FIRST DEFIANCE

FINANCIAL CORPORATION

2008 Annual Meeting of

Shareholders

April 22, 2008

Date: Tuesday, April 22, 2008

Time: 1:00 PM

Place: First Federal Bank of the Midwest
Operations Center
25600 Elliott Road
Defiance, Ohio

WILLIAM J. SMALL, CHAIRMAN, PRESIDENT AND CEO of FIRST DEFIANCE FINANCIAL CORP. (Mr. Small): Good afternoon. We ought to be outside on a day like this. If wee would have known that the weather was going to be this nice,, we would have set the meeting up outside, but we did want to give you a chance to see our new facility. The annual meeting of First Defiance Financial Corp. is now called to order. My name is William Small, and I will act as presiding officer for the meeting.

I would like to welcome the stockholders who are present, and if you did not sign in on the register as you entered, we would certainly appreciate if you would do that before you leave here today. Before we get started with our program, I would like to make a few introductions.

First off, to my right, Jack Wahl. Jack is our Executive Vice President and Chief Financial Officer of First Defiance. Seated next to Jack to his right is Jim Rohrs, also Executive Vice President of First Defiance and President, Chief Operating Officer of First Federal Bank, and at the end of the table is Don Hileman. Don is the Senior Vice President of First Defiance and the CEO of First Insurance & Investments.

Also with us this afternoon are members of our Board of Directors, Mr. Steve Boomer, who is our Vice Chairman. John Bookmyer, Dr. Doug Burgei, Peter Diehl, Dwain Metzger and Tom Voigt and Jerry Monnin.

I would also like to introduce Jean Hubbard who is with us this afternoon. Jean, as you know, is a nominee for our board. Also joining us today are Jennifer Kary from our audit firm Crowe Chizek. Seated up front is our attorney from Vorys, Sater, Seymour & Pease, Terri Abare.

Before I proceed with our actual presentation, I would like to acknowledge our retiring director, Jack Fauster. Jack is not present today, but I tell you, he served this company as a dedicated and devoted member of our board for 33 years. I am very grateful for his contributions and his support during the years of service that I have had here at First Federal, and we certainly all are going to miss him. As many of you know, we have a mandatory retirement age, and it is hard to believe that Jack has reached that. But he has, and we just wish he and his wife Kate all the best in his retirement.

With that, we will proceed with our PowerPoint presentation, and we always have to begin this with our Safe Harbor Regulation FD Statement. First Defiance

Financial Corp., just a little profile of us. We were actually founded in the year 1916 as Northwest Savings, and our primary line of business has always been community financial services. As of March 31st of this year, we closed the first quarter of 2008 We have consolidated assets of 1.89 billion.

First Federal Bank of the Midwest is our primary business unit, and that consists now of 36 banking centers in 15 counties. That includes northwest Ohio, southeast Michigan, and northeast Indiana, and 45 ATM locations. We also offer Wealth and Management Trust Services through the bank.

Our second business unit is First Insurance & Investments, and there we specialize in property and casualty, as well as group health programs. And we grew this agency in 2007 not only through organic growth but also through an additional acquisition when we acquired Huber, Harger, Welt & Smith, an agency in Bowling Green in February of 2007.

This is why we are successful. Our community banking model is tested and proven. Our values that we operate under are Customer First. When we talk about

Customer First, we talk about both our external customers, the people that come through the doors every day to do business with us as well as our internal customers of different departments that service each other within the bank. We strive to become trusted advisers for our customers.

Local decision-making. This is very, very important to us in our community bank philosophies, and that is why we structure ourselves in what we call a market area structure, so that we can keep that decision close to home. And we are focused on increasing the value of our company.

I think when you look back at our present performance, you have to go back to 2002, the year that we made the decision to sell off our mortgage banking operation, the Leader Mortgage Company. At that time, after the sale of that company in 2002, we were at $850 million in total assets. And also, at the time we sold the company, it represented 50 percent of the revenue of First Defiance. It wasn't an easy decision to make, we made sure that we had a plan in place that would allow for the successful operation of this company in the years to come.

