

2021 ANNUAL REPORT

Marquette
SAVINGS BANK



INNOVATION LEARNING CENTER

Marquette's largest expansion to date, the Innovation Learning Center (ILC), is a contemporary concept in banking, representing Marquette's commitment to bring innovative technology to personal and business banking customers.

This new, state-of-the-art building houses Marquette's growing operations, information technology, customer service, training and security departments — as well as internal training facilities for its 150 employees. It's also a place where customers can become more familiar with digital products like mobile banking and personal financial management tools.

To reach the people who are least comfortable with these virtual products, the ILC was created so that customers can come in, speak to experts, see new products and learn about banking topics.



A The main lobby features a video display wall, providing updates on upcoming classes, and kiosks where customers can tap through tutorials and learn about different products.

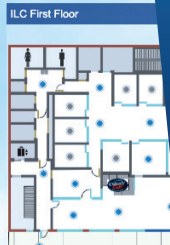
B A satellite branch of the Main Street Cakery Café restaurant and bakery is located in the lobby, providing a café atmosphere for Marquette customers and the downtown community.

C Two conference rooms, ideal for 10–12 people, are available to community nonprofit organizations, small businesses, and any companies that need a place to meet and stay connected to their constituents.

D The state-of-the-art training and meeting center seats 110 people. The training center has four 80" display monitors strategically positioned to facilitate high-quality video conferencing for larger groups, and computer training stations. The training center also has a welcoming prefunction area and a kitchen for catered events, lunch and dinner meetings.

E An augmented reality, 360° tour of the new facility is now available for those interested in exploring more: <https://marquettesavings.bank/tours/ilc/index.htm>





MIKE EDWARDS & STEVE DANCH

Marquette experienced another very successful year in 2021 — hitting nearly \$1.2 billion in assets, expanding the downtown footprint and welcoming new members to the growing team. The biggest factor in this success was the agility of Marquette employees to remain nimble and pivot quickly, adapting to meet changing customer needs.

The past few years have presented interesting challenges for everyone, Marquette included. The pandemic has caused a lot of disruption, but according to Steve Danch, “It’s also shown customers that they can trust us. We recognize that businesses have their ups and downs, and we’ll support them, work side by side with them, and partner with them as they grow their business.” Danch reflected, “That’s one of the things that distinguishes Marquette.”

Virtual Expansion With Hometown Connections

Recent investments in information technology allow Marquette to provide virtual access to a full range of services, from routine banking products to diversified business, residential and commercial products. While adapting to provide virtual access to loan services, the bank continues to ensure that customers can visit an expert in person and go over any questions they have.

Investing in the Downtown Renaissance

The growth Marquette has experienced over the last few years required an expansion of its headquarters — providing an opportunity to demonstrate a lasting commitment to the downtown community with an \$8 million investment.

“We actually discussed the possibility of construction outside of the city, but we built our new Operations, Training and Innovation Learning Center next to our corporate headquarters to make a statement that we are committed to this community, that we want to be part of the renaissance taking place downtown.”

— Mike Edwards

Business Banking at Its Best

Hitting nearly \$1.2 billion in assets gives consumers and business owners a level of comfort that Marquette has the size and scale to support them and their loan needs. “We’re very proud that people experienced in the business banking industry are coming to Marquette from other banking organizations,” says Danch. “It says something about the quality of our culture.”

Our Greatest Asset

Growth creates jobs, and a vibrant, growing organization attracts people who are looking for opportunities for career advancement. The employees are Marquette’s greatest asset and the bank strives to be a place where they can grow and thrive, where they can develop and advance throughout their careers. Succession planning is important for a strong business and it’s critical that the bank develops people to succeed current leadership in order to continue Marquette’s success and growth into the future.

The Future Depends on Support Provided Today

Other initiatives focused on the future include working to help revitalize the neighborhoods surrounding the downtown area and supporting the education of future leaders through contributions to local colleges and nonprofits.

“We have to take care of our communities, to help people meet their basic needs of housing, shelter and education, and to support the young people who will become the future of this community.”

