

## Mutuality and the Difference it Makes for Dollar Bank Customers.

Many people do not know what being a mutual bank means or why that could be meaningful for them.

Dollar Bank is not owned by stockholders. We manage this institution to develop long-term relationships with our depositors and loan customers. We do not manage our daily activities for quarterly dividends paid to stockholders.


As a bank, we believe that underwriting formulas are not the best way to understand a customer's business. Through thoughtful interaction, we strive to learn the uniqueness of each of the customers we serve. That is how we develop long-term relationships and we do it because it is what's best for our customers. Dollar Bank Representatives don't work on commission. Therefore, they don't try to sell services and products that customers don't need or want.

We recognize that our strength and stability corresponds directly with the strength and stability of our customers. Depositors, borrowers, business owners... we are in this together and that is probably not something you've heard from your banker before. In fact, money raised through our depositors is reinvested locally in the communities we serve. Many banks claim to want a lasting relationship with their customers. At Dollar Bank, we've lived this philosophy every day since 1855.

During the first half of the 2020 fiscal year, Dollar Bank's financial statement reflects its continued strength and growth as a full service financial institution meeting the banking needs of our community for more than 160 years. Our core capital amounted to over \$1.10 billion, or 11.67% of our average total assets.

As a mutual institution, Dollar Bank's capital strength is the result of prudent management. We have been consistently rated as well capitalized by government regulators, representing the highest category of financial soundness. The growth of our operation is the result of serving the needs of our customers, versus stock based financial institutions serving the needs of shareholders.

Dollar Bank's ongoing commitment to our customers has differentiated us and is central to every Dollar Bank employee's approach to banking.



James J. McQuade  
President & CEO

## Board of Directors

**Esther L. Barazzone, Ph.D.**  
President Emerita  
Chatham University

**Raymond T. Betler**  
Former President & CEO  
Wabtec Corporation

**Robert E. Blackham, Atty.**  
Firm President/Chairman  
Roetzel & Andress, LPA  
Cleveland, OH

**Kim Tillotson Fleming**  
Chairman & CEO  
Hefren-Tillotson, Inc.

**Thomas A. Kobus**  
Former EVP/ CFO & Treasurer  
Dollar Bank, FSB

**Robert A. Krizner**  
Former Managing Partner  
KPMG, LLP

**James J. McQuade**  
President & CEO  
Dollar Bank, FSB

**Robert P. Oeler**  
Chairman of the Board  
Dollar Bank, FSB

**Richard H. Smith, Jr.**  
Vice President – Chief  
Information Officer  
Wabtec Corporation

**Samuel J. Stephenson, CPA**  
Former Firm Director  
Baker Tilly Virchow Krause LLP  
& Former Partner, ParenteBeard

**Leila L. Vespoli**  
Former EVP, Chief Legal Officer  
First Energy Corp.  
Cleveland, OH

**Roger E. Wright**  
Former VP, CNG & Former  
President, Peoples Natural Gas

## 2020 Semi-Annual Statement of Condition

May 31, 2020 (\$ in thousands)

### ASSETS

Cash and Cash Equivalents .....	\$ 706,673	
Investment Securities Available For Sale .....	1,165,228	
Investment Securities Held to Maturity .....	<u>39,151</u>	
Total Cash and Investment Securities .....		\$ 1,911,052
Investment in Federal Home Loan Bank Stock .....		32,644
Loans Receivable:		
Mortgage and Home Equity Loans		
Residential .....	5,145,145	
Other Mortgages .....	<u>1,216,287</u>	
Total Mortgage and Home Equity Loans .....	6,361,432	
Non-Mortgage Loans		
Commercial .....	1,099,164	
Consumer .....	<u>277,582</u>	
Total Non-Mortgage Loans .....	1,376,746	
Total Loans .....		7,738,178
Allowance for Loan and Lease Losses .....		<u>(44,684)</u>
Total Loans Receivable (Net) .....		7,693,494
Premises and Equipment, Net .....		106,367
Goodwill .....		393
Other Assets:		
Accrued Interest Receivable .....	26,832	
Other Assets .....	<u>43,144</u>	
Total Other Assets .....		69,976
<b>TOTAL ASSETS</b> .....		<b>\$ <u>9,813,926</u></b>

### LIABILITIES

Deposits:		
Checking .....	\$ 2,424,520	
Savings .....	3,841,902	
Certificates and Other Deposits .....	<u>1,430,250</u>	
Total Deposits .....		\$ 7,696,672
Borrowings .....		910,379
Other Liabilities:		
Advance Payments by Borrowers for Taxes and Insurance .....	53,150	
Accrued Interest Payable and Other Liabilities .....	<u>64,821</u>	
Total Other Liabilities .....		117,971
<b>TOTAL LIABILITIES</b> .....		<b>\$ <u>8,725,022</u></b>

### CAPITAL

Total Capital .....		1,088,904
<b>TOTAL LIABILITIES AND CAPITAL</b> .....		<b>\$ <u>9,813,926</u></b>

## Regulatory Capital

(\$ in thousands)	Capital at 5/31/2020	Regulatory Requirement	Excess Capital
Tier I Leverage (Core) Capital	\$1,104,836	\$378,636	\$726,200
Tier I Risk-Based	\$1,104,836	\$386,310	\$718,526
Total Risk-Based	\$1,150,598	\$515,080	\$635,518