



**2015 | SUMMARY
ANNUAL REPORT**

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MISSION STATEMENT

MISSION

Ames National Corporation is a result-oriented financial services holding company providing leadership, counsel and support to its community affiliate banks and superior performance for its shareholders.

CORPORATE CULTURE

Provide an environment where our affiliates and employees can be successful and provide products and services that enhance the financial well-being of customers and shareholders.

CORE VALUES

Excellence: Striving to exceed expectations

Integrity: Demonstrating high moral and ethical conduct

Leadership: Creating and developing opportunities that benefit our employees, customers, communities, and shareholders

Stability: Maintaining financial strength and a dedicated staff to successfully serve the current and future needs of our employees, customers, communities, and shareholders

Trust: Acting in the best interest of our employees, customers, and shareholders

Community: Dedicated to serving our communities through local decision making, community involvement and active boards of directors

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AMES NATIONAL CORPORATION AT A GLANCE

Ames National Corporation (the Company) is an Iowa-based bank holding company. The Company was organized and incorporated on January 21, 1975, under the laws of the State of Iowa to serve as a holding company for its principal banking subsidiary, First National Bank, Ames, Iowa. In 1983, the Company acquired the stock of the State Bank & Trust Co. located in Nevada, Iowa; in 1991, the Company, through a newly-chartered state bank known as Boone Bank & Trust Co., acquired certain assets and assumed certain liabilities of the former Boone State Bank & Trust Company located in Boone, Iowa; in 1995, the Company acquired the stock of the Reliance State Bank located in Story City, Iowa; and in 2002, the Company chartered and commenced operations of United Bank & Trust NA, located in Marshalltown, Iowa. In 2012, Reliance State Bank acquired two offices in Garner, and Klemme, Iowa, and in 2014, First National Bank acquired three offices in West Des Moines and Johnston, Iowa. Today, each Affiliate Bank is operated as a wholly-owned subsidiary of the Company.

Each Affiliate Bank operates independently with a board of directors and a bank president. All decisions are made locally, which means customers receive quick responses to questions, and services are customized to meet customer needs in each community. The principal sources of Company revenue are: interest and fees earned on loans made and held by the Company and Affiliate Banks, interest on fixed income investments, fees on wealth management services, service charges on deposit accounts maintained by Affiliate Banks, gain on sale of loans, securities gains and merchant and card fees. The Affiliate Banks' lending activities consist primarily of short-term and medium-term commercial, agricultural and residential real estate loans, agricultural and business operating loans and lines of credit, equipment loans, vehicle loans, personal loans, home equity loans and lines of credit. Affiliate Banks also offer a variety of demand, savings and time deposits, cash management services, merchant credit card processing and safe deposit box services. Convenient access to funds and account information is also available through online banking, mobile banking, online bill pay, online statements and debit cards.

The Company provides various services to the Affiliate Banks, which include: management assistance, payroll, internal auditing services, human resources services, compliance management, marketing assistance, loan review and technology support. Company staff handles the backroom operations that make the Company more efficient so the Affiliate Bank staff can focus on what they do best: banking and taking care of customers' financial needs.

The principal executive office of Ames National Corporation is located at 405 5th Street, Ames, Iowa 50010. The Company's phone number is (515) 232-6251. More information about the Company can also be found at www.amesnational.com.

RECENT RECOGNITIONS

- Ranked **31 among the top 130 publicly-traded banks** with assets between \$1 billion and \$5 billion in Bank Director magazine's annual **Bank Performance Scorecard**. (8/15)
- Ranked as the **6th largest Iowa commercial bank holding company** based on total deposits. (6/15)
- Ranked among the **top 200 banks with assets less than \$2 billion** based on a 3-year average ROE by the American Banker Magazine. (5/15)



LETTER TO SHAREHOLDERS

What makes a company successful? This question can spur much discussion with varying opinions. Words such as: profit, bottom line, longevity, efficiency, shareholder value, employees, net interest margins, return on assets and commitment are likely to be mixed throughout the definition. Ames National Corporation strives for excellence and focuses on Company success through profitable growth.

To Our Shareholders,

2015 marked 40 years since Ames National Corporation was organized and incorporated to serve as the holding company for First National Bank, Ames, Iowa. In 1975, the Company had assets of \$47.3 million and deposits of \$41.8 million. Today, Ames National Corporation has grown into a five-bank holding company with fourteen offices, \$1.3 billion in assets, \$1 billion in deposits and over \$700 million in loans to customers in our communities. Profitable growth is derived from a clear vision and emphasis on doing what is right for customers, shareholders and employees and aligns company goals with core values. The Ames National Corporation core values – excellence, integrity, leadership, stability, trust and community – have been engrained in the way we have delivered financial services over the past 40 years and are key components in making a company financially strong and successful. With that in mind, we are pleased to present you with the Ames National Corporation 2015 Summary Annual Report.

