DollarBank

Business INSIGHTS

The Magazine for Hampton Roads Business Professionals

Summer 2023



INSIDE

10 Ways to Protect Your Business from Payment Fraud

Safe, sound and independent since 1855.

Dollar Bank is a relationship driven bank that caters to businesses and the individuals who own them. Our managers live and work in the community, understand the local economy and business environment and provide high-touch professional advice to support your unique needs and keep your company moving forward.

- We have sound risk management practices and a conservative business model anchored in traditional banking products and services.
- As a result, the quality of Dollar Bank's loan portfolio remains strong and we continue to lend money to individuals and businesses to support the communities we serve.
- Dollar Bank is the largest mutual bank in the United States. We have no stock to sell. We are focused on meeting the needs of the people and businesses on Main Street, not the needs of shareholders on Wall Street.
- Federal government regulators have consistently considered Dollar Bank as "well capitalized", which represents the highest category of financial strength and soundness.



DollarBank® Since 1855
Dollar.Bank

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DollarBank®

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Empowering the people and communities we serve for more than 168 years.



We are thrilled with the positive response our first issue of Business Insights received from the Hampton Roads business community. We are grateful to everyone who signed up to receive the magazine's digital edition and those who contacted our team with such enthusiastic feedback, reinforcing our objective to provide a valuable resource for the business community.

Moving through the second half of 2023, we recognize that business owners continue to be concerned about the economy and the lingering fallout from the turmoil in the banking sector. We want to reaffirm your confidence in the safety and stability of Dollar Bank. Be assured that we are here, as a trusted partner and advisor, to assist you in reaching your financial objectives.

For more than 168 years, we have maintained our adherence to prudent risk management practices and a conservative business model designed to keep our liquidity strong and protect us from the impact of an economic downturn. Our diversified customer base and strategic positioning ensure that we are always available to serve our customers while meeting the needs of our communities.

Dollar Bank is consistently rated as "well capitalized" by government regulators, representing the highest category of financial strength, and the vast majority of our deposits are insured and secured. For more information on our financial position, we invite you to view our current Statement of Condition.

View our current Statement of Condition.

As the largest mutual bank in the United States, with no stock to sell or shareholders to please, we can concentrate solely on meeting the needs of the people and businesses in the communities we serve.

As evidence of our customer-focused approach, we were proud to be recently recognized among the world's best banks in *Forbes'* annual rating. The 2023 list included 415 banks worldwide — 75 were U.S. banks. Dollar Bank ranked eighth out of all U.S. banks based on outstanding customer feedback regarding our digital services, financial advice, customer service and trust.

As Dollar Bank continues to grow in Hampton Roads, our team is committed to delivering personalized solutions and services that help our customers and communities grow and succeed. We are excited about our connection to this vibrant community and look forward to deepening our relationships. We want you to know us as a partner who understands your goals and provides the solutions that get you there.

David Paradise

Senior Vice President, Virginia Division

Small Business Pricing:

Tips for Getting It Right

Setting prices for goods or services is more than just a dollars-and-cents proposition for small businesses. While pricing most certainly makes a measurable impact on a business's financial success, it can also play an important role in the company's sales performance and brand identity.

On the sales side, pricing can influence how many prospects you attract, what percentage of them you convert into customers, how much they spend with you and how long they remain loyal customers of your business. On the brand identity side, your pricing can influence public perceptions about your brand. For example, higher-than-average prices may connote higher or unique value, and thus a premier provider, while lower-than-average prices may suggest lower value or a company with a no-frills philosophy catering to cost-conscious buyers.

Give your pricing the attention it deserves. These tips may help you evaluate your pricing strategy today and determine whether it's doing all it can to support your profit margins, sales and brand image.

Scout the competition.

Researching what other companies are charging for similar products or services doesn't just help you gauge what customers are willing to spend – it also provides you with insight into other companies' strategic approaches and desired positions in the market. Are they vying for the low-cost-provider spot or trusting that customers will pay more for their brand? Seeing where your competitors land with their pricing can help you identify gaps and find the area(s) of greatest opportunity. A thoughtful pricing strategy can help your business stand out.

Know your customers.

If you've conducted research into your customers' needs, preferences, demographics, etc., this is a good time to revisit the results. Remind yourself why customers choose your brand. Try to understand what motivates them to buy. Gauge their price sensitivity. If you don't have helpful research at hand, plan to send out a survey or organize some focus groups. Read customer reviews on your own and your competitors' websites, too. The better you know your customers, the more likely you are to get your pricing right.

