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FARMERS & MERCHANTS BANCORP

Form 10-Q

August 09, 2006

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2006  
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: 000-26099

FARMERS & MERCHANTS BANCORP  
(Exact name of registrant as specified in its charter)

DELAWARE  
(State or other jurisdiction  
of incorporation or organization)

94-3327828  
(I.R.S. Employer  
Identification No.)

111 W. Pine Street, Lodi, California  
(Address of principal Executive offices)

95240  
(Zip Code)

Registrant's telephone number, including area code (209) 367-2300

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 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  No

Indicate by checkmark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act: (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Number of shares of common stock of the registrant: Par value \$0.01, authorized 2,000,000 shares; issued and outstanding 817,509 as of August 1, 2006.

FARMERS & MERCHANTS BANCORP

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PART I. - FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS

FARMERS & MERCHANTS BANCORP  
CONSOLIDATED BALANCE SHEETS

| (in thousands)                                | June 30,<br>2006<br>(Unaudited) | December 31,<br>2005 | June 30,<br>2005<br>(Unaudited) |
|---|---------------------------------|----------------------|---------------------------------|
| <b>ASSETS</b>                                 |                                 |                      |                                 |
| Cash and Cash Equivalents:                    |                                 |                      |                                 |
| Cash and Due From Banks                       | \$ 42,438                       | \$ 50,669            | \$ 39,723                       |
| Federal Funds Sold                            | 280                             | -                    | -                               |
| Total Cash and Cash Equivalents               | 42,718                          | 50,669               | 39,723                          |
| Investment Securities:                        |                                 |                      |                                 |
| Available-for-Sale                            | 157,116                         | 158,029              | 157,716                         |
| Held-to-Maturity                              | 108,720                         | 109,911              | 111,467                         |
| Total Investment Securities                   | 265,836                         | 267,940              | 269,183                         |
| Loans   |                                 |                      |                                 |
| Loans   | 1,007,105                       | 973,257              | 903,069                         |
| Less: Allowance for Loan Losses               | 18,531                          | 17,860               | 17,943                          |
| Loans, Net                                    | 988,574                         | 955,397              | 885,126                         |
| Land, Buildings & Equipment                   | 18,872                          | 17,522               | 15,913                          |
| Bank Owned Life Insurance                     | 37,602                          | 36,799               | 36,001                          |
| Interest Receivable and Other Assets          | 26,326                          | 24,662               | 20,184                          |
| <b>TOTAL ASSETS</b>                           | <b>\$ 1,379,928</b>             | <b>\$ 1,352,989</b>  | <b>\$ 1,266,130</b>             |
| <b>LIABILITIES &amp; SHAREHOLDERS' EQUITY</b> |                                 |                      |                                 |
| Deposits:                                     |                                 |                      |                                 |
| Demand  | \$ 278,846                      | \$ 325,745           | \$ 256,219                      |
| Interest Bearing Transaction                  | 124,281                         | 138,321              | 109,565                         |
| Savings                                       | 266,921                         | 283,226              | 288,299                         |
| Time Deposits                                 | 421,467                         | 356,048              | 352,075                         |
| Total Deposits                                | 1,091,515                       | 1,103,340            | 1,006,158                       |
| Fed Funds Purchased                           | -                               | 650                  | 22,400                          |
| FHLB Borrowings                               | 134,635                         | 98,847               | 90,868                          |
| Subordinated Debentures                       | 10,310                          | 10,310               | 10,310                          |
| Interest Payable and Other Liabilities        | 17,789                          | 16,194               | 15,666                          |
| Total Liabilities                             | 1,254,249                       | 1,229,341            | 1,145,402                       |
| SHAREHOLDERS' EQUITY                          |                                 |                      |                                 |
| Common Stock                                  | 8                               | 8                    | 8                               |
| Additional Paid-In Capital                    | 92,770                          | 95,862               | 98,814                          |

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|  |              |              |              |
|--|--------------|--------------|--------------|
| Retained Earnings                        | 36,426       | 29,463       | 23,762       |
| Accumulated Other Comprehensive Loss     | (3,525)      | (1,685)      | (1,856)      |
| -----                                    |              |              |              |
| TOTAL SHAREHOLDERS' EQUITY               | 125,679      | 123,648      | 120,728      |
| -----                                    |              |              |              |
| TOTAL LIABILITIES & SHAREHOLDERS' EQUITY | \$ 1,379,928 | \$ 1,352,989 | \$ 1,266,130 |
| =====                                    |              |              |              |