

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2015 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or ☒ a single-employer plan; ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information
1a Name of plan FIRST DEFIANCE FINANCIAL CORP. EMPLOYEE STOCK OWNERSHIP PLAN	1b Three-digit plan number (PN) ▶ 003
	1c Effective date of plan 12/01/1992
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) FIRST DEFIANCE FINANCIAL CORPORATION 601 CLINTON STREET P.O. BOX 248 DEFIANCE, OH 43512	2b Employer Identification Number (EIN) 34-1746771 2c Plan Sponsor's telephone number 419-782-5015 2d Business code (see instructions) 522120

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/17/2016	KEVIN THOMPSON
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number)			Preparer's telephone number

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2015)
v. 150123

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN
	3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 399
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).	
a(1) Total number of active participants at the beginning of the plan year.....	6a(1) 302
a(2) Total number of active participants at the end of the plan year	6a(2) 269
b Retired or separated participants receiving benefits.....	6b 0
c Other retired or separated participants entitled to future benefits.....	6c 109
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 378
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e 0
f Total. Add lines 6d and 6e	6f 378
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g 378
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2P 3I	
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☒ <u>1</u> A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

Part III	Form M-1 Compliance Information (to be completed by welfare benefit plans)
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11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2015 Form M-1 annual report. If the plan was not required to file the 2015 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2015 This Form is Open to Public Inspection
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For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan FIRST DEFIANCE FINANCIAL CORP. EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ▶ 003
C Plan sponsor's name as shown on line 2a of Form 5500 FIRST DEFIANCE FINANCIAL CORPORATION	D Employer Identification Number (EIN) 34-1746771

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier
JOHN HANCOCK LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
01-0233346	65838	94708	371	01/01/2015	12/31/2015

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid 0	(b) Total amount of fees paid 2180
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3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

FINDLEY DAVIES
ONE SEAGATE, SUITE 2050
TOLEDO, OH 43604

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
	2180	OTHER PAYMENTS	5

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end	4	
5 Current value of plan's interest under this contract in separate accounts at year end	5	1236978

6 Contracts With Allocated Funds:**a** State the basis of premium rates ► **GROUP ANNUITY CONTRACT**

b Premiums paid to carrier	6b	
c Premiums due but unpaid at the end of the year	6c	
d If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ►	6d	

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity
(3) ☐ other (specify) ►

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ► ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☐ other ►

b Balance at the end of the previous year	7b	0
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c Additions: (1) Contributions deposited during the year	7c(1)		
(2) Dividends and credits	7c(2)		
(3) Interest credited during the year	7c(3)		
(4) Transferred from separate account	7c(4)		
(5) Other (specify below)	7c(5)		
►			

(6) Total additions	7c(6)	0
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d Total of balance and additions (add lines 7b and 7c(6))	7d	0
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e Deductions:			
(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)		
(2) Administration charge made by carrier	7e(2)		
(3) Transferred to separate account	7e(3)		
(4) Other (specify below)	7e(4)		
►			

(5) Total deductions	7e(5)	0
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f Balance at the end of the current year (subtract line 7e(5) from line 7d)	7f	0
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Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
 b ☐ Dental
 c ☐ Vision
 d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
 f ☐ Long-term disability
 g ☐ Supplemental unemployment
 h ☐ Prescription drug
i ☐ Stop loss (large deductible)
 j ☐ HMO contract
 k ☐ PPO contract
 l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve.....	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	0
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	0
(4) Claims charged.....		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions.....	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs.....	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes.....	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges.....	9c(1)(G)		
(H) Total retention.....		9c(1)(H)	0
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement.....		9d(1)	
(2) Claim reserves.....		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).).....		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier.....	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount.....	10b	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2015
		This Form is Open to Public Inspection.

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015		
A Name of plan FIRST DEFIANCE FINANCIAL CORP. EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ▶	003
C Plan sponsor's name as shown on line 2a of Form 5500 FIRST DEFIANCE FINANCIAL CORPORATION	D Employer Identification Number (EIN) 34-1746771	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No
- b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b)	Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
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(b)	Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation
-----	---

(b)	Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
-----	--

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

JOHN HANCOCK LIFE INSURANCE CO. USA

01-0233346

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 28 59 60 62 63 68	RECORDKEEPER	2272	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2015 This Form is Open to Public Inspection.
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For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan <u>FIRST DEFIANCE FINANCIAL CORP. EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ►	<u>003</u>
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C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>FIRST DEFIANCE FINANCIAL CORPORATION</u>	D Employer Identification Number (EIN) <u>34-1746771</u>
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Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: SEPARATE ACCOUNT B

