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DCB FINANCIAL CORP ANNOUNCES SECOND QUARTER 2010 OPERATING RESULTS

Focus is on strengthening capital and liquidity

LEWIS CENTER, Ohio – DCB Financial Corp. (OTC Bulletin Board: DCBF) announced a net loss of \$2.03 million, or 54 cents per basic and diluted share for the three months that ended June 30, 2010, compared to a net loss of \$721,000, or 19 cents per basic and diluted share for the same period in 2009. The increase in the net loss primarily reflects an increase in the provision for loan losses, offset by a reduction in impairment losses on securities and reduced operating expenses.

Interim President and Chief Executive Officer David Folkwein commented, "Our focus at the Bank is managing credit, reducing risk within our loan portfolio and enhancing liquidity and capital in a deteriorating economic environment. We continue to make steady progress to resolve problem credits but still face meaningful challenges. In addition to addressing the Bank's credit issues, we're also focused on strengthening our capital and liquidity positions by continuing to progressively address our non-performing assets and reducing the Bank's overall balance-sheet size. Because the economic recovery remains challenging for the community that we serve, there is more work to do, but we're getting closer to putting these issues behind us."

Net-Interest Income

Net-interest income decreased slightly to \$5.4 million for the three months that ended June 30, 2010, from \$5.6 million for the same period in 2009, because of reduced levels of earning assets. However, DCB Financial Corp's margin remained stable at 3.57 percent and 3.60 percent, respectively, for the three and six months that ended June 30, 2010, increasing from 3.55 percent and 3.45 percent for the same periods in 2009.

Non-Interest Income

Total non-interest income increased \$688,000, or 62.3 percent, for the three months that ended June 30, 2010, compared to the same period in 2009. The increase is primarily attributed to the effect of other-than-temporary impairment losses recorded in the 2009 quarter.

Non-Interest Expense

Total non-interest expense decreased \$537,000, or 8.6 percent, for the three months that ended June 30, 2010, compared to the same period in 2009. The decrease was the result of various declines in operating expenses including federal-deposit insurance premiums, occupancy-franchise taxes, salary and employee benefits and other expenses, offset by increases in professional services. Professional services increased primarily because of external consulting services associated with the corporation's regulatory obligations and loan-workout activities.

Analysis of Selected Financial Condition (dollars in thousands)

The corporation's assets totaled \$644,281 June 30, 2010, compared to \$675,022 December 31, 2009, a decrease of \$30,741, or 4.6 percent. Cash and cash equivalents increased from \$41,453 December 31, 2009, to \$47,496 June 30, 2010. Total securities decreased from \$95,852 December 31, 2009, to \$88,596 June 30, 2010. The Bank utilizes its investment portfolio to collateralize its liquidity sources to remain a prime, borrowing partner.

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Total loans, including loans held for sale, decreased \$26,225, or 5.3 percent, from \$491,924 December 31, 2009, to \$465,699 June 30, 2010. The company continues to experience a decline in loan balances because of reduced activity in primary markets, tightened underwriting and planned portfolio runoff.

Total deposits decreased \$24,940, or 4.5 percent, from \$557,455 December 31, 2009, to \$532,515 June 30, 2010. The Bank had approximately \$134,000 in outstanding CDARS deposits June 30, 2010, compared to \$145,000 at year-end 2009. Non-interest-bearing deposits increased \$1,047, or 1.7 percent, and interest-bearing deposits decreased \$25,987, or 5.2 percent during the six-month period that ended June 30, 2010.

Credit-Quality Review

Non-accrual loans June 30, 2010, increased to \$15,140 from \$11,275 December 31 2009. The majority of non-accrual balances are attributed to loans in the investment real-estate sector that were not generating sufficient cash flow to service the debt. Loans delinquent 90 days and accruing interest increased to \$927 June 30, 2010, from \$886 December 31,2009. Delinquent loans more than 30 days increased to 6.05 percent of total loans June 30, 2010, from 1.15 percent June 30, 2009. The increase in delinquencies is attributed to two large commercial real estate loans that moved into a delinquent status at quarter end. Since that time one of the two relationships is again current.

Provision and Allowance for Loan Losses

The provision for loan losses totaled \$3,386 for the three months that ended June 30, 2010, compared to \$1,707 for the same period in 2009, an increase of \$1,679. Because of deteriorating economic conditions, additional reserves were added for commercial real-estate loans that have increased risk profiles. The allowance for loan losses was \$13,114, or 2.83 percent of total loans June 30, 2010, compared to \$10,479, or 2.14 percent of total loans December 31, 2009.

Charge-offs

Net charge-offs for the three-months that ended June 30, 2010, increased to \$1,587 compared to \$733 for the three months that ended June 30, 2009. Annualized net charge offs for the three months that ended June 30, 2010, were 1.34 percent compared to 0.58 percent for the quarter ending June 30, 2009.

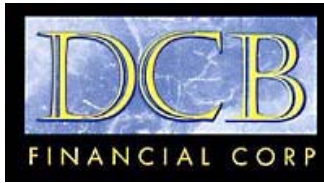
About DCB Financial Corp

The DCB Financial Corp. (OTC Bulletin Board: DCBF) is a bank holding company headquartered in Lewis Center, Ohio. Through its affiliated companies, DCB Financial Corp has been providing a full range of financial services including checking, loans, savings, insurance and investment services to customers for 60 years. For more information about DCB Financial Corp, please visit www.dcbfinancialcorp.com.

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, as they relate 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.

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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.

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