16, 2018, by and between First Priority Financial Corp. and Mid Penn Bancorp, Inc. (Incorporated by reference to Exhibit 2.1 to Registrant's Current Report on Form 8-K filed on January 16, 2018.)
- 2.3 Agreement and Plan of Merger, dated as of June 30, 2021, by and between Riverview Financial Corporation and Mid Penn Bancorp, Inc. (Incorporated by reference to Exhibit 2.1 to Registrant's Current Report on Form 8-K filed on June 30, 2021.)
- 2.4 Agreement and Plan of Merger, dated as of December 20, 2022, by and between Brunswick Bancorp. and Mid Penn Bancorp, Inc. (Incorporated by reference to Exhibit 2.1 to Registrant's Current Report on Form 8-K filed on December 20, 2022.)
- 2.5 Agreement and Plan of Merger, dated as of October 31, 2024, by and between William Penn Bancorporation and Mid Penn Bancorp, Inc. (Incorporated by reference to Exhibit 2.1 to Registrant's Current Report on Form 8-K filed on November 1, 2024.)
- 3(i) The Registrant's amended Articles of Incorporation. (Incorporated by reference to Exhibit 3(i) to Registrant's Quarterly Report on Form 10-Q filed for the quarterly period ended March 31, 2023).
- 3(ii) The Registrant's By-laws (Incorporated by reference to Exhibit 3(ii) of the Registrant's Annual Report on Form 10-K filed with the SEC on March 28, 2024.)
- 4.1 Description of Registrant's Securities (Incorporated by reference to Exhibit 4.1 to Registrant's Registration Statement on Form S-4 filed on January 17, 2025.)

MID PENN BANCORP, INC.

- 10.1 The Registrant's Dividend Reinvestment Plan, as amended and restated. (Incorporated by reference to Exhibit 99.1 of Registrant's Registration Statement on Form S-3, filed with the SEC on October 12, 2005.)
- 10.2 Mid Penn Bancorp, Inc. 2014 Restricted Stock Plan. (Incorporated by reference to Appendix A of Registrant's Definitive Proxy Statement on Schedule 14A as filed with the SEC on March 27, 2014.)
- 10.3 Form of Mid Penn Bancorp, Inc. Restricted Stock Agreement. (Incorporated by reference to Exhibit 10.4 of the Registrant's Annual Report on Form 10-K filed with the SEC on March 12, 2018.)
- 10.4 Mid Penn Bancorp, Inc. Director Stock Purchase Plan (Incorporated by reference to Exhibit 99.1 of Registrant's Registration Statement on Form S-8, filed with the SEC on June 8, 2017.)
- 10.5 Amended and Restated Employment Agreement among Mid Penn Bancorp, Inc., Mid Penn Bank and Rory G. Ritrievi dated September 6, 2022. (Incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K filed with the SEC on September 9, 2022.)
- 10.6 Employment Agreement among Mid Penn Bancorp, Inc., Mid Penn Bank and Scott Micklewright dated September 6, 2022. (Incorporated by reference to Exhibit 10.3 to Registrant's Current Report on Form 8-K filed with the SEC on September 9, 2022.)
- 10.7 Employment Agreement among Mid Penn Bancorp, Inc., Mid Penn Bank and Justin T. Webb dated September 6, 2022. (Incorporated by reference to Exhibit 10.4 to Registrant's Current Report on Form 8-K filed with the SEC on September 9, 2022.)
- 10.8 Amended and Restated Change in Control Agreement among Mid Penn Bancorp, Inc., Mid Penn Bank and Rory G. Ritrievi dated September 6, 2022. (Incorporated by reference to Exhibit 10.6 to Registrant's Current Report on Form 8-K filed with the SEC on September 9, 2022.)
- 10.9 Amended and Restated Change in Control Agreement among Mid Penn Bancorp, Inc., Mid Penn Bank and Scott Micklewright dated September 6, 2022. (Incorporated by reference to Exhibit 10.8 to Registrant's Current Report on Form 8-K filed with the SEC on September 9, 2022.)
- 10.10 Amended and Restated Change in Control Agreement among Mid Penn Bancorp, Inc., Mid Penn Bank and Justin T. Webb dated September 6, 2022. (Incorporated by reference to Exhibit 10.9 to Registrant's Current Report on Form 8-K filed with the SEC on September 9, 2022.)
- 10.11 Amended and Restated Supplemental Executive Retirement Plan Agreement between Mid Penn Bank and Rory G. Ritrievi dated September 6, 2022. (Incorporated by reference to Exhibit 10.11 to Registrant's Current Report on Form 8-K filed with the SEC on September 9, 2022.)
- 10.12 Amended and Restated Supplemental Executive Retirement Plan Agreement between Mid Penn Bank and Scott Micklewright dated September 6, 2022. (Incorporated by reference to Exhibit 10.13 to Registrant's Current Report on Form 8-K filed with the SEC on September 9, 2022.)
- 10.13 Amended and Restated Supplemental Executive Retirement Plan Agreement between Mid Penn Bank and Justin T. Webb dated September 6, 2022. (Incorporated by reference to Exhibit 10.14 to Registrant's Current Report on Form 8-K filed with the SEC on September 9, 2022.)
- 10.14 Form of Director Deferred Fee Agreement (Incorporated by reference to Exhibit 10.13 of the Registrant's Annual Report on Form 10-K filed with the SEC on March 15, 2021.)
- 10.15 Director Retirement Plan (Incorporated by reference to Exhibit 10.14 of the Registrant's Annual Report on Form 10-K filed with the SEC on March 15, 2021.)
- 10.16 Employee Stock Purchase Plan (Incorporated by reference to Exhibit 10.1 to the Registrant's Registration Statement on Form S-8 filed with the SEC on May 25, 2023)

