

July 30, 2020

Dear Shareholder of Dart Financial Corporation (DFC):

We are pleased to enclose a dividend of \$.23 for each share of DFC stock that you own. A check, advice of credit or dividend reinvestment statement is included with this letter. This is the third dividend of the year, including a special dividend that was paid in March. It is the Board of Directors plan to continue with the dividends for the remainder of the year; however, the decision will be made each quarter and will depend on the performance of the bank and the overall economic conditions.

Management and all employees of the bank are performing at a very high level. We feel true character is shown during difficult times. During this pandemic, Dart Bank employees have not only lived our values, but have done some truly amazing things to serve our shareholders, customers and each other. Our employees had an opportunity to serve and shine and they have done that each day. We are excited about our culture and the people and systems we have in place to lead us into the future. This includes a new loan production office in Lake Orion, Michigan that was opened earlier this summer. While there are still many unknowns on the fallout from the shutdown of the economy, we are in a very good position with our people as well as financially, to handle any issues that may arise.

Along with this letter, we are especially pleased to enclose this quarter's income statement and balance sheet. Earnings for the first half of 2020 are \$2.92 per share and represent a new record for your bank. These results are 83% greater than the previous record achieved in 2019. The biggest concern for the bank is potential loan loss that we may experience due to the coronavirus pandemic and the affect it is having on the businesses and customers that we serve. A loan loss reserve is an expense set aside as an allowance for uncollected loans and loan payments. During the first six months of this year, we added an additional \$1.5 million dollars to our loan loss reserve to help us manage any losses that we may incur. In the second quarter, we closed over 645 Small Business Administration 7(A) Paycheck Protection Program loans, for over \$63 million dollars that helped over 7,700 employees of these businesses. In addition, this year we have closed over 1,500 residential mortgages for over \$360 million dollars in loan volume. This has helped both our non-interest and interest income. Total assets for the bank are currently \$601 million dollars, which is a new high for Dart Bank. Total assets are higher than normal due to the Paycheck Protection Program loans, as well as the deposits associated with these loans.

The new value of each share of DFC stock, as determined by CAMELS Consulting Group, LLC, is \$43.20, an increase of 6.93% from the year-end value of \$40.40. This per share value is based upon the financial result through the second quarter of 2020.

To keep you informed on events within Dart Bank, we are also enclosing our quarterly newsletter. As always, we thank you for your support and investment in Dart Bank.

Sincerely,



William J. Hufnagel
President/CEO



John Grettenberger
Chairman of the Board

