

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q/A

X Quarterly Report Pursuant to Section 13 or 15(d)
--- of the Securities Exchange Act of 1934
For the quarterly period ended September 30, 1998
OR
Transition Report Pursuant to Section 13 or 15(d)
--- of the Securities Exchange Act of 1934
For the transition period from to

Commision File Number 0-14492

FARMERS & MERCHANTS BANCORP, INC.

(Exact name of registrant as specified in its charter)

OHIO

34-1469491

(State or other jurisdiction of
incorporation or organization)

(I.R.S Employer
Identification No.)

North Defiance Street, Archbold, Ohio

43502

(Address of principal executive offices)

(Zip Code)

(419) 446-2501

Registrant's telephone number, including area code

(Former name, former address and former fiscal year, if changed
since last report.)

Indicate by check mark whether the registrant (1) has filed all
reports required to be filed by Section 13 or Section 15(d) of the
Securities Exchange Act of 1934 during the preceding 12 months (or for
such shorter period that the registrant was required to file such
reports), and (2) has been subject to such filing requirements for the
past 90 days. Yes X No

Indicate the number of shares of each of the issuers classes of common
stock, as of the latest practicable date:

Common Stock, No Par Value

1,300,000

Class

Outstanding as of October 1, 1998

This amendment is being filed to fulfil the requirement of disclosure for the
companies readiness for the year 2000.

ITEM 2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

Farmers & Merchants Bancorp, Inc. was incorporated on February 25, 1985, under the laws of the State of Ohio. Farmers & Merchants Bancorp, Inc., and its subsidiaries The Farmers & Merchants State Bank and Farmers & Merchants Life Insurance Company are engaged in commercial banking and life and disability insurance, respectively. The executive offices of Farmers & Merchants Bancorp, Inc. are located at 307-11 North Defiance Street, Archbold, Ohio 43502.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity for the nine months ended September 30, 1998 comes primarily from net income from operations of \$6.2 million and increases in deposits of \$16.8 million. This compares with net income of \$4.1 million and deposit increases of \$2.5 million for the same period for 1997. Total deposits as of September 30, 1998 were \$478,056 million compared to \$461 million as of December 31, 1997. A concerted marketing effort continues to be made in order to attract more core deposits to help maintain an acceptable net interest margin.

The principal uses of these funds were for granting loans. Loans as of September 30, 1998 were \$402.2 million compared to \$390.8 million as of December 31, 1997, a \$11.4 million or 2.9% increase after reclassification of \$7.8 million of commercial paper from the loan category to other investments. December 31, 1997 and September 30, 1997 loans and investments have been restated to reflect this change in classification.

Capital expenditures amounted to \$1.8 million for the first nine months of 1998.

The following is a summary of five capital ratios as they are calculated from the September 30, 1998 financial statements:

Primary Ratio	10.87%
Total Capital Ratio	12.74%
Risk Based Capital Tier 1	14.22%
Risk Based Capital Tier 2	18.48%
Stockholders' Equity/Total Assets	9.91%

UPDATE ON YEAR 2000 (Y2K) READINESS PROGRAM

Our twelve member Year 2000 Project Team is actively addressing and managing preparations for compliance. A strict timetable and detailed work plan is directing our activities through the five phases established to implement Y2K readiness - AWARENESS, ASSESSMENT, RENOVATION, VALIDATION, and IMPLEMENTATION.

A comprehensive approach has been developed to identify, modify and test all systems and components which require changes in order to accurately process information in the Year 2000 and thereafter. Our efforts focus on six key areas of exposure:

- Computer technology and operating systems
- Software applications
- Automated processing functions
- Infrastructure
- Customer risk
- Legal risk

YEAR 2000 READINESS ACTIVITIES:

- - COMMUNICATION TO MANAGEMENT, THE BOARD OF DIRECTORS, EMPLOYEES, SHAREHOLDERS AND CUSTOMERS ABOUT YEAR 2000 ISSUES AND CONCERNS.
- - INVENTORY AND ASSESSMENT OF ALL SYSTEMS, APPLICATIONS, HARDWARE, SOFTWARE, TELECOMMUNICATION EQUIPMENT AND ANY OTHER DATE-SENSITIVE ITEMS.
- - ASSIGNMENT OF A HIGH PRIORITY STATUS FOR RENOVATION AND TESTING OF SYSTEMS, APPLICATIONS AND EQUIPMENT CRITICAL TO ONGOING OPERATIONS.
- - IDENTIFICATION AND CORRESPONDENCE WITH VENDORS, SUPPLIERS, TECHNOLOGY AND SERVICE PROVIDERS ABOUT YEAR 2000 READINESS OF PRODUCTS AND SERVICES AND THE RESULTS OF TESTING TO DETERMINE THE NEED FOR UPGRADES, REPLACEMENT OR OTHER REMEDIES.
- - IDENTIFICATION OF MATERIAL CUSTOMERS AND BUSINESS PARTNERS AND AN ASSESSMENT OF THEIR YEAR 2000 PREPARATIONS AND THE IMPACT ON THE BANK.
- - DEVELOPMENT OF CONTINGENCY PLANS FOR RENOVATION AND IMPLEMENTATION ALONG WITH TESTING STRATEGIES AND INTERNAL TESTING PROCEDURES TO VERIFY CRITICAL INFORMATION, CALCULATIONS AND THAT COMPUTER INTERFACES ACCURATELY HANDLE VARIOUS DATES AND DATA.

The year 2000 poses complex problems and challenges for business and industry as a whole. Our regulatory agency, the Federal Deposit Insurance Corporation, will be monitoring our preparations and progress on this issue. Through the involvement of senior management and our board of directors and with the appropriate resources and preparations, we anticipate all significant areas will be addressed and expect minimal impact on our ability to serve our customers.

The banking industry as a whole has been consistently rated #1 in Y2K preparedness by experts. To date over \$8 billion has been spent industry-wide to "find, fix and test" for problems. As always, bank customers' funds have FDIC insurance that's backed by the full faith and credit of the U.S. government.

Any questions or concerns, should be addressed to Joe E. Crossgrove, President and CEO or Marilyn K. Johnson, Y2K Project Coordinator at (419) 446-2501.

YEAR 2000 READINESS DISCLOSURE

This Year 2000 Readiness Disclosure is being provided to explain efforts to address date-related processing issues and may be subject to change without notice. This update may supersede any previous information provided. No information or statement provided may be construed as a representation or warranty of any kind or binding obligation from The Farmers & Merchants State Bank.

SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the registrant has duly caused this amendment to be signed on its behalf by the undersigned, thereunto duly authorized.

Farmers & Merchants Bancorp, Inc.,

Date: March 19, 1999

By: /s/ Joe E. Crossgrove
Joe E. Crossgrove
President and Cashier

Date: March 19, 1999

By: /s/ Randal H. Schroeder
Randal H. Schroeder
Asst. Vice-President
and Chief Operating Officer