Financial Results.

In 2015, Ames National Corporation generated \$15 million in net income compared to \$15.3 million during the previous year. There were two main reasons for this slight decrease in earnings. First, as loans grew by \$43 million during 2015, the Company added \$1 million to the loan loss reserve. The increase in loan provisions was not due to specific credit concerns but simply a reflection of the significant loan growth. Second, in 2014, the Company sold a building in Ames, Iowa, which resulted in a one-time increase in noninterest income of \$1.2 million. Exclusive of the one-time gain on the sale of the building in 2014, net income would have increased 4 percent in 2015. With net income of \$15 million, Ames National Corporation declared \$7.4 million, or \$0.80 per share, in cash dividends to you, our shareholders. This payout translates into a 3.29 percent dividend yield. Return on average assets was 1.13 percent for 2015, compared to 1.21 percent for 2014, while return on average equity was 9.44 percent for 2015, compared to the 10.09 percent in 2014.

Where did we see growth in 2015? Net interest income for 2015 totaled \$39 million, an increase of \$2.5 million, or 7 percent, compared to 2014. This growth in net interest income was driven by increases in our real estate and commercial operating loan portfolios. Although the Company had strong loan growth, the Company's credit quality indicators remained at favorable levels as indicated by our net loan recoveries of \$51,000 in 2015. This speaks highly to our focus on maintaining high expectations for credit quality.

The strong housing market also contributed to earnings. Gains on the sale of mortgage loans grew by just over \$200,000 or 29 percent from 2014 to 2015. The growth in both residential and commercial loans is a good indication that the economy is strong in our local markets. Low unemployment driven by an expanding commercial base is creating new opportunities for individuals in the markets we serve and, in turn, driving new business to our banks. For example,

in Ames, Iowa, the unemployment rate was 2.5 percent as of July 2015, and according to the Ames Economic Development Commission, from October 2014-2015, there was a 5% increase in commercial growth, bringing approximately 400 jobs to the Ames marketplace. In addition, there is currently a 200-acre expansion of the ISU Research Park, an Innovation Center for Vermeer Manufacturing and a \$25 million lab and office facility for Boehringer Ingelheim all underway. These examples of growth can provide exciting opportunities for our Company. New jobs expand our deposit base and create commercial and mortgage loan opportunities, which are key drivers to earnings.

The upturn in loan demand allowed the Company to put more dollars to work in higher yielding loans compared to lower yielding investments. The net interest margin increased from 3.33 percent at year-end from 3.31 percent in 2014, and the larger loan portfolio positions the Company well for future interest income growth. In addition to increasing income, we were also focused on efficiently managing expenses. Our efficiency ratio for 2015 was 53.59 percent, consistent with the 53.37 percent reported in 2014.

Balance Sheet Review.

2015 assets reached a record level of \$1.33 billion, \$25 million higher than December 31, 2014, primarily as a result of higher loan volume. As mentioned earlier, loans grew by \$43 million to a record \$701 million as of December 31, 2015, compared to \$658 million at the end of 2014. This growth is primarily reflected in the construction real estate and commercial operating portfolios. Asset quality remains favorable as impaired loans, net of specific reserves, totaled \$1.4 million, or 0.19 percent of gross loans as of December 31, 2015, compared to \$2.1 million, or .31 percent of gross loans as of December 31, 2014. Deposits totaled \$1.07 billion on December 31, 2015, a 2 percent increase from the \$1.05 billion recorded in December 2014.

The Company's stockholder equity represented 12.15 percent of the total assets as of December 31, 2015, with all of the Company's five affiliate banks continuing to maintain strong capital positions. Total equity was \$161 million as of December 31, 2015, compared to \$155 million as of December 31, 2014.

Strategic Thinking.

As we mentioned earlier, profitable growth is derived from a clear vision and aligning company goals with core values. As a Company, our decisions are strategic with long-term success and profitability in mind. We believe that our affiliate banks with local boards of directors, local decision makers and local community involvement differentiates our Company from other banks in our markets. Doing what is right for our shareholders, customers and employees guides these decisions. During 2015, our affiliate banks embarked on a three-year strategic plan to cohesively develop a roadmap for future profitable growth. Our affiliate banks are focused on working together and continuing to build strategies to help

BOARD OF DIRECTORS

our clients achieve financial success. One aspect of our plan includes developing strategies to assist customers with their retirement planning needs and help guide them through every stage of their financial lives. Clients receive financial peace of mind through our expertise and planning model, and our affiliate banks benefit from long-term client relationships.

Focusing on Wealth Management strategies is just one initiative designed to address long-term client needs. Pages four and five of this report highlight other strategic initiatives that are strengthening client relationships and helping position your Company for profitable growth for the future.

Company Stock.

The Company's stock, which is listed on the NASDAQ Capital Market under the symbol ATLO, closed at \$24.29 on December 31, 2015. During the year, the price ranged from \$22.01 to \$26.43 with 2,404,100 of shares traded.

