



2014 | **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 with a local board of directors and a local 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, 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

- Recognized by the NASDAQ for its **10th Anniversary** as a **Publicly Traded Company** (12/14)
- Ranked as the **6th largest Iowa commercial bank holding company** based on total deposits (6/14)
- Ranked among the **top 200 banks with assets less than \$2 billion** based on a 3-year average ROE by the American Banker Magazine (4/14)
- Ranked **25th on Bank Director’s Nifty 50** for NYSE and NASDAQ-listed companies based on profitability and capital levels (3/14)



LETTER TO SHAREHOLDERS

NET INCOME

Year ended December 31,

2014	\$15,300,000
2013	\$14,000,000

ASSETS

Year ended December 31,

2014	\$1,301,000,000
2013	\$1,233,000,000

WEALTH MANAGEMENT INCOME

Year ended December 31, 2014

Up 25% over 2013

	ROAA	ROAE
2014	1.21%	10.09%
2013	1.14%	9.76%

“...PROVIDING CLIENTS CUSTOMIZED BANKING EXPERIENCES AND EXCEEDING EXPECTATIONS.”

We are pleased to present the 2014 Ames National Corporation Summary Annual Report and highlight the Company's financial performance and strategic initiatives. As we reflect on 2014, we would like to thank our board of directors and employees in helping us reach record earnings, assets, deposits and loans. Reaching record levels is a direct result of your dedication and commitment to helping our clients succeed.

Our team is focused on providing clients with customized banking experiences and exceeding expectations. Whether we are assisting clients with buying their first homes, financing business expansions, building long-term financial plans or simply helping them log into mobile banking for the first time, our clients find value in our local, personal and responsive approach to banking. This client-first philosophy has created a loyal customer base and strong relationships that produce financial results for both our clients and shareholders.

Financial Results.

Net income reached a record high of \$15.3 million, or \$1.64 per share, compared to \$14 million, or \$1.50 per share in 2013, a 9.3 percent increase. The main contributors to the growth in earnings were increases in net interest income, the sale of one of our office buildings in Ames, Iowa, and higher wealth management income. With an upturn in loan demand, the Company was able to put more dollars to work in higher yielding loans compared to lower yielding investments. As a result, the improvement in net interest income led to an increase in the Company's net interest margin of 3.31 percent for 2014 compared to 3.18 percent for 2013.

In addition to income generated through loans and securities, we are strategically focused on building non-interest income through services like Wealth Management. Income generated through Wealth Management grew from \$2.2 million in 2013 to \$2.7 million in 2014, up 25 percent. The consumer demand for services, such as: financial management, trust services, financial planning and estate planning continues to grow, and we have found a niche in delivering financial expertise to assist clients with their short and long-term financial goals. According to a 2013 survey on retirement from The PNC Financial Services Group Inc., almost two-thirds of Americans between the ages of 35 and 70 surveyed had not yet taken steps to prepare retirement plans and approximately 10,000 baby boomers are retiring daily. Through our financial planning and wealth management services, our clients are benefiting from our programs designed to provide financial peace of mind through every life stage. In return, our assets under management continue to rise.

The sale of our office building, which housed the First National Bank University Office, resulted in an after-tax gain of \$778,000, but also provided an opportunity to enhance the Bank's presence in Ames. During the fall of 2015, First National Bank plans to open a new branch office in West Ames, complete with the latest in Interactive Teller services. With an emphasis on technology coupled with personal services, the new office will be designed with the future of banking in mind.

As a result of the improvement in net income, return on average assets rose to 1.21 percent for 2014, compared to 1.14 percent for the same period in 2013.

Return on average equity was also up and ended 2014 at 10.09 percent, compared to 9.76 percent in 2013. The efficiency ratio was 53.37 percent in 2014, slightly over the 52.78 percent recorded in 2013 due to one-time costs relating to the First Bank acquisition described below and other real estate owned write-downs.

Growth.

As we continue to focus on strategies to enhance shareholder value, the Company successfully completed a bank acquisition during 2014. First National Bank, the Company's largest subsidiary bank, acquired First Bank in West Des Moines, Iowa, on August 29, 2014. The acquired loans totaled \$45 million and acquired deposits totaled \$82 million. The Company welcomes our new clients and employees and look forward to a mutually beneficial, long-term relationship. The newly combined staffs of First National Bank have made outstanding progress with the integration of the offices in West Des Moines and Johnston and are to be commended for their significant efforts to ensure a smooth transition. We are also pleased to report that the retention of loan and deposit clients has been favorable. We are looking forward to new business development opportunities through the expansion of our footprint in the Des Moines Metro area.

