

First Mutual Holding Co. (Private; Lakewood, OH) Closes Private Placement of \$10.0 Million of Subordinated Notes due 2028

Sandler O'Neill + Partners, L.P. served as the sole placement agent for this offering.

This transaction is the 79th subordinated note or senior note transaction for a community bank since January 1, 2016 in which Sandler O'Neill acted as a placement agent, sole underwriter, book runner or initial purchaser.¹ These transactions have raised approximately \$4.6 billion for our clients, representing 66.4% market share of announced transactions.¹

About the Offering:

Lakewood, OH (February 12, 2018) – First Mutual Holding Co. (the "Company"), the no-stock mutual holding company for First Federal Savings and Loan Association of Lakewood ("First Federal Lakewood") and First Mutual Bank, FSB ("First Mutual Bank"), announced today the completion of its private placement of \$10.0 million in fixed-to-floating rate subordinated notes due 2028 (the "Notes"). The Notes bear a fixed rate of 5.50% for the first five years and will reset quarterly thereafter to the then current three-month LIBOR rate plus 294 basis points.

The Company intends to use the net proceeds from the offering for general corporate purposes, including improving the liquidity position at the holding company and providing capital to its primary bank subsidiary. The Notes are intended to qualify as Tier 2 capital for the Company for regulatory purposes and the portion that the Company contributes to First Federal Lakewood will qualify as Tier 1 capital for First Federal Lakewood.

This announcement is for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to buy securities.

About the Company:

First Mutual Holding Co. is the no-stock mutual holding company for First Federal Lakewood and First Mutual Bank. First Federal Lakewood is the largest independent depositor-owned bank headquartered in Ohio with eighteen full-service branch locations and fourteen mortgage lending offices throughout Ohio. First Mutual Bank is a result of the Company's acquisition of Doolin Security Savings Bank, FSB in January 2018. Concurrent with the acquisition of Doolin Security Savings Bank, FSB, Belpre Savings Bank, acquired by the Company in November 2016, merged into First Mutual Bank. First Mutual Bank operates four branches, with one branch located in Belpre, Ohio and three branches located in West Virginia. Further information can be obtained by visiting the Company's website at firstmutualholding.com.

(1) Source: Sandler O'Neill Syndicate Desk, Bloomberg. Deal count includes nationwide subordinated debt and senior note offerings for Community Banks; Community Banks defined as banks or bank holding companies with less than \$25 billion in assets.

(2) Financial data is not pro forma for the offering.

February 7, 2018

5.500% Fixed-to-Floating Rate
Subordinated Notes due 2028

\$10.0 Million

First Mutual Holding Co.

Sole Placement Agent

SANDLER O'NEILL + PARTNERS

Financial Highlights as of September 30, 2017²*(Dollars in millions)*

Total Assets	\$1,823
Net Loans	1,402
Total Deposits	1,386
Total Equity	184
Tang. Common Equity / Tang. Assets	9.80%
LTM ROAA	0.46%
LTM ROAE	4.25%

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