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN <u>01-0233346-000</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>1236978</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
-----------------	----------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2015 This Form is Open to Public Inspection
For calendar plan year 2015 or fiscal plan year beginning <u>01/01/2015</u> and ending <u>12/31/2015</u>		
A Name of plan <u>FIRST DEFIANCE FINANCIAL CORP. EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ►	<u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>FIRST DEFIANCE FINANCIAL CORPORATION</u>	D Employer Identification Number (EIN) <u>34-1746771</u>	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.				
	Assets			
a	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)		
	(2) Participant contributions	1b(2)		
	(3) Other.....	1b(3)		
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
	(2) U.S. Government securities.....	1c(2)		
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)		
	(B) All other.....	1c(3)(B)		
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)		
	(B) Common	1c(4)(B)		
	(5) Partnership/joint venture interests	1c(5)		
	(6) Real estate (other than employer real property)	1c(6)		
	(7) Loans (other than to participants)	1c(7)		
	(8) Participant loans	1c(8)		
	(9) Value of interest in common/collective trusts.....	1c(9)		
	(10) Value of interest in pooled separate accounts.....	1c(10)	1283957	1236978
	(11) Value of interest in master trust investment accounts	1c(11)		
	(12) Value of interest in 103-12 investment entities	1c(12)		
	(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
	(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	8814654	7993581
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	10098611	9230559

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	10098611	9230559
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		0
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	185626	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		185626
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	912785	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		912785

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		-9763
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		1088648

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1956700	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		1956700
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		0
j Total expenses. Add all expense amounts in column (b) and enter total	2j		1956700

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-868052
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unqualified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☐ Yes ☒ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: CROWE HORWATH LLP

(2) EIN: 35-0921680

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

	Yes	No	N/A	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)		☒		
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		☒		

	Yes	No	N/A	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X		
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X		
e Was this plan covered by a fidelity bond?	X			1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X		
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X		
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X		
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X			
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)		X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X		
l Has the plan failed to provide any benefit when due under the plan?		X		
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X		
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.				
o Did the plan trust incur unrelated business taxable income?				
p Were in-service distributions made during the plan year?				

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
 If "Yes," enter the amount of any plan assets that reverted to the employer this year. ☐ Yes ☒ No Amount:

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☐ Yes ☐ No ☐ Not determined

Part V Trust Information

6a Name of trust	6b Trust's EIN
6c Name of trustee or custodian	6d Trustee's or custodian's telephone number

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2015 This Form is Open to Public Inspection.
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For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan <u>FIRST DEFIANCE FINANCIAL CORP. EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ▶ <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>FIRST DEFIANCE FINANCIAL CORPORATION</u>	D Employer Identification Number (EIN) <u>34-1746771</u>

Part I	Distributions
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All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>34-1786252</u> <u>01-0233346</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?	☐ Yes	☐ No	☐ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.	☐ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☒ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☒ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☒ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☒ No

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2015
v. 150123

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14	Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:		
	a The current year	14a	
	b The plan year immediately preceding the current plan year	14b	
	c The second preceding plan year	14c	
15	Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:		
	a The corresponding number for the plan year immediately preceding the current plan year	15a	
	b The corresponding number for the second preceding plan year	15b	
16	Information with respect to any employers who withdrew from the plan during the preceding plan year:		
	a Enter the number of employers who withdrew during the preceding plan year	16a	
	b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	
17	If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐		

Part VI	Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans
----------------	---

18	If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐
19	If the total number of participants is 1,000 or more, complete lines (a) through (c)
	a Enter the percentage of plan assets held as: Stock: <u>0.0</u> % Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%
	b Provide the average duration of the combined investment-grade and high-yield debt: ☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more
	c What duration measure was used to calculate line 19(b)? ☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

Part VII	IRS Compliance Questions
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20a Is the plan a 401(k) plan?	☐ Yes	☐ No
20b If "Yes," how does the 401(k) plan satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under sections 401(k)(3) and 401(m)(2)?	☐ Design-based safe harbor method	☐ ADP/ACP test
20c If the ADP/ACP test is used, did the 401(k) plan perform ADP/ACP testing for the plan year using the "current year testing method" for nonhighly compensated employees (Treas. Reg sections 1.401(k)-2(a)(2)(ii) and 1.401(m)-2(a)(2)(ii))?	☐ Yes	☐ No
21a Check the box to indicate the method used by the plan to satisfy the coverage requirements under section 410(b):	☐ Ratio percentage test	☐ Average benefit test
21b Does the plan satisfy the coverage and nondiscrimination tests of sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules?	☐ Yes	☐ No
22a Has the plan been timely amended for all required tax law changes?	☐ Yes	☐ No ☐ N/A
22b Date the last plan amendment/restatement for the required tax law changes was adopted ____/____/____. Enter the applicable code _____. (See instructions for tax law changes and codes).		
22c If the plan sponsor is an adopter of a pre-approved master and prototype (M&P) or volume submitter plan that is subject to a favorable IRS opinion or advisory letter, enter the date of that favorable letter ____/____/____ and the letter's serial number _____.		
22d If the plan is an individually-designed plan and received a favorable determination letter from the IRS, enter the date of the plan's last favorable determination letter ____/____/____.		
23 Is the Plan maintained in a U.S. territory (i.e., Puerto Rico (if no election under ERISA section 1022(i)(2) has been made), American Samoa, Guam, the Commonwealth of the Northern Mariana Islands or the U.S. Virgin Islands)?	☐ Yes	☐ No

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE

First Defiance Financial Corp. Employee Stock Ownership Plan
As of December 31, 2015 and 2014 and for the Year Ended December 31, 2015
With Independent Auditor's Report

First Defiance Financial Corp.
Employee Stock Ownership Plan

Financial Statements and Supplemental Schedule

As of December 31, 2015 and 2014 and for the Year Ended December 31, 2015

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INDEPENDENT AUDITOR'S REPORT

Plan Administrator
First Defiance Financial Corp.
Employee Stock Ownership Plan
Defiance, Ohio

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of First Defiance Financial Corp. Employee Stock Ownership Plan, which comprise the statement of net assets available for benefits as of December 31, 2015, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the Plan's 2015 financial statements.