MID PENN BANCORP, INC.

- 10.17 2023 Stock Incentive Plan (Incorporated by reference to Exhibit 10.2 to Registrant's Registration Statement on Form S-8 filed with the SEC on May 25, 2023)
- 10.18 Executive Annual Incentive Plan (Incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K filed with the SEC on January 24, 2025.)
- 10.19 Employment Agreement among Mid Penn Bancorp, Inc., Mid Penn Bank and Jordan D. Space dated September 6, 2022 (Incorporated by reference to Exhibit 10.1 of the Registrant's Quarterly Report on Form 10-Q filed for the quarterly period ended March 31, 2024.)
- 10.20 Change in Control Agreement among Mid Penn Bancorp, Inc., Mid Penn Bank and Jordan D. Space dated September 18, 2023 (Incorporated by reference to Exhibit 10.2 of the Registrant's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2024.)
- 10.21 Supplemental Executive Retirement Plan Agreement between Mid Penn Bank and Jordan D. Space dated September 6, 2022 (Incorporated by reference to Exhibit 10.3 of the Registrant's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2024.)
- 10.22 Employment Agreement among Mid Penn Bancorp, Inc., Mid Penn Bank and Joseph Paese dated September 6, 2022. (Incorporated by reference to Exhibit 10.1 of the Registrant's Annual Report on Form 10-K filed with the SEC on March 16, 2023.)
- 10.23 Amended and Restated Change in Control Agreement among Mid Penn Bancorp, Inc., Mid Penn Bank and Joseph Paese dated September 6, 2022. (Incorporated by reference to Exhibit 10.2 of the Registrant's Annual Report on Form 10-K filed with the SEC on March 16, 2023.)
- 10.24 Amended and Restated Supplemental Executive Retirement Plan Agreement between Mid Penn Bank and Joseph Paese dated September 6, 2022. (Incorporated by reference to Exhibit 10.3 of the Registrant's Annual Report on Form 10-K filed with the SEC on March 16, 2023.)
- 19 Insider Trading Policy - filed herewith
- 21 Subsidiaries of Registrant - filed herewith.
- 23 Consent of Independent Registered Public Accounting Firm
- 31.1 Rule 13a-14(a)/15d-14(a) Certification of the Principal Executive Officer.
- 31.2 Rule 13a-14(a)/15d-14(a) Certification of the Principal Financial Officer.
- 32 Principal Executive and Financial Officer's §1350 Certifications.
- 97.1 Clawback Policy. (Incorporated by reference to Exhibit 97.1 of the Registrant's Annual Report on Form 10-K filed with the SEC on March 28, 2024.)
- 101.INS Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
- 101.SCH Inline XBRL Taxonomy Extension Schema Document
- 101.CAL Inline XBRL Taxonomy Extension Calculation Linkbase Document
- 101.DEF Inline XBRL Taxonomy Extension Definition Linkbase Document
- 101.LAB Inline XBRL Taxonomy Extension Label Linkbase Document

MID PENN BANCORP, INC.

101.PRE Inline XBRL Taxonomy Extension Presentation Linkbase Document

104 Cover Page Interactive Data File (formatted in inline XBRL and contained in Exhibit 101)

ITEM 16. FORM 10-K SUMMARY

None.

MID PENN BANCORP, INC.

SIGNATURES

Pursuant to the requirements of Section 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.

MID PENN BANCORP, INC.

(Registrant)

By: /s/ Rory G. Ritrievi

Rory G. Ritrievi

Chair, President and

Chief Executive Officer

(Principal Executive Officer)

Date: March 13, 2025

By: /s/ Justin T. Webb

Justin T. Webb

Chief Financial Officer

(Principal Financial Officer)

Date: March 13, 2025

MID PENN BANCORP, INC.