— Steve Danch

It takes a lot of players to make a community successful, and Marquette is honored to be part of that, to continue its growth, to be a vibrant local banking resource — to be the hometown bank with the hometown touch in this modern world.

A full-page photograph of two men, Stephen M. Danch and Michael B. Edwards, standing side-by-side in front of a large window. Stephen M. Danch, on the left, is wearing a dark pinstriped suit, a white shirt, and a blue patterned tie. Michael B. Edwards, on the right, is wearing a solid blue suit, a white shirt, and a blue and white striped tie. Both men are smiling and have their hands clasped in front of them. The background shows a city street with buildings and a green plant is visible on the right side of the frame.

Stephen M. Danch

Stephen M. Danch
Chairman of the Board and President

Michael B. Edwards

Michael B. Edwards
Senior Executive Vice President and Secretary/CEO

A portrait of Kelly A. Montefiori, a woman with short, wavy brown hair, smiling. She is wearing a blue long-sleeved top with a decorative cutout at the neckline. Her hands are clasped on a wooden table in front of her. In the background, there is a large screen displaying a collage of business-related images, including a laptop, documents, and a person working. To her right, a tablet and a smartphone are mounted on white stands, both displaying a large white 'M' logo on a blue background.

Kelly A. Montefiori

Kelly Montefiori
Executive Vice President and Assistant Secretary/COO

KELLY MONTEFIORI

An Innovative Approach

It's with great excitement that Marquette opened its newest community resource this year — the Innovation Learning Center. Plans for the center grew, in part, out of a realization that many people don't know how to use the products designed to make banking easier and protect them from fraud.

"It's important that our customers understand our products, what benefits each product offers, and how to mitigate risks through safe banking practices. All of the services of the ILC are offered free of charge for both customers and the general public, regardless of whether or not they bank with us. We're proud to bring this innovative way of thinking not only to Marquette, but also to downtown Erie."

— Kelly Montefiori

The first thing you see from the street is the high-impact, nine-screen video display wall. The intent was to create a dynamic, informative feature wall in this community space to feature Marquette updates and to share community-based information, such as news, upcoming cultural and sporting events, and nonprofit activities.

Personalized Training on Digital Technologies

Across from the display wall, the lobby area has two interactive kiosks to highlight and educate about Marquette's products and services. The kiosks are divided into three different sections: personal banking, business banking and games for kids.

Marquette experts are available to provide in-person guidance and advice at the ILC help desk, offering assistance in areas like information technology, bank fraud and mobile banking. Individual devices and private training stations provide one-on-one training and demonstrations of evolving banking technologies.

High-Tech Training Center

It was critical for Marquette to have a space to train employees, but it was also important to provide a space available for use by community nonprofits that don't have the space to hold larger meetings. The result is a state-of-the-art conference area that accommodates 110 people in the lower level of the ILC. With a prefunction registration and networking area and a kitchen available for catered events and meetings, the space makes a perfect venue for classes, meetings and networking events. The four 80-inch display monitors that were intended for on-site participation have been ideal for video conferencing with large groups during the pandemic.

Education is one of the bank's main areas of focus, and one important initiative is providing free classes to educate people on banking topics. Multiple series are offered, focusing on basic banking, fraud, mortgage and online banking. All Mpowered™ Learning sessions are conveniently offered in person at the ILC, at local Marquette branches and over Zoom.

Retail Lending

On the retail lending side, Marquette's construction lending hit a 10-year high in 2021, with 62 new builds totaling \$18.9 million in residential construction loans.



John Dill
Executive Vice President and Chief Lending Officer





J O H N D I L L

Business Banking at Its Best

Marquette's Business Banking department has experienced remarkable growth over the last few years. "Looking back," says John Dill, "2019 was a great year for our team. 2020 was an exceptional year. In 2021, we eclipsed our 2020 growth by July, and ended yet another year with unprecedented growth."

Despite the challenges everyone faced to navigate through the pandemic with as little disruption as possible, Marquette's team worked hard to continue to get out in the community and work with small business owners. As a result, the bank had 40 new business customers in 2021 — the bank's largest single-year increase ever.

