

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

X Quarterly Report Pursuant to Section 13 or 15(d)

of the Securities Exchange Act of 1934
For the quarterly period ended June 30, 2000
OR
Transition Report Pursuant to Section 13 or 15(d)

of the Securities Exchange Act of 1934
For the transition period from to

Commission 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
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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 July 1, 2000

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

FARMERS & MERCHANTS BANCORP, INC.
INDEX

Form 10-Q Items	Page	

PART I.	FINANCIAL INFORMATION	
Item 1.	Financial Statements (Unaudited)	
	Condensed Consolidated Balance Sheets- June 30, 2000, December 31, 1999 and June 30, 1999	1
	Condensed Consolidated Statements of Net Earnings- Three Months Ended June 30, 1999 and June 30, 2000	2
	Condensed Consolidated Statements of Cash Flows- Three Months Ended June 30, 1999 and June 30, 2000	3
	Notes to Condensed Financial Statements	4
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	5
PART II.	OTHER INFORMATION	
Item 6.	Exhibits and Reports on form 8K	6
Signatures		7

FARMERS & MERCHANTS BANCORP, INC.
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (Unaudited)
 (in thousands of dollars)

	June 30, 2000	December 31, 1999	June 30, 1999
ASSETS:			
Cash and due from banks	\$ 19,529	\$ 17,245	\$ 14,101
Interest bearing deposits with banks	100	100	100
Federal funds sold	0	-	-
Investment Securities:			
U.S. Treasury	6,930	6,842	10,956
U.S. Government	52,688	47,906	52,751
State & political obligations	29,707	31,246	33,453
All others	11,963	12,411	16,229
Loans and leases	478,098	463,947	425,285
Bank premises and equipment-net	10,024	10,176	9,491
Accrued interest and other assets	10,181	8,656	8,647
TOTAL ASSETS	619,220	\$ 598,529	\$ 571,013
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES:			
Deposits:			
Demand	\$ 39,300	\$ 54,051	\$ 46,541
Time and savings	456,243	449,115	444,063
Federal funds purchased and securities sold under agreement to repurchase	22,284	7,343	8,968
Other borrowed money	36,619	25,039	10,846
Accrued interest and other liabilities	4,088	5,092	4,186
Total Liabilities	558,534	540,640	514,604
SHAREHOLDERS' EQUITY:			
Common stock, no par value - authorized 1,500,000 shares; issued 1,300,000 shares	12,677	12,677	12,677
Undivided profits	48,867	45,975	43,598
Accumulated other comprehensive income	(858)	(763)	134
Total Shareholders' Equity	60,686	57,889	56,409
LIABILITIES AND SHAREHOLDERS' EQUITY	\$619,220	\$ 598,529	\$ 571,013

See Notes to Condensed Consolidated Unaudited Financial Statements.

Note: The December 31, 1998 Balance Sheet has been derived from the audited financial statements of that date.

FARMERS & MERCHANTS BANCORP, INC.
 CONDENSED CONSOLIDATED STATEMENTS OF INCOME
 (Unaudited)
 (in thousands of dollars)

	Three Months Ended		Six Months Ended	
	June 30, 2000	June 30, 1999	June 30, 2000	June 30, 1999
INTEREST INCOME:				
Loans and leases	\$ 10,516	\$ 8,827	\$ 20,545	\$ 17,329
Investment Securities:				
U.S. Treasury securities	117	198	231	443
Securities of U.S. Government agencies	836	821	1,601	1,624
Obligations of states and political subdivisions	376	418	758	844
Other	206	304	491	785
Federal funds	1	9	67	75
Deposits in banks	1	1	2	2
Total Interest Income	12,053	10,578	23,695	21,102
INTEREST EXPENSE:				
Deposits	5,302	4,852	10,545	10,024
Borrowed funds	883	243	1,416	469
Total Interest Expense	6,185	5,095	11,961	10,493
NET INTEREST INCOME BEFORE				
PROVISION FOR LOAN LOSSES	5,868	5,483	11,734	10,609
PROVISION FOR LOAN LOSSES	394	183	561	598
NET INTEREST INCOME AFTER				
PROVISION FOR LOAN LOSSES	5,474	5,300	11,173	10,011
OTHER INCOME:				
Service charges	426	398	806	714
Other	326	378	712	893
Net securities gains (losses)	-	-	0	11
	752	776	1,518	1,618
OTHER EXPENSES:				
Salaries and wages	1,636	1,503	3,299	2,966
Pension and other employee benefits	363	354	738	713
Occupancy expense (net)	222	155	216	263
Other operating expenses	1,507	1,586	3,059	3,128
	3,728	3,598	7,312	7,070
INCOME BEFORE FEDERAL INCOME TAX	2,498	2,478	5,379	4,559
FEDERAL INCOME TAXES	819	627	1,577	1,172
NET INCOME	1,679	1,851	3,802	3,387
OTHER COMPREHENSIVE INCOME (NET OF TAX):				
Unrealized gains (losses) on securities	149	(723)	(96)	(1,538)
COMPREHENSIVE INCOME	\$ 1,828	\$ 1,128	\$ 3,706	\$ 1,849
NET INCOME PER SHARE (Based upon				
weighted average number of shares outstanding of 1,300,000	\$ 1.29	\$ 1.42	\$ 2.92	\$ 2.61
DIVIDENDS DECLARED	\$ 0.35	\$ 0.30	\$ 0.70	\$ 0.60

See Notes to Condensed Consolidated Unaudited Financial Statements.

