

Annual Meeting of Shareholders

April 20, 2010



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 at 3-31-10
- 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 and Life Insurance
 - Locations in Defiance and Bowling Green, Ohio

2009 in Review

- Increased deposits to \$1.6 billion
- Originated over \$500 million in mortgage loans
- Provided over \$50 million in new financing to local area farmers
- Largest Community Bank based in northwest Ohio
- Total Assets increased from \$1.53 billion at 12/31/06 to \$2.06 billion at 3/31/10

2009 in Review

- Many challenges
- Basic, conservative business plan
- Memorandum of Understanding
- Core fundamentals strong

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 Management

- We know our customers: In-market lending
- Conservative underwriting standards
- Credit Administration infrastructure active throughout the loan process
- Asset Review Committee assures on-going monitoring

Capital Management

- Dividend
- Capital Purchase Program
- Shelf Registration

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

First Quarter 2010

- Net Income of \$1.4 million or \$.12 per common share
- Provision for Loan Losses of \$6.9 million reflects challenging credit environment
- Other-Than-Temporary Impairment of \$70,000 recognized on certain investment securities
- Net Interest Income increased by \$1 million or 6.5% over 2009 first quarter
- Net Interest Margin up 10 basis points from 2009 first quarter, flat with fourth quarter

2010 Focus

- Focusing on core deposit growth, asset quality, and expense control
- Managing regulatory environment
- Implementing enhanced Performance Management System with clear “Line of Sight” targets for all employees
- Developing “Trusted Advisors” throughout organization
- Promoting the Community Bank Difference

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