

# Farmers & Merchants Bank

Daniel K. Walker  
Chairman and President



# Farmers & Merchants Bank

## About Us

- Since 1907
- 22 Branches From Rolling Hills to San Clemente
- 575 Employees
- \$4.5 Billion in Assets
- \$525 Million Market Capitalization (Ticker "FMBL")
- Made Initial Loan to Seaside Hospital in 1907



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## Employee Benefits Package

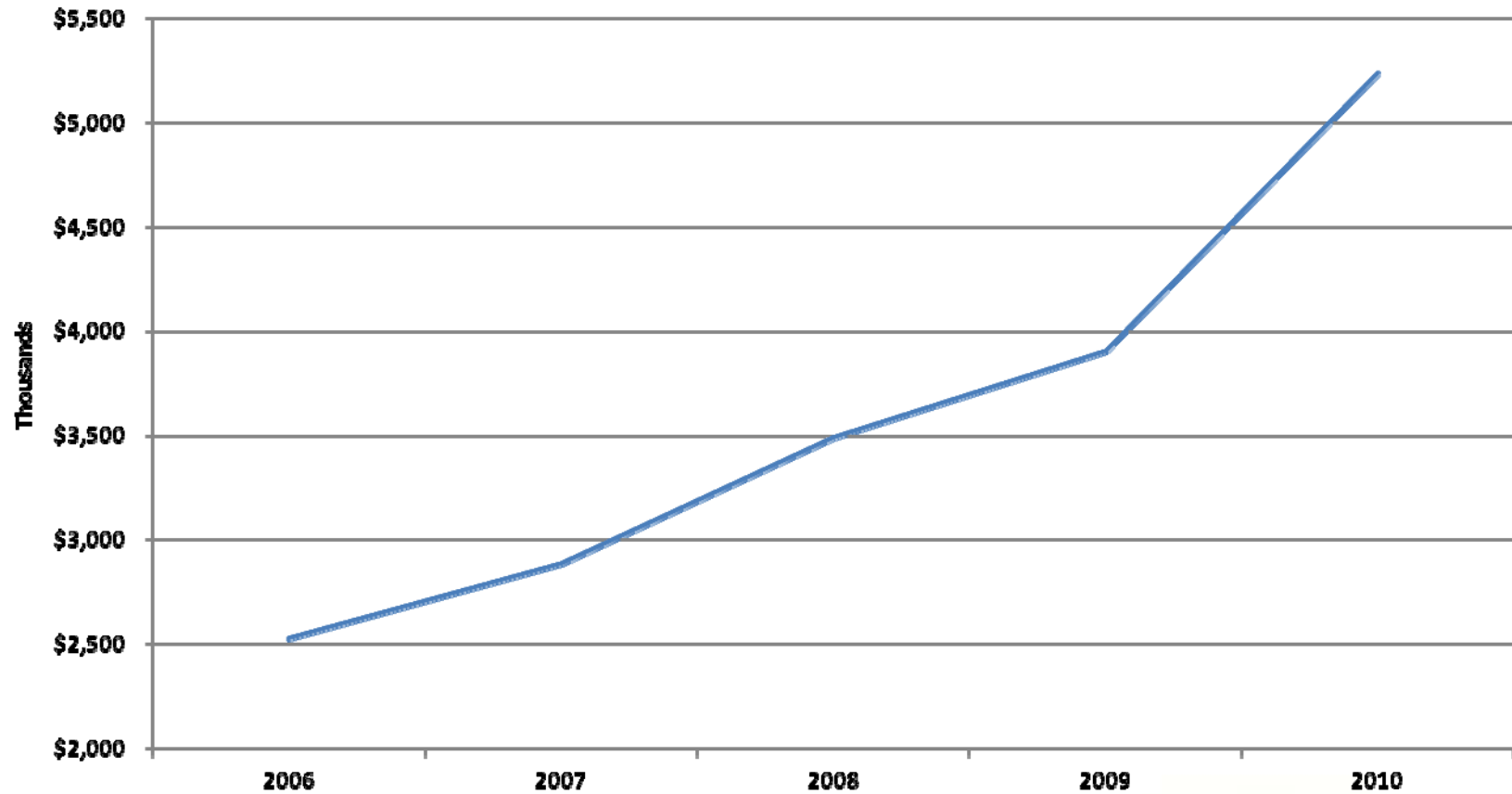
- Comprehensive Medical, Dental, Vision, Life, Supplemental, and Pet
- Medical Insurance Options: HMO and PPO
- Current Expense Split: 90% - Employer & 10% - Employee