Plan Termination

As described in Note 1, the Plan sponsor elected during the year to terminate the Plan. As a result, the Plan changed its basis of accounting for periods subsequent to December 22, 2015 from the accrual basis.

Basis for Disclaimer of Opinion on 2015 Financial Statements

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 7, which was certified by John Hancock Life Insurance Company (U.S.A) ("JH") and First Federal Bank of the Midwest, except for comparing such information with the related information included in the 2015 financial statements. We have been informed by the plan administrator that JH and First Federal Bank of the Midwest holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained certification from JH and First Federal Bank of the Midwest as of December 31, 2015 and for the year then ended that the information provided to the plan administrator by JH and First Federal Bank of the Midwest Trust Department is complete and accurate.

(Continued)

Disclaimer of Opinion on 2015 Financial Statements

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these 2015 financial statements.

Other Matter 2015

The supplemental Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year) as of December 31, 2015 is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for purposes of additional analysis and is not a required part of the 2015 financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the 2015 supplemental schedule.

Other Matter 2014

We have audited the statement of net assets available for benefits of First Defiance Financial Corp. Employee Stock Ownership Plan as of December 31, 2014, and in our report dated October 14, 2015, we expressed our opinion that such 2014 financial statement presents fairly, in all material respects, the net assets available for benefits as of December 31, 2014, in accordance with accounting principles generally accepted in the United States of America.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the 2015 financial statements and supplemental schedule, other than that derived from the information certified by JH and First Federal Bank of the Midwest, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.



Crowe Horwath LLP

South Bend, Indiana
October 17, 2016

**First Defiance Financial Corp.
Employee Stock Ownership Plan**

**Statement of Net Assets Available for Benefits in Liquidation as of December 31, 2015
Statement of Net Assets Available for Benefits as of December 31, 2014**

	December 31, 2015 (in liquidation)			December 31, 2014 (ongoing)		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
Assets						
Investments, at fair value (Note 7)						
First Defiance Financial Corp. common stock	\$7,993,581	-	\$7,993,581	\$8,814,654	-	\$8,814,654
Pooled Separate Accounts	1,236,978	-	1,236,978	1,283,957	-	1,283,957
Total Investments at fair value	9,230,559	-	9,230,559	10,098,611	-	10,098,611
Net assets available for liquidation	\$9,230,559	-	\$9,230,559	\$10,098,611	-	\$10,098,611

See accompanying notes.

**First Defiance Financial Corp.
Employee Stock Ownership Plan**

Statement of Changes in Net Assets Available for Benefits in Liquidation

Year Ended December 31, 2015

Additions

	Allocated	Unallocated	Total
Investment income (Note 7):			
Net realized and unrealized appreciation in fair value of investments	\$ 903,022	\$ —	\$ 903,022
Dividends	185,626	—	185,626
Total additions	1,088,648	—	1,088,648

Deductions

Distributions to participants	1,956,700	—	1,956,700
Total deductions	1,956,700	—	1,956,700
Net decrease	(868,052)	—	(868,052)

Net assets available for benefits:

Beginning of year (ongoing)	\$ 10,098,611	\$ —	\$ 10,098,611
End of year (in liquidation)	\$ 9,230,559	\$ —	\$ 9,230,559

See accompanying notes.

**First Defiance Financial Corp.
Employee Stock Ownership Plan
Notes to Financial Statements
December 31, 2015 and 2014**

NOTE 1 – Plan Description and Basis of Presentation

General

The First Defiance Financial Corp. Employee Stock Ownership Plan (the “Plan”) was established by First Federal Savings and Loan (now First Federal Bank of the Midwest) (“First Federal”), the predecessor company to First Defiance Financial Corp. (the “Company” or “First Defiance”) effective July 19, 1993. The Plan operated as a leveraged employee stock ownership plan (“ESOP”) until June 2008, and is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986, as amended (Code), and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan is administered by the Plan Trustees, First Federal Bank Trust Department. Participants should refer to the Plan agreement for a complete description of the Plan.

