

Welcome

to the 2011
DCB Financial Corp
Annual Meeting



Forward-Looking Statements

Certain statements in this report constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, such as statements relating to the financial condition and prospects, lending risks, plans for future business development and marketing activities, capital spending and financing sources, capital structure, the effects of regulation and competition, and the prospective business of both the Corporation and its wholly-owned subsidiary The Delaware County Bank & Trust Company (the “Bank”). Where used in this report, the word “anticipate,” “believe,” “estimate,” “expect,” “intend,” and similar words and expressions, related to the Corporation or the Bank or their respective management, identify forward-looking statements. Such forward-looking statements reflect the current views of the Corporation and are based on information currently available to the management of the Corporation and the Bank and upon current expectations, estimates, and projections about the Corporation and its industry, management’s belief with respect thereto, and certain assumptions made by management. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements.

Potential risks and uncertainties include, but are not limited to: (i) significant increases in competitive pressure in the banking and financial services industries; (ii) changes in the interest rate environment which could reduce anticipated or actual margins; (iii) changes in political conditions or the legislative or regulatory environment; (iv) general economic conditions, either nationally or regionally (especially in central Ohio), becoming less favorable than expected resulting in, among other things, a deterioration in credit quality of assets; (v) changes occurring in business conditions and inflation; (vi) changes in technology; (vii) changes in monetary and tax policies; (viii) changes in the securities markets; and (ix) other risks and uncertainties detailed from time to time in the filings of the Corporation with the Commission.

The Corporation does not undertake, and specifically disclaims any obligation, to publicly revise any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.

Vicki J. Lewis

Board Chair
DCB Financial Corp



Board Actions

Changes in Leadership

Both at the Board and Bank Level

Consent Order

Keefe, Bruyette & Woods (KBW)

Strategic Initiatives

Regular Reporting and Interaction With Regulators

Outside Assistance

Financial Performance Partners, LLC (FPP)

Plante & Moran

Keeping and Recruiting Talent





David Folkwein

President & CEO

The Delaware County Bank & Trust

Performance Metrics

Efficiency Ratio

Currently ranges from 85% to 90%

Short-term goal is to be near 75%

Net Interest Margin

Net Interest Margin is near 3.5%

Liquidity Position

Maintained strong depository relationships and cash reserves

Credit Quality

Made great strides during the past year

Continue to reduce problem loans

Capital Position

Improved to 6.55% at the end of the first quarter 2011



John Ustaszewski

Chief Financial Officer
The Delaware County Bank & Trust



Performance 2010 vs. 2009

	<u>2010</u>	<u>2009</u>
Total Interest Income	\$ 28,118	\$ 32,341
Total Interest Expense	6,925	10,558
Net Interest Income	<u>21,193</u>	<u>21,783</u>
Provision For Loan Losses	11,040	9,398
Total Noninterest Income	6,115	3,219
Total Noninterest Expense	23,488	22,989
Gain (Loss) Before Tax Credits	<u>(7,220)</u>	<u>(7,385)</u>
Income Tax	(5,110)	3,185
Net Income (Loss)	<u>\$(12,330)</u>	<u>\$ (4,200)</u>