Our Board of Directors.

We would like to recognize two board members for their service to the Ames National Corporation Board of Directors, Robert Cramer and Warren Madden. Bob joined the Boone Bank & Trust board in 1999 and the Ames National Corporation board in 2003. Warren served as a director of the Company since 2003 and the First National Bank board of directors since 2008. Bob and Warren were trusted resources, providing guidance and assistance for both the Bank and the Company boards of directors. We thank Bob and Warren for their leadership and support of Ames National Corporation during their board tenure.

Lisa Eslinger, Senior Vice President of Finance and Operations at the Iowa State University Foundation, was named to the Ames National Corporation Board of Directors in April 2015. She has also served on the Board for First National Bank since 2011. Lisa's expertise in finance and accounting has been a valuable asset to our organization, and we look forward to her continued involvement on the Ames National Corporation Board.

In Conclusion.

As we reflect on 2015, we would like to thank our many customers for giving us the opportunity to serve them and our shareholders for their continued support. We would also like to recognize the hard work and dedication of our staff and directors as we strive to exceed customer expectations and generate strong financial results for the Company.

The following pages will provide you with an overview of the Company's financial performance. We invite you to attend the 41st Ames National Corporation Annual Shareholder Meeting on April 27, 2016, at Reiman Gardens in Ames, Iowa. If you have any questions prior to the meeting, feel free to contact us.



BACK ROW, LEFT TO RIGHT:

Douglas C. Gustafson

Retired Veterinarian, Boone Veterinary Hospital and Chairman of the Company

Thomas H. Pohlman

President of the Company

Betty A. Baudler Horras

President, Baudler Enterprises, Inc. (*marketing*)

Steven D. Forth

Farmer

Richard O. Parker

Attorney, Parker Law Firm

FRONT ROW, LEFT TO RIGHT:

John P. Nelson

Vice President and Chief Financial Officer of the Company

Larry A. Raymon

Chief Executive Officer, Raymon Enterprises, Inc.

James R. Larson, II

President, Larson Development Corporation (*real estate development*)

Lisa M. Eslinger

Senior Vice President for Finance and Operations, Iowa State University Foundation

David W. Benson

Partner, Nyemaster Goode Attorneys at Law

Thomas H. Pohlman
President

Douglas C. Gustafson
Chairman

STRATEGIC THINKING.... PROFITABLE GROWTH

As we look strategically into the future, we are excited about new opportunities to expand our customer relationships and grow as an organization. As the financial services industry continues to evolve through advancements in technology, non-traditional competition and unique service delivery models, we must think creatively about new ways to serve our customers in the future and remain the “financial services provider of choice” in our communities.

Here is a snapshot of just a few of the ways we are uniquely serving our customers and positioning Ames National Corporation for future growth.

Serving through Innovation

At a recent TED Conference, a global event focused on technology, Jason Dorsey, a leading Researcher and Strategist, discussed his insight on the Millennial and iGen generations. His research supports what the banking industry has been overwhelmingly experiencing over the past few years. To quote Dorsey, “Millennials are not tech-savvy; they are tech-dependent.” As a Company, we take the importance of technology in the lives of our customers seriously. Technology is not ABOUT the experience, but IS the experiences.

For the first time in 2015, more customers accessed online banking through their mobile phones than their PCs.

We listen to our customers when they tell us they want their banking simple and convenient. In 2015, we launched Video Banking, which uses technology to connect customers with remote tellers. A Video Banking kiosk looks like an ATM, but the customer has a real time, face-to-face conversation with a teller on the screen. The kiosks provide extended hours and express service.

In addition to Video Banking, we continue to make upgrades to our Mobile Banking services. Research shows that Millennials check their phones 45 times a day on average,* giving us great opportunities to engage with our customers and strengthen relationships.



VIDEO BANKING MAKES BANKING EASY AND DEFINITELY SAVES ME TIME.

Chris Eggert
Video Banking Client

Total monthly deposits made through our customers’ mobile phones grew from \$414,000 in January 2014 to \$2.0 million in December 2015.

Serving through Expansion.

Profitably expanding our footprint continues to be a focus for your Company. Since 2012, Ames National Corporation has acquired banking offices in Garner, Iowa, and West Des Moines and Johnston, Iowa, through acquisitions. We have been pleased with the short-term outcome of these acquisitions and are looking forward to the long-term benefits.

Reliance State Bank Growth since Acquisition

	As of December 2011	As of December 2015
Loans	\$49 million	\$130 million
Deposits	\$77 million	\$185 million

In addition to growing by acquisition, First National Bank, Ames, Iowa, opened a new office location in West Ames in October 2015 (pictured below). Complete with the latest in technology and coupled with a focus on personal service, the new office is well-positioned for growth.



