

Dollar Bank Letter to Depositors

Our roots are deeply tied to the people, commerce and values of the western Pennsylvania and northeast Ohio regions. Dollar Bank has grown to become a large, full service, regional bank committed to providing the highest quality of banking services to individuals and businesses. Today, Dollar Bank operates more than 60 offices and loan centers throughout the Pittsburgh and Cleveland metropolitan areas. Over 1,200 Dollar Bank employees are focused solely on providing outstanding products and services and are ready to assist you.

How mutuality has inspired solid growth.

Dollar Bank has a position of safety and soundness that is envied by other financial institutions. Dollar Bank has no shareholders to answer to and therefore is not fixated on stock price. We are able to focus solely on Dollar Bank customers... the products that meet their needs, the services that offer them convenience and a banking experience that lets them know that they are what is most important to this institution.

Commitment to longevity is also apparent in the day-to-day management of our institution...

- Dollar Bank has never participated in sub-prime lending.
- The quality of our loan portfolio remains strong and we continue to lend money to individuals and businesses.
- Federal government regulators have consistently considered Dollar Bank as "well capitalized", which represents the highest category of financial strength and soundness.

Mutuality inspires our customers and communities.

Banking services are fundamental to daily life. Individuals are free to pursue their dreams (be inspired) when they are not preoccupied with the safety of their life savings, the reliability of the service behind their bill payments or the ability to finance homes or education.

Dollar Bank knows the people and the communities that we serve. Our own employees live and work in these communities. They participate in the decisions of local community groups and business organizations. This local knowledge is reflected in the loans we underwrite and the causes we support as an institution and member of the community.

A community's success also relies upon businesses which support our daily lives. Local businesses enrich our neighborhoods. Dollar Bank is supportive of their efforts and offers businesses the financial products, services and expertise they need.

Safe, sound and mutually inspired.

At the close of the 2011 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 155 years. Our core capital amounted to \$660.6 million, or 10.66% of our total assets.

As a mutual institution, Dollar Bank's capital strength is the result of prudent management. 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 "mutually inspired" approach to banking.



Robert P. Oeler
President and CEO

Dollar Bank Consolidated Statement of Condition

November 30, 2011 (\$ in thousands)

ASSETS

Cash and Short-Term Investments.....	\$ 113,183	
Investment Securities Available For Sale.....	787,981	
Other Investment Securities.....	<u>221,916</u>	
Total Cash and Investment Securities.....		\$ 1,123,080
Federal Home Loan Bank Stock.....		26,527
Loans Receivable:		
Mortgage and Home Equity Loans		
Residential.....	3,953,357	
Other Mortgages.....	<u>480,500</u>	
Total Mortgage and Home Equity Loans Before General Valuation Allowances	4,433,857	
Non-Mortgage Loans		
Commercial.....	370,518	
Consumer.....	<u>95,522</u>	
Total Non-Mortgage Loans Before General Valuation Allowances.....	466,040	
Total Loans Before General Valuation Allowances.....		4,899,897
General Valuation Allowances.....		<u>(39,231)</u>
Total Loans Receivable (Net).....		4,860,666
Office Premises and Equipment.....		89,798
Other Assets:		
Accrued Interest Receivable.....	17,937	
Accounts Receivable and Miscellaneous.....	<u>88,032</u>	
Total Other Assets.....		105,969
TOTAL ASSETS.....		<u>\$ 6,206,040</u>

LIABILITIES

Deposits:		
Checking and Checking With Interest.....		\$ 1,007,057
Savings.....		2,843,994
Certificates and IRA/Keogh.....		<u>1,014,692</u>
Total Deposits.....		4,856,743
Borrowings.....		623,541
Other Liabilities:		
Escrows.....	\$ 29,308	
Accrued Interest Payable and Other Liabilities.....	<u>50,135</u>	
Total Other Liabilities.....		79,443
TOTAL LIABILITIES.....		5,568,727

CAPITAL

Retained Earnings.....		637,313
TOTAL LIABILITIES AND CAPITAL.....		<u>\$ 6,206,040</u>

Dollar Bank Regulatory Capital

Corporate Headquarters:

Three Gateway Center
401 Liberty Avenue
Pittsburgh, PA 15222

Tower at Erieview
1301 E. 9th Street
Cleveland, OH 44114

(\$ in thousands)

	<i>Capital at 11/30/2011</i>	<i>Regulatory Requirement</i>	<i>Excess Capital</i>
Tier I (Core)	\$660,568	\$186,879	\$473,689
Tier I Risk-Based	\$660,568	\$151,284	\$509,284
Total Risk-Based	\$699,357	\$302,567	\$396,790

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

Dollar Bank Board of Directors

Esther L. Barazzone, Ph.D.
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Chatham University

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Chief Operating Officer
Wabtec Corporation

Doreen E. Boyce, Ph.D.
Former President
The Buhl Foundation

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

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Former Owner/Chairman & CEO
Marshall Elevator Company

Jeffrey Morrow
Former EVP
Dollar Bank, FSB

Robert P. Oeler
President & CEO
Dollar Bank, FSB

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Former President, Peoples Natural Gas

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Edgewater Corporation and Chairman, MMM Associates

Frank Brooks Robinson
Former President
Regional Industrial Development Corporation



2·0·1·1 Annual Statement of Condition



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Mutually Inspired