As a result of that plan and the fact that we were able to fully and successfully execute it, today our assets have grown more than 2.2 times. We are up to 576 employees. We have entered a number of new markets. At the time of that sale, we were operating eight offices. We also have increased shareholder value. We have become the largest community bank in the region, and we are positioned for continued growth.

Our growth has been one that has a strategic focus. It has not been helter-skelter by any means, and we have tried to search out and take advantage of opportunities that have been created, whether through acquisitions, whether through de novo or establishing new branches in markets that have been avoided by community banking, or whether it has been developing and offering a new line of products to our customers.

Some of these would include remote deposit, which we currently have 136 customers on; our CDARS program, which is a program that allows people to obtain additional insurance on their deposited funds, and also our commercial and nonresidential real estate loans that have grown to 1.1 billion. And this was all a part of the plan that we made going back to that decision in 2002 to sell the Leader Mortgage Company and focus on true community banking.

2007 was a very active year as far as adding to the franchise. We opened a new office in August in Fort Wayne. I mentioned earlier the acquisition of the Huber, Harger, Welt & Smith Insurance Agency in Bowling Green, and we also, in October of 2007, announced the acquisition of Pavilion Bancorp, which, as you will see later, we closed in the first quarter of this year. And this, again, was all part of our strategic plan for growth.

Other significant accomplishments in 2007 included 14 percent growth in non-interest bearing deposits, and this has been very, very critical to us, especially from the standpoint of looking at our net interest margin. In the current interest rate environment we are in, it is a real struggle out there. One of the ways that we can impact this, even in a low-rate environment, is to build our non-interest bearing deposits, and we have been very successful, as you can see, with that.

We also had over $50 million growth in commercial loans, and this is just straight C & I loans. This isn't anything associated with commercial real estate. We also had a steady mortgage volume despite the economy, and we also opened this new operations center. Actually started moving in here in December of 2007. So, as you can tell, it was a very busy year for us.

This is our expanded footprint today. One big difference from this year compared to last year is that now we have facilities both in the state of Indiana and eight offices up in the state of Michigan. We feel that there are plenty of good business opportunities available to us in this footprint. We don't see any need to establish funding offices in Cleveland, Columbus, Cincinnati, Indianapolis. We want to stay close to home, and we really think that the opportunities are there for us to be successful and grow our business by doing that.

Our financial highlights on the screen here now, and these are core earnings. Core earnings do not reflect the impact of the one-time charges related to the Pavilion acquisition. And 2007, as we expected, was very, very tough. We knew it was going to be a tough year, but, on a relative basis compared to other banks, we had a very solid performance.

If you look at some of the main measurements that are used in assessing banks, core return on equity in 2007, we were at 8.48 percent. The median for return on equity for publicly traded banks in Ohio last year was 7.7 percent. Our median return on assets was 90 basis points. The median in the State of Ohio was 82 basis points.

So again, from a relative basis, it was a successful year. Did it live up to our expectation for our past performances? No. But in light of the challenging environment out there, we felt it was successful. And 2008 is off to a very solid start, which you will see as we go through the slide presentation.. There are still a lot of challenges out there, but I think we are prepared to deal with them.

Commercial loans continue to be a strong business focus for us at First Federal Bank. We had growth of over $50 million, which was a 21-and-a-half-percent increase in the C & I category of our commercial lending. We have a very strong small business environment. None of that is tied to subprime lending. We have an internal lending limit today because of our size, of over $25 million. Now generally our internal limit is $10 million. Anything above that takes special board action, and believe me, there are opportunities within our market area to make loans in that range. And we have a strong emphasis on our credit quality.

