

First Defiance Financial Corp.

March 2010 Investor Presentation



FIRST DEFIANCE
FINANCIAL CORP.

Safe Harbor and Regulation FD Statement

Statements contained in this presentation which are not historical facts are forward-looking statements as defined in the Private Securities Litigation Act of 1995. Such forward-looking statements are subject to risks and uncertainties which could cause actual results to differ materially from estimated results. Such risks and uncertainties are detailed in the company's filings with the Securities and Exchange Commission.

Company Profile

Our unwavering focus for over 90 years: Community Financial Services

- Consolidated Assets of \$2.06 billion (12/31/09)
- First Federal Bank of the Midwest:
 - 33 banking centers in 3 states; 45 ATM locations
 - Trust and Wealth Management Services
- First Insurance & Investments:
 - Specializes in Property & Casualty and Group Health & Life Insurance
 - Locations in Defiance and Bowling Green, Ohio
- Received \$37 million of TARP Capital

Investment Highlights

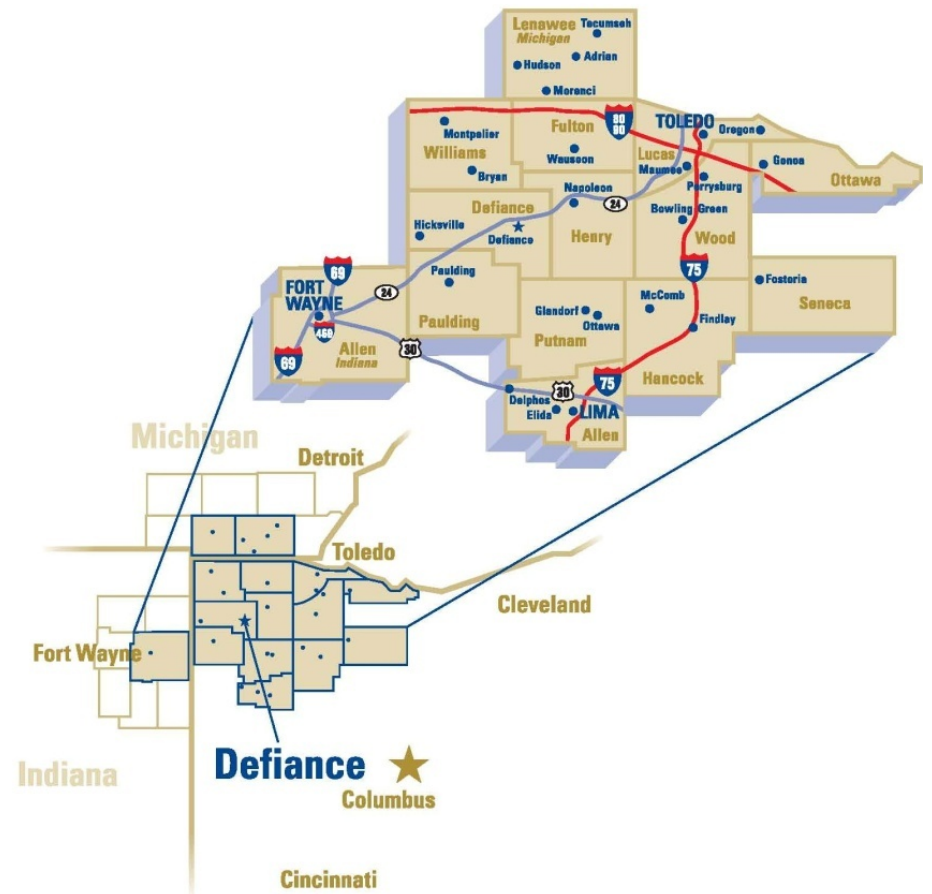
- Community leaders with deep roots in the communities we have served since the 1920s
- Experienced and disciplined management team
- Strong tangible capital levels
- Stable core deposit base, changing mix
- Historically stable and strong net interest margin
- Strong and diversified balance sheet
- Market leader in northwest Ohio

Executive Leadership

Management	Position	Age	Years with Company	Years in Banking
William J. Small	Chairman, President, CEO	59	24	32
Donald P. Hileman	Executive Vice President, CFO	57	2	34
James L. Rohrs	Executive Vice President	62	10	37
Bradley D. Spitnale	Western Market Area President	52	10	19
Gregory R. Allen	Southern Market Area President	46	11	21
Jeffrey D. Vereecke	Northern Market Area President	48	25	25
Timothy K. Harris	Eastern Market Area President	51	9	29

First Defiance's Market

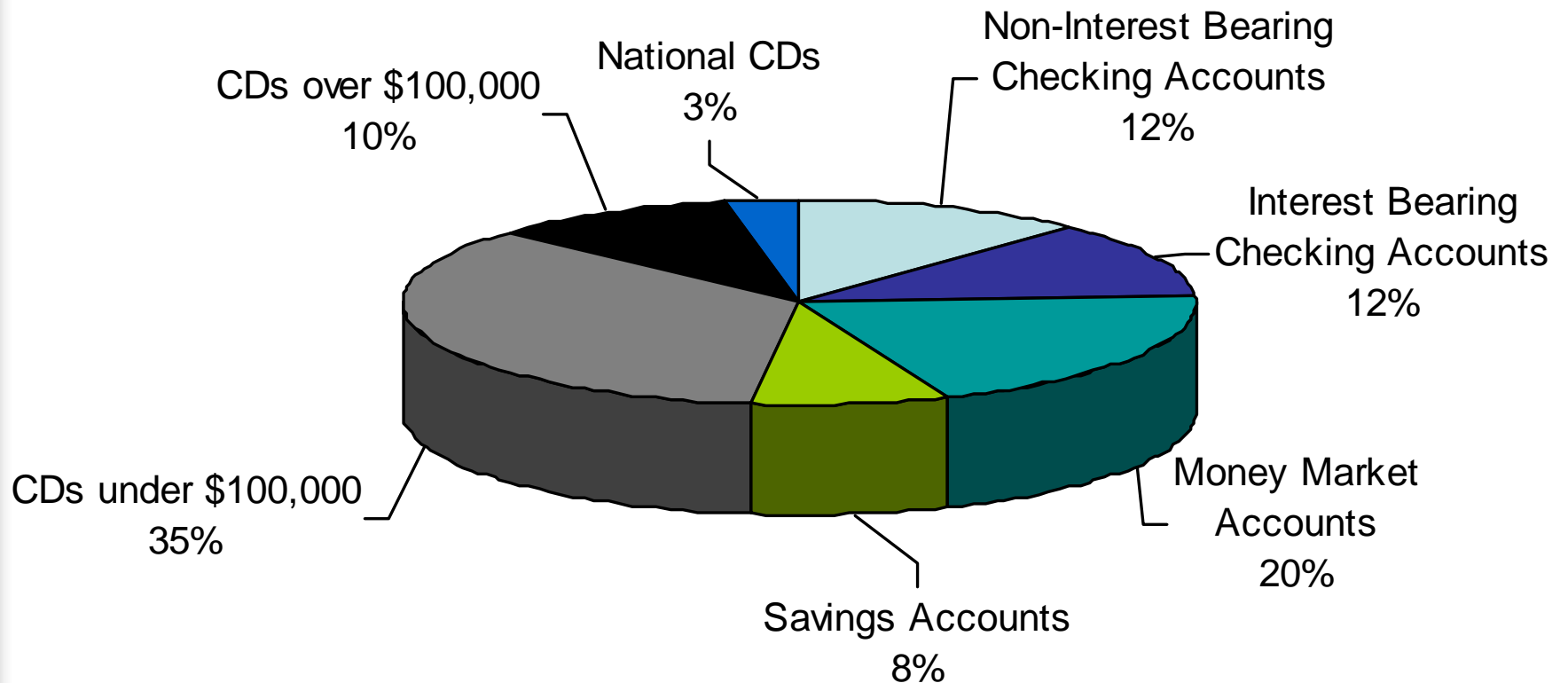
- Largest Community Bank based in northwest Ohio
- Strong market share
- Significant presence in core communities
- Positive reputation
- Recently voted #1 Financial Institution in six-county media poll