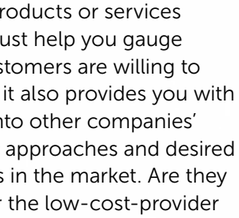
Meet Julie Bartley

Vice President, Business Banking Manager

Julie is a Hampton Roads native and has more than 25 years of experience in retail, business banking and commercial lending.

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Analyze your costs and margins.

Define "healthy margin" for your business and then crunch the numbers to see how much you need to charge to hit that mark. If you're selling a product, calculate all of the costs of manufacturing, marketing and delivering that product. If you're selling services, incorporate the costs of developing and delivering those services. Build in the potential for product returns or guarantee/warranty fulfillment. Your pricing strategy should, at the very least, cover all of your costs plus your desired profit margin.

Choose a pricing model.

Once you have a good feel for your competition, customers and bottom line, study some pricing models to see if one of them may help you develop or refine your pricing strategy. There are a broad range of models to choose from. Following are some of the most common:

Price Skimming – Businesses entering emerging markets may be successful setting prices high initially and then gradually lowering them as more competitors and customers enter the market. Electronics are a great example of where companies have used price skimming to their advantage. Early adopters will pay big money to be among the first to get the latest smartphone or tablet; once other companies launch their own versions, the excitement wanes and pricing needs to become more competitive.

Market Penetration Pricing – Conversely, market penetration pricing starts low and builds, giving newcomers to a market the opportunity to undercut their competitors to gain market share. Once they've won customers over and earned their trust, they can gradually raise their prices to be more competitive.

Premium or Value-Based Pricing – Luxury or "lifestyle" brands, as well as one-of-a-kind products, can often command higher prices than those with lower perceived value. Brand-building is an essential element of this pricing model, as customers must recognize and embrace the higher value before they will agree to pay more.

Economy Pricing – At a time like this, when inflation is an everyday concern and customers are looking to save just about anywhere they can, it may be tempting to offer them the lowest possible price. Economy pricing can be tough for small businesses to pull off, though, since they don't benefit from the economies of scale that larger competitors do. Economy pricing can also leave you vulnerable to price undercutting by larger competitors, particularly if customers have come to view your offering as a commodity.

Dynamic Pricing – Airlines were among the first corporations to recognize that customers will pay more for a service during times of high demand. That dynamic pricing model has spilled into the broader marketplace, as many businesses now have policies for changing prices in sync with fluctuations in demand, whether seasonal or otherwise. In addition to formal pricing models, you can consider building other strategies into your pricing approach. You may want to try bundling products, for example, to give customers a better deal when they purchase in multiples. Many businesses also offer limited-time promotional pricing, which can drive traffic during lulls as it increases the perceived value customers receive.



Build your pricing strategy into your culture.

Your pricing is an important part of your company culture. Make sure that every employee understands and can communicate why any particular product or service costs what it does. They should be able to explain the benefits and unique features that differentiate your brand from competitors' brands. When your entire team embraces what your company brings to the market, they can be proud to be part of such a trustworthy enterprise and help customers fully appreciate the value you deliver.

10 Ways to Protect Your Business from Payment Fraud

Adopt smart strategies designed to stop cybercriminals in their tracks

71% of organizations were targets of payment fraud in 2021.

Source: 2022 Payments Fraud and Control Survey, Association for Financial Professionals (AFP)

Cyberthieves target businesses of all types and sizes with payment fraud — illegal transactions using stolen information to make purchases or direct funds to unauthorized accounts. Bad actors are quick to zero in on vulnerabilities, so companies are tasked with making their financial operations as airtight as possible.

Businesses need to protect themselves and are not covered by the Consumer Protection Act. All too often, schemes and scams are carried out against businesses by cybercriminals. If your business falls victim to a fraudulent transaction, it will bear the brunt of that loss. It's up to you to put safeguards into place.

Here are 10 safeguards, some are easy to implement; others require dedicated resources and collaboration across your teams.

With Your Bank

1) Use positive pay.

This automated cash management service is offered by banks to reduce companies' exposure to check and ACH fraud. Here's how it works: When your company issues checks, you upload a file listing those checks — including each check number, payee and dollar amount — to the bank. The bank stores that information for verification as checks come in for payment. If any information does not align, the bank issues an exception for you to approve or deny the transaction.

2) Request dollar-limit reviews.

Set a dollar limit with your bank that lets them know when you should be contacted to verify ACH transactions to be paid from your account. Any transaction request exceeding that limit should trigger a communication to you before funds are released.

3) Sign up for text message alerts.

Just as they work for personal accounts, text message alerts can let you know when transactions occur in your corporate account. Some companies set up these alerts to be received by multiple individuals to ensure the appropriate level of oversight.

