

FARMERS & MERCHANTS BANCSHARES, INC.

	CPP Disbursement Date 03/06/2009	RSSD (Holding Company) 1134881	Number of Insured Depository Institutions 1	
Selected balance and off-balance sheet items	2010 \$ millions	2011 \$ millions	%chg from prev	
Assets	\$543	\$534	-1.5%	
Loans	\$417	\$373	-10.5%	
Construction & development	\$67	\$43	-35.8%	
Closed-end 1-4 family residential	\$35	\$37	4.2%	
Home equity	\$0	\$0		
Credit card	\$0	\$0		
Other consumer	\$9	\$7	-23.7%	
Commercial & Industrial	\$92	\$89	-3.4%	
Commercial real estate	\$173	\$162	-6.1%	
Unused commitments	\$49	\$47	-2.8%	
Securitization outstanding principal	\$0	\$0		
Mortgage-backed securities (GSE and private issue)	\$6	\$7	10.9%	
Asset-backed securities	\$0	\$0		
Other securities	\$10	\$12	22.3%	
Cash & balances due	\$66	\$98	49.5%	
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	\$479	\$468	-2.2%	
Deposits	\$477	\$466	-2.3%	
Total other borrowings	\$0	\$0		
FHLB advances	\$0	\$0		
Equity				
Equity capital at quarter end	\$64	\$66	3.2%	
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$0	\$0	NA	
Performance Ratios				
Tier 1 leverage ratio	8.4%	8.9%	--	
Tier 1 risk based capital ratio	10.5%	12.4%	--	
Total risk based capital ratio	11.8%	13.7%	--	
Return on equity ¹	-3.4%	1.6%	--	
Return on assets ¹	-0.4%	0.2%	--	
Net interest margin ¹	4.6%	4.5%	--	
Coverage ratio ((ALL+Alloc transfer risk)/Noncurrent loans)	117.2%	141.0%	--	
Loss provision to net charge-offs (qtr)	137.2%	82.2%	--	
Net charge-offs to average loans and leases ¹	1.2%	0.4%	--	
¹ Quarterly, annualized.				
	Noncurrent Loans		Gross Charge-Offs	
Asset Quality (% of Total Loan Type)	2010	2011	2010	2011
Construction & development	0.2%	2.5%	1.3%	0.5%
Closed-end 1-4 family residential	0.0%	0.2%	0.1%	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%	0.1%	0.4%	0.1%
Commercial & Industrial	1.4%	0.7%	0.0%	0.2%
Commercial real estate	0.9%	1.0%	0.1%	0.0%
Total loans	1.3%	1.4%	0.3%	0.1%