Local Economic Data

- Automotive Industry
- Unemployment/Foreclosures
- Economic diversity helpful
- Lending Concentrations
- Lending Opportunities

Stable Deposit Base

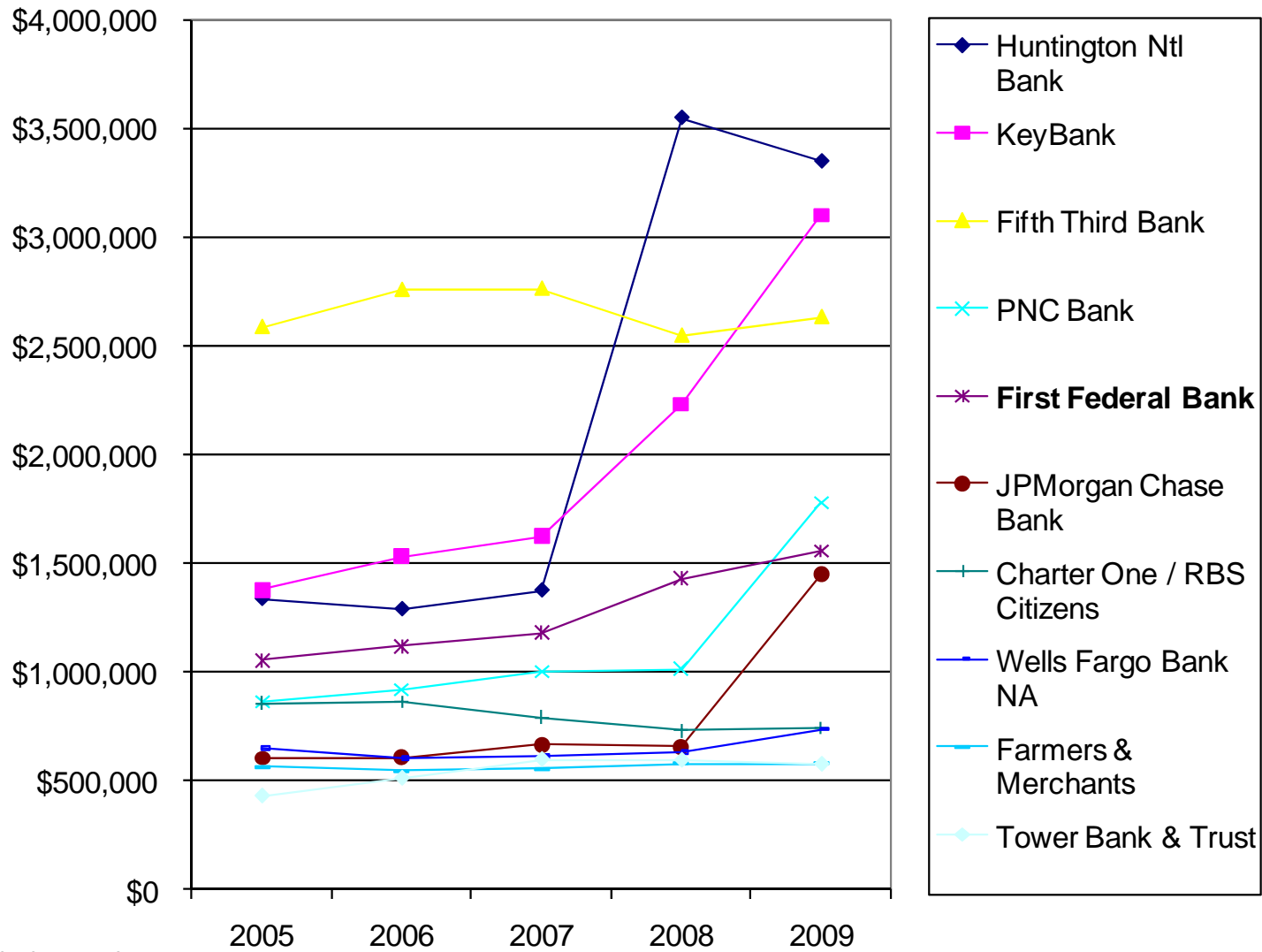


Total Deposits: \$1.580 billion