4) Move toward electronic payments.

Companies continue to write a great number of checks, yet account information is more vulnerable to theft when it is physically circulating than when secure electronic payments are made.

Within Your Business

5) Limit physical access to data.

Protecting the data in your office, as well as employee workstations, is particularly important when members of your team are working remotely and come into the office infrequently. Accumulating mail and other exposed information may be at risk. Know who is going into your business space and make sure customer data and other information is not accessible.

6) Use dedicated PCs for online banking.

Many companies assign a designated computer for banking transactions. This computer is reserved exclusively for banking transactions; users are prohibited from doing any internet research, thus limiting the amount of malware that can be installed on that PC.

7) Create separation of duties.

In a secure environment, no individual has sole responsibility over a particular function from end to end. Specifically, a business should assign custody of assets, authorization of payments and documentation of those payments to different employees.

8) Tighten up administrative rights.

Who has administrative rights to your computers? Keep in mind that these people can download and install programs, change the way systems operate, add accounts and carry out a host of other activities that may be harmful to your business. It's important to limit how many and which people have this access; administrative rights must be carefully monitored.

9) Implement online banking controls.

Similarly, it's important to know and control who in your firm has access to online banking. When someone has access to your online banking systems, they can figure out how to send a transaction to your bank that, from the bank's perspective, looks legitimate.

If you're sending money via ACH or wire, it's smart to use two-factor authentication, where the user must provide not only a username and password but also carry a security token or reference a randomly generated number delivered to a separate device to authorize access. This helps ensure that unauthorized parties cannot get between you and your bank to originate a transaction.

The dual control method, where one person initiates a transaction and a second person approves it, offers important protections, too, not only from internal fraud but from external fraud that has compromised one employee's credentials. Like separation of duties, dual controls help ensure the integrity of transactions.

10) Focus on employee education.

Quarterly security awareness training is a critical component of a secure business environment. Employees are the first line of defense in the fight against cybercrime, so they need to be fully prepared to recognize and report suspected phishing schemes, and other types of social engineering cyberattacks; to understand IT best practices and model their behaviors to these standards; and to be aware of, and comply with, data privacy regulations. Employee education should include not only training but also testing. Send test phishing emails to employees, for example, and measure their success in responding. If they fail the test, get them back into training to ensure your team can be duly diligent.

Business leaders need to stay up to date on new protective protocols and tools as payment fraud scams and tactics continue to evolve. Dollar Bank offers a broad range of risk mitigants and can help you implement strong and effective controls to protect your business.

Meet Jose Emenaker

Assistant Vice President, Treasury Management

Jose is a Hampton Roads native and has more than 15 years of experience in retail and business banking in the Hampton Roads area.

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What to Look for in a Private Banking Relationship



When you've achieved a high level of personal and professional success, your banking needs become more varied and complex. Private banking can provide a more tailored experience — one that meets your needs for customized solutions, exceptional service and specialized financial guidance.

As you look to establish a private banking relationship, think about where you'd like some additional support. Investment financing? Succession planning? Transferring wealth to the next generation? Keep your goals in mind as you evaluate financial institutions' private banking capabilities. Here are some must-haves in a private banking partner to consider as well.

Strength, Stability and Longevity

If you've ever felt lost in the shuffle of an acquisition, having no say in how your account would be managed going forward, then you understand the peace of mind that comes from knowing your private banking relationship is solid. Look for a financial institution with a long track record of independence and stability — one that recognizes that clients are individuals and not account numbers to be arbitrarily reassigned. Working with someone you know and trust is for many people the greatest advantage of private banking.

Customized Solutions

Private banking clients often have specialized financial needs that require tailored solutions. As a qualified investor, for example, you may have certain assets available to you that can be leveraged to access cash more quickly.

Richard Crouch, principal, Woods Rogers Vandeventer Black PLC, Norfolk, Virginia, said that he often turns to the home equity line of credit he established through Dollar Bank Private Banking. "When I started investing in real estate properties as a side hustle, my Private Banking team set me up with this flexible financial tool. I've used it in a number of ways, from financing real estate investments to covering quarterly tax estimates for my law practice. Having that much liquidity available enables me to act quickly when opportunities or expenses arise."

Crouch said that Dollar Bank customized another line of credit for him to use toward rebuilding costs related to the beach house he and his siblings inherited. This line of credit allows for additional inspections to ensure the rental property meets the higher expectations of today's renters. "The bank understood that this extra layer of oversight was a priority for us, and so they tailored their product to ensure we would have the peace of mind that the construction was sound throughout the building process."

More examples of customized solutions available only through private banking channels follow.