When you look at a breakdown of our loan portfolio by loan type, you will see that commercial and commercial real estate make up almost 70 percent of our loan portfolio. The 47 percent of commercial real estate I think needs a little bit of explanation, because a lot of times people see commercial real estate lending and all types of red flags and alarms go off in regards to that.

I think this goes back to our heritage of the savings and loan. As a thrift., we grab a mortgage whenever we can. We like real estate. It is collateral, and not only does it give us good solid collateral, but it also gives us an opportunity to operate under a thrift charter because of the way those loans are classified by the regulators. So, while it does look like a very significant part of our portfolio, and it is, I think when you look at the attributes of that segment of the portfolio and realize that most of this is owner occupied, strong business properties within our footprint, that certainly should mitigate some of the concerns. And then the 22 percent that is in the commercial and industrial, or C & I, segment, ismade up of a variety of different types of loans, including agriculture loans to customers within the northwest Ohio, southeast Michigan, and northeast Indiana area.

Our growth, as I mentioned, continues to be very strong. This slide shows our compounded annual growth rate, and on this particular graph we exclude acquisitions just to show you what we have been able to do through our organic growth. I think if you look back against the year 2002, which is pretty much in the middle of the bar graph here, you will see that is when things really started to climb. After the sale of Leader Mortgage, which took place in the spring of 2002, it gave us an opportunity to really redirect our focus on community banking.

Net charge-offs in the first quarter of this year, were at 15 basis points. The last couple of years we have seen these higher than our historical performance has been. Again, on a peer group comparison, we still perform very, very well. We mentioned in our press release last night and again in our investor conference call this morning that we feel the 15 basis point level is a level that possibly will go higher throughout this year based on a couple of factors; primarily the general economic factors that we are facing.

Looking at some of our asset quality measures, our non-performing assets have also trended up during the current economic cycle, but I think you need to take into consideration here that when you look at the fact that they did go up in the first quarter of this year a little bit more than what they traditionally have been . The Pavilion acquisition, which basically the Bank of Lenawee is their operating entity, contributed to some of this increase in the first quarter. In fact, loans that were actually originated by First Federal Bank, both our non-performing loans and other real estate loans actually dropped in the first quarter. We are working hard to bring our non-performing assets down. Several of our real-estate-owned properties we think are close to disposition, and we hope that as the year goes on, we can effectively impact that.

The reserves that we set up for our non-performing loans or actually for our loans in general, we feel are very adequate. We spend an awful lot of time on this. We have a very diligent review process, and in the case of the acquisition, we devoted a significant amount of time during the due diligence process as well as just prior to and right after closing, taking a good look at all the loans and making sure that we had our hands around everything. And we even had an independent firm come in and do a loan review for us prior to closing, and they basically reaffirmed our own findings. So we were very pleased with that.

In regards to our credit quality factors, one several of the reasons that I think are behind us being successful in controlling our credit quality numbers are that we are an in-market lender. We know who our customers are. Our lenders know their clients very well. We try to make sure that we have solid underwriting standards in place and that they are adhered to. We really have beefed up our credit administration function over the last several years, and we have established an asset review committee that meets on a monthly basis to make sure that we are staying on top of any credits that are showing any sign of weakness.

We continue to be very, very active in the mortgage banking arena. As many of you know, for years pretty much our only line of lending was residential mortgage lending. Today with the fact that we have diversified into more of a full-line community bank business plan, we have not in any way abandoned mortgage banking. We sell most of our production, and that is why it represents a smaller part of our actual loan portfolio. But when you look at the numbers that we have produced and in the first quarter of 2008, we originated, almost $66 million in mortgage loans. That represented 517 individual mortgages that were written in the first quarter. That was a 55 percent increase from the first quarter of 2007. Part of that actually, I should say most of that, really, was driven by the cuts that the Fed made back in January.

While mortgage rates are not directly tied to the Fed move, they are actually more controlled by the 10-year Treasury. Treasuries took a significant drop in late January that brought down mortgage rates and stimulated the refinance activity, and that carried out through the balance of the first quarter. Rates didn't stay down very long, but the amount of business that came into the pipeline certainly carried us all the way through February, March, and I think we are still going to benefit from some of that here in the second quarter.

