premier financial corp.

Quarterly Performance Highlights

For quarter ended September 30, 2020

HIGHLIGHTS

SYSTEMS CONVERSION:

Our July 13 systems conversion marked the final step of the merger for customers. "The entire Premier organization from client-facing to behind-the-scenes operational teams came together to put our clients first during this transition," said Gary M. Small, President of Premier. "By living our core values, we were able to preserve the best of two organizations under the Premier brand. As the final, conversion-related tasks conclude, we pivot our energy to enhancements of the client experience and top-tier performance."

Bringing these two organizations together achieves a significant strategic milestone and provides us with an expanded branch footprint across NE Ohio, additional resources to provide enhanced products and services, more scalable infrastructure, and a shared track record of award winning customer service. Our combined organization with assets of $7.0B is now the 7th largest bank in Ohio.

Our community banking strategy, personalized service and continued strong commitment to our communities allows us to build lasting relationships.

CAPITAL ISSUANCE:

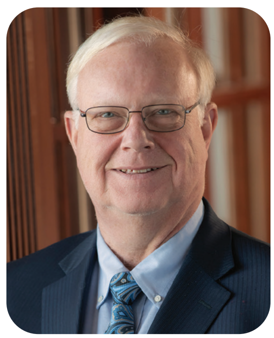
On September 30, 2020, the Company completed the issuance of $50 million aggregate principal amount fixed-to-floating rate subordinated notes due 2030 (the "Notes") in a private offering exempt from the registration requirements under the Securities Act of 1933, as amended. The Notes carry a fixed rate of 4.00% for five years then a floating rate equal to the 3-month SOFR rate plus 388.5 basis points. The Company may, at its option, beginning September 30, 2025, redeem the Notes, in whole or in part, from time to time, subject to certain conditions. The net proceeds from the sale of the Notes are approximately $48.7 million, after deducting the estimated offering expenses. The Company intends to use the net proceeds from the offering of the Notes for general corporate purposes.

"We are proud of our successful capital issuance at the lowest rate this year for a BBB- Kroll-rated subordinated debt offering by a bank holding company," said Paul D. Nungester, CFO of Premier. "This enhancement to total capital at an efficient cost improves the Company's ability to serve as a source of strength for the bank during the current economic downturn."

BUSINESS CLIENT SUPPORT:

As a part of the CARES Act, the Small Business Administration ("SBA") created the Paycheck Protection Program ("PPP") to provide small businesses with loans as a direct incentive to keep their workers on the payroll. Premier Bank actively participated in the PPP program for clients and completed 2,880 loans totaling $443 million as of September 30, 2020.

AVERAGE DEPOSIT GROWTH	AVERAGE LOAN GROWTH	NET INTEREST MARGIN
$247M 4.5%	**$166M** 3.1%	**3.47%**



Donald P. Hileman, CEO
Premier Financial Corp.

"Efficiency and non-interest income growth are highlights of our continued strong financial performance for the third quarter. We are incredibly pleased with our ability to enhance capital via excess earnings and a very successful, low-cost sub-debt issuance. Our ability to manage funding costs and excess liquidity in the third quarter led to an improved core net interest margin. Our strategies and teamwork are mitigating the impacts of the current down-rate environment."

SHAREHOLDER DIVIDEND: The Board of Directors declared a quarterly cash dividend of $0.22 per common share payable November 20, 2020, to shareholders of record at the close of business on November 13, 2020. The dividend represents an annual dividend of 4.89% based on the Premier common stock closing price on October 19, 2020. Premier has approximately 37,297,217 common shares outstanding.

COMING UP
COMMUNITY SUPPORT

We recently launched a "Powered by (Kind) People" program focused on activities that reconfirm our commitment to employees, customers and our communities. Beginning with culture week, our employees participated in training and activities that focused on our mission, vision and core values. Throughout the quarter, various internal and external random acts of kindness and a custom video series highlighting longstanding community relationships are designed to illustrate our commitment, including over $200,000 in donations to local organizations making a difference in our communities.

FOR MORE INFORMATION OR A DETAILED EARNINGS RELEASE:

PremierFinCorp.com

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CONSOLIDATED BALANCE SHEET *(unaudited, $ in 000s, except per share data)*

ASSETS	SEPT 30, 2020	DEC 31, 2019
Cash and cash equivalents	$ 103,073	$ 131,254
Securities	579,238	283,448
Loans receivable, net	5,381,631	2,746,321
Loans held for sale	208,054	18,008
FHLB stock	23,492	11,915
Cash value of bank owned life insurance	143,939	75,544
Office properties and equipment	58,817	39,563
Real estate and other assets held for sale	521	100
Mortgage servicing rights	13,477	10,267
Goodwill and other intangibles	349,953	103,841
Other assets	112,758	48,731
Total assets	$ 6,974,953	$ 3,468,992

