

FARMERS AND MERCHANTS FINANCIAL CORPORATION

	CPP Disbursement Date 03/20/2009	RSSD (Holding Company) 1059694	Number of Insured Depository Institutions 1	
Selected balance and off-balance sheet items	2011 \$ millions	2012 \$ millions	%chg from prev	
Assets	\$30	\$34	15.3%	
Loans	\$20	\$26	32.1%	
Construction & development	\$0	\$1	2987.5%	
Closed-end 1-4 family residential	\$3	\$4	46.2%	
Home equity	\$0	\$0		
Credit card	\$0	\$0		
Other consumer	\$0	\$1	88.9%	
Commercial & Industrial	\$3	\$3	21.6%	
Commercial real estate	\$2	\$4	164.0%	
Unused commitments	\$2	\$5	125.3%	
Securitization outstanding principal	\$0	\$0		
Mortgage-backed securities (GSE and private issue)	\$0	\$0		
Asset-backed securities	\$0	\$0		
Other securities	\$4	\$4	-1.6%	
Cash & balances due	\$3	\$2	-8.3%	
Residential mortgage originations				
Closed-end mortgage originated for sale (quarter)	\$0	\$0		
Open-end HELOC originated for sale (quarter)	\$0	\$0		
Closed-end mortgage originations sold (quarter)	\$0	\$0		
Open-end HELOC originations sold (quarter)	\$0	\$0		
Liabilities	\$28	\$32	15.8%	
Deposits	\$28	\$30	9.4%	
Total other borrowings	\$0	\$2		
FHLB advances	\$0	\$0		
Equity				
Equity capital at quarter end	\$2	\$2	9.7%	
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$0	\$0	NA	
Performance Ratios				
Tier 1 leverage ratio	7.3%	7.0%	--	
Tier 1 risk based capital ratio	11.0%	9.8%	--	
Total risk based capital ratio	12.2%	11.0%	--	
Return on equity ¹	14.9%	14.2%	--	
Return on assets ¹	1.1%	1.0%	--	
Net interest margin ¹	4.9%	5.4%	--	
Coverage ratio ((ALL+Alloc transfer risk)/Noncurrent loans)	568.9%	756.1%	--	
Loss provision to net charge-offs (qtr)	2.3%	0.0%	--	
Net charge-offs to average loans and leases ¹	3.6%	0.0%	--	
¹ Quarterly, annualized.				
	Noncurrent Loans		Gross Charge-Offs	
Asset Quality (% of Total Loan Type)	2011	2012	2011	2012
Construction & development	0.0%	0.0%	0.0%	0.0%
Closed-end 1-4 family residential	1.7%	0.5%	0.0%	0.0%
Home equity	0.0%	0.0%	0.0%	0.0%
Credit card	0.0%	0.0%	0.0%	0.0%
Other consumer	0.0%	0.0%	0.0%	0.0%
Commercial & Industrial	0.0%	0.0%	6.4%	0.0%
Commercial real estate	0.0%	0.0%	0.0%	0.0%
Total loans	0.2%	0.2%	0.9%	0.0%