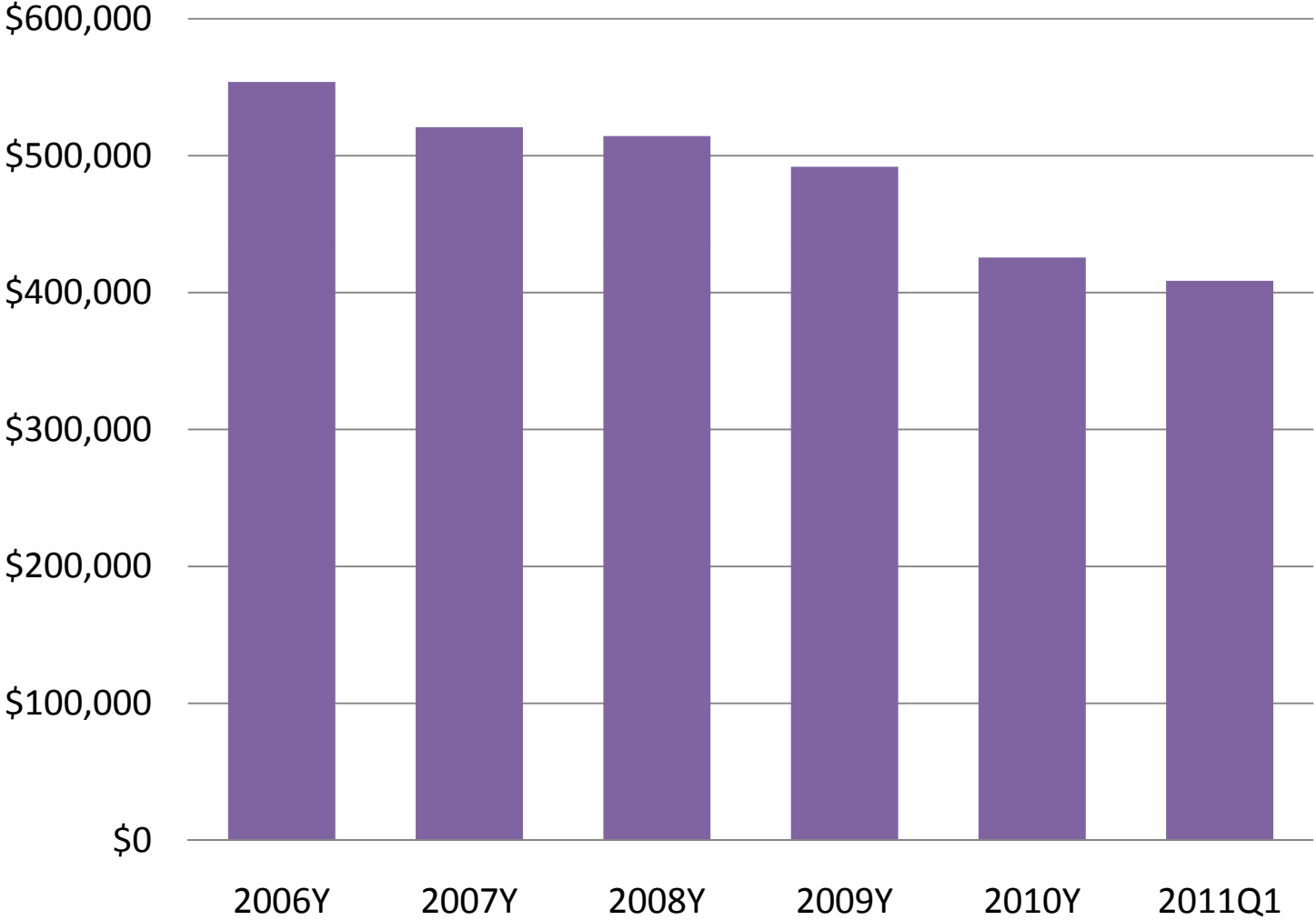
Investment Securities Portfolio

2008Y to 2011Q1



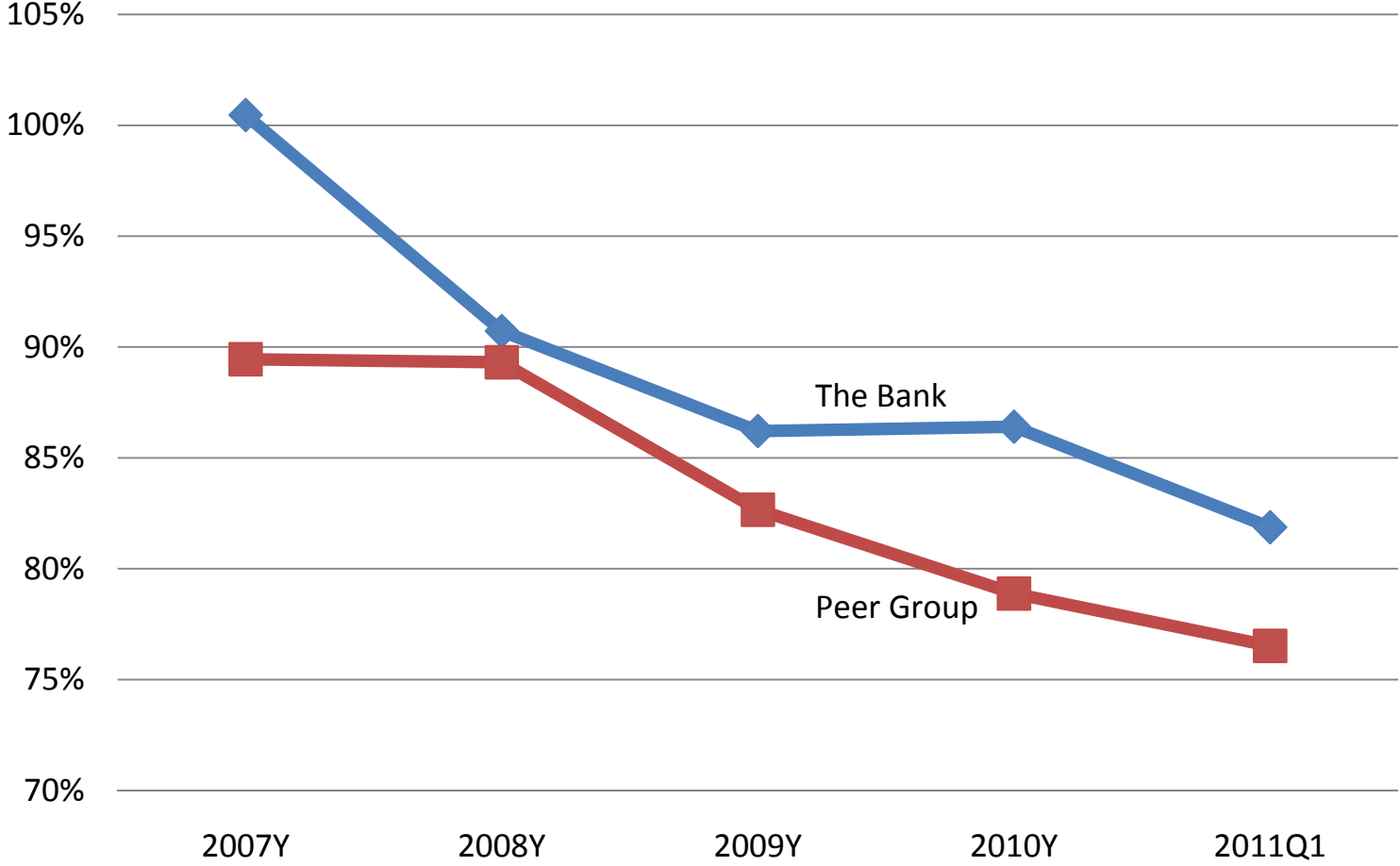
Total Loans