First National Bank Growth since Acquisition

	As of December 2013	As of December 2015
Loans	\$257 million	\$357 million
Deposits	\$524 million	\$575 million

Serving through Building Trust

As mentioned in the Shareholder Letter, expanding Wealth Management Services is an important initiative for Ames National Corporation. By building customized financial plans with our customers, we are providing financial peace of mind through every life stage and, in turn, we are seeing our assets under management grow.



IT IS IMPORTANT TO US THAT WE COULD MEET WITH OUR FINANCIAL PLANNER FACE TO FACE AND BUILD A TRUSTING RELATIONSHIP.

Judy and Bruce Vance
First Point Wealth Management Clients

Serving through Financial Education

As an organization, we feel being a strong community leader and financial partner means not only serving customer needs, but delivering financial expertise and educational opportunities in the communities we serve. Throughout the year, we provide a variety of seminars to help our customers make informed financial decisions. With topics such as: fraud prevention, business expansion strategies, using technology to simplify your banking and plan for retirement, we focus on providing resources and expert advice on what's important in the lives of our customers.

We also have formed strong partnerships with our local schools to increase financial literacy with our youth. Through this program, students become certified in over 600 topics in financial education, allowing them to become more informed, responsible citizens. Our Affiliate Banks have partnered with EverFIT™ to bring an interactive, web-based financial management program to students at no cost to the school. The students learn about important financial decisions they will face in the "real world."

“ ONLINE EDUCATION TOOL MAKES HELPING STUDENTS UNDERSTAND THE IMPORTANCE OF GOOD MONEY MANAGEMENT EASY. THE STUDENTS CAN EASILY RELATE TO THE PROGRAM BECAUSE IT IS STRUCTURED IN A WAY THAT CONNECTS WITH THEM. THE STUDENTS ARE LEARNING VALUABLE LIFE-SKILLS THAT ARE ESSENTIAL AFTER GRADUATION. ”

Rhonda Schmaltz
High School Business Teacher



*Weidman, William. "Top Ten Trends for Banking in 2016." Banking Strategies. January 2016.

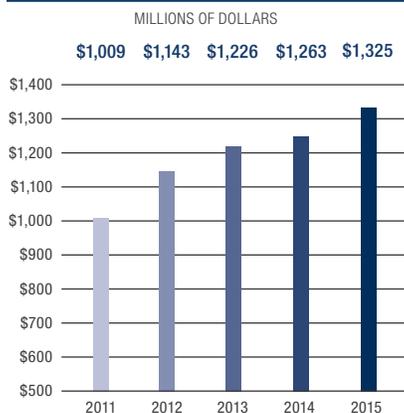
FINANCIAL HIGHLIGHTS

	2015	2014	2013	2012	2011
FOR THE YEAR					
PERFORMANCE					
Net Income (in thousands)	\$15,015	\$15,251	\$13,954	\$14,182	\$13,921
Return on					
Average Assets	1.13%	1.21%	1.14%	1.24%	1.38%
Average Equity	9.44%	10.09%	9.76%	10.08%	10.82%
Efficiency Ratio	53.59%	53.37%	52.78%	52.33%	49.80%
PER COMMON SHARE DATA					
Basic and Diluted Earnings	\$1.61	\$1.64	\$1.50	\$1.52	\$1.48
Cash Dividends Declared	\$0.80	\$0.72	\$0.64	\$0.60	\$0.52
Dividend Payout Ratio	49.69%	43.90%	42.67%	39.47%	35.14%
Dividend Yield	3.3%	2.8%	2.9%	2.7%	2.7%
AT DECEMBER 31					
BALANCE SHEET DATA (in thousands)					
Total Assets	\$1,326,747	\$1,301,031	\$1,233,084	\$1,217,692	\$1,035,564
Net Loans	\$701,328	\$658,441	\$564,502	\$510,126	\$438,651
Deposits	\$1,074,193	\$1,052,123	\$1,011,803	\$1,004,732	\$818,705
Stockholders' Equity	\$161,250	\$154,674	\$ 142,106	\$144,736	\$134,557
LOAN QUALITY					
Allowance for loan losses to total loans	1.40%	1.32%	1.50%	1.50%	1.77%
Net charge-offs to (recoveries) average outstanding loans	(0.01)%	0.03%	0.00%	0.03%	0.03%
Non performing loans to total loans	0.27%	0.37%	0.44%	1.07%	1.81%
CAPITAL					
Tier 1 Risk-Based Capital Ratio	11.3%	11.0%	11.0%	10.9%	12.2%
Total Equity/Total Assets	12.2%	11.9%	11.5%	11.9%	13.0%
Market Price per Share					
Closing	\$24.29	\$25.94	\$22.39	\$21.90	\$19.50
High	\$26.43	\$26.87	\$23.94	\$24.00	\$21.92
Low	\$22.01	\$20.24	\$18.50	\$18.30	\$14.15