LIABILITIES & STOCKHOLDERS' EQUITY	SEPT 30, 2020	DEC 31, 2019
Deposits	$ 5,795,757	$ 2,870,325
Advances from FHLB & PPPLF	30,000	85,063
Notes payable & other interest-bearing liabilities	–	2,999
Subordinated debentures	84,818	36,083
Other liabilities	105,353	48,355
Total liabilities	6,015,928	3,042,825
Stockholders' equity	959,025	426,167
Total liabilities and stockholders' equity	$ 6,974,953	$ 3,468,992
Book value per share	$ 25.71	$ 21.60
Tangible book value per share	$ 16.33	$ 16.34
Shares outstanding (000s)	37,297	19,730
Stockholders' equity to assets	13.75%	12.29%

CONSOLIDATED STATEMENTS OF INCOME & SELECTED FINANCIAL HIGHLIGHT *(unaudited, $ in 000s, except per share data)*

	THREE MONTHS ENDED SEPTEMBER 30, 2020	THREE MONTHS ENDED SEPTEMBER 30, 2019	NINE MONTHS ENDED SEPTEMBER 30, 2020	NINE MONTHS ENDED SEPTEMBER 30, 2019
CONDENSED STATEMENT OF INCOME				
Interest income	$ 60,159	$ 35,683	$ 177,131	$ 104,843
Interest expense	6,888	6,791	24,093	18,692
Net interest income	53,271	28,892	153,038	86,151
Non-interest income	25,000	11,842	62,013	33,141
Non-interest expense	43,563 [1]	23,265 [4]	123,856 [1]	72,364 [4]
Pre-tax pre-provision income	34,708 [1]	17,469 [4]	91,195 [1]	46,928 [4]
Provision for credit losses	2,794	1,265	51,014 [2]	1,761
Income (loss) before income taxes	31,914 [3]	16,204 [5]	40,181 [3]	45,167 [5]
Income tax expense (benefit)	6,259	3,033	7,951	8,315
Net income (loss)	$ 25,655 [3]	$ 13,171 [5]	$ 32,230 [3]	$ 36,852 [5]
Earnings per common share				
Basic	$ 0.69 [3]	$ 0.67 [5]	$ 0.91 [3]	$ 1.86 [5]
Diluted	$ 0.69 [3]	$ 0.66 [5]	$ 0.91 [3]	$ 1.85 [5]
Dividends declared per share	$ 0.22	$ 0.19	$ 0.66	$ 0.57
AVERAGE BALANCES, INTEREST RATES, YIELDS				
Average interest earning assets	$ 6,211,267	$ 2,985,498	$ 5,787,134	$ 2,923,809
Yield on interest earning assets	3.91%	4.78%	4.09%	4.83%
Average interest bearing liabilities	$ 4,448,933	$ 2,253,753	$ 4,224,108	$ 2,204,051
Cost of deposits and interest bearing liabilities	0.62%	1.20%	0.76%	1.13%
Excess of average interest earning assets over average interest bearing liabilities	$ 1,762,334	$ 731,745	$ 1,563,026	$ 719,758
Interest rate spread	3.29%	3.58%	3.33%	3.70%
Interest rate margin	3.47%	3.88%	3.55%	3.98%
ASSET QUALITY				
Total non-performing assets	$ 48,843	$ 14,677	$ 48,843	$ 14,677
Non-performing assets/total assets	0.70%	0.44%	0.70%	0.44%
Net charge-offs/(recoveries)	$ 3,296	$ 11	$ 1,690	$ (98)

[1] Includes impact of merger-related costs totaling $3,711 pre-tax ($2,932 after-tax) and $17,295 pre-tax ($14,041 after-tax) for the three and nine months, respectively. Excluding those costs, non-interest expenses would be $39,852 and $106,561 and pre-tax pre-provision income would be $38,419 and $108,490 each for the three and nine months, respectively.

[2] Includes impact of merger-related provision charge totaling $25,949 pre-tax ($20,500 after-tax). Excluding that charge, provision for credit losses would be $25,065.

[3] Excluding the impact of merger-related provision and costs, income before taxes would be $35,625, net income would be $28,587 and earnings per share would be $0.77 for the three month period and income before taxes would be $57,476, net income would be $66,771 and earnings per share would be $1.88 for the nine month period.

[4] Includes impact of merger-related costs totaling $540 pre-tax ($113 after-tax) for the three and nine months, respectively. Excluding those costs, non-interest expenses would be $22,724 and $71,824 and pre-tax pre-provision income would be $18,010 and $47,468 each for the three and nine months, respectively.

[5] Excluding the impact of merger-related provision and costs, income before taxes would be $16,744, net income would be $13,598 and earnings per share would be $0.68 for the three month period and income before taxes would be $45,707, net income would be $37,279 and earnings per share would be $1.87 for the nine month period.