

December 9, 2020

Dear Shareholder of Dart Financial Corporation,

We are pleased to announce the board of directors of Dart Bank have approved the payment of a special dividend of \$.23 per share to shareholders of record as of December 15, 2020. A check, advice of credit, or a dividend reinvestment statement will be sent on December 22, 2020. We are happy to report that the dividends paid to you in the calendar year of 2020 were \$ 1.25 per share and represent the highest level of dividends paid to you in Dart Bank's history. As we write this letter, many variables of how this pandemic will affect everyone remain; however, we are confident in the financial strength of Dart Bank to be able to manage through difficult times.

With the last dividend, you received the third quarter's income statement and balance sheet. Earnings for the first three quarters of 2020 are \$5.66 per share. These results are significantly higher than 2019 at \$2.23 per share, 2018 at \$2.44 per share, and 2017 at \$1.79 per share. The main reason for this increase is the historic volume that we are experiencing in our residential lending area. During the first three quarters of 2020, we have closed 2,399 residential first mortgage loans, for almost \$600 million in loan volume. Comparatively, in 2019, we closed 1,875 loans for roughly \$400 million in loan volume. The increased volume has been driven by refinances, due to the low rate environment and a robust purchase and construction market. In addition, early 2020 brought the addition of two new mortgage-lending offices in Grand Rapids and Lake Orion.

Also positive, we have increased our total deposit base by over \$140 million during 2020, which is mostly comprised of non-interest or lower-cost interest bearing deposit accounts. We have also seen increases in both our interest and non-interest income compared to 2019.

The biggest risk to the bank, during and after this pandemic, is loan losses. In the past few years, the bank has experienced low delinquency and non-performing loan ratios. At this time, we are still experiencing low levels in both areas. However, this year through October, we have added over \$2.8 million to our loan loss reserve to protect the bank against any future losses.

To reinforce what is stated above, with many unknowns still ahead, shareholders should take comfort in the bank's ability to respond to this crisis. The board of directors, management and all employees have worked together to make sure that the bank continues to operate in a safe and secure manner. We remain dedicated to the safety and well-being of our customers and employees, with a majority of our employees working remotely. We continue to keep the offices safe by following all cleaning protocols, social distancing and handwashing. All of our offices remain open to serve our customers. We have always said we would be there for our customers when they need us, and we remain steadfast in our promise to serve them. We cannot predict what the future will hold, but are confident with the team we have built in being able to handle any situation.

Lastly, we would like to extend our heartfelt appreciation for all of the hard work, dedication, diligence and determination our employees have shown during this unprecedented time.

We thank you for all of your support, and we will continue to provide updates on what is happening at your bank.

Sincerely,



William Hufnagel
President/CEO



John Grettenberger
Chairman of the Board