As a hometown company, Marquette built its brand based on keeping things simple for consumers. And now, as the bank's commercial services grow, it remains committed to extending the same personalized service experiences to business customers. "Our story is resonating with clients and prospects who appreciate the hometown touch and are trying to do the same in their own fields," says Dill. "They want to be a part of it."

Putting the Community First

As the pandemic was winding down and local companies continued to revisit and revitalize their business, Marquette stayed true to form and helped both clients and nonclients work through the federal Paycheck Protect Program loan forgiveness process for a successful outcome.

To best serve its customers, Marquette submitted requests on their behalf. It took a lot of resources and careful planning, but the bank wanted to support community businesses so they could focus on getting back on track. With 100% of applications processed and approved with the maximum forgiveness possible, Marquette's remarkable success was recognized in *The Wall Street Journal*. Dill says, "Putting the community first is what we do. It's who we are."

A Team Built for Growth

The Business Banking department is now 13 years old and has continued to grow year over year while maintaining a lean team. Because Marquette's growth trajectory has been so strong, it was time to add members to the team to help support both current growth and the anticipated growth in the coming years.

Partnering for Success

As Marquette continuously evaluates how to better serve customers, there are certain areas where it's best to work with other industry experts to offer products and services to clients. Partnering with national experts, such as FiTech®, allows Marquette to bring up-to-date, real-time and top-quality merchant service cash products to its client base.

"The thing that I love about Marquette is that while we were still dealing with disruptions caused by the pandemic, everybody stayed focused and committed to each other and to our clients. They continued to find ways to work around external forces, minimizing interference with our delivery of exceptional customer service — and Marquette had its best year ever. Success just doesn't happen, it happens for a reason. And I think our team did all the right things."

— John Dill

JULIE WILSON

Demonstrating sustained growth and stability during the pandemic, Marquette's assets reached nearly \$1.2 billion by the end of 2021. With a net income exceeding \$8.6 million, it remains well-capitalized and prepared for the future. A surprising increase in the adoption of electronic banking by customers during this time was a major contributor to the bank's success.

Marquette has some of the highest capital and excellent return on asset ratios compared to other banks of its size, and the consistency of these ratios is what makes us such a stable lender. Julie Wilson reflected, "It's part of the reason why, over the 33 years I've been with Marquette, the losses we've experienced have been so minimal."

Ranking Among the Best of the Best for More Than 33 Years

These factors are also part of the reason that Marquette has been ranked among the best banks in the nation by BauerFinancial, Inc., with a five-star rating for security, strength and reliability for 133 consecutive quarters.

The Source of Our Strength

Marquette recognizes that employees are the source of its strength and its connection to the community and its customers. Wilson says, "It was an honor to watch them assist both customers and noncustomers through the pandemic and to support people who lost their jobs."

Giving Back to Vital Community Assets

As a hometown bank, Marquette is committed to giving back to its employees, its customers and its community. "As a member of Marquette's contributions committee," Wilson says, "I am proud to assist with charitable giving decision making."

While other organizations cut back on donations during the past two years, Marquette was committed to continuing support of local nonprofits during this difficult time. In fact, the bank gave more than ever.

In 2021, Marquette was able to provide \$580,000 in funding to local nonprofits — \$8,000 more than in 2020 and \$18,000 more than in 2019. These organizations are vital to the success of the community and Marquette was committed to ensuring that they were able to continue offering their services.

Supporting Nonprofits for the Greatest Impact

Marquette selects strong nonprofits that have a solid track record of assisting those in need on a grassroots level.

To help those hit hardest by the pandemic and struggling to feed their families, additional funds were given to the Second Harvest Food Bank.

To help provide emergency assistance with rent, utilities, groceries, clothing and more, the St. Martin Center was an ideal recipient of funding because they also help people meet long-term goals through education on financial literacy, budgeting basics and homebuying.

To help clean up blighted properties and provide assistance with rent, continued support was given to Our West Bayfront through donations and volunteer work.