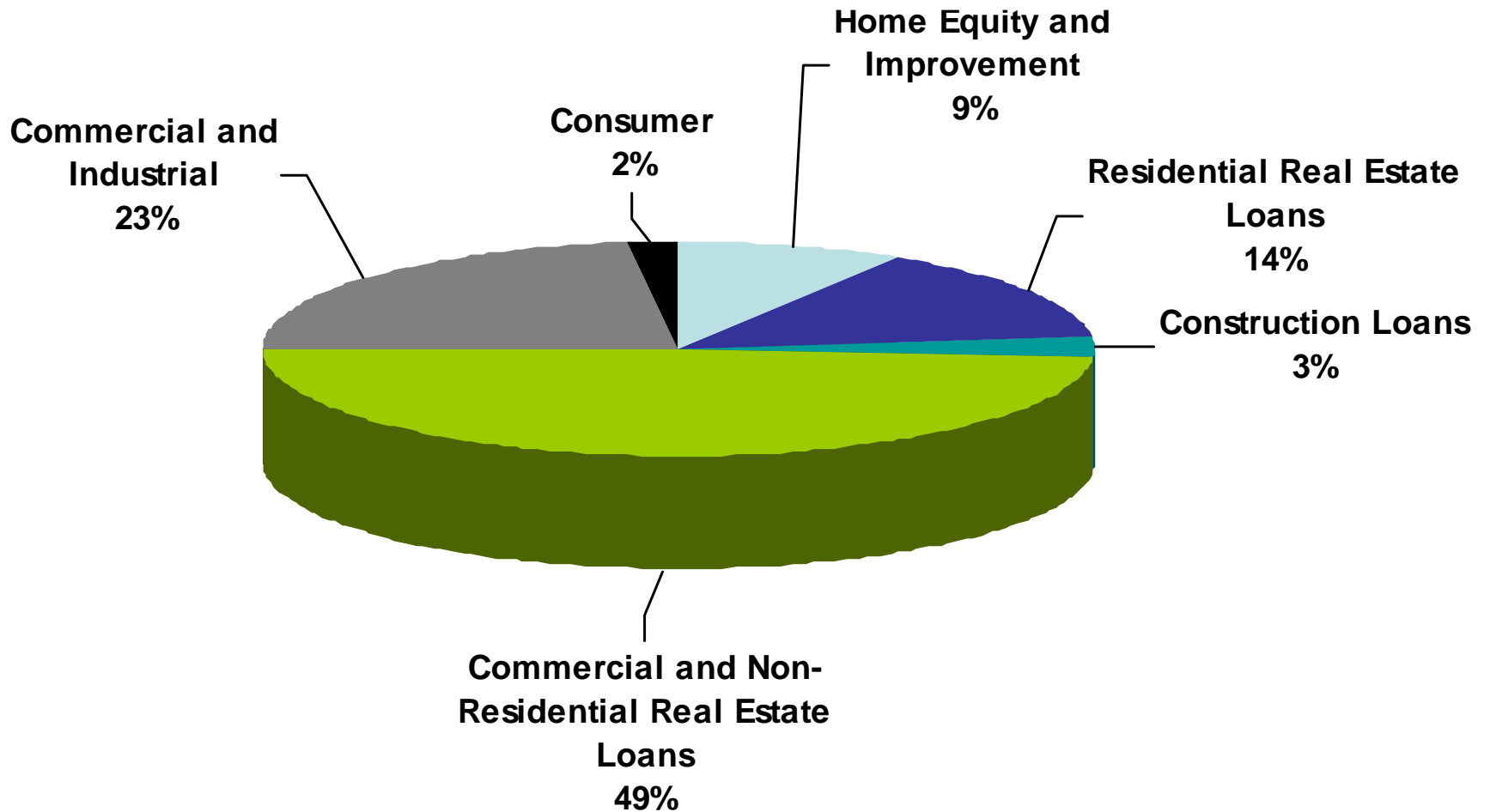
Data as of December 31, 2009

Market Share with Significant Growth Potential

Top 10 Institutions Inside of Market

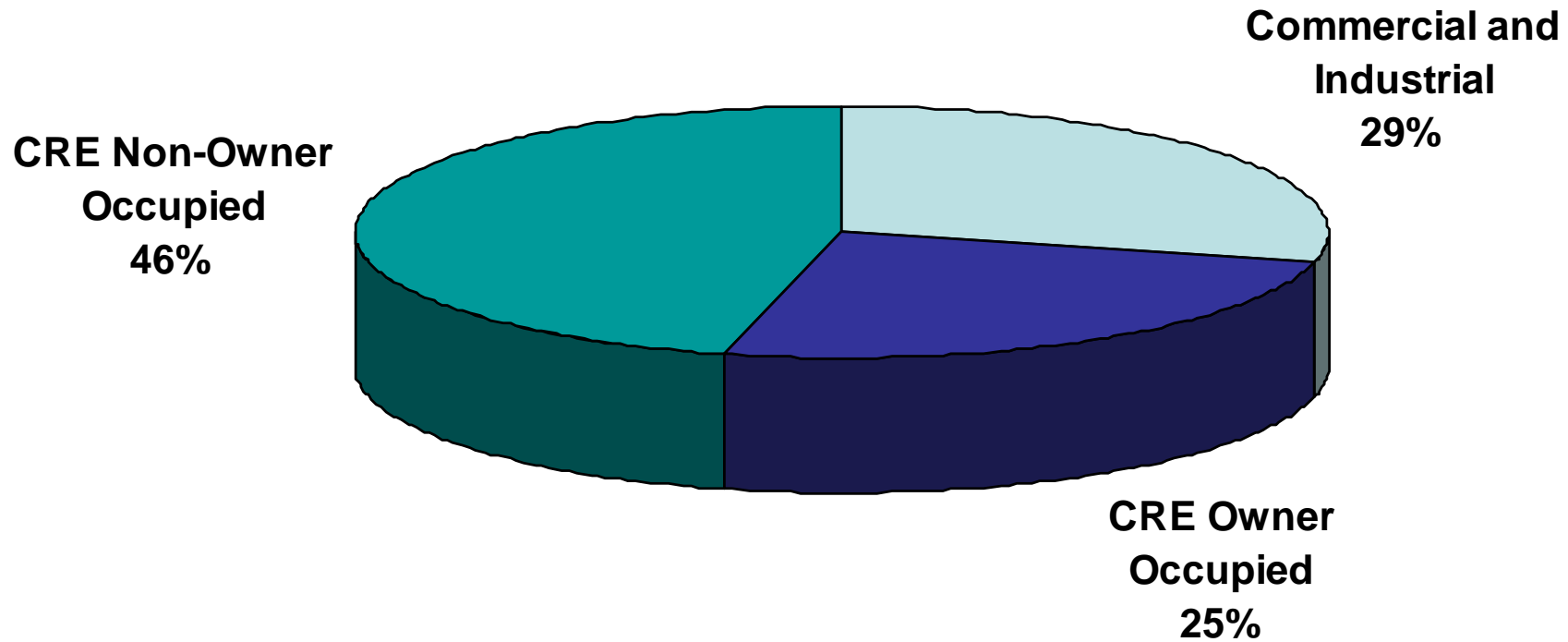


Loan Portfolio Composition