2006Y to 2011Q1



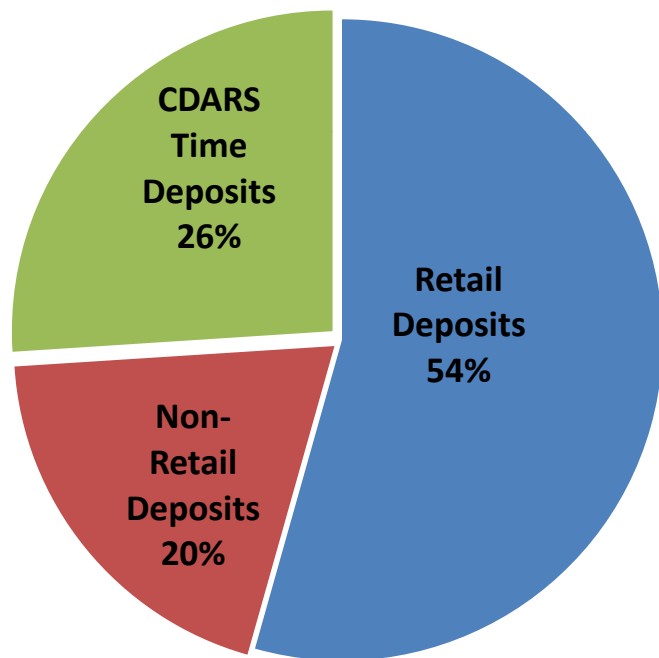
Net Loans to Total Deposit Ratio

2007Y to 2011Q1

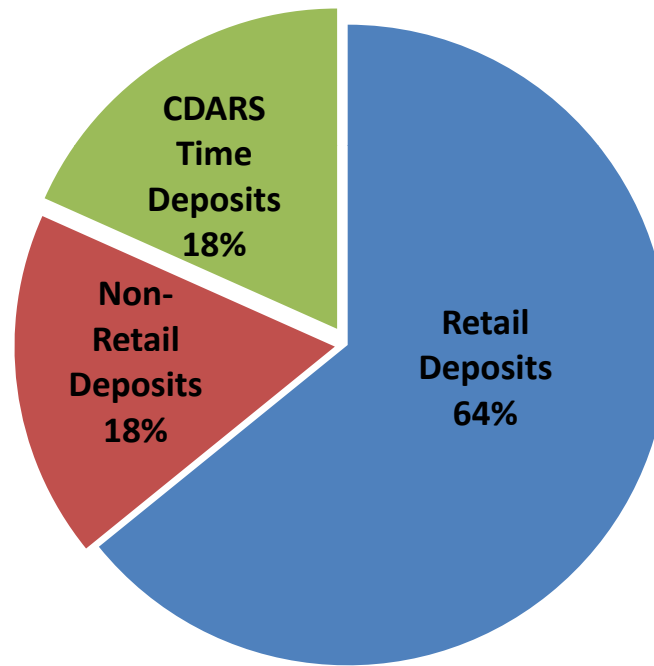