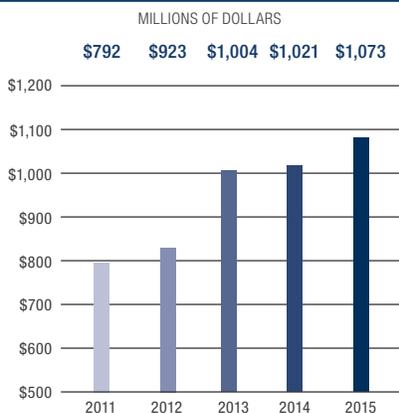
FIVE-YEAR PERFORMANCE RECORD

FIVE-YEAR FINANCIAL HIGHLIGHTS

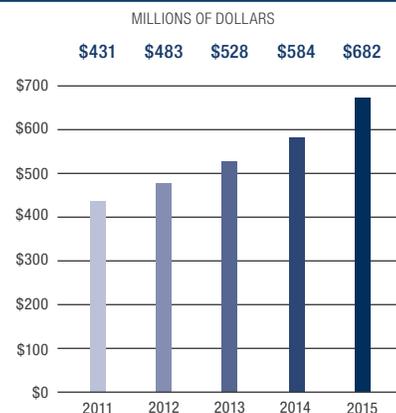
AVERAGE TOTAL ASSETS



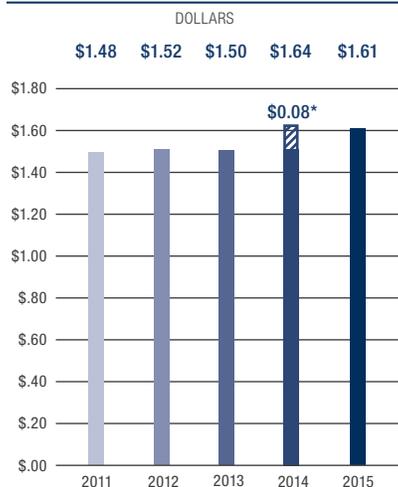
AVERAGE DEPOSITS



AVERAGE LOANS



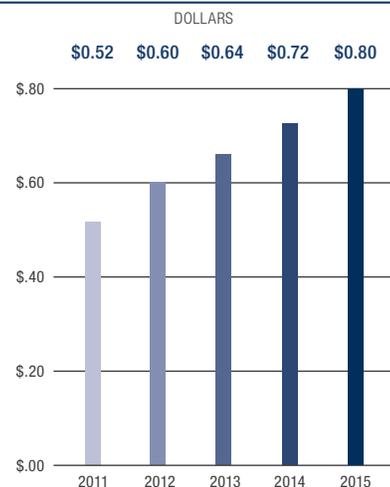
EARNINGS PER SHARE



BOOK VALUE PER SHARE



DECLARED DIVIDENDS PER SHARE



*Includes an after-tax, \$0.08 per share increase in noninterest income as a result of a building sale.

CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited)

	December 31, 2015	December 31, 2014
ASSETS		
Cash and due from banks	\$ 24,005,801	\$ 23,730,257
Interest bearing deposits in financial institutions	26,993,091	31,469,382
Securities available-for-sale	537,632,990	542,502,381
Loans receivable, net	701,328,171	658,440,998
Loans held for sale	539,370	704,850
Bank premises and equipment, net	17,007,798	15,956,989
Accrued income receivable	7,565,791	7,471,023
Other real estate owned	1,249,915	8,435,885
Deferred income taxes	1,276,571	2,633,177
Core deposit intangible, net	1,308,731	1,730,231
Goodwill	6,732,216	6,732,216
Other assets	1,106,698	1,223,328
Total assets	\$ 1,326,747,143	\$ 1,301,030,717
LIABILITIES AND STOCKHOLDERS' EQUITY		
<i>LIABILITIES</i>		
Deposits		
Demand, noninterest bearing	\$ 202,542,011	\$ 188,725,609
NOW accounts	298,227,493	298,581,556
Savings and money market	354,026,475	321,700,422
Time, \$250,000 and over	36,956,653	36,169,601
Other time	182,440,490	206,946,069
Total deposits	1,074,193,122	1,052,123,257
Securities sold under agreements to repurchase	54,289,915	51,265,011
FHLB advances and other borrowings	31,542,203	37,467,737
Dividend payable	1,862,183	1,675,964
Accrued expenses and other liabilities	3,609,663	3,824,330
Total liabilities	1,165,497,086	1,146,356,299
<i>STOCKHOLDERS' EQUITY</i>		
Common stock, \$2 par value, authorized 18,000,000 shares; issued and outstanding 9,310,913 shares as of December 31, 2015 and 2014	18,621,826	18,621,826
Additional paid-in capital	20,878,728	20,878,728
Retained earnings	118,267,767	110,701,847
Accumulated other comprehensive income	3,481,736	4,472,017
Total stockholders' equity	161,250,057	154,674,418
Total liabilities and stockholders' equity	\$ 1,326,747,143	\$ 1,301,030,717