Looking at that first number again of the $ 65.8 million in mortgage originations in the first three months of this year. Last year, in total, we did $166 million, and that was a slight increase over the prior year. And only $32 and a half million of that was done in the first quarter of 2007.

The 2005-2007 period was a pretty steady period after we had been through the high volume of 2002 and 2003, we saw a drop-off in '04. And then it came back and just kind of leveled off for three years. Again, we are off to a very strong start this year. Whether we will be able to sustain that level depends a lot on some of the moves that the Fed makes and what happens to the economy in general. But contrary to what you will hear on the evening news every night, mortgage business is alive and well, at least within the First Federal footprint.

Looking at servicing, I mentioned the fact that we sell off most of our mortgage production. Even though we sell the vast majority of the loans that we originate, we retain the servicing for them, and we make income off of that servicing. You can see, the considerable jump in the 3/31/08 figures compared to year end '07.

The reason that jumps so significantly is that obviously we had strong production here, but probably more impactful is the fact that the Bank of Lenawee has a very large mortgage servicing portfolio that came on the books in the middle of March. So that would have been reflected in the March 31st numbers. Bank of Lenawee operated very similarly to First Federal Bank as far as being a very aggressive originator of residential mortgage loans in their market area. This was another one of the strong similarities we found between these two companies when we put them together.

On the deposit side of the balance sheet, and this machine here is not an exercise machine or any new medical device or anything, but this is our remote deposit scanner. We felt it earned its place in our presentation today because of what it has done for us as far as increasing our non-interest deposits. We have, as I mentioned, over 140 customers now on remote deposit. And basically what this allows is for businesses that are paid primarily in checks to scan the checks right on-site and credit them to their accounts simultaneous with that scanning. It saves our customers the time and effort of making a trip to the bank and also gets their account credited much quicker. In 2007, as you can see here, we opened over 20,000 new retail deposit accounts and over 1,600 new commercial deposit customers at First Federal.

Our deposit account mix is continuing to change dramatically and much to our delight. We have worked hard. We have been very successful from early on to transition the asset side of our balance sheet (or the loan side) to become much more like a commercial bank profile. But on the deposit side, it has been a tougher climb. But I am very pleased to say that we are right at about the 12 percent level now of non-interest bearing deposits. And there are two primary reasons for this.

We had a very focused marketing effort throughout 2007, and it really paid dividends for us especially in the latter part of the year as far as bringing in a lot of new accounts. And part of that, goes back to the remote deposit capture. The other reason that that mix has improved so much as of March 31st has to do with the acquisition of the Bank of Lenawee. They had a very strong deposit portfolio. This was one of the reasons that we felt it was an attractive acquisition for us. This is really key when we look at the impact this has on our net interest margin.

This slide shows non-interest bearing accounts and this particular slide actually excludes acquisitions. You can see that our focus is paying off withompounded annual growth rate of almost 13 percent.

Our second business unit is First Insurance & Investments. We expanded our market as we bought the agency and operate an office out of Bowling Green, Ohio now. We continue to have strong growth, especially in our group health and life insurance areas, and we have learned that we need to be very innovative in a soft premium market right now.

I think our people have done a good job of focusing on that and setting targets to really build the business. The only way you are going to grow the insurance business today is to go out and find new accounts. You are not going to do it just by maintaining your current book of business.

This slide gives you a little bit of a profile of First Insurance. It is actually headquartered right here in Defiance. The original acquisition was right at the end of 1998 when we acquired the former Stauffer Mendenhall agency. That was primarily a P & C or property and casualty book of business. In the fall of '99, we acquired the Defiance office of insurance and risk management. And this was a good plan, because they brought along strong group health as well as a much larger book of commercial business. And then in 2007, we acquired the Bowling Green agency, which was primarily a property and casualty agency, but in a market that we think offers great potential also in the group health lines.