Total Deposit Mix

2008Y vs. 2011Q1



Year End 2008

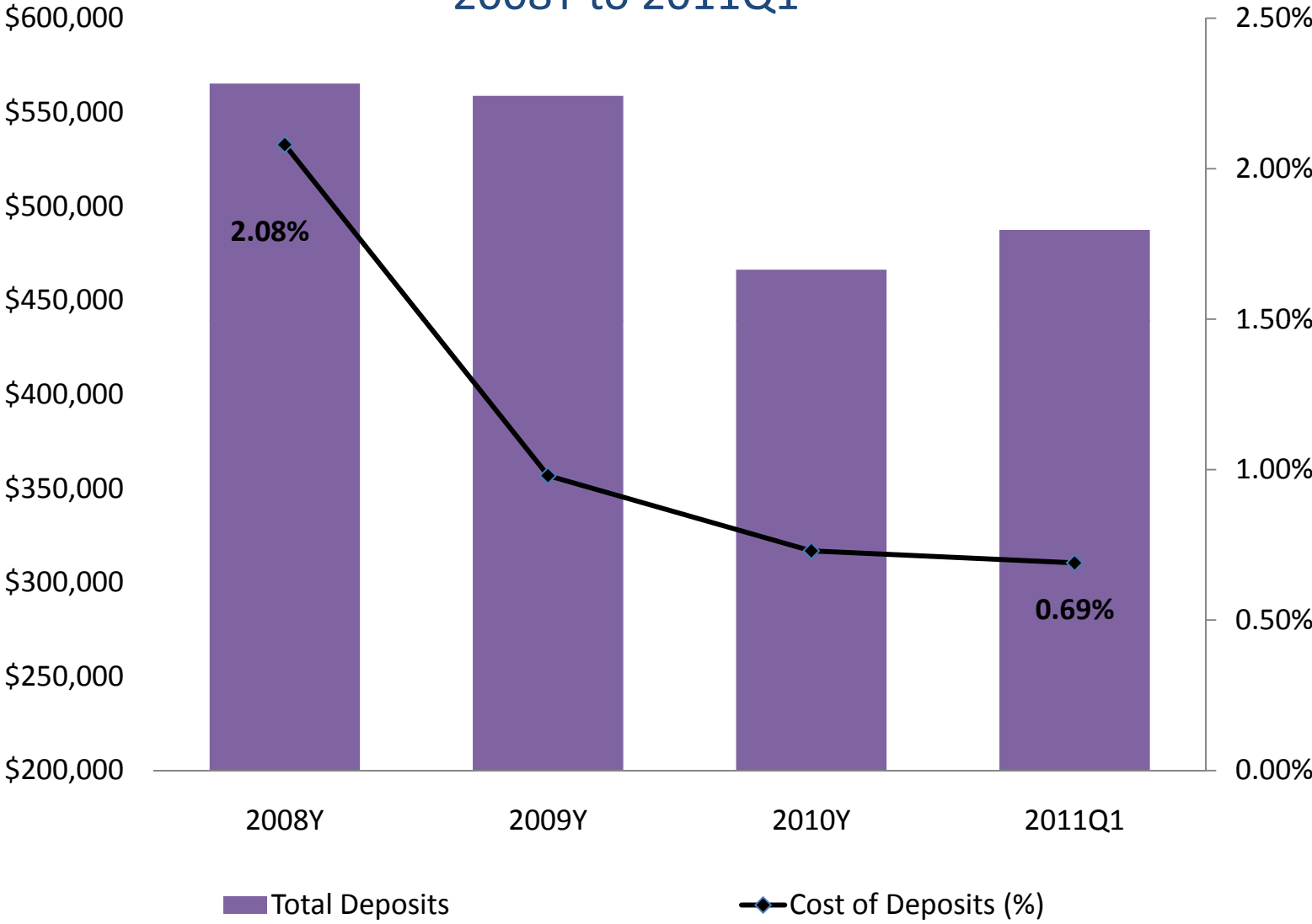


1st Quarter 2011