ESOP Loan and Investment Options

In conjunction with First Federal’s initial offering of common stock in 1993, the ESOP borrowed \$1,600,000 from an unaffiliated lender to purchase 160,000 shares of First Federal common stock. Upon the formation of the Company in September 1995, the 160,000 shares of First Federal common stock were exchanged for 345,443 shares of the Company. In connection with the formation of the Company, the Plan borrowed \$5,981,930 from the Company and used the proceeds to repay the balance of the loan from the unaffiliated lender and to acquire an additional 518,153 shares of common stock of the Company. The borrowing was collateralized by the unallocated shares of stock and was guaranteed by First Federal. The borrowing was to be repaid over a period of 15 years with Company contributions to the Plan. As the Plan made each payment, an appropriate percentage of stock was released for allocation to eligible participants’ accounts in accordance with applicable regulations under the Code. During the year ended December 31, 2008, the borrowing was repaid in full and all remaining shares of Company stock were allocated to participant’s accounts. Shares were allocated to participants’ accounts annually as of the Plan year-end based on the pro-rata portion of a participant’s total eligible compensation for the Plan year in relation to the total eligible compensation for that same period of all participants in the Plan.

The Company has no rights against shares of Company stock once they are allocated under the Plan. Accordingly, the financial statements of the Plan present separately the assets and liabilities and changes therein pertaining to:

- (a) the accounts of employees with rights to allocated stock (Allocated)

**First Defiance Financial Corp.
Employee Stock Ownership Plan
Notes to Financial Statements
December 31, 2015 and 2014**

NOTE 1 – Plan Description and Basis of Presentation *(continued)*

and

(b) stock not yet allocated to employees (Unallocated).

Each participant is entitled to exercise voting rights attributable to the shares allocated to his or her account and is notified by the Trustees prior to the time that such rights are to be exercised. The Trustees are not permitted to vote any share for which instructions have not been given by a participant. The Trustees are required to vote the unallocated shares held by the Plan in the same proportion as the allocated shares are voted.

Upon full repayment of the ESOP borrowing in June 2008 all shares of Company stock were allocated to participant accounts. Accordingly, the investment options under the Plan were expanded to provide participants the ability to reinvest their dividends earned on Company stock into other investments, principally consisting of selected pooled separate account investments. Participants direct the reinvestment of dividends earned in 1% increments into any of the investment options offered by the Plan at John Hancock which excludes First Defiance stock. Participants may change their investment options with John Hancock at any time.

Participant Eligibility

Employees of First Defiance are generally eligible to participate in the Plan if they have worked 1,000 hours during the first year of employment, or any plan year that begins after the first year of employment, and are at least 21 years of age. Plan entry dates are defined by the Plan as being January 1 and July 1. Participants who do not have at least 1,000 hours of service during such plan year or are not employed on the last working day of a plan year are generally not eligible for an allocation of Company contributions for such plan year.

On December 31, 2009, the Plan was amended to freeze entrance of new participants effective on that date.

First Defiance Financial Corp.
Employee Stock Ownership Plan
Notes to Financial Statements
December 31, 2015 and 2014

NOTE 1 – Plan Description and Basis of Presentation *(continued)*

Contributions and Vesting

The Plan does not allow for employee directed contributions. Employer contributions are required for the purpose of making required loan payments to allow for the release of shares of Company stock for allocation to participants. Contributions to participants vest after they have completed three years of service with the Company. Forfeited nonvested shares are allocated to the remaining participants in the Plan year in which the forfeiture occurs.

As the loan was repaid in full in June 2008, First Defiance is not currently obligated to make employer contributions to the Plan. The Company did not make any contributions in 2015.

Payment of Benefits

As the Plan investments consist principally of Company stock, participants who have attained age 50 and have a Company stock account with a balance of at least \$500 have the right to request a distribution of up to 50% of that Company stock. Participants who have attained age 55 have the right to participate in this distribution option up to 100% of their Company stock. Participants may make separate elections each year for up to six years or an ongoing election that will continue each year until revoked. Such elections must be in at least 10% increments of their account balance. The distribution rights under the Plan allow the balances to be distributed directly to participants (subject to tax withholding and penalties for participants who have not attained age 59-1/2), to be rolled over to an eligible retirement account, or transferred directly to the First Defiance Financial Corp. 401(k) Employee Savings Plan.

Except for diversification distributions described above, no distributions from the Plan will be made until a participant retires, dies (in which case, payment shall be made to his or her beneficiary or, if none, his or her legal representatives), becomes permanently disabled, or otherwise terminates employment with the Company. Distributions can be made in the form of shares to the extent the account holds shares and in cash for the cash portion of the account, plus fractional shares, or the participant has the option of taking their distribution from the Plan entirely in cash.

First Defiance Financial Corp.
Employee Stock Ownership Plan
Notes to Financial Statements
December 31, 2015 and 2014

NOTE 2 – Summary of Significant Accounting Policies

Basis of Accounting

Effective December 31, 2015, the Plan Sponsor elected to terminate the Plan. Accordingly, the Plan's basis of accounting was changed to the liquidation basis of accounting starting December 31, 2015 from the accrual basis of accounting for an ongoing plan. Adoption of the liquidation basis of accounting had no material impact on the valuation of plan investments.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Purchases and sales of securities are recorded on a trade-date basis. Dividend income is recorded as of the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Expenses

All significant administrative expenses of the Plan are borne by First Defiance Financial Corp. Certain investment fees are deducted from Plan assets and are reflected in the realized and unrealized appreciation in fair value of investments (see Note 6).