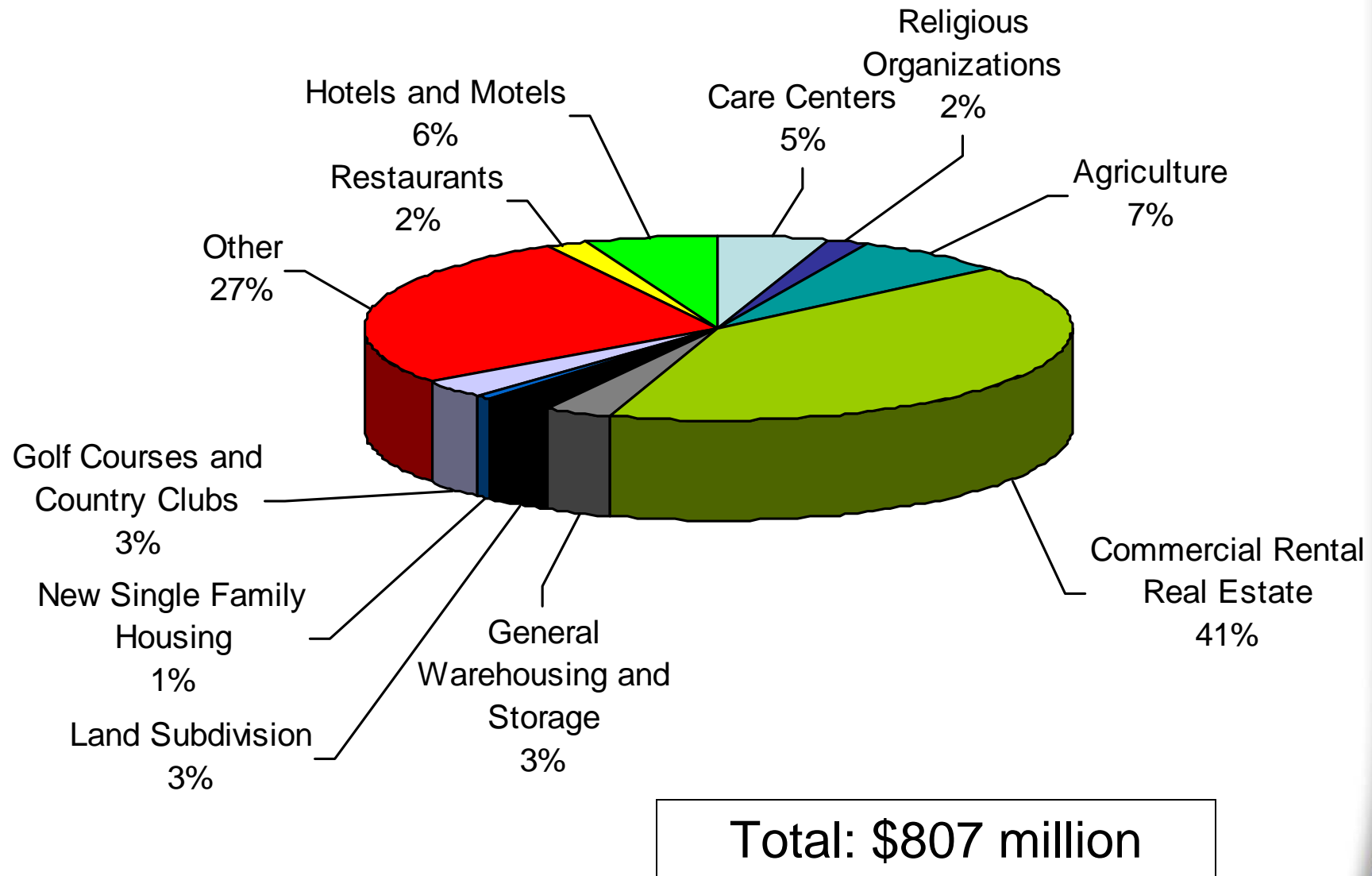
Total = \$1.645 billion

Commercial Loan Portfolio Composition



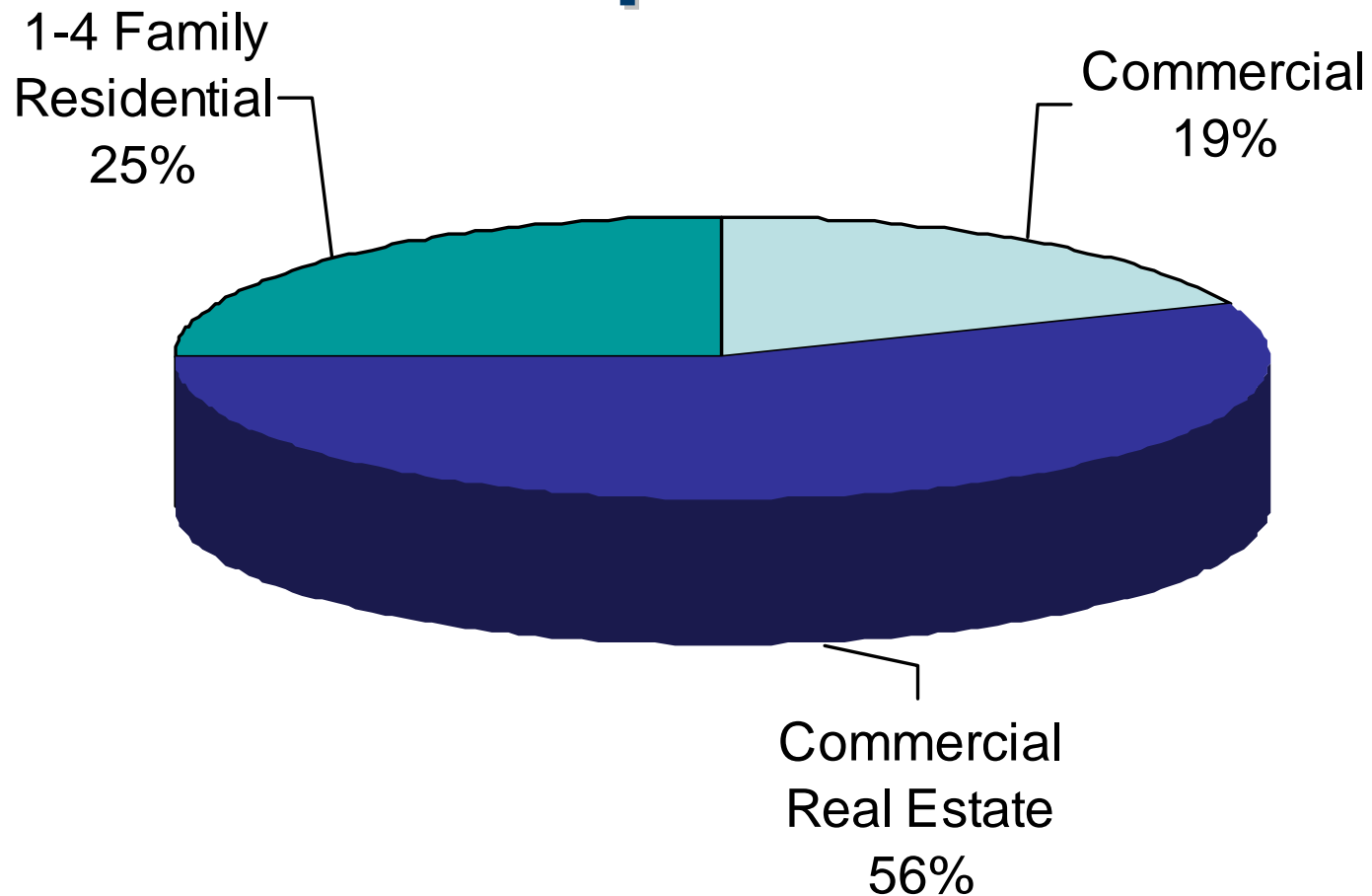
Commercial Real Estate – Owner Occupied: \$299 million
Commercial Real Estate – Non-Owner Occupied: \$508 million