Through these efforts and continued support of our local zoo and museums, Marquette contributes to creating a vibrant, culturally rich community.

"If we can assist someone out of poverty, give them the ability to succeed through education, and help create a thriving community to support them, then we can make a difference with real, lasting effects."

— Julie Wilson



Julie Wilson

Julie Wilson

Executive Vice President and Treasurer/CFO

MARQUETTE BUSINESS BANKING



John Dill
Executive Vice
President and Chief
Lending Officer



Jon Patsy
Vice President and
Business Banker



Daniel Walsh
Vice President and
Business Banker



Terry Danko
Vice President and
Business Banker



Sarah Giambanco
Assistant Vice
President and
Business Banker



Katrina Vincent
Assistant Vice
President and
Business Banker



Julie Martin
Vice President
and Commercial
Administration
Services Manager



Sherry Waller
Assistant Vice
President and
Business Banking
Credit Analyst



Jami Sundberg
Assistant Secretary
and Business Banking
Credit Analyst



Chad Ball
Vice President and
Manager of Business
Banking Product
Development
and Services



Beverly Schneider
Commercial Loan
Assistant



Jennifer Kuhn
Business Banking
Administrator



Kelly Yost
Business Banking
Cash Management
Specialist



Shanel Potts
Business Banking
Loan Servicing
Representative



Julie Schwindt
Business Banking
Portfolio Manager

MARQUETTE LOAN OFFICERS



Tammy Baker
Branch Manager
920 Peach St.
Erie, Pa.



Michael Carmosino
Asst. Branch Manager
920 Peach St.
Erie, Pa.



Michael Kitts
Branch Manager
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Erie, Pa.



Erin May
Asst. Branch Manager
3801 Sterrettania Rd.
Erie, Pa.



Debra Mealy
Branch Manager
209 West Plum St.
Edinboro, Pa.



Kathy Bush
Asst. Branch Manager
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Edinboro, Pa.



Nancy Enterline
Branch Manager
14 North Main St.
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Kimberly LeCorchick
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Albion, Pa.



Cora Mozina
Branch Manager
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Conneaut Lake, Pa.



Kosette Clark
Asst. Branch
Manager
210 Water St.
Conneaut Lake, Pa.



Jennifer Bond
Branch Manager
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Erie, Pa.



Jennifer Humphries
Asst. Branch Manager
2320 West 12th St.
Erie, Pa.



Angela Diver
Branch Manager
3404 Liberty St.
Erie, Pa.



Angela Potter
Asst. Branch Manager
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Grace Ewanick
Branch Manager
1775 East 38th St.
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Craig Dombrowski
Asst. Branch Manager
1775 East 38th St.
Erie, Pa.



Alicia Wieczorek
Asst. Branch Manager
1775 East 38th St.
Erie, Pa.



Dawn Fronce
Branch Manager
1075 Park Ave.
Meadville, Pa.



Mindy Redding
Asst. Branch Manager
1075 Park Ave.
Meadville, Pa.



Jamie Chiocco
Branch Manager
16272 Conneaut
Lake Rd.
Meadville, Pa.

FINANCIALS

Statement of Financial Condition

ASSETS

	2021
Cash and investments	462,378,587
Loans receivable, net	629,716,836
Accrued interest receivable	3,668,064
Federal Home Loan Bank stock, at cost	4,131,800
Premises and equipment, net	25,699,233
Bank-owned life insurance	39,779,380
Real estate owned, net	65,748
Goodwill	2,569,345
Other assets	4,598,658
Total assets	\$1,172,607,651

LIABILITIES

Deposits	976,280,228
Advances from borrowers for taxes and insurance	3,520,563
Accrued interest payable and other liabilities	10,837,043
Total liabilities	\$990,637,834

EQUITY

Retained earnings	179,948,808
Accumulated other comprehensive income	2,021,009
Total equity	181,969,817
Total liabilities and equity	\$1,172,607,651

Condensed Statement of Income

	2021
Interest and dividend income	\$26,578,807
Interest and fees on loans	7,371,242
Interest and dividends on investments	7,042,029
Total interest and dividend income	33,950,049

