

**FARMERS & MERCHANTS BANCSHARES, INC.**

	CPP Disbursement Date 03/06/2009	RSSD (Holding Company) 1134881	Number of Insured Depository Institutions 1		
<b>Selected balance and off-balance sheet items</b>	<b>2011</b> \$ millions	<b>2012</b> \$ millions	%chg from prev		
<b>Assets</b>	\$534	\$526	-1.4%		
Loans	\$373	\$372	-0.3%		
Construction & development	\$43	\$39	-9.4%		
Closed-end 1-4 family residential	\$37	\$38	3.7%		
Home equity	\$0	\$0			
Credit card	\$0	\$0			
Other consumer	\$7	\$5	-21.0%		
Commercial & Industrial	\$89	\$76	-14.3%		
Commercial real estate	\$162	\$162	-0.2%		
Unused commitments	\$47	\$48	1.7%		
Securitization outstanding principal	\$0	\$0			
Mortgage-backed securities (GSE and private issue)	\$7	\$6	-21.4%		
Asset-backed securities	\$0	\$0			
Other securities	\$12	\$17	37.5%		
Cash & balances due	\$98	\$86	-12.6%		
<b>Residential mortgage originations</b>					
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			
<b>Liabilities</b>	\$468	\$456	-2.5%		
Deposits	\$466	\$454	-2.5%		
Total other borrowings	\$0	\$0			
FHLB advances	\$0	\$0			
<b>Equity</b>					
Equity capital at quarter end	\$66	\$70	6.8%		
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$0	\$0	NA		
<b>Performance Ratios</b>					
Tier 1 leverage ratio	8.8%	10.2%	--		
Tier 1 risk based capital ratio	12.4%	13.1%	--		
Total risk based capital ratio	13.6%	14.4%	--		
Return on equity <sup>1</sup>	0.0%	8.7%	--		
Return on assets <sup>1</sup>	0.0%	1.2%	--		
Net interest margin <sup>1</sup>	4.5%	5.0%	--		
Coverage ratio ((ALL+Alloc transfer risk)/Noncurrent loans)	141.0%	205.0%	--		
Loss provision to net charge-offs (qtr)	82.2%	0.0%	--		
Net charge-offs to average loans and leases <sup>1</sup>	0.4%	0.4%	--		
<sup>1</sup> Quarterly, annualized.					
<b>Asset Quality (% of Total Loan Type)</b>	<b>Noncurrent Loans</b>		<b>Gross Charge-Offs</b>		
	<b>2011</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	
Construction & development	2.5%	0.0%	0.5%	0.4%	--
Closed-end 1-4 family residential	0.2%	0.8%	0.0%	0.2%	--
Home equity	0.0%	0.0%	0.0%	0.0%	--
Credit card	0.0%	0.0%	0.0%	0.0%	--
Other consumer	0.1%	0.0%	0.1%	0.6%	--
Commercial & Industrial	0.7%	0.4%	0.2%	0.2%	--
Commercial real estate	1.0%	0.4%	0.0%	0.0%	--
Total loans	1.4%	0.9%	0.1%	0.1%	--