Fair Value Measurements

On May 1, 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2015-07, Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or its Equivalent).

The amendments apply to reporting entities that elect to measure the fair value of an investment using the net asset value per share (or its equivalent) practical expedient.

Under Topic 820, a reporting entity is permitted, as a practical expedient, to estimate the fair value of certain investments using those investments' NAV per share. Prior to ASU 2015-07,

First Defiance Financial Corp.
Employee Stock Ownership Plan
Notes to Financial Statements
December 31, 2015 and 2014

NOTE 2 – Summary of Significant Accounting Policies *(continued)*

these investments were categorized in the fair value hierarchy as Level 2 or Level 3, based on whether the investment was never redeemable with the investee at net asset value, or redeemable with the investee at net asset value at a future date. These criteria used for all other investments. All other investments are categorized based on inputs to the fair value.

To alleviate inconsistencies in the categorization of investments within the hierarchy, ASU 2015-07 removes the requirement to categorize all investments for which fair value is measured using the net asset value per share practical expedient. The amendments also clarify that certain disclosure requirements are limited to investments for which the entity has elected to measure the fair value using that practical expedient, and not all investments eligible to be measured at fair value using the practical expedient.

The ASU is essentially effective for public entities beginning in 2016 and for all other entities beginning in 2017, but earlier application is permitted. Entities should apply the amendments retrospectively to all periods presented. First Defiance has elected to apply this standard early (see Note 3).

Simplify Financial Reporting for Employee Benefit Plans

On July 13, 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2015-12, Plan Accounting (Topics 960, 962 and 965) – Part I Fully Benefit-Responsive Investments Contracts, Part II – Plan Investment Disclosures, Part III – Measurement Date Practical Expedient. This update is designed to provide guidance on the simplification of accounting and financial statement disclosures for employee benefit plans. ASU 2015-12 takes effect for plans with fiscal years beginning after December 15, 2015. Earlier adoption is permitted.

Part I: Fully Benefit-Responsive Investment Contracts – Part I simplifies the reporting of plan investments that are reported as fully benefit-responsive contracts (FBRIC). The ASU now permits FBRIC, including those investment contracts held in master trusts, to be measured, presented and disclosed at contract value. Historically, investment contracts have been measured at fair value for presentation and disclosure purposes while acknowledging contract value as the relevant measure. As a result, financial statements required an adjustment from fair value to contract value. The amendment also eliminated previously required disclosure information on the crediting rate and average yield for investment contracts. Part I should be applied retrospectively for all financial statements presented. First Defiance has elected to apply this standard early (see Note 3).

First Defiance Financial Corp.
Employee Stock Ownership Plan
Notes to Financial Statements
December 31, 2015 and 2014

NOTE 2 – Summary of Significant Accounting Policies (*continued*)

Part II: Plan Investment Disclosures – Part II eliminates the requirement for plans to disclose investments that represent five percent or more of net assets available for plan benefits and the net appreciation or depreciation for investments by type related to both nonparticipant-directed investments and participant-directed investments. The net appreciation or depreciation in investments will still be required to be separately presented in the aggregate in the statement of changes in net assets available for plan benefits. This reporting requirement includes self-directed brokerage accounts, which are also required to be reported as a single line item. Also, it removes the requirement to include the plans investment strategy disclosure for funds that file Form 5500, Annual Return/Report of Employee Benefit Plan as direct filing entities when the plan measures those investments using net asset value (NAV), or an equivalent measure, as a practical expedient. Part II should be applied retrospectively for all financial statements presented. First Defiance has elected to apply this standard early (see Note 3).

Part III: Measurement Date Practical Expedient – Part III only applies to plans that have a fiscal year-end that does not coincide with a month-end. Part III does not apply to the Plan.

NOTE 3 – Fair Value Measurements

Fair value measurements are determined by maximizing the use of observable inputs and minimizing the use of unobservable inputs. The hierarchy places the highest priority on unadjusted quoted market prices in active markets for identical assets or liabilities (level 1 measurements) and gives the lowest priority to unobservable inputs (level 3 measurements). The three levels of inputs within the fair value hierarchy are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities in active markets that the Plan has the ability to access at the measurement date.

Level 2: Significant other observable inputs other than level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect the Plan's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In some cases, a valuation technique used to measure fair value may include inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The following descriptions of the valuation methods and assumptions used by the Plan to estimate the fair values of investments apply to investments held directly by the Plan.

First Defiance Financial Corp.
Employee Stock Ownership Plan
Notes to Financial Statements
December 31, 2015 and 2014

NOTE 3 – Fair Value Measurements (continued)

Company common stock: The fair value of the Company common stock is determined based on the closing price of the stock on the NASDAQ National Market, traded under the symbol FDEF (level 1 inputs).

