



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Premier Financial Corp. / Premier Bank

Person to be contacted regarding this report:	Patrick Niemer
UST Sequence Number:	932
CPP Funds Received:	6,349,000
CPP Funds Repaid to Date:	0
Date Funded (first funding):	May 22, 2009
Date Repaid ¹ :	N/A

RSSD: (For Bank Holding Companies)	2687124
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	34849
City:	Dubuque
State:	Iowa

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input checked="" type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	Premier Bank reduced its lending in 2009, but the availability of the CPP capital enabled us to reduce our lending less than would have been required without the CPP investment.
<input type="checkbox"/>	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	
<input checked="" type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	We were able to purchase GNMA securities.

<input type="checkbox"/>	Make other investments	
<input checked="" type="checkbox"/>	Increase reserves for non-performing assets	Increased our loan loss allowance from 1.30% to 2.00%.
<input type="checkbox"/>	Reduce borrowings	
<input checked="" type="checkbox"/>	Increase charge-offs	
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	
<input checked="" type="checkbox"/>	Held as non-leveraged increase to total capital	The CPP funds added to our total capital position.

What actions were you able to avoid because of the capital infusion of CPP funds?

As credit quality deteriorated during the second half of 2009, the CPP funds enabled us to avoid having to raise outside capital during a recession. Other forms of capital that may have been available to us would have been much more expensive.

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

We were able to enhance our liquidity position significantly.

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.