Our growth strategy here is basically to increase sales opportunities, and a lot of that is a very focused effort we have got on now in integrating both the bank and the insurance sales efforts together and then continuing to look for strategic acquisitions within the footprint of

First Defiance.

Our commission income continues to grow. You can see that our commission income was $5.3 million in 2007, and going back again what I refer to as the benchmark year of 2002, that is a $2 million dollar growth. Our health and life revenues continue to exceed a 10 percent growth rate, and then the other thing we have been very, very successful at is contingent commission revenue. This is basically being rewarded for writing good business. Most of this is booked in the first quarter. For 2008, the first quarter was a little over $784,000 in contingent income. Our first quarter number actually in 2007 was $754,000. However, we did pick up some additional contingent income later in 2007 that brought that total up to over $814,000. We don't anticipate that number increasing really from where it is right now. This year's number as of March 31st will probably hold the same.

With that, I am going to turn it over to Jack Wahl, our CFO, to give you some of the financial results before I come back and wrap up.

JOHN C. WAHL, EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER (Mr. Wahl): Thanks very much, Bill, and good afternoon everyone. I will refer you to the copy of the news release that was handed out when you came in the room. I will not specifically read this, but it offers a lot more detail than what I am going to provide here in my presentation.

Some of the highlights for the quarter are -- and Bill has already alluded to some of this -- the significant increase in our net interest income and net interest margin, which increased by 24 basis points in the 2008 first quarter compared to 2007. Our core earnings per share is up 6 percent for this year's first quarter versus last year's first quarter, and I am also going to provide a little bit of additional information on the Pavilion acquisition and how that is being accounted for in purchase accounting.

On a GAAP basis, which is Generally Accepted Accounting Principles, our net income for the 2008 first quarter was $3.42 million or 47 cents per diluted share. That compares to $3.61 million in last year's first quarter or 50 cents per share. This slide also shows GAAP 2003 through 2007 income and earnings per share. In 2007, as Bill mentioned, our income was $13.9 million or $1.94 per share, which was down from 2006. It was down primarily because of margin pressure that we felt and all of our competitors felt as well.

When we record an acquisition, we typically have expenses that are unique to closing that transaction and that aren't going to be part of our results on a going-forward basis. And we typically try to isolate those acquisition-related costs so that somebody analyzing your results can project how we will do going forward. For the Pavilion acquisition that we just completed, we reported $750,000 of acquisition-related costs within the first quarter. These related to such things as the cancellation of long-term contracts that we don't need any longer as First Defiance, and it also includes paying stay bonuses to some of the former Pavilion employees who didn't come on as First Defiance employees but who we needed to retain through a certain date in the transition to help us following that closing date.

Our initial estimate of acquisition-related charges when we announced the transaction was $3.5 million. We now believe those costs are going to cap out at about $2 million. A couple of things happened. The estimate of the cost of terminating Pavilion's defined benefit pension plan came about $900,000 less than what we had initially expected. And we had estimated some of the separation costs of and severance costs of the former Pavilion employees in our numbers. Those were actually expensed by the seller prior to the closing date. In our results for the first quarter of 2007, if you exclude the $750,000 of acquisition-related charges, we earned $3.91 million on a core basis or 54 cents per share.

This slide also reflects similar adjustments that we made in 2005 when we made the Commercial Bank and the

Genoa Savings acquisitions. And in 2004, we had an unrelated one-time cost associated with an item when we disclosed, I believe, the related charges.

This slide highlights one of the real successes of our 2008 first quarter. Our net interest income increased by $1.6 million. That is our top line revenue growth. Our top line revenue increased by $1.6 million or 13.4 percent over last year's first quarter. Our net interest margin of 3.76 percent was 13 basis points better than last year's first quarter and 24 basis points better than the quarter ended December 31st of 2007. This improvement was achieved primarily by improving our mix of deposits. We allowed higher-cost CDs to leave the bank, and we were able to grow our lower costs for deposits.