Interest expense	4,809,934
Deposits	29,140,115
Net interest income	26,767,943

Provision for loan losses	460,786
Net interest income after provision for loan losses	28,679,329
Total non-interest income	3,930,011
Total non-interest expense	22,461,942
Income before income taxes	10,147,398
Income tax expense	1,535,062
Net income	\$8,612,336

December 31, 2021, and 2020

2020

Cash and investments	381,686,986
Loans receivable, net	597,793,114
Accrued interest receivable	3,952,646
Federal Home Loan Bank stock, at cost	4,759,700
Premises and equipment, net	23,751,843
Bank-owned life insurance	33,139,079
Real estate owned, net	292,974
Goodwill	2,569,345
Other assets	2,943,294
Total assets	\$1,050,888,981

Deposits	855,873,656
Advances from borrowers for taxes and insurance	3,265,664
Accrued interest payable and other liabilities	13,856,149
Total liabilities	\$872,995,469

Retained earnings	171,336,472
Accumulated other comprehensive income	6,557,040
Total equity	177,893,512
Total liabilities and equity	\$1,050,888,981

Years Ended December 31, 2021, and 2020

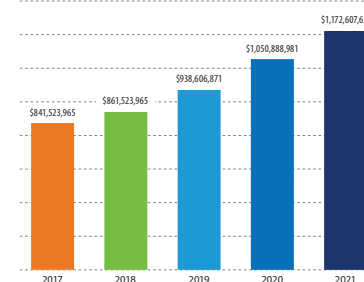
2020

Interest and dividend income	\$26,578,080
Interest and fees on loans	7,042,029
Interest and dividends on investments	7,042,029
Total interest and dividend income	33,620,109

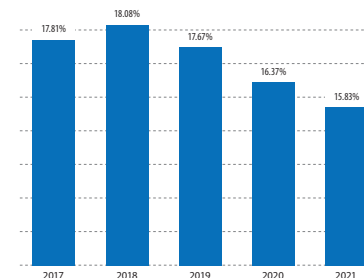
Interest expense	6,852,166
Deposits	26,767,943
Net interest income	26,767,943

Provision for loan losses	1,046,815
Net interest income after provision for loan losses	25,721,128
Total non-interest income	3,031,535
Total non-interest expense	22,053,181
Income before income taxes	6,699,482
Income tax expense	837,885
Net income	\$5,861,597