FARMERS & MERCHANTS BANCORP, INC.
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
 (Unaudited)
 (in thousands of dollars)

	Six Months Ended	
	June 30, 2000	June 30, 1999
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 3,802	\$ 1,498
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and amortization	549	304
Premium amortization	122	8
Discount amortization	(47)	34
Provision for loan losses	561	416
Provision for deferred income taxes	(124)	(9)
(Gain) loss on sale of fixed assets	1	-
(Gain) loss on sale of investment securities	-	-
Changes in Operating Assets and Liabilities:		
Accrued interest receivable and other assets	(1,401)	(887)
Accrued interest payable and other liabilities	(1,004)	88
Net Cash Provided by Operating Activities	2,459	1,452
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(398)	(518)
Proceeds from sale of fixed assets	-	-
Proceeds from maturities of investment securities:	7,953	20,137
Proceeds from sale of investment securities:	-	-
Purchase of investment securities-	(11,006)	(25,092)
Net increase in loans and leases	(14,712)	(4,275)
Net Cash Used by Investing Activities	(18,163)	(9,748)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net increase in deposits	(7,623)	(20,380)
Net change in short-term borrowings	14,941	5,078
Increase in long-term borrowings	-	-
Payments on long-term borrowings	11,580	(196)
Payments of dividends	(910)	(390)
Net Cash Provided by Financing Activities	17,988	(15,888)
Net change in cash and cash equivalents	2,284	(24,184)
Cash and cash equivalents - Beginning of year	17,345	37,694
CASH AND CASH EQUIVALENTS - END OF THE YEAR	\$ 19,629	\$ 13,510
RECONCILIATION OF CASH AND CASH EQUIVALENTS:		
Cash and cash due from banks	\$ 19,529	\$ 13,407
Interest bearing deposits	100	100
Federal funds sold	-	-
	\$ 19,629	\$ 13,507

See Notes to Condensed Consolidated Unaudited Financial Statements.

FARMERS & MERCHANTS BANCORP, INC.

Notes to Condensed Consolidated Unaudited Financial Statements

NOTE 1 BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions for Form 10Q and Rule 10-01 of Regulation S-X; accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments, consisting of normal recurring accruals, considered necessary for a fair presentation have been included. Operating results for the six months ended June 30, 2000 are not necessarily indicative of the results that are expected for the year ended December 31, 2000. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's annual report on Form 10-K for the year ended December 31, 1999.

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 three months ended June 30, 2000 comes primarily from net income from operations of \$3.80 million. This compares with net income of \$3.39 million for the same period in 1999. In addition, funds were purchased from correspondents, and the Federal Home Loan Bank.

The principal uses of these funds were for granting loans. Loans as of June 30, 2000 were \$478.1 million compared to \$463.95 million as of December 31, 1999, a \$14.2 million or 0.3% increase after reclassification of \$1 million of commercial paper from the loan category to other investments. December 31, 1999 and June 30, 1999 loans and investments have been restated to reflect this change in classification.

The following is a summary of five capital ratios as they are calculated from the September 30, 1999 financial statements:

Primary Ratio	10.79%
Total Capital Ratio	16.64%
Risk Based Capital Tier 1	13.66%
Risk Based Capital Tier 2	23.46%
Stockholders' Equity/Total Assets	9.80%

PART II

ITEM 6 EXHIBIT AND REPORTS ON FORM 8-K

(A) The following documents are filed as part of this report:

Exhibit No.	Description
27	Financial Data Schedule

(B) Reports on Form 8-K

No reports on Form 8-K were filed by the registrant during the quarter ended June 30, 2000

SIGNATURES

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

Farmers & Merchants Bancorp, Inc.,

Date: August 10, 2000

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

Date: August 10, 2000

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

EXHIBIT INDEX

EXHIBIT NO.
27

DESCRIPTION
Financial Data Schedule

3-MOS	DEC-31-2000	
	JAN-01-2000	
	JUN-30-2000	19,529
	100	0
		0
101,288	0	
	0	
		478,098
		6,899
	619,220	
		495,543
		22,284
4,088		36,619
	0	
		0
		12,677
619,220		48,009
	20,545	
	3,081	
	69	
	23,695	
	10,545	
	1,416	
11,734		561
	0	
	7,312	
3,802		5,379
	0	
		0
	3,802	
	2.92	
	2.92	
	0	
	6,782	
	7,820	
	0	
	14,602	
	6,750	
		560
		339
	7,090	
7,090		
	0	
0		