



**For Immediate Release**  
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## **DCB FINANCIAL CORP ANNOUNCES 2011 ANNUAL AND FOURTH QUARTER OPERATING RESULTS WITH IMPROVED CREDIT QUALITY**

LEWIS CENTER, Ohio, January 24, 2012 -- DCB Financial Corp, (OTC Bulletin Board DCBF), parent holding company of The Delaware County Bank & Trust Company, Lewis Center, Ohio (the "Bank") reported a 2011 loss of \$2.5 million, compared to a net loss of \$12.3 million for 2010. The decreased loss for 2011 was driven by reduced provision for loan loss expense coupled with reduced operating expenses related to branch closures and a reduction in salary and benefits expense. DCBF also announced a net fourth quarter loss of \$987 thousand versus a loss of \$354 thousand for the same period in 2010. The increased loss compared to the fourth quarter of 2010 is mainly attributed to increased loan loss provision for credits in the problem loan portfolio that continue to be evaluated each quarter.

Loan delinquencies at year-end 2011 were 2.24% compared to 4.01% at year-end 2010. Non-accruals and loans greater than 90 days past due declined 42.7% from \$18.4 million at year-end 2010 to \$10.6 million at the year-end 2011, and the identified problem loan portfolio declined from \$118.7 million at year-end 2010 to \$83.6 million at year-end 2011. Management expects to deploy similar tactics and resources in 2012 to address the remaining problem credits, which should result in further improvement in the company's credit metrics.

During 2011 Management focused on three main initiatives in order to position the company for future profitability and growth: make significant progress in addressing its credit issues; reduce overhead expenses; and create a leaner organization upon which to base future growth plans. Management was able to achieve these goals through various initiatives, and continues to make progress towards the requirements set forth under the consent order issued by the Federal Deposit Insurance Corporation effective October 28, 2010.

Ronald J. Seiffert, hired in September of 2011 as President and CEO to complete The Bank's turnaround, noted, "For the last four months I have had the opportunity to fully assess the financial condition and operating performance of The Bank and feel very good that the institution has been stabilized. There has been a substantial improvement in the overall credit quality of our loan portfolios over the last twelve months and our year-end numbers are reflective of that fact. We have made great progress in terms of reducing our problem loans and non-accruals as well as lowering delinquencies. We also bolstered our reserve position in the fourth quarter and can now focus on growing the loan portfolio with quality assets."

Mr. Seiffert added, "We have now begun to aggressively execute the initiatives outlined in our strategic plan that was approved by our Board in December which include raising capital and recruiting an outstanding team to drive our organization. In commercial banking, we will be more aggressive in calling on our marketplace and will expand our small business credit and deposit offerings. We will also be introducing a new equipment leasing product in the first quarter of 2012 which, we believe, will fill a much-needed niche in Central Ohio for middle market companies. In addition, we will rigorously pursue the expansion of our consumer lending activities throughout our 14-branch retail distribution system."

With respect to future capital raising activities, Mr. Seiffert explained, "We are developing a detailed plan to raise capital in order to address our goal of achieving a 9% tier-1 capital ratio in 2012. We have already received a lot of positive feedback from current and prospective investors alike who are interested in ownership."