

Mutuality and the Difference it Makes for Dollar Bank Customers.

Dollar Bank is the largest independent mutual bank in the nation. (As referenced by fdic.gov, mutual institutions as of 3/31/16.) 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.

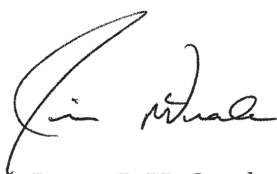
As a bank, we believe that underwriting formulas are not the best way to understand a customer's business. Through thoughtful interaction, we strive to learn the uniqueness of each of the customers we serve. That is how we develop long-term relationships and we do it because it is what's best for our 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 2016 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 over 160 years. Our core capital amounted to \$843 million, or 11.40% 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.



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A copy of Dollar Bank's audited financial statement is available by writing to the Treasurer:
Dollar Bank Accounting Department
Three Gateway Center, 8 North
Pittsburgh, PA 15222

2016 Semi-Annual Statement of Condition

May 31, 2016 (\$ in thousands)

ASSETS

Cash and Short-Term Investments	\$ 223,827	
Investment Securities Available For Sale	880,510	
Other Investment Securities.....	<u>105,476</u>	
Total Cash and Investment Securities.....		\$ 1,209,813
Federal Home Loan Bank Stock.....		26,962
Loans Receivable:		
Mortgage and Home Equity Loans		
Residential.....	4,683,133	
Other Mortgages.....	<u>724,924</u>	
Total Mortgage and Home Equity Loans Before General Valuation Allowances	5,408,057	
Non-Mortgage Loans		
Commercial	521,661	
Consumer	<u>127,937</u>	
Total Non-Mortgage Loans Before General Valuation Allowances.....	649,598	
Total Loans Before General Valuation Allowances.....		6,057,655
General Valuation Allowances.....		<u>(40,246)</u>
Total Loans Receivable (Net).....		6,017,409
Office Premises and Equipment.....		91,597
Other Assets:		
Accrued Interest Receivable	18,132	
Accounts Receivable and Miscellaneous	<u>50,790</u>	
Total Other Assets.....		<u>68,922</u>
TOTAL ASSETS		\$ <u>7,414,703</u>

LIABILITIES

Deposits:		
Checking and Checking With Interest		\$ 1,596,902
Savings		3,251,056
Certificates and IRA/Keogh		<u>921,124</u>
Total Deposits.....		5,769,082
Borrowings		745,478
Other Liabilities:		
Escrows	\$ 40,406	
Accrued Interest Payable and Other Liabilities.....	<u>48,286</u>	
Total Other Liabilities.....		<u>88,692</u>
TOTAL LIABILITIES		\$ <u>6,603,252</u>

CAPITAL

Retained Earnings.....		<u>811,451</u>
TOTAL LIABILITIES AND CAPITAL		\$ <u>7,414,703</u>

Regulatory Capital

(\$ in thousands)	Capital at 5/31/2016	Regulatory Requirement	Excess Capital
Tier I (Core)	\$842,532	\$295,708	\$546,824
Tier I Risk-Based	\$842,532	\$279,086	\$563,446
Total Risk-Based	\$884,584	\$372,115	\$512,469