

DARTFINANCIALCORPORATION

October 24, 2016

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. The total of dividends paid to you this calendar year is \$.78 per share, the highest level of regular dividends since 2007.

A balance sheet and profit and loss statement is also enclosed. Earnings per share for the first nine months of 2016 are \$1.64 per share compared to \$2.08 for the prior year period. These results represent a Return on Average Assets of .80% and Return on Average Equity of 7.7%. The net interest margin and non-interest income that make up our revenues increased 11.6% over last year. With respect to the components of these revenues, fee income is up 23.5% and net interest income rose 2.2%. The net interest margin increase is due to a 27.2% increase in net loans. Increases have occurred in the consumer, commercial and mortgage loan areas. Our loan officers are having success finding new clients by promoting the advantages of doing business with a community bank. Fee income is up 23.5% on the strength of increased mortgage banking activity.

Despite the increase in revenue net profits are lower. Significant strategic investments have been made in people, places and processes to support the increase in earning assets, but in the short term are affecting profit. In the fourth quarter of 2015 we opened a lending office in Grand Rapids which has aided the growth in mortgage banking income in 2016. In late June we opened our fourth full service banking office in Frandor, sharing space with Home Loan Center personnel. Late in the quarter all Mason based employees moved into the new banking office and headquarters. While most of the costs of our headquarters have been capitalized, there has been increased overhead in support of construction and onetime costs of the move. In previous letters we have spoken to you of investments in new lending operating systems. We are at the final stages of completion of those investments and should see efficiencies in our operations in coming months.

CAMELS Consulting Group, LLC has just released the report for the third quarter showing the value of each share of Dart stock you own. The valuation is \$32.65 per share. This represents a 3.0% increase from year-end. Referrals for new shareholders or purchases for additional shares of Dart stock are encouraged. Michelle Carpenter in Investor Relations at (517) 699-3379 will be pleased to hear from you.

We are very pleased with our new home in Mason and are having grand opening events scheduled this week. Please stop by. We will be glad to show you around.

Sincerely,



Peter Kubacki
President & CEO



John Grettenberger
Chairman of the Board