Commercial Real Estate Portfolio Composition



Data as of December 31, 2009

Construction Portfolio Composition



Construction Loans: \$49 million

Data as of December 31, 2009

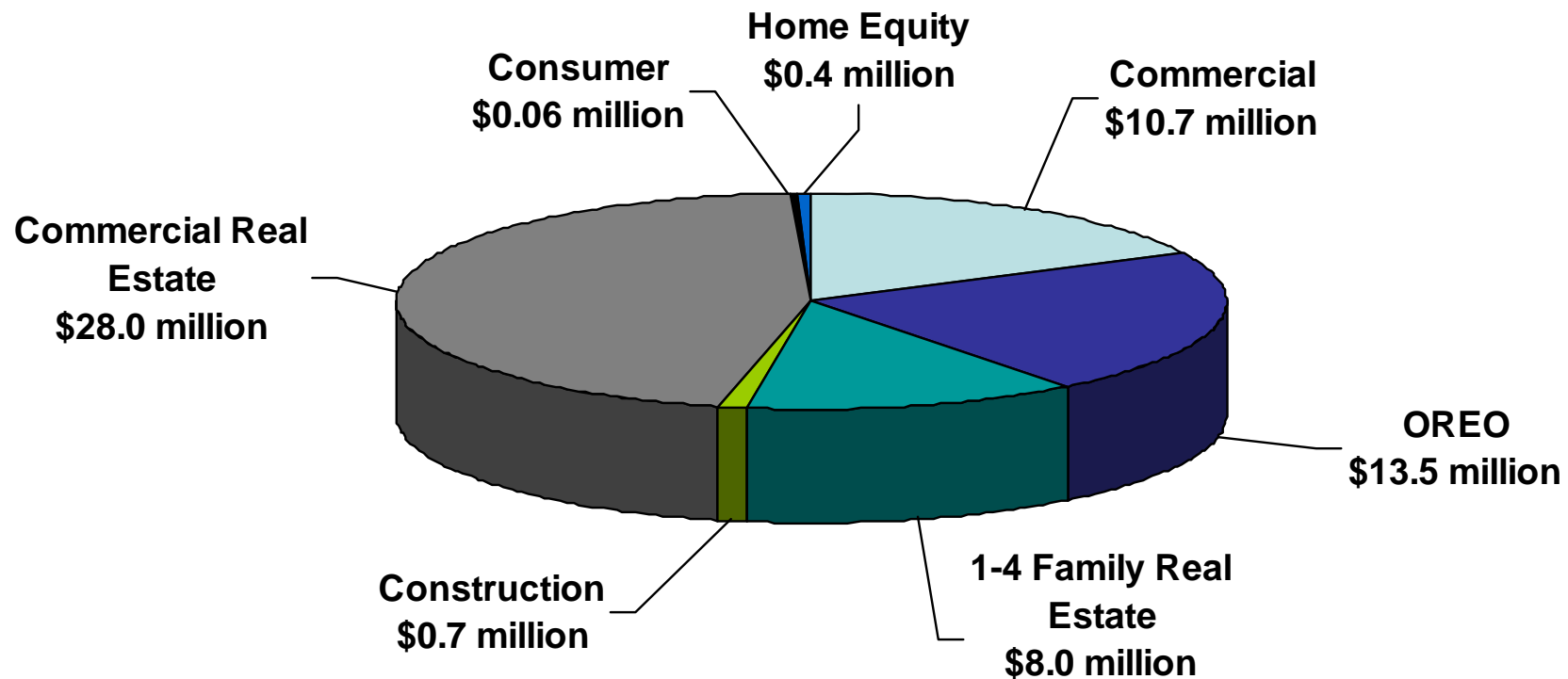
Credit Quality Management

- We know our customers: In-market lending
 - No loan production offices outside of footprint
 - Only \$11 million loaned outside of Ohio, Michigan and Indiana
- Conservative underwriting standards
 - Cash flow lender
 - Use of guarantors

Credit Quality Management

- Asset Review Committee assures on-going monitoring
 - Review risk management reports monthly
 - Make risk grade changes as needed
- Credit Administration infrastructure active throughout the loan process
 - Lending limits established by industry classification
 - Analysts with industry specialization

Non-Performing Asset Composition



Total non-performing assets = \$61.4 million.

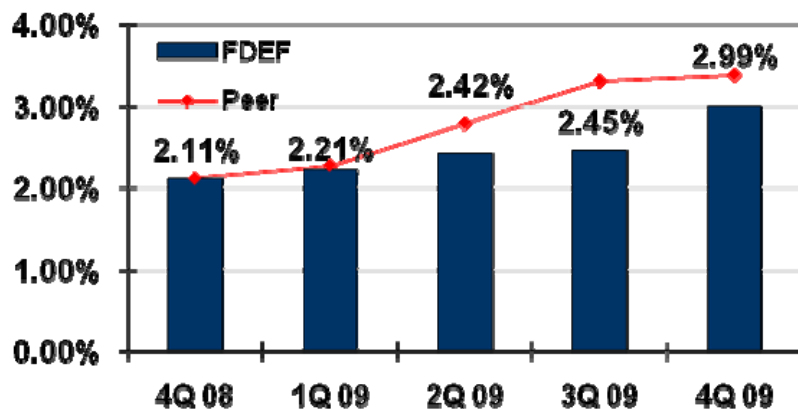
Non-performing assets/total assets= 2.99%

Asset Quality Trends

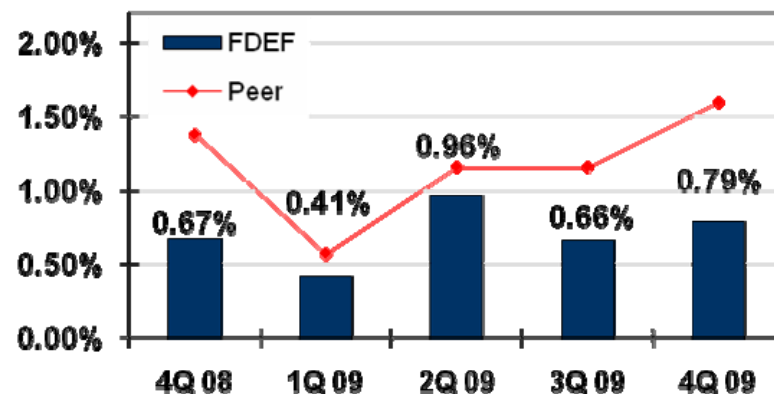
- Conservative lending approach has been successful
 - Asset quality metrics favorable compared to local and nationwide peers
- Management proactive in addressing current credit environment
- Front end of credit pipeline showing improvement

Credit Quality

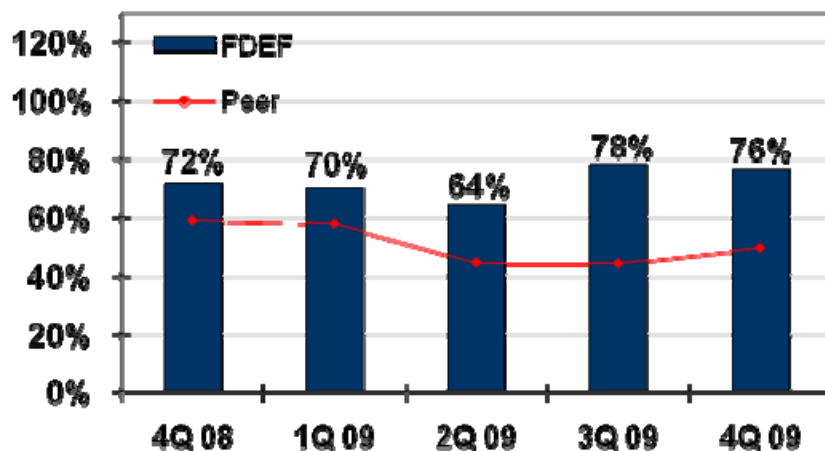
NPAs/Assets (%)