Residential Purchase Line of Credit – When an opportunity arises to invest in an attractive property, you want to be able to act fast and close the deal with as little effort as possible. A residential purchase line of credit offers a streamlined alternative to conventional mortgage financing. There's less paperwork with a line of credit, which speeds the process so that you can close more quickly.

Cash Value Life Insurance Loans – Although not a standard offering of all banks, a cash value life insurance loan offers financial flexibility. Borrowing against your permanent whole life insurance policy is often faster and easier than going the conventional loan route when you need access to cash.

Single-Family Rental Financing – If investing in the SFR market is a priority for you, check with your financial institution to make sure they will work with you to finance these investments. Surprisingly, many banks are shying away from these opportunities in spite of their growing popularity among investors.

Legacy Property Line of Credit – If you own real estate that has been in your family for generations, you should be able to tap into that property's equity to fund its maintenance and CapEx reserves. Legacy property lines of credit are not issued by every bank, yet they can be an invaluable resource when it comes to managing your multigenerational property.

Above and Beyond Service

Look for a private banker who is accessible when and where you need them. You shouldn't have to run across town to meet or wait a week to have a conversation. The ideal private banker is happy to come to you, whether that's at your home or office, or some other venue. If you prefer virtual meetings, they should accommodate that preference as well. Be sure that your convenience is their priority.



"It's great knowing that your banking team is there when you need them, to make sure you're well-informed to make good decisions and to always keep things moving smoothly," said Crouch. "My experience with Dollar Bank has been that, whether I'm working directly with Private Banking or stopping at a local branch, everyone is professional, knowledgeable and helpful. If I have a question that requires a specialist, they quickly refer me to the right person in the bank. The service is incredible."

A Collaborative Approach

Your private banker should work with your financial team, not in competition with it. As your financial advisor, CPA, private banker and any other members of your financial advisory circle provide counsel in their particular areas of expertise, they should also be open to collaborating as needed to help you achieve your goals.

Dollar Bank Private Banking

An independent mutual bank since 1855, Dollar Bank takes private banking seriously. Our dedicated, experienced Private Banking team delivers an elevated level of service and customized credit and deposit solutions for high-net-worth and high-income individuals. As a Private Banking client, you benefit from having a single point of contact — your own Private Banker — who prioritizes your goals and supports your focused needs as they evolve.



Meet Joanie Needham

Vice President, Private Banking

Joanie is a Virginia Beach resident with more than 40 years of banking experience in the Hampton Roads area.

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Part 2

The Virginia Story



Bank @lantec: A history of the financial institution that was the foundation of Dollar Bank's Virginia operations.

H.R.P.E. Federal Credit Union went through name changes in the late 1950s and 1960s. It became NAB Federal Credit Union for a time (the acronym might have been derived from the Naval Amphibious Base in Little Creek, Virginia) and was then renamed LANT FLT NorVa Federal Credit Union in December 1965.

Naval professionals understood that the printed name translated to "Atlantic Fleet, Norfolk, Virginia," which described the organization's service area. In addition to civilian military employees, the credit union served retired members of the U.S. armed forces using facilities at the USN base at Norfolk.

The credit union's board of directors was almost entirely retired and active-duty U.S. military personnel. President Frank R. Mayetta, a native of Brooklyn, N.Y., had retired as a colonel from the U.S. Army in 1962 after service during WWII and post-war stations in Iceland, England, France, Iran and Formosa, where he served as cargo and transport officer. In Norfolk, as a civilian, he worked with Engineering Command Naval Base Operations, and he helped oversee the credit union.

By 1969, LANT FLT NorVa FCU had grown to more than six thousand members and had assets in excess of two million dollars. In 1968 alone, it had issued 826 loans for the purchase of new and used automobiles and 273 loans for home improvement. Dividends paid on shares had increased 30% over the year before. The total number of members' shares had nearly doubled since 1965.

For years, the credit union had been operating out of the second floor of the Breakers EM (Enlisted Men's) Club on Hampton Boulevard in Norfolk. The growth of the organization required expanded operations and a modern facility. Construction of a new headquarters building became the credit union's focus at the start of the 1970s.



Late 1960s H.R.P.E Letterhead



1971 Map U.S. Naval Station Norfolk

If you missed Part 1 of our Virginia Story, scan the QR code to learn more.

Community Corner



On Family Food Packing Night, Dollar Bank employees and their families sorted and packed food for the Foodbank's Mobile Pantry Program.

