

DARTFINANCIALCORPORATION

October 24, 2017

Dear Shareholder of Dart Financial Corporation:

We are pleased to enclose a dividend of \$.20 for each share of stock you own. You are receiving a check, advice of credit or statement from the Dividend Reinvestment Plan (DRIP) showing the additional shares purchased with this dividend. This is the seventh consecutive dividend of this amount. With this dividend the total paid this calendar year is \$.80 per share which represents the highest level of regular dividends since 2008.

Also enclosed is a summary financial statement for the first nine months of 2017 compared to the prior year. Results for the third quarter were particularly good and lead to a 10.3% increase in net income for the first nine months. The 12.8% increase in the net interest margin is largely responsible for the improvement in earnings. The increase in this margin figure is due to the growth in net loans outstanding as average net loans outstanding grew 26.1% from the same period a year ago. All categories of loans have increased, however residential mortgage loans and consumer loans showed the most growth. Non-interest income increased 3.3% as revenue from mortgage banking is moderating. A tighter supply of residential properties is limiting the opportunities to finance the sale of homes for our clients. Over 80% of residential mortgages we close are to finance our client's purchase of a home. While non-interest expenses did increase by 6.5% through the first nine months, these costs actually declined in the third quarter. As indicated in our second quarter letter to you provision expenses for the loan loss reserve were discontinued on June 30th. Our reserve for future loan losses is at an adequate level as of September 30th.

CAMELS Consulting Group, LLC indicates the value of each share of Dart stock is \$34.30 as of September 30th. This represents a \$.40 increase from the second quarter. The trading in shares through nine months is similar to last year. However, the supply of shares available for purchase from existing shareholders would take nearly three years to place at the current volume of sales. Throughout the summer the board of directors has evaluated options to increase liquidity in the shares of Dart stock. At its October meeting the board agreed upon a definitive plan. The terms of this program will be consistent with the goals communicated to you in April; that such a plan provide liquidity for those who need it, but not be detrimental to non-selling shareholders. We will send you a letter in November fully explaining this plan. In the meantime Michelle Carpenter, Investor Relations Officer, would appreciate any referrals for new shareholders you could provide. She can be reached at (517) 699-3379.

Sincerely,



Peter Kubacki
President & CEO



John Grettenberger
Chairman of the Board