Non-interest income for the first quarter was $6 million, a 7.3 percent increase over last year's first quarter, and Bill has already mentioned most of the growth in this area was in mortgage banking income, which was up nearly 42 percent this year compared to the first quarter of last year.

In this slide we highlight mortgage banking income just so you can get a sense for how material it was, especially back in 2003 and 2004 and how currently, even though we are very pleased with how much that has increased for us this year, it is a relatively minor part of our total net income. We are much less reliant on mortgage banking income than we were five years ago.

Efficiency ratio is a measure of how much expense it takes to generate income or to generate revenue. For example, on a GAAP basis in 2008 in the first quarter, it cost us 67.7 cents to generate each dollar of revenue. We prefer to do this analysis excluding the acquisition-related costs. And when you do that, the efficiency ratio is 64 percent. It is a continual focus of the bank to try to lower this number, and we certainly like it to be closer to 60 percent. However, when you operate the type of business plan that we do, which relies on high-touch customer contact, it is very difficult to run with an efficiency ratio much lower than 60 percent.

This slide provides a couple of details on the Pavilion acquisition. The purchase price that we paid for Pavilion was $28 million in cash and 1,039,000 shares of First Defiance stock. The acquisition was valued at

$55.2 million using the October 2, 2007 stock price, which was the date that we announced the acquisition.

Now, the accounting rules have changed since the acquisition, and if we do an acquisition that closes after January 1st of next year, you will use the closing price on the date or the stock price on the date of the closing of the transaction rather than the announcement date. If we had done that this year, the deal would have been valued at $48.2 million rather than $55.2 million. That amount does not include any investment banking fees, attorney fees, or accounting fees that will be capitalized into the purchase.

The acquisition increased our assets by $235 million on a net basis after you factor out the cash payment. It increased our loans by $230 million, our deposits by $209 million. Goodwill recorded and intangible assets totaled approximately $27 million, which reduced our tangible book value per share to $15.45 from $17.79 at the end of December.

Our estimate of the annual accretion that will be realized from this acquisition is between seven and 10 cents per share, excluding the one-time acquisition-related costs. I have already mentioned that the estimate of the acquisition cost has been lowered to $2 million from our initial estimate of

$3.5 million.

We always like to review with our shareholders some of our capital management initiatives. We did borrow $20 million to help us fund the Pavilion acquisition. That was booked at a rate of 90-day LIBOR plus 1.5 percent. We issued over the last several years two issues of trust preferred securities of $15 million last year at this time and $20 million at the end of 2005. Our quarterly dividend right now is 26 cents per quarter, and with the stock price of approximately $18 a share, that is about a 5.9 percent yield on that dividend. Now, it is not very much comfort if your stock was at $30 a share when you bought it, but if you are buying your stock at the price today, if nothing else, you are getting an outstanding yield on that investment.

Back in 2003, the Board of Directors authorized us to repurchase 639,000 shares of our stock. We still have 96,000 shares remaining in that repurchase. We have not really been actively buying shares except from local shareholders because, frankly, in this environment, capital is very important. It is very important to our regulators. It is also very important to our Board of Directors.

This slide shows the historical total return of our stock, and it is a lot more fun to talk about this last year at this time than it is right now. Obviously, our stock price has declined significantly. However, if you assess your investment inFirst Defiance since the beginning of 2000, we still have significantly outperformed the NASDAQ bank index and the NASDAQ market as a whole. Just a couple more comments on our stock performance, and then I will turn the podium back over to Bill.

We are frequently asked about why our stock price is trading where it is, and the answer we typically give is that ithere is not really one specific answer to that question. We believe there is certainly a bias against financials right now. I don't think anybody would argue that fact. There are a lot of concerns about companies that have made a lot of mortgages, and even though we have always emphasized that we have not been in the subprime lending business, the market tends to paint everybody with a broad brush.