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 and on the dates indicated.

By: <u>/s/ Rory G. Ritrievi</u> Rory G. Ritrievi Chair, President, Chief Executive Officer and Director (Principal Executive Officer)	March 13, 2025
By: <u>/s/ Justin T. Webb</u> Justin T. Webb Chief Financial Officer (Principal Financial Officer)	March 13, 2025
By: <u>/s/ Robert A. Abel</u> Robert A. Abel, Director	March 13, 2025
By: <u>/s/ Kimberly J. Brumbaugh</u> Kimberly J. Brumbaugh, Director	March 13, 2025
By: <u>/s/ Matthew G. DeSoto</u> Matthew G. DeSoto, Director	March 13, 2025
By: <u>/s/ Albert J. Evans</u> Albert J. Evans, Director	March 13, 2025
By: <u>/s/ Joel L. Frank</u> Joel L. Frank, Director	March 13, 2025
By: <u>/s/ Maureen M. Gathagan</u> Maureen M. Gathagan, Director	March 13, 2025
By: <u>/s/ Brian A. Hudson, Sr.</u> Brian A. Hudson, Sr., Director	March 13, 2025
By: <u>/s/ Bruce A. Kiefer</u> Bruce A. Kiefer, Director	March 13, 2025
By: <u>/s/ Theodore W. Mowery</u> Theodore W. Mowery, Director	March 13, 2025
By: <u>/s/ John E. Noone</u> John E. Noone, Director	March 13, 2025
By: <u>/s/ William A. Specht, III</u> William A. Specht, Director	March 13, 2025

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FINANCIAL HIGHLIGHTS



STRENGTH. STABILITY. GROWTH.

In 2024, the Mid Penn team delivered one of the strongest performances in the history of the company, despite a difficult operating environment. We are proud of the following accomplishments and look forward to a successful year ahead.



**ORGANIC DEPOSIT
GROWTH: \$343 MILLION
OR 7.91%**



**CASH DIVIDENDS PAID:
\$0.80 PER SHARE**



**CAPITAL RAISE: \$76.5
MILLION NET PROCEEDS
AFTER UNDERWRITING CHARGES**



**TANGIBLE BOOK
VALUE GROWTH: 9.0%**

Efficiency Ratio

71.0%

65.6%

2023

2024

Total Loans

4,252,792

4,443,070

2023

2024

Net Interest Income

146,973

156,671

2023

2024

Total Deposits

4,346,236

4,689,927

2023

2024

Return on Average Assets (%)

0.77

0.91

2023

2024

Return on Equity (%)

7.16

8.64

2023

2024

EDUCATION AND DEVELOPMENT

MID PENN UNIVERSITY

Mid Penn University had a landmark year in 2024, expanding employee training with new courses, leadership programs and professional development opportunities. The year also saw the launch of a skills-based performance process designed to strengthen employee development by defining role-specific competencies, setting individualized goals, and incorporating regular supervisor check-ins. Integrated with Mid Penn University Learning, this process ensures employees receive targeted training tailored to their skills and long-term career goals.



456

IN-PERSON TRAINING
EVENTS WITH OPTION
TO STREAM



58

JOB SHADOWING
OPPORTUNITIES



97%

OF ALL EMPLOYEES HAD
AN INDIVIDUALIZED
DEVELOPMENT PLAN MEETING



94

EMPLOYEES COMPLETED A
PROGRAM AND EARNED A
CERTIFICATION



61

PERFORMANCE
COACHING SESSIONS

MPB|Classroom

Mid Penn strengthened its commitment to financial literacy in 2024 by formally establishing MPB Classroom, a financial literacy program designed to equip students and community members with essential financial skills. Through online courses, digital tools, and in-person workshops, MPB Classroom provides accessible, high-quality financial literacy to learners of all ages. Educators receive unlimited access to comprehensive lesson plans, workbooks, and a dedicated hub to track student progress. The program also extends to the broader community, ensuring financial literacy is available to anyone who needs it.



14

COMMUNITY PARTNER
SITES USING MPB
CLASSROOM



55

SCHOOLS
SPONSORED



190

TEACHERS USING
MPB CLASSROOM AS
A LEARNING TOOL



10,500+

NUMBER OF TIMES
BUDGET CALCULATOR
WAS USED IN 2024



11,000+

NUMBER OF STUDENTS
USING MPB CLASSROOM
FINANCIAL LITERACY TOOLS

2024 GIVING HIGHLIGHTS

We take pride in supporting the communities we serve, and in 2024, we reaffirmed that commitment. Through charitable donations, fundraising efforts, volunteer opportunities and partnerships with local organizations, we worked diligently to make meaningful impacts in the communities where we live, work and play.