Pooled separate accounts: The Plan's investments in pooled separate accounts are through direct investments in the John Hancock Life Insurance Company (U.S.A.) Separate Account B (Separate Account B). The fair values of participation units held in sub-accounts of the Separate Account B, other than stable value sub-accounts, are based on their net asset values, as reported by the managers of the sub-accounts and as supported by the unit prices of actual purchase and sale transactions occurring as of or close to the financial statement date. Each of the non-stable value sub-accounts invests in single or multiple mutual funds and provides for daily redemptions by the Plan with no advance notice requirements, and has redemption prices that are determined by the fund's net asset values per unit. The investment strategies of these sub-accounts are consistent with each of the mutual funds identified in the name of the fund.

Stable value fund: The Plan's investment in a stable value fund is through direct investment in Separate Account B. The fair value of participation units in the stable value sub-account are based upon the net asset values of such fund. The fund invests in diversified fixed income mutual funds, separately managed bond accounts, and in book value stabilizing agreements offered by high quality financial institutions. The stabilizing agreements are designed to offset price fluctuations associated with fixed income investments by smoothing the effect of any gains or losses on the assets and to offer participants daily liquidity at contract value. The fund provides for daily redemptions by the Plan at reported net asset value per share, with no advanced notification requirements. The investment strategy of this fund is to preserve capital and provide stability of principal while earning current income that exceeds money market rates over the long term.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

First Defiance Financial Corp.
Employee Stock Ownership Plan
Notes to Financial Statements
December 31, 2015 and 2014

NOTE 3 – Fair Value Measurements (continued)

Investments measured at fair value on a recurring basis are summarized below:

Fair Value Measurements At December 31, 2015 In Liquidation				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investments at fair value:				
First Defiance Financial Corp. common stock	\$7,993,581	\$ -	\$ -	\$7,993,581
Pooled Separate Accounts (sub-accounts of Separate Account B)*	-	-	-	1,047,056
Stable Value Fund (sub-accounts of Separate Account B)*	-	-	-	189,922
Total	<u>\$7,993,581</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$9,230,559</u>

Fair Value Measurements At December 31, 2014 Ongoing				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investments at fair value:				
First Defiance Financial Corp. common stock	\$8,814,654	\$ -	\$ -	\$8,814,654
Pooled Separate Accounts (sub-accounts of Separate Account B)*	-	-	-	1,096,818
Stable Value Fund (sub-accounts of Separate Account B)*	-	-	-	187,139
Total	<u>\$8,814,654</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$10,098,611</u>

*Investments measured at fair value using net asset value per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table for such investments are intended to permit reconciliation of the fair value hierarchy to the investments at fair value line item presented in the statement of net assets available for benefits.

First Defiance Financial Corp.
Employee Stock Ownership Plan
Notes to Financial Statements
December 31, 2015 and 2014

NOTE 4 – Dividends

As permitted under the provisions of the Plan and the Code, the Plan utilizes dividends on unallocated and allocated shares to supplement scheduled principal and interest payments due on the ESOP borrowing. In lieu of receiving those cash dividends, participants are allocated additional shares of previously unallocated Company stock. During the 2008 plan year, the loan was paid in full and all shares of Company stock underlying the ESOP borrowing were allocated. Accordingly, any future cash dividends issued will be directed by participants into other investment options made available under the Plan. There was approximately \$186,000 of cash dividends from Company stock paid during 2015.

NOTE 5 – Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated September 23, 2013, stating that the Plan is qualified under the Code and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan Administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan is qualified and the related trust is tax exempt.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan. The Plan Administrator has analyzed the tax positions taken by the plan, and has concluded that as of December 31, 2015 and 2014 there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing authorities; however, there are currently no audits for any tax years in progress. The Plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2012.

NOTE 6 – Administration of Plan Assets

The First Federal Bank Trust Department serves as Trustee of the Plan. The Plan's investments in Company common stock are held by the Trustee. John Hancock Life Insurance Company (U.S.A.) ("JH") holds investment assets and executes investment transactions therein for the Plan in relation to JH Separate Account B and the sub-account investments held by the Plan.

Participants direct Company common stock dividend income into the sub-account investments managed by JH. The Trustee continues to make distributions to participants.

**First Defiance Financial Corp.
Employee Stock Ownership Plan
Notes to Financial Statements
December 31, 2015 and 2014**

NOTE 6 – Administration of Plan Assets (continued)

Certain administrative functions are performed by officers or employees of First Defiance. No such officer or employee receives compensation from the Plan. Certain administrative expenses are paid directly by the Company.

NOTE 7 – Investments – Unaudited Information

John Hancock Life Insurance Company (U.S.A.) (“JH”) and First Federal Bank of the Midwest holds investment assets and executes transactions therein, and for the plan years ending December 31, 2015 and 2014 substantially all information pertaining to the Plan’s investments included in the financial statements has been certified by them. This certified investment information has not been audited by independent accountants. All investments at December 31, 2015 and 2014, other than Company common stock, are issued by JH. The Company is the issuer of the common stock held in this plan.