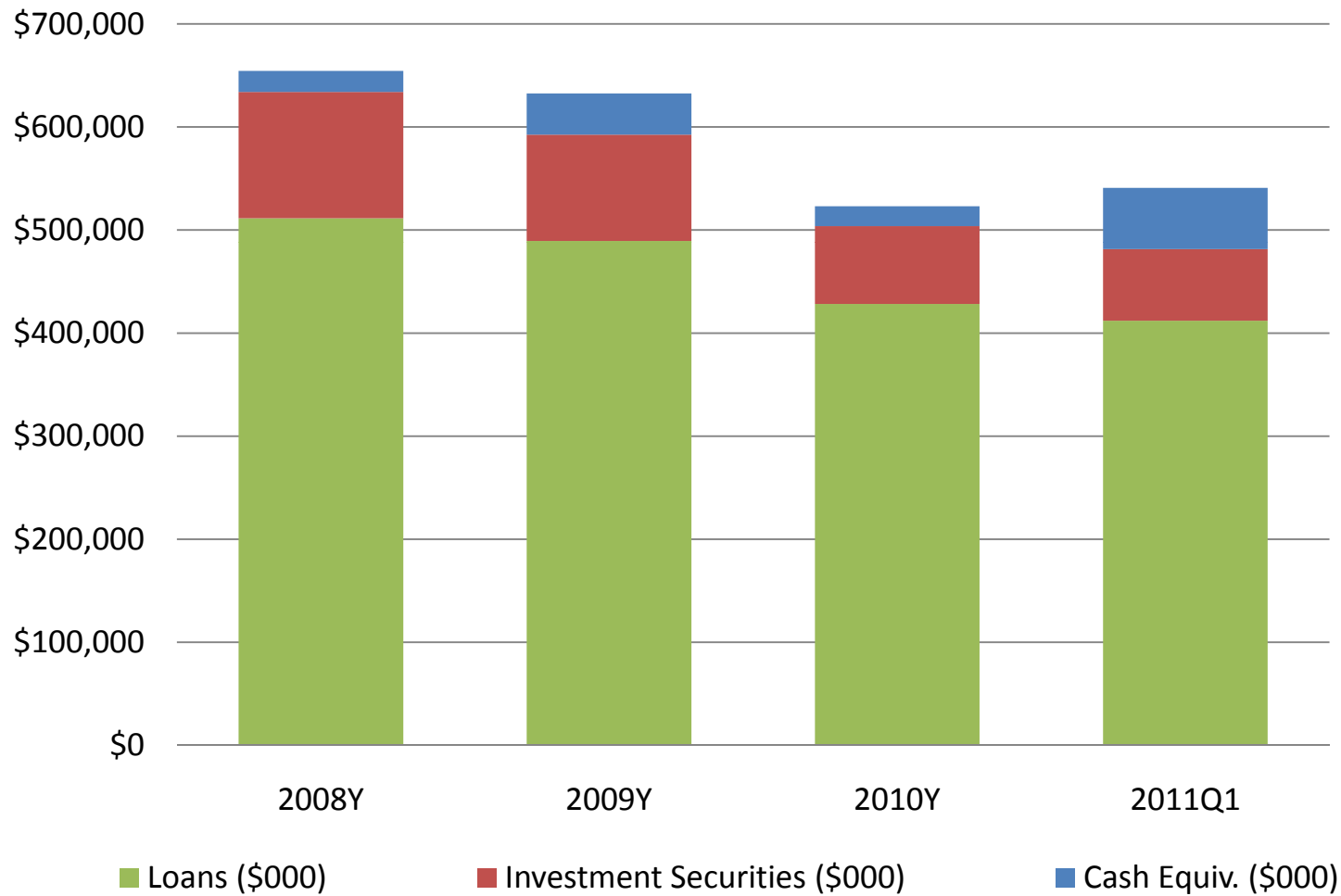
Cost of Deposits

2008Y to 2011Q1



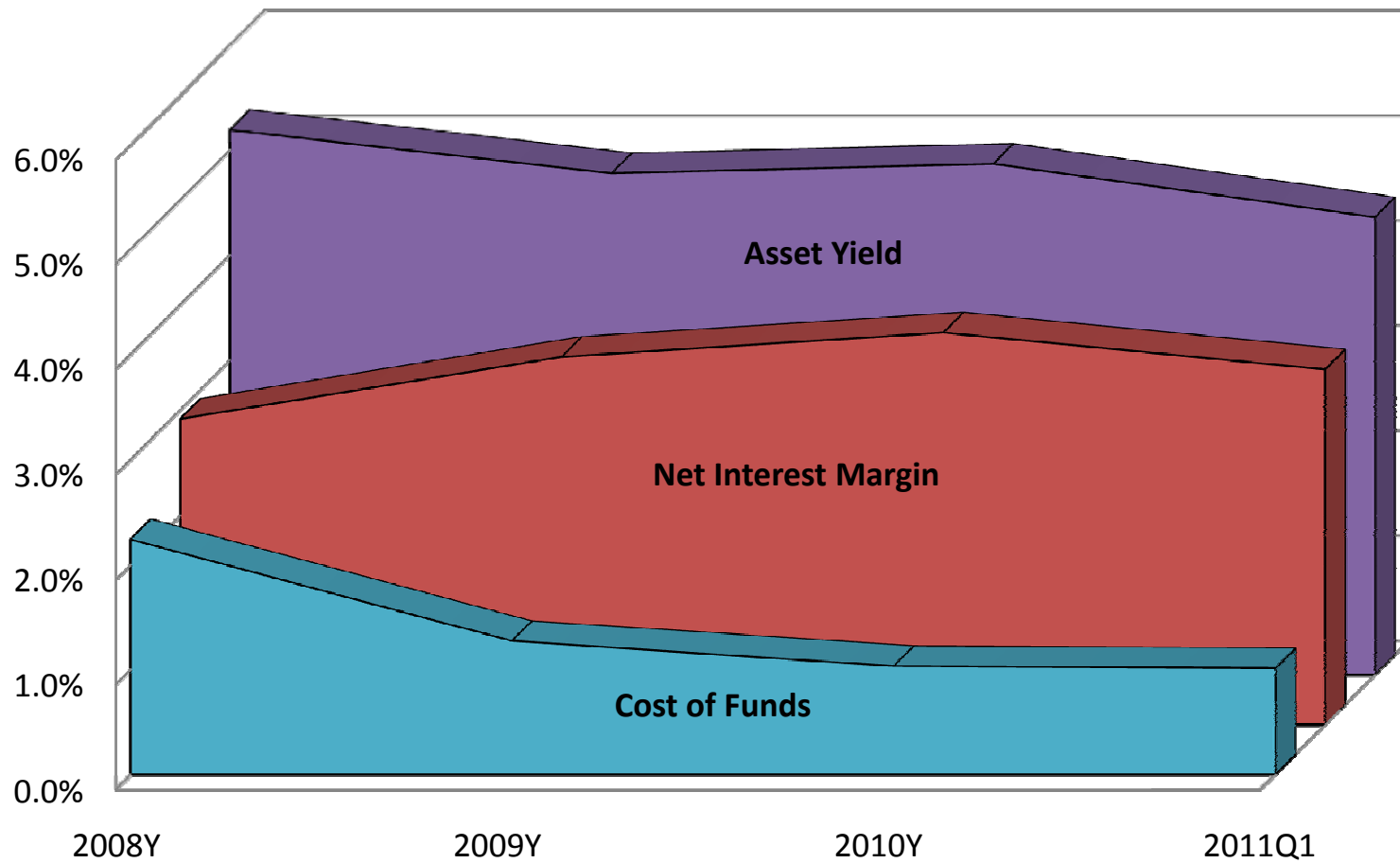
Balance Sheet Management