\$2.24 Million

Mid Penn Bank contributed a total of \$2.24 million to nonprofit organizations and community programs, providing financial support and gifts to 710 organizations across our footprint.



\$555,000

To help strengthen and rebuild the underserved neighborhoods across our footprint, Mid Penn donated \$555,000 to Neighborhood Assistance Program (NAP) projects. Our donation supports programs that enhance economic stability and improve the quality of life for low-income residents.



\$200,000

Through the Mid Penn Bank Celebrity Golf Classic, \$200,000 was donated to Breast Cancer Charities including the PA Breast Cancer Coalition and the Basser Center for BRCA at Penn Medicine. These funds support research, advocacy, and programs that provide vital resources to individuals and families affected by breast cancer.



\$868,000

Through Pennsylvania's Educational Improvement Tax Credit Program (EITC), Mid Penn provided \$868,000 in funding for scholarships and educational programs that increase access to essential learning resources for students and educators.



\$340,000

Over the last decade, Mid Penn Bank has partnered with Penn State Health Department of Urology to support men's prostate health through the NoShaveNovember campaign. This year's initiative raised \$340,000, increasing our total contributions to \$1.3 million.

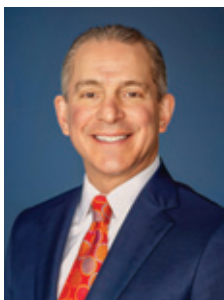


13,782 Volunteer Hours

Mid Penn Bank employees demonstrated their commitment to giving back by contributing 13,782 volunteer hours to support local nonprofit organizations and community initiatives.



MID PENN BANCORP_{INC.} Board of Directors



RORY G. RITIEVI
Chair, President, and Chief Executive Officer,
Mid Penn Bancorp, Inc. and Mid Penn Bank



JOHN E. NOONE
Lead Independent Director,
Mid Penn Bancorp, Inc.,
President, Shamrock Investments, LLC



ROBERT A. ABEL
Principal, Brown Plus



KIMBERLY J. BRUMBAUGH
Founder and Managing Partner,
Brumbaugh Wealth Management, LLC



MATTHEW G. DESOTO
President and Chief Executive Officer,
MITER Brands



ALBERT J. EVANS
President, Fanelli, Evans & Patel, P.C.



JOEL L. FRANK
Chairman and Managing Partner,
Lamb McErlane PC



MAUREEN M. GATHAGAN
Partner, Bittersweet Management, LLC,
Member, Gathagan Investment Company, LP



BRIAN A. HUDSON, SR.
Former Executive Director and Chief Executive
Officer, Pennsylvania Housing Finance Agency



BRUCE A. KIEFER
Former Manager/Chemist,
The Hershey Company,
Managing Partner, Lawrence Keister & Co.

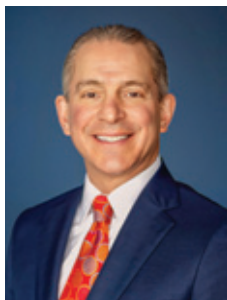


THEODORE W. MOWERY
Founding Partner, Gunn Mowery, LLC



WILLIAM A. SPECHT, III
President and Chief Executive Officer,
Seal Glove Manufacturing, Inc. and Ark Safety

MID PENN BANK[®] Executive Team



RORY G. RITRIEVI
Chair, President, and Chief Executive Officer



JUSTIN T. WEBB
Chief Financial Officer



JOAN E. DICKINSON
Chief Retail Officer



HEATHER R. HALL
Chief Lending Officer

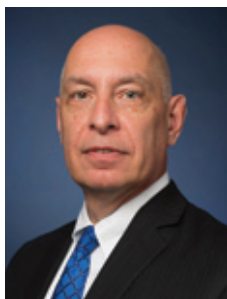


SCOTT W. MICKLEWRIGHT
Chief Revenue Officer

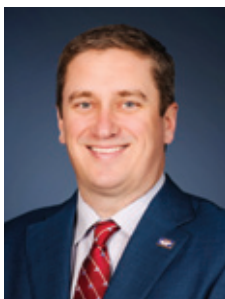
MID PENN BANCORP^{INC.}
Officers

RORY G. RITRIEVI
Chair, President, and Chief Executive Officer

JUSTIN T. WEBB
Chief Financial Officer



JOSEPH L. PAESE
Director of Trust and
Wealth Management



JORDAN D. SPACE
Chief Operating Officer





TO REWARD ALL OF OUR SHAREHOLDERS, CRITICALLY SERVE AND SUPPORT ALL OF OUR CUSTOMERS AND COMMUNITIES, AND CHERISH ALL OF OUR EMPLOYEES.



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