The Plan’s investment in Company common stock, at December 31, 2015 and 2014 is presented below:

	2015 – In Liquidation	
	Allocated	Unallocated
First Defiance Financial Corp. Common Shares:		
Number of Shares	211,582,338	0
Cost	\$1,671,617	\$0
Fair Value	\$7,993,581	\$0
	2014 – Ongoing	
	Allocated	Unallocated
First Defiance Financial Corp. Common Shares:		
Number of Shares	258,797,804	0
Cost	\$2,044,658	\$0
Fair Value	\$8,814,654	\$0

First Defiance Financial Corp.
Employee Stock Ownership Plan
Notes to Financial Statements
December 31, 2015 and 2014

NOTE 7 – Investments – Unaudited Information (*continued*)

During 2015, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated \$902,625 in value. Investments in Company common stock and related appreciation are non-participant directed.

NOTE 8 - Risks and Uncertainties

The Plan holds various investments. Approximately 87% of the Plan's net assets available for benefits are invested in Company common stock. Investments are exposed to various risks such as interest rate, market, liquidity and credit risks. Due to the level of risk associated with certain investments and the sensitivity of certain fair value estimates to changes in valuation assumptions, it is possible that changes in the values of investments will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

NOTE 9 - Parties-in-Interest

Parties-in-interest are defined under Department of Labor regulations as any fiduciary of the Plan, any party rendering service to the Plan, the employer, and certain others.

The trustee, First Federal Bank Trust Department, is a subsidiary of the Company. The Plan receives fees from JH which amounts are used by the Trustee to pay qualified Plan expenses or if these amounts are not fully utilized by year-end, any remaining balance will be redistributed as earnings to Plan participants.

The Plan's investments consist principally of the common stock of the Company.

All investments at December 31, 2015 and 2014, other than Company common stock, are managed by JH, who also is record keeper of the JH Separate Account B and sub-accounts.

NOTE 10 - Plan Termination

A plan amendment was executed on December 22, 2015 to terminate the Plan effective December 31, 2015. An Application for Determination for Terminating Plan (IRS Form 5310) was filed with The Internal Revenue Service on February 29, 2016. Upon receipt of notification that the Plan meets the qualification requirements of §401 of the Internal Revenue Code with respect to the Plan's amendment and restatement, the interest of each participant in the Plan will be distributed to such participant or his or her beneficiary as prescribed by the Plan terms.

**First Defiance Financial Corp.
Employee Stock Ownership Plan
Notes to Financial Statements
December 31, 2015 and 2014**

NOTE 10 - Plan Termination *(continued)*

The Company's plan for liquidation is as follows: All plan participants will be required to take a distribution of their entire plan balance; distribution packets consisting of a cover letter, distribution election form, and Special Tax Notice were mailed to all current and former employees with balances in the plan on September 12, 2016. Six payout options are being given to plan participants.

Specifically:

Option 1: Lump sum cash payment directly to the participant. All the First Defiance shares in their account will be sold and their John Hancock dividend account will be liquidated.

Option 2: Direct rollover to the First Defiance Financial Corp. 401(k) plan. This is a cash distribution option only so all shares of First Defiance stock will be sold.

Option 3: Direct rollover in cash to an IRA account. All First Defiance shares will be sold and their John Hancock dividend account will be liquidated with all of the cash proceeds being rolled into an IRA of their choice.

Option 4: Direct rollover in shares and cash to an IRA account. The John Hancock portion of their ESOP balance will be liquidated and the whole shares of First Defiance stock will be distributed in kind to the IRA of their choice. (Fractional shares will be paid in cash.)

Option 5: Taxable distribution of whole shares in kind and cash out/rollover of John Hancock dividend account.

Option 6: A combination of Options 1 through 5, the total of which equals 100% of the value of their account balance.

Distribution requests received by 12:00 p.m. each day will be processed that day. All requests received after 12:00 p.m. will be processed on the next business day. Checks/direct deposits will be issued within seven business days of processing.

If the participant's balance is below \$1,000.00 at the time of distribution and we do not receive a completed election form by 12:00 p.m. on Monday, October 24, we will automatically sell all the

First Defiance Financial Corp.
Employee Stock Ownership Plan
Notes to Financial Statements
December 31, 2015 and 2014

NOTE 10 - Plan Termination *(continued)*

FDEF shares in their account, and send them a check for their entire balance, less any required tax withholding.

If their balance is over \$1,000 and we do not receive their completed distribution form by 12:00 p.m. on Monday, November 14, we will automatically sell all the FDEF shares in their account, and rollover their entire balance into the First Defiance Financial Corp. 401(k) Employee Savings Plan.

NOTE 11 - Subsequent Events

Plan management has evaluated subsequent events for recognition and disclosure through October 17, 2016, which is the date the financial statements were available to be issued.