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (unaudited)

	Three Months Ended December 31,		Years Ended December 31,	
	2015	2014	2015	2014
INTEREST INCOME:				
Loans, including fees	\$ 7,860,335	\$ 7,488,669	\$ 30,780,496	\$ 27,196,859
Securities				
Taxable	1,540,094	1,697,406	6,179,492	7,104,563
Tax-exempt	1,408,388	1,496,414	5,808,011	6,354,147
Interest bearing deposits and federal funds sold	93,935	95,523	382,346	308,782
Total interest income	<u>10,902,752</u>	<u>10,778,012</u>	<u>43,150,345</u>	<u>40,964,351</u>
INTEREST EXPENSE:				
Deposits	743,269	827,300	3,019,273	3,385,099
Other borrowed funds	267,301	264,221	1,165,866	1,162,002
Total interest expense	<u>1,010,570</u>	<u>1,091,521</u>	<u>4,185,139</u>	<u>4,547,101</u>
Net interest income	<u>9,892,182</u>	<u>9,686,491</u>	<u>38,965,206</u>	<u>36,417,250</u>
Provision for loan losses	62,573	299,120	1,099,183	429,140
Net interest income after provision for loan losses	<u>9,829,609</u>	<u>9,387,371</u>	<u>37,866,023</u>	<u>35,988,110</u>
NONINTEREST INCOME:				
Wealth Management Income	683,495	640,469	2,724,451	2,748,619
Service fees	455,677	454,307	1,740,740	1,649,169
Securities gains, net	279,253	896,371	888,179	1,110,953
Gain on sale of loans held for sale	202,505	230,318	907,875	704,051
Merchant and card fees	361,435	358,098	1,378,218	1,189,503
Gain (loss) on disposal of premises and equipment, net	(4,256)	(2,628)	(5,388)	1,239,581
Other noninterest income	165,901	166,698	633,118	610,203
Total noninterest income	<u>2,144,010</u>	<u>2,743,633</u>	<u>8,267,193</u>	<u>9,252,079</u>
NONINTEREST EXPENSE:				
Salaries and employee benefits	3,812,974	3,894,393	15,231,369	14,129,956
Data processing	937,840	785,550	3,027,203	2,609,185
Occupancy expenses	481,329	495,285	1,889,793	1,680,351
FDIC insurance assessments	160,601	155,766	680,563	645,997
Professional fees	322,463	310,235	1,274,298	1,274,111
Business development	344,673	377,420	1,064,362	1,103,923
Other real estate owned, net	7,982	1,502,606	613,812	1,502,408
Core deposit intangible amortization	95,251	113,626	421,500	317,333
Other operating expenses, net	335,691	333,951	1,109,121	1,110,199
Total noninterest expense	<u>6,498,804</u>	<u>7,968,832</u>	<u>25,312,021</u>	<u>24,373,463</u>
Income before income taxes	<u>5,474,815</u>	<u>4,162,172</u>	<u>20,821,195</u>	<u>20,866,726</u>
INCOME TAX EXPENSE	<u>1,559,754</u>	<u>1,023,465</u>	<u>5,806,544</u>	<u>5,615,519</u>
NET INCOME	<u>\$ 3,915,061</u>	<u>\$ 3,138,707</u>	<u>\$ 15,014,651</u>	<u>\$ 15,251,207</u>
Basic and diluted earnings per share	\$ 0.42	\$ 0.34	\$ 1.61	\$ 1.64
Declared dividends per share	\$ 0.20	\$ 0.18	\$ 0.80	\$ 0.72

AFFILIATE BANKS



Organized: The former Boone State Bank & Trust Co. was organized in 1883. In 1992, the Bank was organized by the Company under a new state charter in connection with a purchase and assumption transaction, whereby Boone Bank & Trust Co. purchased certain assets and assumed certain liabilities of the former Boone State Bank & Trust Co. in exchange for a cash payment.

Financial Highlights: As of December 31, 2015, Boone Bank had capital of \$14,132,000 and 23 full-time equivalent employees. Boone Bank had net income for the years ended December 31, 2015, 2014, and 2013 of approximately \$1,684,000, \$1,614,000, and \$1,533,000, respectively. Total assets as of December 31, 2015, 2014, and 2013 were \$135,767,000, \$125,776,000, and \$128,551,000, respectively.