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## Medical Expense Data

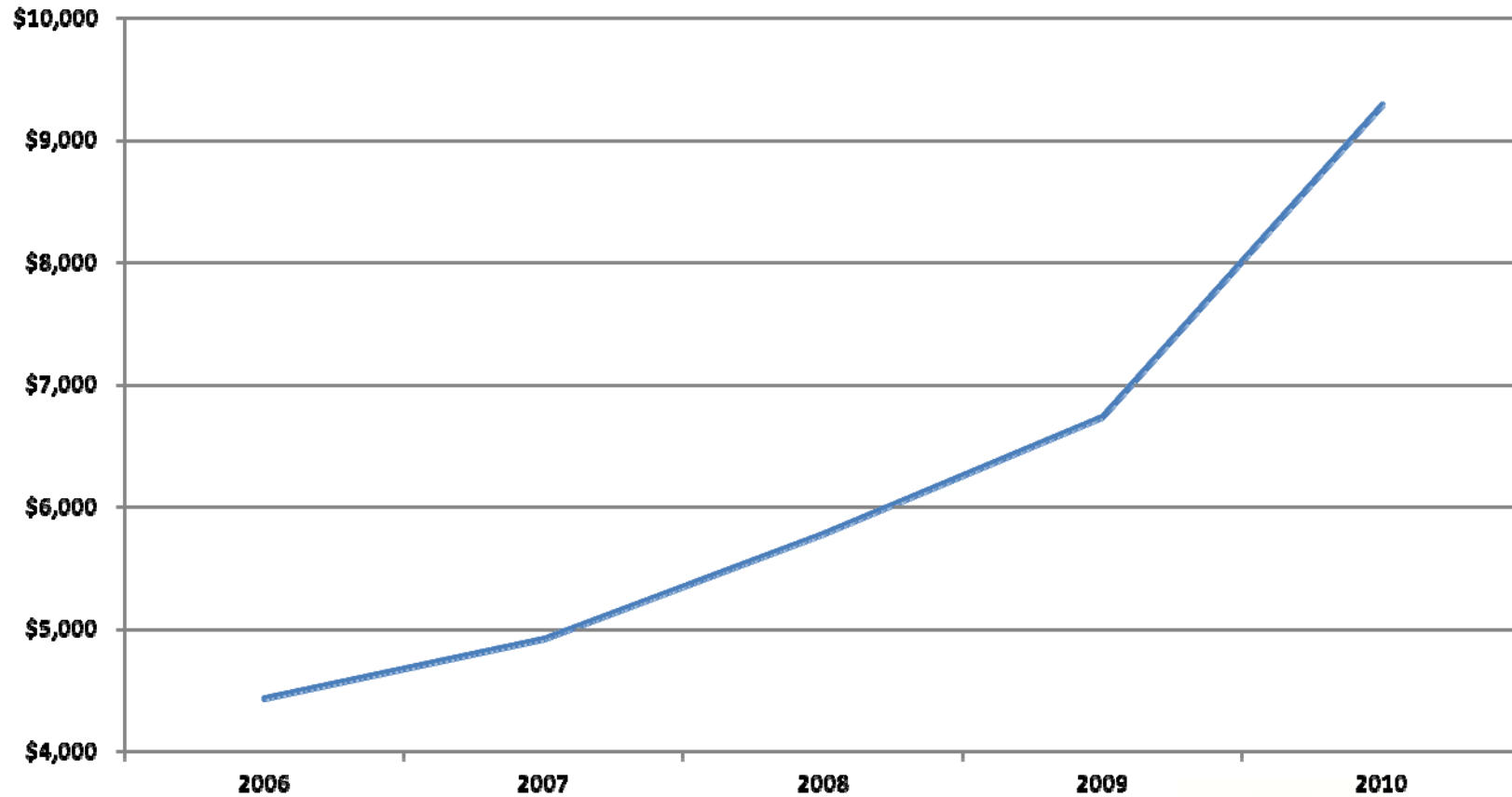
### Total Medical Costs



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## Medical Expense Data

### Average Medical Costs Per Employee



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## Issues and Challenges

- Managing To A Unpredictable Variable
- Velocity of Medical Care Cost Increases
- Impacts of National Health Care Reform
- Future Hiring and Staffing Strategies



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## Strategies and Response

- Employee Wellness Initiatives
- Plan Integrity Audits
- Market Syndication
- Reviewing Cost Sharing Alignment