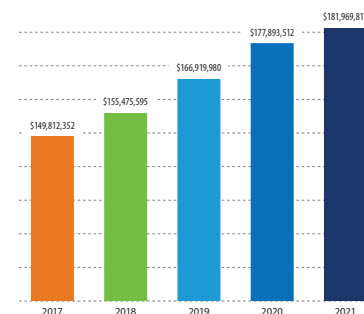
TOTAL ASSETS



CAPITAL STRENGTH (Tier One Leverage Capital)*



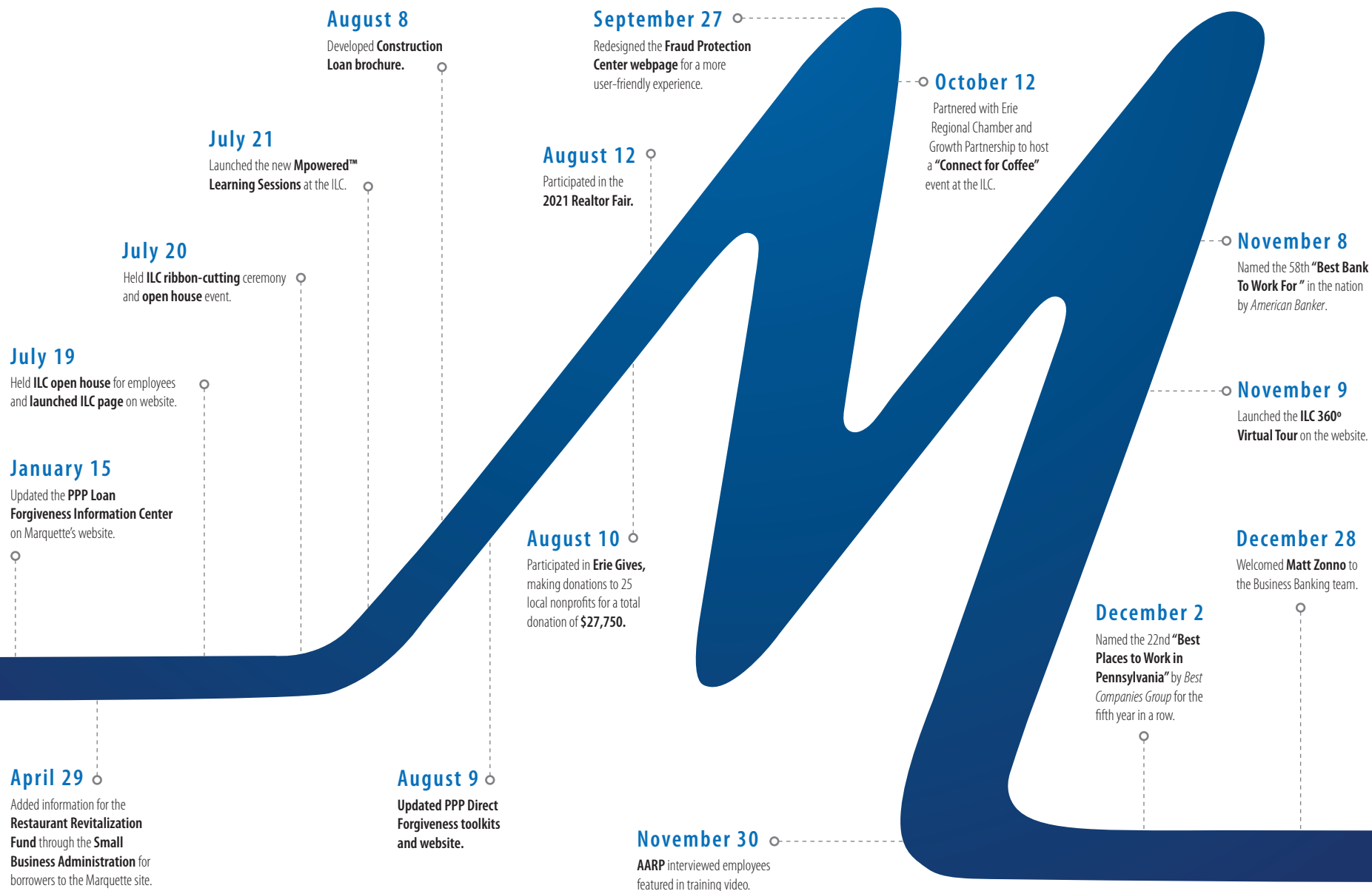
TOTAL EQUITY CAPITAL



All Marquette Savings Bank financial data reported is obtained from 2021 financial statements audited by Crowe LLP.

*Well capitalized minimum under the Community Bank Leverage Ratio (CBLR) is 8.5%.

2021 TIMELINE OF SIGNIFICANT ACCOMPLISHMENTS



THANK YOU, MICHAEL.

After 34 years at Marquette Savings Bank and 20 years as chief executive officer, Mike Edwards announced that he will retire in July 2022.

The bank enjoyed remarkable success under Edwards' leadership. As the banking industry experienced significant changes, he oversaw Marquette's transformation into the community bank it is today. This transformation helped Marquette receive recognition as one of the most financially strong community banks in the country.

During his tenure as CEO, he oversaw the bank's growth to 12 branches and 150 jobs throughout Erie and Crawford counties. Thanks to his exceptional leadership, even as Marquette grew by 108 employees, from 42 to 150, the bank achieved, then maintained a listing as a "Best Place to Work" in Pennsylvania. This is a testament to his remarkable leadership and the culture he fostered for employees throughout that growth.