Locations:

Main Office:
716 8th Street, Boone
Boone Branch Office:
1326 S. Story Street, Boone

Contact Information:

Phone: (515) 432-6200
Fax: (515) 432-3312
Web: www.boonebankiowa.com
Email: service@boonebankiowa.com

Board of Directors: **Back Row, Left to Right:** *Patrick J. McMullan, Patrick G. Hagan, Richard D. Blomgren and Michael P. Carr*
Front Row, Left to Right: *Jeffrey K. Putzier, Thomas H. Pohlman and Douglas C. Gustafson, DVM*



AMES • ANKENY • JOHNSTON
VALLEY JUNCTION • WEST DES MOINES

Organized: The Bank was organized in 1903 and became a wholly-owned subsidiary of the Company in 1975 through a bank holding company reorganization, whereby those shareholders of First National exchanged all of their First National stock for stock in the Company. In 2014, First National Bank acquired offices in West Des Moines and Johnston, Iowa, with a purchase and assumption transaction whereby First National Bank purchased certain assets and assumed certain liabilities in exchange for a cash payment.

Financial Highlights: As of December 31, 2015, First National had capital of \$72,200,000 and 111 full-time equivalent employees. First National had net income for the years ended December 31, 2015, 2014, and 2013 of approximately \$7,223,000, \$7,490,000, and \$7,200,000, respectively. Total assets as of December 31, 2015, 2014, and 2013 were \$704,289,000, \$706,185,000, and \$629,414,000, respectively.

Locations:

Main Office:
405 5th Street, Ames
West Office:
3334 Lincoln Way, Ames
North Grand Office:
2406 Grand Avenue, Ames
Ankeny Office:
1205 North Ankeny Blvd., Ankeny
Johnston Office:
8460 Birchwood Court, Johnston
West Des Moines Offices:
West Glen: 5625 Mills Civic Parkway, West Des Moines
Valley Junction: 301 5th Street, West Des Moines

Contact Information:

Phone: (515) 232-5561
Fax: (515) 232-5778
Web: www.FNBames.com
Email: info@FNBames.com

Board of Directors: **Back Row, Left to Right:** *James R. Larson, II, Thomas H. Pohlman, Betty A. Baudler Horras, Terrill L. Wycoff, Scott T. Bauer*
Front Row, Left to Right: *Gary K. Lorenz, David W. Benson, John R. Linch, Lisa M. Eslinger*

Organized: Reliance State Bank, Story City, Iowa, is an Iowa state-chartered, FDIC insured commercial bank. Organized in 1928, Reliance Bank was acquired by the Company in 1995 through a stock transaction whereby the then shareholders of Reliance Bank exchanged all their Reliance Bank stock for stock in the Company. In 2012, Reliance Bank acquired the Garner, Iowa office with a purchase and assumption transaction whereby Reliance Bank purchased certain assets and assumed certain liabilities in exchange for a cash payment.

Financial Highlights: As of December 31, 2015, Reliance Bank had capital of \$28,240,000 and 32 full-time equivalent employees. Reliance Bank had net income for the years ended December 31, 2015, 2014, and 2013 of approximately \$2,569,000, \$2,392,000, and \$2,172,000, respectively. Total assets as of December 31, 2015, 2014, and 2013 were \$219,452,000, \$219,474,000, and \$221,597,000, respectively.

Locations:

606 Broad Street, Story City
175 E. 3rd Street, Garner

Contact Information:

Phone: (515) 733-4396
Fax: (515) 733-2068
Web: www.RSbiowa.com
Email: info@rsbiowa.com



Board of Directors: Back Row, Left to Right: *Harold E. Thompson, Cory K. Milbrandt, Michael M. Hrubes, Elaine C. Tekippe, Steven D. Forth, Gary G. Vulgamott*
Front Row, Left to Right: *Neil W. Fell, John P. Nelson, Richard J. Schreier*

Organized: State Bank & Trust Co. was organized in 1939 and acquired by the Company in 1983 through a stock transaction, whereby those shareholders of State Bank exchanged all of their State Bank stock for stock in the Company.

Financial Highlights: As of December 31, 2015, State Bank had capital of \$18,571,000 and 21 full-time equivalent employees. State Bank had net income for the years ended December 31, 2015, 2014, and 2013 of approximately \$2,311,000, \$2,280,000, and \$2,122,000, respectively. Total assets as of December 31, 2015, 2014, and 2013 were \$154,847,000, \$157,894,000, and \$154,405,000, respectively.

Locations:

Main Office:
1025 6th Street, Nevada

Contact Information:

Phone: (515) 382-2191
Fax: (515) 382-3826
Web: www.banksbt.com
Email: info@banksbt.com



Board of Directors: Back Row, Left to Right: *Dan E. Johnson, Stephen C. McGill, Richard O. Parker, James M. Kurtenbach*
Front Row, Left to Right: *Laurie L. Henry, Thomas H. Pohlman, Michelle R. Cassabaum*

Organized: United Bank & Trust, n.a. was chartered as a national bank in June 2002. The bank opened a second office in 2006.

Financial Highlights: As of December 31, 2015, United Bank had capital of \$14,270,000 and 21 full-time equivalent employees. United Bank had net income for the years ended December 31, 2015, 2014, and 2013 of approximately \$1,296,000, \$1,110,000, and \$1,103,000, respectively. Total assets as of December 31, 2015, 2014 and 2013 were \$112,480,000, \$107,000,000, and \$111,420,000, respectively.