2008Y to 2011Q1



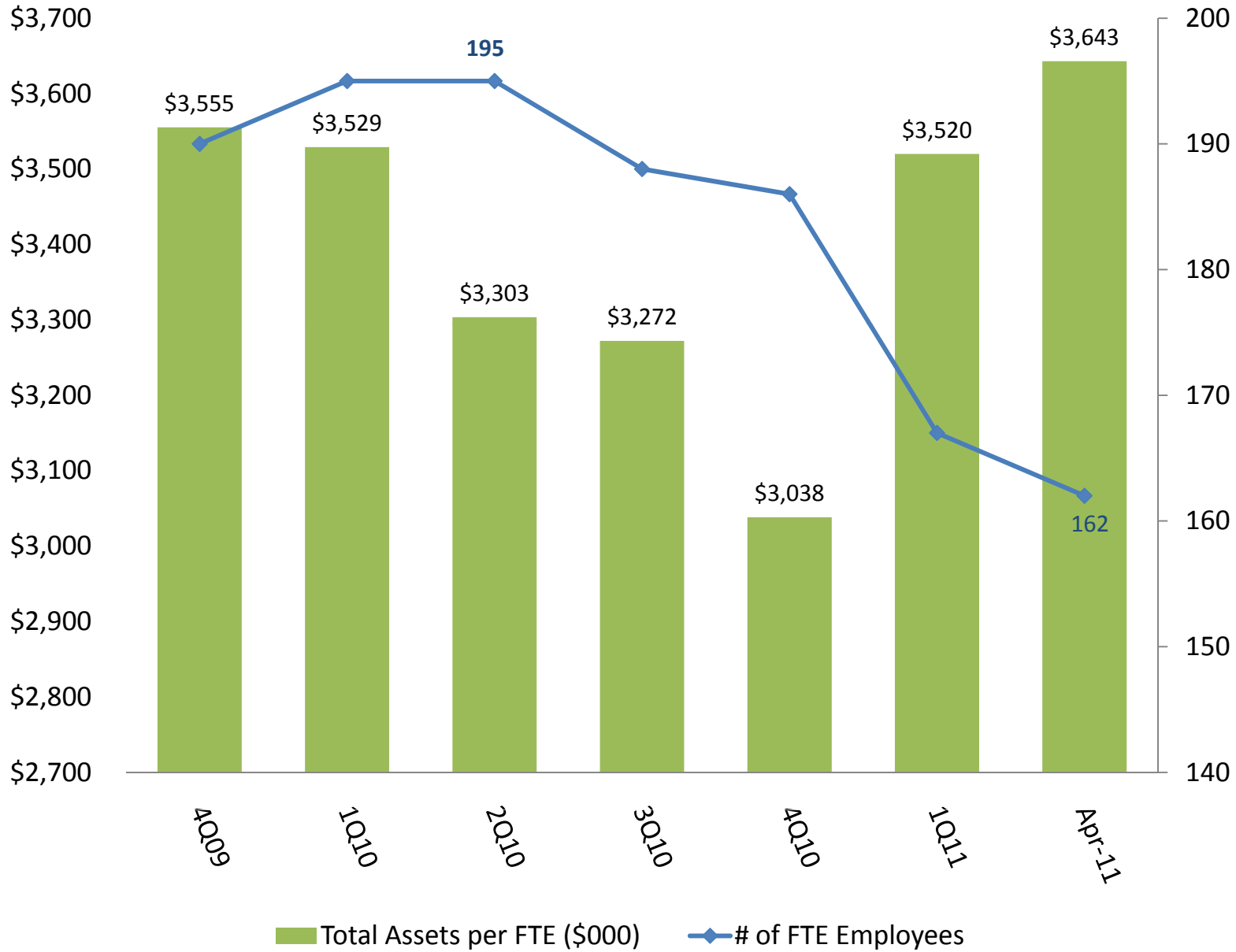
Components of Net Interest Margin

2008Y to 2011Q1



Assets Per Employee (FTE)