Stocks frequently trade on emotion, and when that emotion is greed, the price of the stock goes significantly up. When that emotion is fear, the price of stock goes significantly down, and I would suggest that financials, including our stock, are certainly trading right now some on fear.

We frequently do this presentation to national audiences of investment advisers and stock analysts, and we point out that the Midwest, and Ohio, Michigan and Indiana specifically, frequently is a victim of what we call geographic discrimination. I think just the fact that we are located in northwest Ohio and with operations now in Indiana and Michigan are of concern to certain investors. Somebody looking at us as an investment opportunity is potentially going to be scared away by those facts.

However, I did point out that our dividend yield right now is close to 6 percent and at $18 a share, we are trading at approximately 75 percent of book value and at about 1.15 percent of our tangible book value. And if you look over the last 12 months' earnings, that is about nine times our last 12 months' earnings. Bill?

Mr. Small: Thanks, Jack. Just to wrap up and talk about our focus throughout the remainder of 2008. Obviously, high on our list is the integration of our new offices. I think we are off to a great start. We have seen growth in deposits. When we set out and start doing all of the planning on an acquisition, we usually factor in some deposit runoff, being a new player in town so to speak. But, during the first month or month and a half, we are very pleased to see that we have actually had deposit growth.

Our good-to-great initiative -- if any of you have read the book, I think you will have a pretty good understanding of that. This is really just kind of a performance measurement program that we are establishing within the bank. We think we are a good bank, but we are not going to settle for that -- we are going to be a great bank. The next bullet addresses our role as a trusted advisor to our customers. Again, we, we think is very, very important to be recognized that way. And this is a major focus of our good-to-great initiative.

Private banking is going to be one of the things that you are going to see us more involved with as part of that. Our deposit growth strategy is to continue to keep our focus on growing especially on our non-interest bearing deposits. Again, anything that we can do there is certainly going to be an advantage for our net interest margin. And then our wealth management services, we think, represents some significant opportunities. I know as we started talking to the people with Pavilion Bancorp, they were very excited about that. They felt there was a real void to that in the southeast Michigan area, and we have already had some great opportunities to go out and meet with a number of clients up in that market area.

What will help us accomplish this and to be successful? I think it is our clear vision for the future. We have a well-defined and a well-communicated business plan. Our people throughout the organization understand it. Everything is based on core values, customer first, the personal approach. Again, that is very near and dear to our hearts. We are not going to be successful if we take on the image of being a big bank. We have just got a tremendous team in place, throughout this organization.

I don't think anybody that has not experienced it understands the amount of work that is involved in acquiring and converting an institution, especially when you go in on the day of the closing on Friday at 5:00 o'clock. That door gets locked, and over that weekend, you convert the entire system, the entire operation, the signage.

You open up Monday morning at 8:30 and it is First Federal Bank, and I tell you, that doesn't happen easily. I want to thank Denny Rose. Denny is the head of our conversion team. He missed a meeting one day and got named that, and so his attendance has been much better the last several years. But it is an awful lot of work, and it is not just Denny. We have a lot of employees in this room. And there is not a single one of them that is not in one way or another a contributor to that successful conversion. And we will continue to be a part of the successful integration. And we are well prepared and well positioned.

I think the fact that we have grown to the size that we are today really gives us tremendous opportunities, especially when we can operate with the community bank business plan. We can go head-to-head with any of the big banks as far as the products and services we offer, and yet we can react in response to customers on a level that not many of the smaller community banks have been able to do. So, I think that, we are in the right place. We are the right size. There is a ton of opportunities out there, and we are going to continue to take advantage of those.

With that, I thank you for listening to our presentation this morning. And before we get into the business segment of our meeting, we would be happy to answer any questions that anybody might have. I am only going to wait so long. Okay. If there are no questions, we will proceed with the business part of our meeting.