Marquette's new 15,000-square-foot ILC and expanded headquarters on Peach Street in Erie helps customers leverage innovative banking technology, provides much-needed space for current and future growth, and supports a culture of collaboration throughout its design. It also serves as a lasting reminder of Edwards' legacy and leadership.

After an extensive national search, the board confirmed that Edwards will be succeeded by Executive Vice President and Chief Lending Officer, John Dill. We are well-positioned for the future and look forward to sharing future stories of growth and success.



2021 OFFICERS

Michael B. Edwards	Senior Executive Vice President and Secretary/CEO
John Dill	Executive Vice President and Chief Lending Officer
Kelly A. Montefiori	Executive Vice President and Assistant Secretary/COO
Julie M. Wilson	Executive Vice President and Treasurer/CFO
Edmund A. Drexler	Senior Vice President
Steve Kightlinger	Senior Vice President
Stella LaPaglia	Senior Vice President
Lisa N. Lopez	Senior Vice President
Pete Sitter	Senior Vice President
Thomas Hesck	Vice President and Assistant Treasurer
Chad Ball	Vice President
Terry Danko	Vice President
Grace A. Ewanick	Vice President
Blaine Fellows	Vice President
Meredith Johnson	Vice President
Jon Patsy	Vice President
Daniel J. Walsh	Vice President
Jennifer M. Bond	Assistant Vice President
Michael Burillo	Assistant Vice President
Jamie Chiocco	Assistant Vice President
Angela Diver	Assistant Vice President
Craig Dombrowski	Assistant Vice President

Nancy A. Enterline	Assistant Vice President
Anthony Ferrare	Assistant Vice President
Dawn Fronce	Assistant Vice President
Sarah Giambanco	Assistant Vice President
Michael Kitts	Assistant Vice President
Debra Mealy	Assistant Vice President
Cora Mozina	Assistant Vice President
Debra Ray	Assistant Vice President
Debra A. Schwenk	Assistant Vice President
Scott Shaffer	Assistant Vice President
Trisha Snook	Assistant Vice President
Katrina Vincent	Assistant Vice President
Sherry J. Waller	Assistant Vice President
Tammy Baker	Assistant Secretary
Kathleen Bush	Assistant Secretary
Michael Carmosino	Assistant Secretary
Kosette Clark	Assistant Secretary
Jennifer L. Humphries	Assistant Secretary
Kimberly LeCorchick	Assistant Secretary
Erin May	Assistant Secretary
Angela Potter	Assistant Secretary
Mindy Redding	Assistant Secretary
Jami Sundberg	Assistant Secretary
Ben Vrablik	Assistant Secretary
Alicia Wiczorek	Assistant Secretary

2021 BOARD OF TRUSTEES

Stephen M. Danch	Chairman of the Board and President
Douglas F. Ziegler	Vice Chairman of the Board
Kathleen Brugger, CPA	Trustee
Atty. Donald F. Fessler Jr.	Trustee
J. Maxwell Holt	Trustee
C. Bruce Kern II	Trustee
Charles G. Knight, CPA, CVA	Trustee
Roger L. Schlosser	Trustee
Donald S. Sieber	Trustee
Leo J. Brugger Jr.*	Trustee Emeritus
Donald F. Fessler Sr.	Trustee Emeritus
Richard T. McCormick	Trustee Emeritus
Herman C. Weber Jr.	Trustee Emeritus
Harry J. West*	Trustee Emeritus

* Deceased

Marquette Savings Bank is a community bank with nearly \$1.2 billion in assets, maintaining 12 locations in Erie and Crawford counties. In operation since 1908, Marquette is highly regarded for its relationship-banking approach and financial strength. Continual investment in technology positions Marquette at the leading edge of products and services that make banking easier and more convenient for customers. As "THE HOMETOWN BANK," Marquette's customer-first focus, responsiveness and ability to make local decisions continues to drive commercial and personal banking growth.



Marquette is the only remaining locally headquartered bank in the Erie region. Every dollar stays here to Mpower™ businesses to grow and create jobs, individuals and families to prosper, communities to be better places and employees to be their best

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