2008Y to 2011Q1



Performance 1Q 2011 vs. 1Q 2010

	<u>1Q2011</u>	<u>1Q2010</u>
Total Interest Income	\$ 5,952	\$ 7,395
Total Interest Expense	1,339	1,901
Net Interest Income	4,613	5,494
Provision For Loan Losses	675	1,961
Total Noninterest Income	1,502	436
Total Noninterest Expense	5,431	5,488
Gain (Loss) Before Tax Credits	9	(1,519)
Income Tax	24	631
Net Income (Loss)	\$ 33	\$ (888)



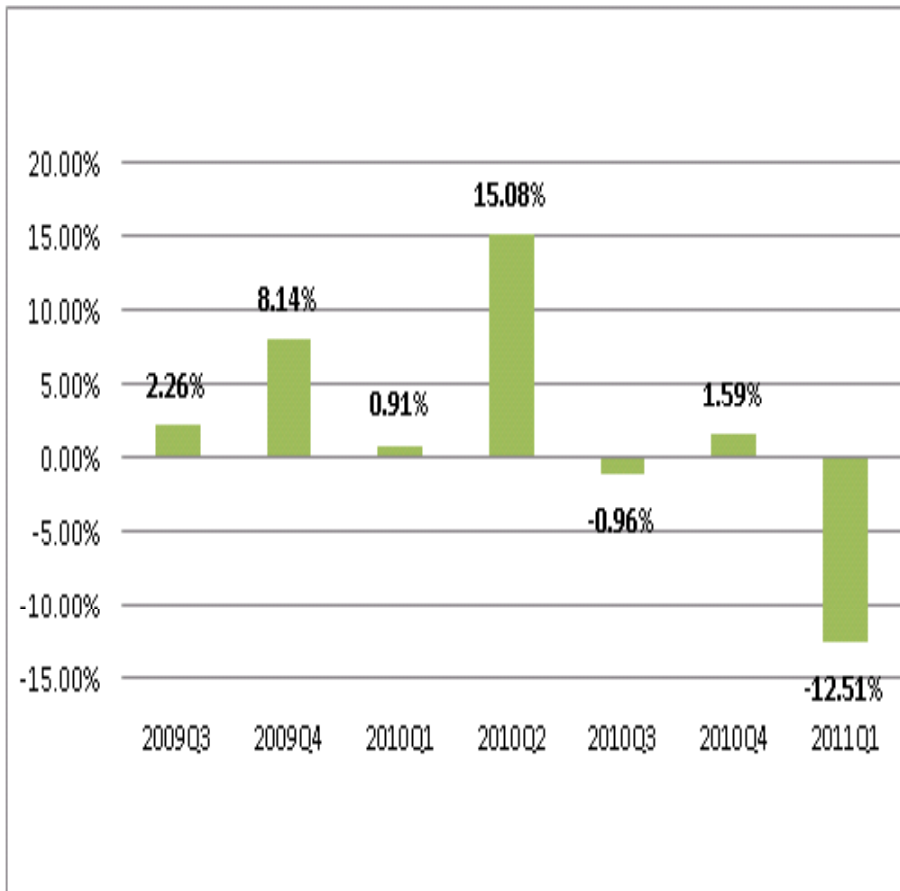


Timothy Kirtley

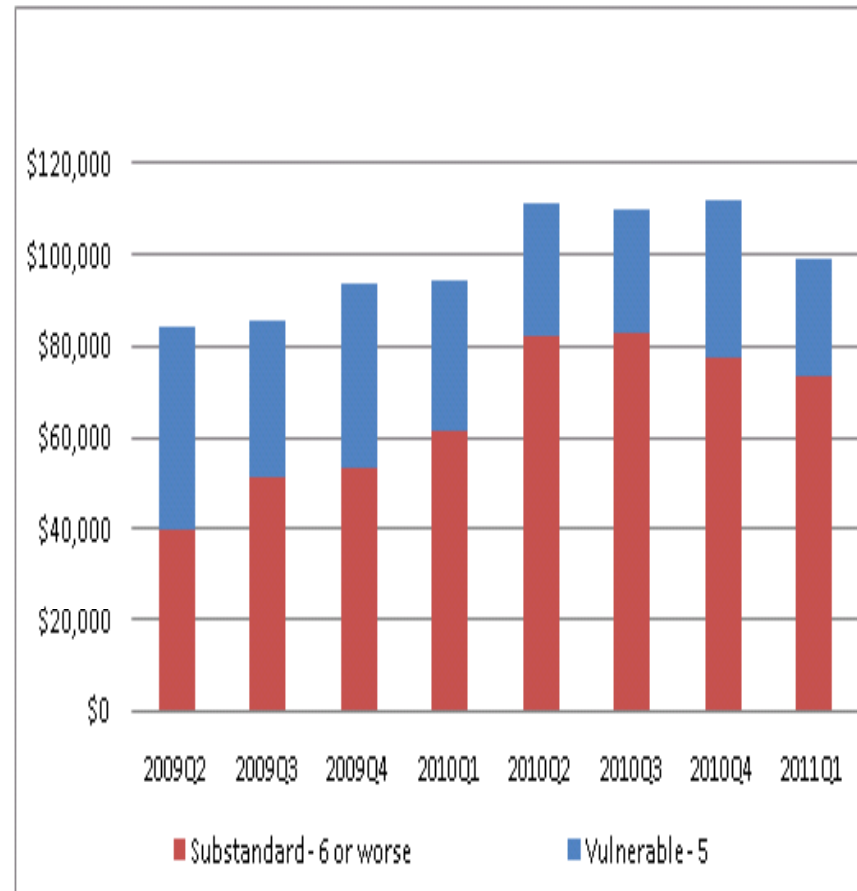
Chief Credit Officer
The Delaware County Bank & Trust