The Board of Directors has appointed Terri Abare as our Inspector of Elections. All executed proxies and the list of stockholders have been turned over to the

Inspector of Elections. John Boesling, to my immediate left, will act as secretary of this meeting, and Dani Norden -- Danielle Norden, I ought to be formal, on the far left up here, is the recording secretary. Mr. Boesling will now report on the notice of the annual meeting. John?

MR. Boesling: Thank you, Bill. Mr. Chairman, on or about March 25, 2008, notice of this annual meeting, together with the proxy statement, form of proxy, and copy of the corporation's annual report for the fiscal year ended December 31, 2007, were mailed to stockholders of record as of March the 7, 2008. I have submitted an affidavit verifying the mailing of these items.
The Inspector of Elections will now report on the votes present at this meeting. Miss Abare.

MS. Abare: Mr. Chairman, there are 6,111,437 shares present in person or by proxy at this meeting.

Mr. Small: Thank you. A quorum is present either by person or by proxy, and this is a legal meeting called to transact the business set forth in the proxy statement and such other business as may come before the meeting. Would any stockholder or proxy holder who has not already done so, give the Inspector of Elections his or her proxy for verification. So, if anybody brought their proxy with them, would your make sure that it comes to the front table?

There is one item to be considered at this meeting. It is to elect three directors for three-year terms. This item requires only a simple majority of the shares actually voted. The company bylaws provide for a classified board currently composed of 11 members. Therefore, three persons have been nominated for election for a three-year term expiring in the year 2011. I now recognize Dr. Douglas Burgei, chairman of our corporate governance committee, who will present the slate set forth in the proxy statement. Doug?

DR. Burgeil: Those persons nominated by the Board of Directors and the term of each is as follows: Jean A. Hubbard, three years, expiring 2011; James L. Rohrs, three years, expiring 2011; Thomas A. Voigt, three years, expiring 2011. I move that these individuals be elected to serve on the Board of Directors of First Defiance Financial Corp. for the term of year stated.

Mr. Small: Is there a second?

A VOICE: Second.

Mr. Small: Second. There have been no other nominations or items submitted to First Defiance pursuant to its bylaws. The bylaws require 30-days' notice prior to the annual meeting. Are there any questions concerning the item on the ballot? Since there are no questions, the item will be put to a vote. We do have ballots available, and if you want to vote that today, of course if you have voted a proxy, that has already been recorded. However, you do have the right to revoke that proxy and change your vote if you would desire to do so. And you can do that by picking up a ballot from us. Is there anybody present that would like to vote their ballot here today? If not the polls are officially open. And I guess with that, since nobody is going to pick up a ballot or present a proxy, the polls are closed. So if there are no other shares to be voted in person, I now declare the polls closed and ask the Inspector of Election to announce the results of the voting.

MS. Abare: Mr. Chairman, the following number of votes have been cast in favor of the election of the following persons to serve as Directors of First Defiance Financial Corp.: Jean Hubbard, 5,916,933; James Rohrs, 5,986,172; Thomas Voigt, 5,942,711.

Mr. Small: With that, I now declare the three nominees have been duly elected by the required votes of the stockholders. There is no other official business to be brought before this meeting -- and again, I will ask, does anybody have any questions?

Well, we thank you for attending today's meeting. The executive officers and directors will be around afterwards if you want to speak with them, or ask any questions privately. And also, since this is our first time to, host you at our new operations center, we have made arrangements. Brian Eitniear, who is standing in the back of the room, will host anybody who would like a tour of the building, So, you just meet him right outside the door there in the foyer, and he will give you a tour. With that, if there is no other business, I will entertain a motion to adjourn the meeting.

A VOICE: Move.

Mr. Small: So moved. Is there a second?

A VOICE: Second.

Mr. Small: Seconded. Ladies and gentlemen, we are adjourned. Thank you again very much.

(Whereupon, the meeting was adjourned at 1:52 o'clock p.m.)