Supplemental Schedule

**First Defiance Financial Corp.
Employee Stock Ownership Plan**

**Schedule H, Line 4i – Schedule of Assets
(Held at End of Year)**

EIN: 34-1746771 Plan No. 003

December 31, 2015 (In Liquidation)

Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	Cost	Fair Value
* First Defiance Financial Corp.	211,582.338 shares of common stock	\$1,671,617	\$7,993,581
<u>Interest in Sub-Accounts of John Hancock Life Insurance Company (U.S.A.) Separate Account B</u>			
* John Hancock Life Insurance Company (U.S.A.)	Lifestyle Fund Aggressive Portfolio	**	28,631
* John Hancock Life Insurance Company (U.S.A.)	Lifestyle Fund Growth Portfolio	**	80,739
* John Hancock Life Insurance Company (U.S.A.)	Lifestyle Fund Balanced Portfolio	**	878,162
* John Hancock Life Insurance Company (U.S.A.)	Lifestyle Fund Moderate Portfolio	**	10,635
* John Hancock Life Insurance Company (U.S.A.)	Lifestyle Fund Conservative Portfolio	**	7,022
* John Hancock Life Insurance Company (U.S.A.)	DFA Emerging Markets Value Fund	**	1,305
* John Hancock Life Insurance Company (U.S.A.)	DFA International Value Fund	**	1,710
* John Hancock Life Insurance Company (U.S.A.)	DFA U.S. Small Cap Fund	**	6,947
* John Hancock Life Insurance Company (U.S.A.)	Small Cap Index Fund	**	140
* John Hancock Life Insurance Company (U.S.A.)	Explorer Fund	**	70
* John Hancock Life Insurance Company (U.S.A.)	International Equity Index Fund	**	205
* John Hancock Life Insurance Company (U.S.A.)	Small Cap Value Fund	**	11,974
* John Hancock Life Insurance Company (U.S.A.)	Mid Value Fund	**	3,152
* John Hancock Life Insurance Company (U.S.A.)	Total Stock Market Index Fund	**	165
* John Hancock Life Insurance Company (U.S.A.)	Mid Cap Index Fund	**	97
* John Hancock Life Insurance Company (U.S.A.)	Oppenheimer Global Fund	**	656
* John Hancock Life Insurance Company (U.S.A.)	The Growth Fund of America	**	3,858
* John Hancock Life Insurance Company (U.S.A.)	Equity Income Fund	**	713
* John Hancock Life Insurance Company (U.S.A.)	500 Index Fund	**	710
* John Hancock Life Insurance Company (U.S.A.)	Fidelity Advisor Total Bond	**	330
* John Hancock Life Insurance Company (U.S.A.)	Oppenheimer International Fund	**	2,035
* John Hancock Life Insurance Company (U.S.A.)	Total Bond Market Fund	**	783
* John Hancock Life Insurance Company (U.S.A.)	John Hancock Stable Value Fund	**	189,922
* John Hancock Life Insurance Company (U.S.A.)	Fidelity ContraFund	**	6,794
* John Hancock Life Insurance Company (U.S.A.)	Value Fund	**	223
Total investments			\$9,230,559

* Denotes party-in-interest investment.

** Investment is participant directed; therefore, historical cost is not required.

**First Defiance Financial Corp.
Employee Stock Ownership Plan**

**Schedule H, Line 4i – Schedule of Assets
(Held at End of Year)**

EIN: 34-1746771 Plan No. 003

December 31, 2015 (In Liquidation)

Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	Cost	Fair Value
* First Defiance Financial Corp.	211,582.338 shares of common stock	\$1,671,617	\$7,993,581
<u>Interest in Sub-Accounts of John Hancock Life Insurance Company (U.S.A.) Separate Account B</u>			
* John Hancock Life Insurance Company (U.S.A.)	Lifestyle Fund Aggressive Portfolio	**	28,631
* John Hancock Life Insurance Company (U.S.A.)	Lifestyle Fund Growth Portfolio	**	80,739
* John Hancock Life Insurance Company (U.S.A.)	Lifestyle Fund Balanced Portfolio	**	878,162
* John Hancock Life Insurance Company (U.S.A.)	Lifestyle Fund Moderate Portfolio	**	10,635
* John Hancock Life Insurance Company (U.S.A.)	Lifestyle Fund Conservative Portfolio	**	7,022
* John Hancock Life Insurance Company (U.S.A.)	DFA Emerging Markets Value Fund	**	1,305
* John Hancock Life Insurance Company (U.S.A.)	DFA International Value Fund	**	1,710
* John Hancock Life Insurance Company (U.S.A.)	DFA U.S. Small Cap Fund	**	6,947
* John Hancock Life Insurance Company (U.S.A.)	Small Cap Index Fund	**	140
* John Hancock Life Insurance Company (U.S.A.)	Explorer Fund	**	70
* John Hancock Life Insurance Company (U.S.A.)	International Equity Index Fund	**	205
* John Hancock Life Insurance Company (U.S.A.)	Small Cap Value Fund	**	11,974
* John Hancock Life Insurance Company (U.S.A.)	Mid Value Fund	**	3,152
* John Hancock Life Insurance Company (U.S.A.)	Total Stock Market Index Fund	**	165
* John Hancock Life Insurance Company (U.S.A.)	Mid Cap Index Fund	**	97
* John Hancock Life Insurance Company (U.S.A.)	Oppenheimer Global Fund	**	656
* John Hancock Life Insurance Company (U.S.A.)	The Growth Fund of America	**	3,858
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Total investments			<u><u>\$9,230,559</u></u>

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