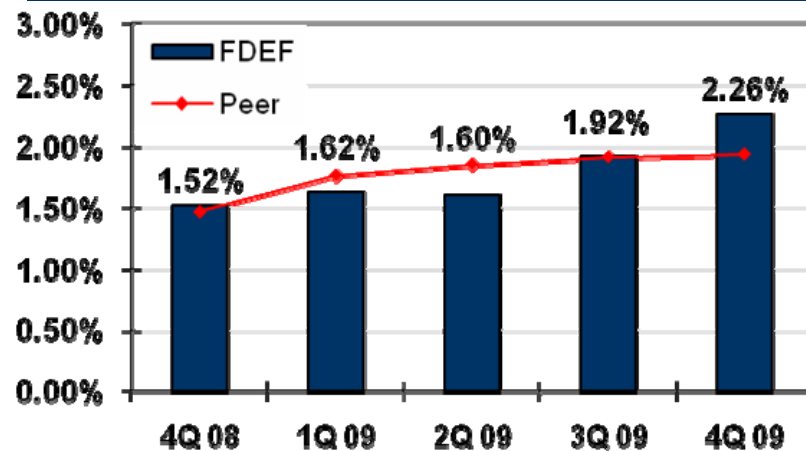
NCOs(annualized)/Avg. Loans (%)



Reserves/NPLs (%)



Reserves/Loans (%)



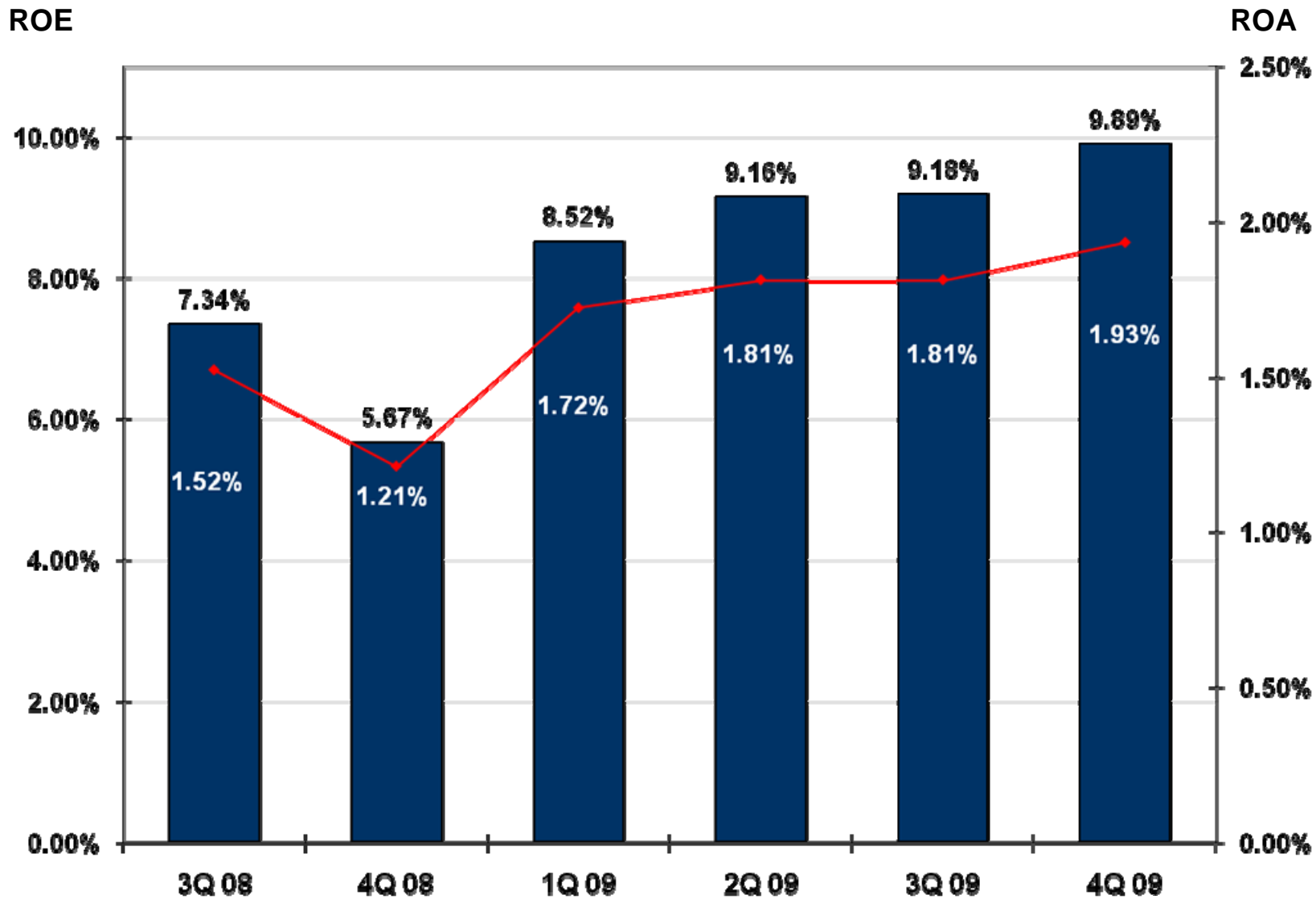
Financial Highlights

Year Ended December 31,

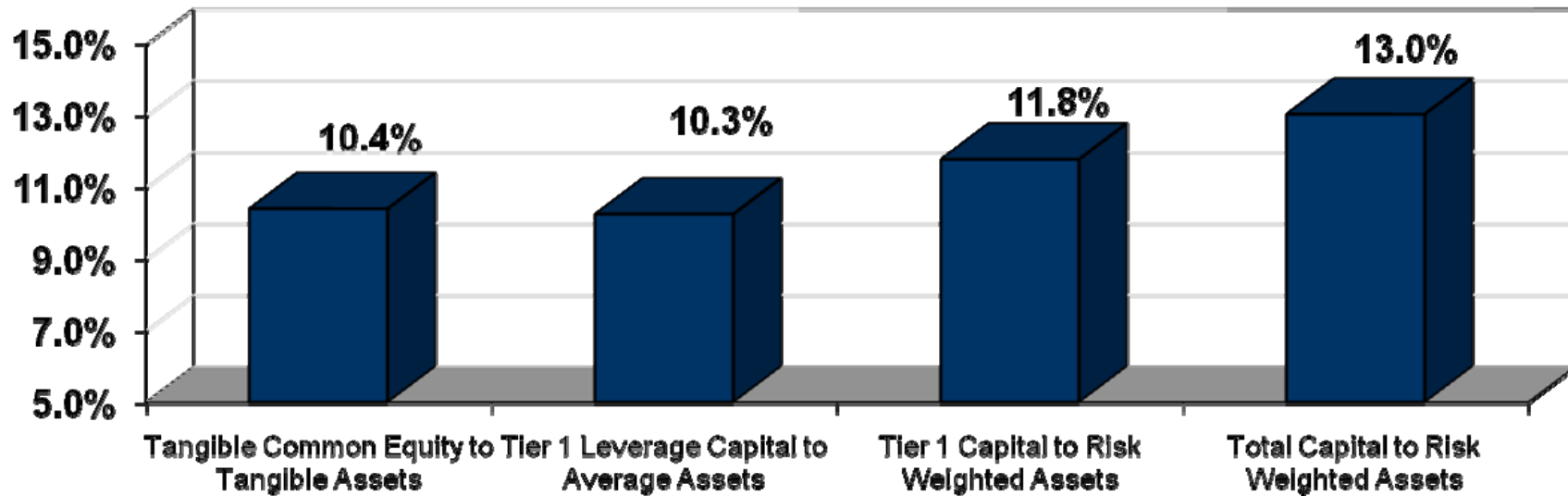
	<u>2009</u>	<u>2008</u>	<u>2007</u>
Net Interest Income	\$67.23	\$62.20	\$48.66
Provisions for Loan Losses	\$23.23	\$12.59	\$2.31
Core Net Income	\$7.19	\$8.08	\$13.90
Core Net Income available to Common Share	\$5.18	\$7.94	\$13.90
Core Net Income per Share	\$0.63	\$1.00	\$1.94
Core Return on Equity	3.09%	4.23%	8.48%
Core Return on Assets	0.36%	0.44%	0.90%