Partnering to Eliminate Hunger in Our Community

Today, one in four children face food insecurity. Driven by a mission to create a hunger-free community, the Foodbank of Southeastern Virginia and the Eastern Shore has built programs to reach every corner of its more than 4,700 square mile service area. Last year alone, the organization distributed 14,325,876 meals to our neighbors facing food insecurity and economic disparity.

Upon Dollar Bank's expansion into Virginia in 2017, we were immediately inspired by the Foodbank's work and quickly developed a volunteering relationship. Throughout the year, Dollar Bank employees and their families attend the Youth and Family Volunteer Nights to sort donations, prepare youth-friendly food bags for the Backpack Program and pack non-perishable food for the Mobile Pantry.

"Community partnerships are critical in our mission of leading the effort to eliminate hunger," said Christopher Tan, President and CEO of the Foodbank. "Through gifts of time and treasure, Dollar Bank demonstrates all the traits of a good neighbor and exemplifies their responsibility of giving back to the communities they call home."

Interested in making a monetary gift, a food donation or becoming a volunteer with the Foodbank of Southeastern Virginia and the Eastern Shore? Scan the QR code.

Seton Youth Services Building Promise Campaign



James Hinton, Vice President, Community Development, Dollar Bank and Jennifer K. Sieracki, CEO, Seton Youth Services

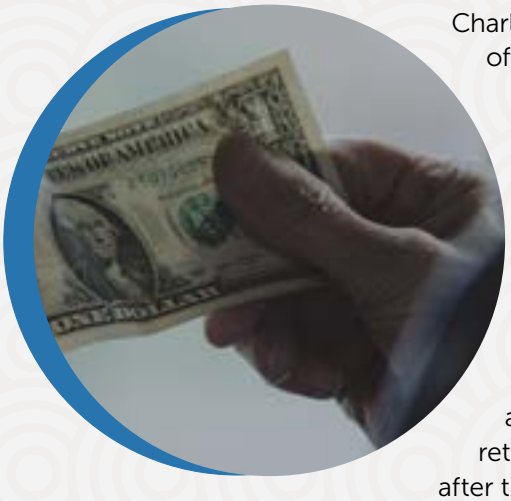
Designated a 501(c)(3) corporation in the Commonwealth of Virginia in 1984, Seton Youth Services was initially established to serve vulnerable runaway and homeless girls. A boys' shelter and a van-based Youth Outreach Program were added in 1999. Seton's Mentoring Program, established in 2006, serves children and teens affected by the incarceration of a loved one.

Seton's 24-hour shelter provides, food, clothing, educational assistance, counseling and case management for youth and teens. The Youth Outreach mobile counseling team travels a 400-square mile area in Hampton Roads, providing comprehensive services for homeless and at-risk youth. Seton is the only licensed National Safe Place organization in Southeastern Virginia, providing 24-hour crisis intervention services and access to immediate emergency shelter for any youth in crisis, including disconnected, runaway, homeless, trafficked or street youth.

From its beginning in 1985, Seton Youth Services has remained committed to providing its programs and services free of charge.

As part of its commitment to support at-risk youth in the Hampton Roads area, Dollar Bank recently provided $40,000 to Seton Youth Services' Building Promise Campaign. The project involves construction of a new 4-acre campus in central Virginia Beach that will encompass Seton's three programs and the organization's administrative offices and education center.

The Dollar Bank Story



Charles Colton recognized the need for a mutual bank to serve the interests of working-class people – a place where they could safely deposit their money and have it invested prudently on their behalf. On July 19, 1855, Dollar Bank opened for business as The Pittsburgh Dollar Savings Institution. For as little as $1, anyone could open a savings account.

From the beginning, Dollar Bank made no restrictions on who could open a savings account with us. Men, women, young, old, all races, all creeds, Americans and immigrants – all were welcome. In addition, Dollar Bank was at the forefront in recognizing the right of married women to maintain property separate from that of their husbands. Dollar Bank's 1855 charter acknowledged married women as the sole legal owners of their savings accounts. Single women retained exclusive ownership of their savings accounts at Dollar Bank even after they got married.

Dollar Bank's open-door-policy led to a long list of diverse and impressive customers throughout our history.

- Our first mortgage to an African American was made in February 1860, to John L. Woodson, a barber.
- Cuban-born engineer Esteban D. Estrada opened his Dollar Bank savings account in 1886 and was chief engineer of construction on the Cuban Pavilion at the 1904 World's Fair.
- Our first mortgage to a woman was made in February 1857, to Rose Irwin.

As an independent, mutual bank, today with assets of more than $11.2 billion and more than 90 offices in Ohio, Pennsylvania, Maryland and Virginia, Dollar Bank remains dedicated to providing high quality banking services to our customers not enriching shareholders.

We're here to help.

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