Troubled Loans

Changes in Criticized Assets

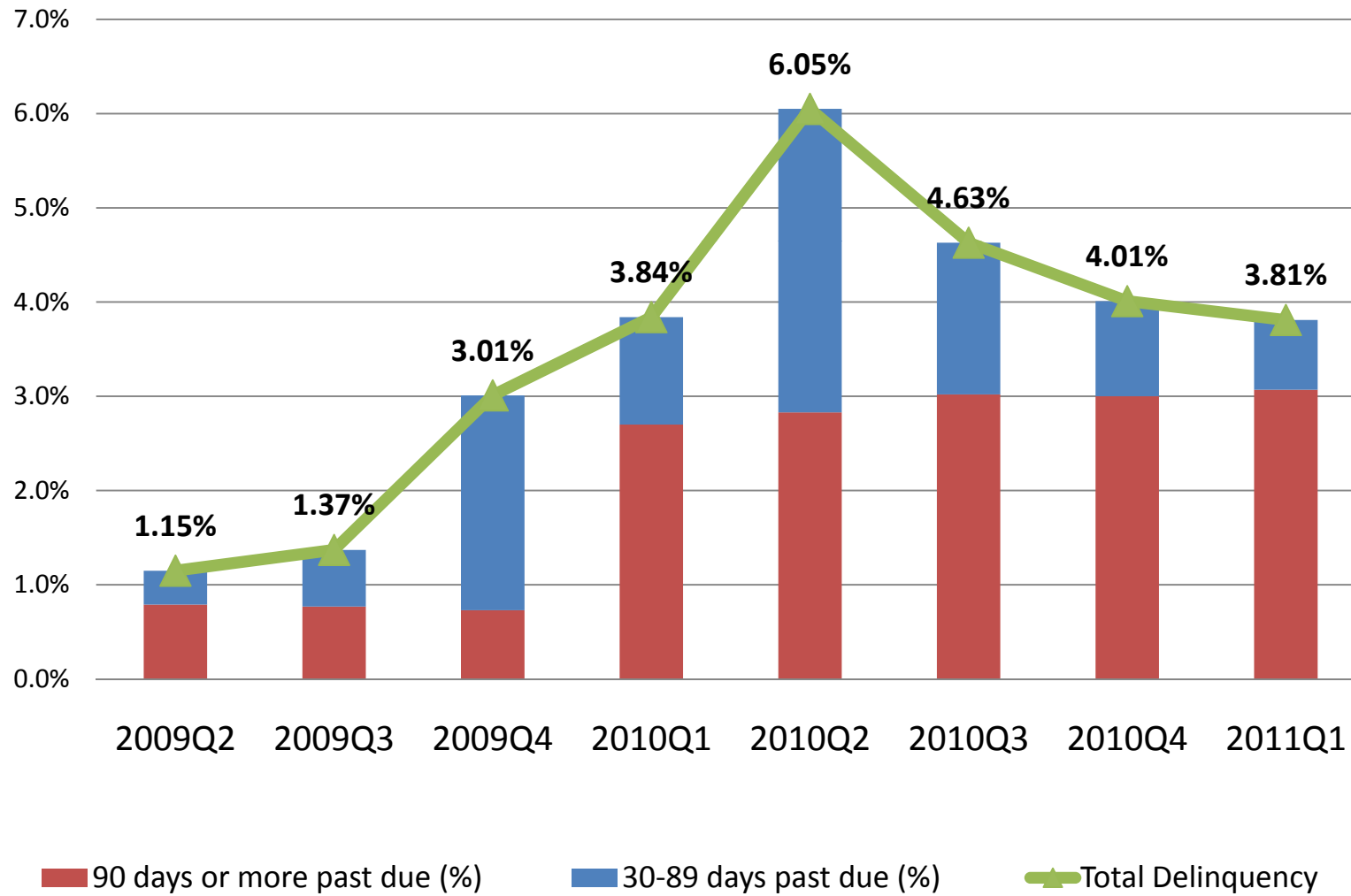


Criticized Assets



Delinquent Loans

2009Q2 to 2011Q1



Thanks for attending

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