Dollars in millions, except per share amounts

Strong Core PTPP Earnings



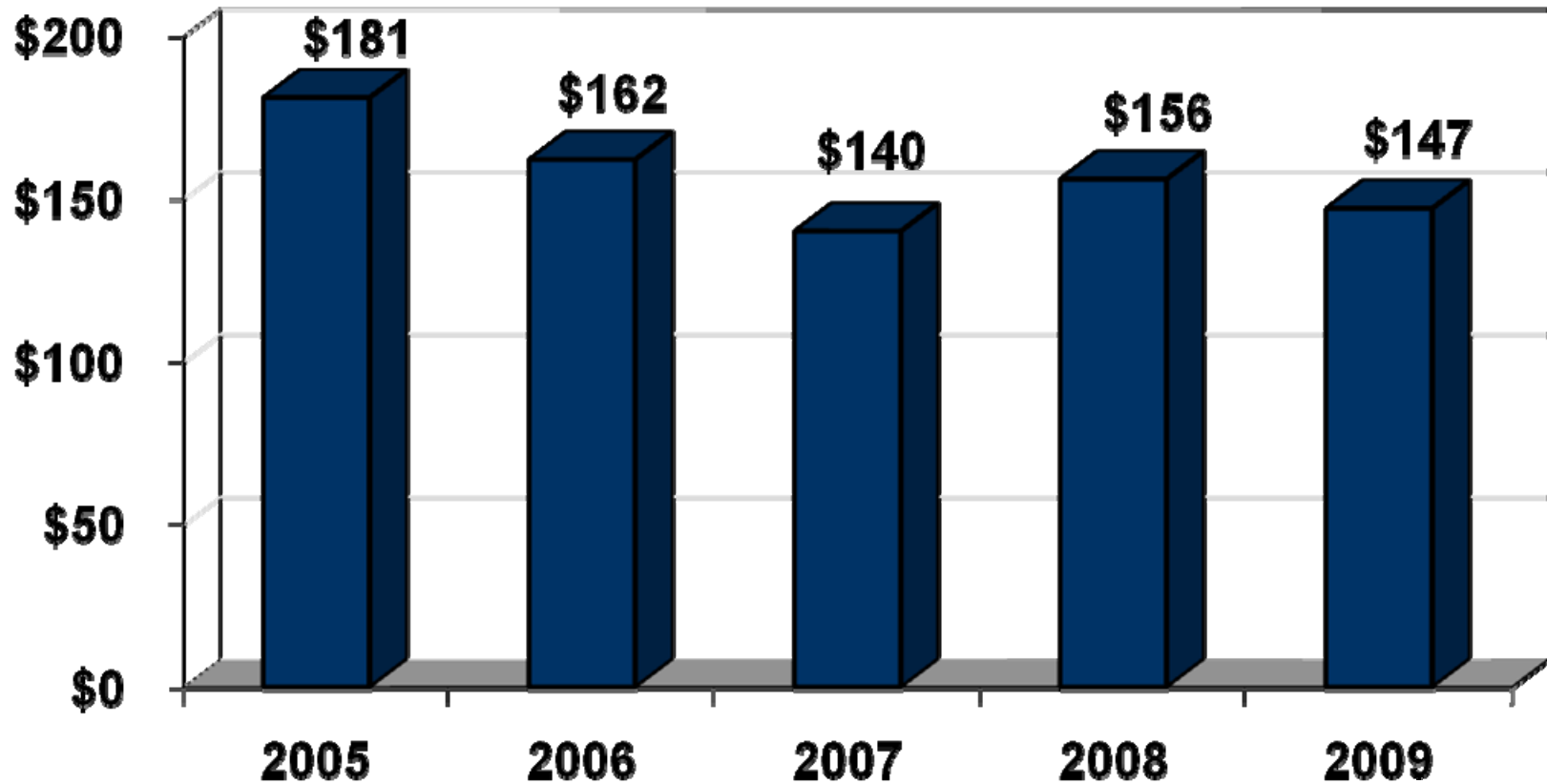
Strong Capital Levels



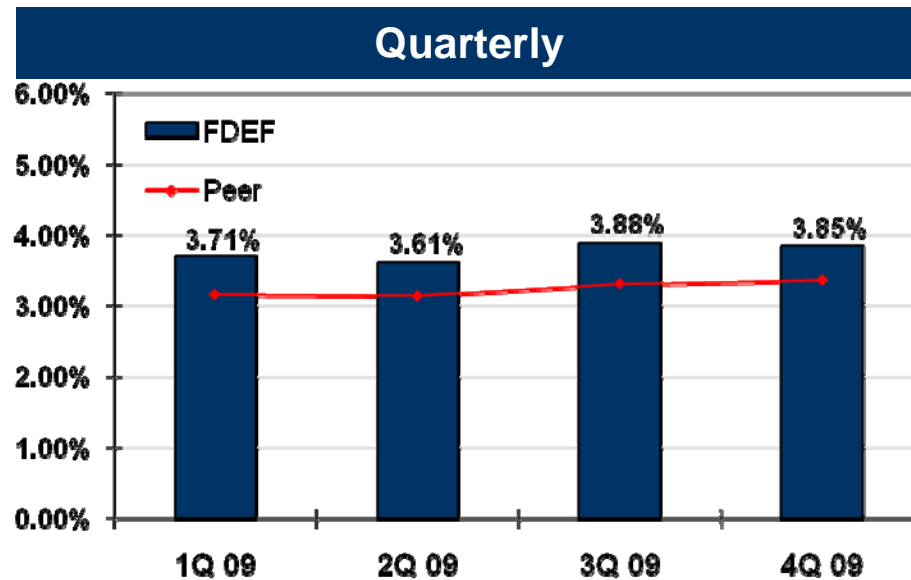
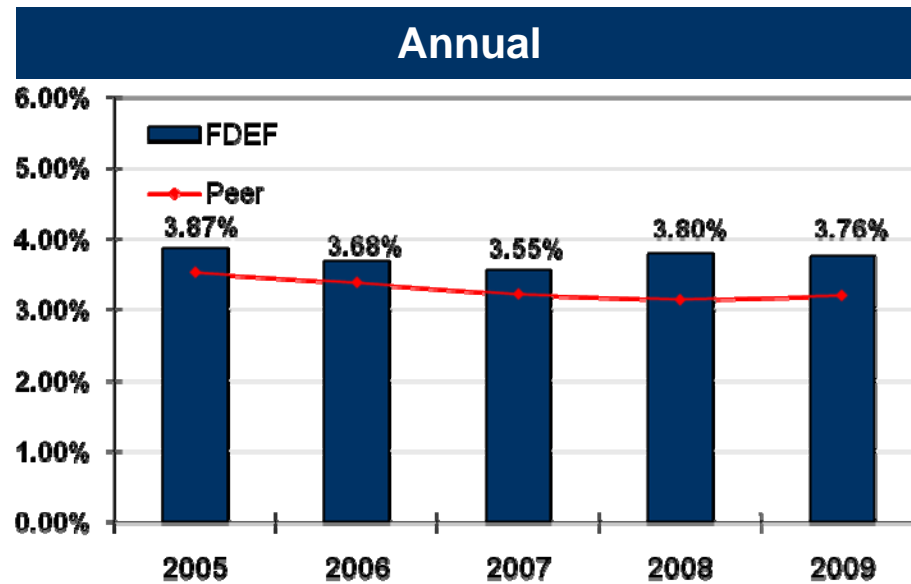
Well Capitalized Requirement	Total Risk Based Capital	10%
	Tier 1 to Risk Weighted Asset	6%
	Tier 1 to Average Assets	5%