Locations:

Main Office:
2101 S. Center Street, Marshalltown
Courthouse Branch:
29 S. Center Street, Marshalltown

Contact Information:

Phone: (641) 753-5900
Fax: (641) 753-0800
Web: www.ubtna.com
Email: info@ubtna.com



Board of Directors: Back Row, Left to Right: *Keith R. Brown, Kathy L. Baker, Dale L. Ites*
Middle Row, Left to Right: *John S. Wise, Thomas H. Pohlman*
Front Row, Left to Right: *Larry A. Raymon, Curtis A. Hoff, Kevin L. Swartz*

STOCK & DIVIDEND INFORMATION

Market Price & Dividend Information

The Company's common stock is traded on the NASDAQ Capital Market under the symbol "ATLO." Trading in the Company's common stock is, however, relatively limited. The closing price of the Company's common stock was \$24.29 on December 31, 2015.

Below is a summary of the Company's high and low sales price for the common stock on a per share basis during the last two years, based on information provided to and gathered by the Company on an informal basis. The comparison also outlines the Company's declared cash dividends during the past two years. The Company declared aggregate annual cash dividends in 2015 and 2014 of \$7,449,000 and \$6,704,000, respectively, or \$0.80 per share in 2015 and \$0.72 per share in 2014.

Market Price & Dividend Two-Year Comparison

2015					2014				
Quarter	MARKET PRICE		CLOSING PRICE	CASH DIVIDENDS Declared	Quarter	MARKET PRICE		CLOSING PRICE	CASH DIVIDENDS Declared
	High	Low				High	Low		
1st	\$26.06	\$23.60	\$24.85	\$0.20	1st	\$23.50	\$20.24	\$22.04	\$0.18
2nd	\$26.43	\$23.51	\$25.10	\$0.20	2nd	\$23.35	\$21.15	\$23.14	\$0.18
3rd	\$26.40	\$22.01	\$22.93	\$0.20	3rd	\$24.37	\$22.13	\$22.35	\$0.18
4th	\$26.41	\$22.75	\$24.29	\$0.20	4th	\$26.87	\$21.63	\$25.94	\$0.18

SHAREHOLDER INFORMATION

Company Contact Information

Ames National Corporation
P.O. Box 846
405 5th Street
Ames, IA 50010
(515) 232-6251 | Fax (515) 663-3033
info@amesnational.com | www.amesnational.com

Company Officers

Thomas H. Pohlman President & CEO
John P. Nelson Vice President & CFO
John L. Pierschbacher Controller
Kevin G. Deardorff Vice President & Technology Director
Nicole J. Gebhart Vice President - Strategic Engagement
Matthew R. Hackbart Vice President
& Information Systems Asst. Manager
Jennifer J. Hanson Vice President & Human Resources Director
Tracy W. Laws Vice President & Auditor
Timothy J. Lupardus Vice President & Information Systems Manager
Joel P. Jacobsen Asst. Vice President & Compliance Officer
Lori J. Hill Asst. Corporate Secretary
Penny J. Blackburn Information Systems Technician
Doug S. H. Kinsey Information Systems Technician

Independent Auditors

CliftonLarsonAllen LLP
West Des Moines, Iowa

Counsel

Nyemaster Goode, P.C.
Des Moines, Iowa

Annual Meeting

The Board of Directors of Ames National Corporation has established Wednesday, April 27, 2016, at 4:30 p.m. as the date of the Annual Meeting of Shareholders. Registration will begin at 4:00 p.m. We invite all shareholders to attend the meeting, which will be held at Reiman Gardens, 1407 University Boulevard, Ames, Iowa.

Market Makers

Ames National Corporation's common stock is listed on the NASDAQ Capital Market under the symbol "ATLO." Market makers and brokers in the stock include:

First Point Wealth Management, First National Bank, Ames
(515) 663-3074

Stifel Nicolaus | (515) 233-4064

Monroe Securities, Inc. | (800) 766-5560

Raymond James | (800) 800-4693

FTN Financial Group | (800) 456-5460

Stock Transfer Agent

Continental Stock Transfer & Trust
17 Battery Place
New York, NY 10004
(212) 509-4000
www.continentalstock.com

Form 10-K and Other Information

A copy of the Company's Annual Report to the Securities and Exchange Commission on Form 10-K will be available on the Securities and Exchange Commission's website at <http://www.sec.gov> and through a link on the Company's website, www.amesnational.com, at Financial Information, SEC Filings on or about March 11, 2016. Additional information is also available by contacting John Nelson, Vice President & CFO at 515-232-6251 or info@amesnational.com.

Ames National Corporation

405 5th Street, Box 846 | Ames, IA 50010

t (515) 232-6251 | f (515) 663-3033

www.amesnational.com

info@amesnational.com