Strong Liquidity Non-Deposit Funding Sources

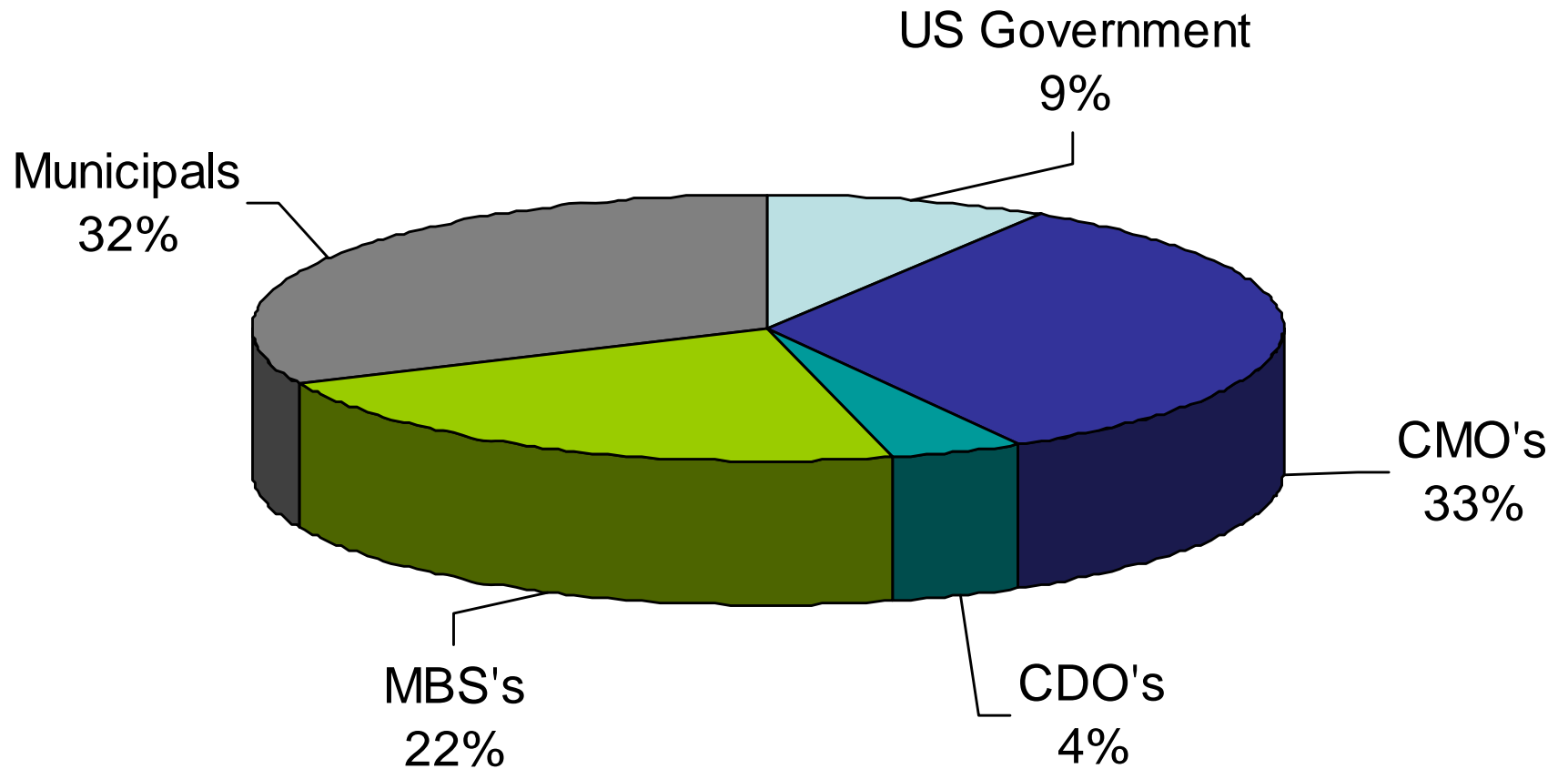
(in millions)



Stable Net Interest Margin



Quality Securities Portfolio



Total Investment Securities: \$139 million

Selected Key Ratios

	FDEF	Regional Peer Group Median	FDEF Rank (out of 16)	National Peer Group Median	FDEF Rank (out of 76)
NPL / Loans	2.94	3.91	8	2.95	32
Reserves / NPLs	76.29	53.01	3	65.43	22
Net Interest Margin	3.76	3.20	4	3.39	17
PTPP ROAA	1.63	1.04	4	0.86	14
Efficiency Ratio	56.15	69.54	3	65.94	11
TCE/TA	6.74	6.31	6	6.27	32

Strategic Focus

- Continued focus on core deposit growth, asset quality and expense control
- Organic growth through newer markets, new relationships and deeper relationships in more established markets
- Focus on market opportunities provided by dislocation and financial turmoil
 - Potential FDIC-assisted transactions financially attractive
- Emphasize the Community Bank Difference

Conclusion

- Disciplined management team with proven track record
- Reputation of focusing on the fundamentals
- Successfully integrated 4 bank acquisitions in last 6 years
- Strong capital levels
- Balance sheet strength – attractive core deposit base
- Balanced loan portfolio with a disciplined approach to lending
- Well positioned to significantly grow our balance sheet and geographic footprint, enhancing long-term shareholder value