The First Bank purchase was the second acquisition for the Company in the past two years. In April 2012, Reliance State Bank acquired two offices in Garner and Klemme, Iowa. This growth strategy has proven to be successful. In fact, Reliance State Bank's net income grew from \$1.8 million in 2012 to \$2.4 million in 2014, a 33 percent increase. We know the importance of maintaining our service culture as we continue to expand. Through our acquisition strategy, we have been fortunate to find organizations and people with a similar focus on delivering responsive, personal service and who believe in the value of our banking model.

Balance Sheet Review.

Assets reached a record level of \$1.3 billion, \$67.9 million higher compared to December 31, 2013, primarily as a result of the First Bank acquisition. The loan portfolio grew from \$565 million as of December 31, 2013, to \$658 million at year-end 2014, representing a 16.6 percent increase. Commercial real estate, 1-4 family real estate and construction real estate made up the majority of the growth in loans and is a good indication of an improving economy in our market area. Deposits finished 2014 at \$1.1 billion, up 4.0 percent from the \$1.0 billion recorded at 2013. Similar to loans, the increase in deposits was mainly due to the First Bank acquisition.

The Company's stockholders' equity represented 11.9 percent of total assets as of December 31, 2014, with all of the Company's five affiliate banks continuing to maintain strong capital levels. Total equity was \$155 million as of December 31, 2014, compared to \$142 million as of December 31, 2013. Capital is impacted by earnings, dividends and the fair value of the investment portfolio. The increase in stockholders' equity was primarily the result of net income and higher fair value on the securities available-for-sale.

The Cost of Regulation.

We would be amiss if we didn't mention the current regulatory environment. Managing the 5,905 pages of proposed regulations as a part of the Dodd-Frank has meant additional costs for banks of all sizes, both in terms of dollars paid for implementation and banks' ability to offer services. In some cases, clients have become burdened by the added paperwork necessary for obtaining loans. The regulatory costs have not only affected the clients, but have also had a direct impact on non-interest expense. With the additional staff needed to implement and monitor new regulatory processes, the Company has seen an ongoing increase in auditing and compliance expenses. Although the cost of the current regulatory environment is not unique to Ames National Corporation, we have been working diligently to address the mandates efficiently and effectively. We are fortunate to have an experienced compliance staff in place to address mandates resulting from the ever-changing regulatory landscape.

Company Stock.

The Company's stock, which is listed on the NASDAQ Capital Market under the symbol ATLO, closed at \$25.94 on December 31, 2014. During the year, the price ranged from \$20.24 to \$26.87 with 3,214,500 shares traded. Ames National Corporation returned \$6,703,858, or \$0.72 per share, to shareholders through dividends in 2014.

In Conclusion.

We would like to recognize Dr. Charles Jons for his service on the Ames National Corporation Board of Directors. Dr. Jons joined the First National Bank board in 1991 and the Ames National Corporation board in 1996. He has been a trusted resource, providing guidance and assistance for both boards over the past 23 years. Thank you, Chuck, for your leadership and commitment to Ames National Corporation.

This year marks the 40th anniversary for Ames National Corporation. We invite you to join us at Reiman Gardens on April 29th as we celebrate this milestone at the Annual Shareholders' Meeting, highlight our financial results and look forward to many new opportunities in 2015. Thank you for your ongoing support of Ames National Corporation, and we encourage you to contact us if you have questions prior to the meeting.



Thomas H. Pohlman

Thomas H. Pohlman
President



Douglas C. Gustafson

Douglas C. Gustafson
Chairman

BOARD OF DIRECTORS

FINANCIALLY STRONG. STABLE. STRATEGIC. GROWING.



BACK ROW, LEFT TO RIGHT:

Warren R. Madden

Vice President for Business & Finance, Iowa State University

Douglas C. Gustafson

Retired Veterinarian, Boone Veterinary Hospital
and Chairman of the Company

Thomas H. Pohlman

President of the Company

Richard O. Parker

Attorney, Parker Law Firm

Steven D. Forth

Farmer

John P. Nelson

Vice President and Chief Financial Officer of the Company

FRONT ROW, LEFT TO RIGHT:

Larry A. Raymon

Chief Executive Officer, Raymon Enterprises, Inc.

David W. Benson

Partner, Nyemaster Goode Attorneys at Law

Betty A. Baudler Horras

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

James R. Larson, II

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

Robert L. Cramer

Retired President and Chief Operating Officer
Fareway Stores, Inc. (*grocery stores*)

AMES NATIONAL CORPORATION RINGS IN 10 YEARS ON THE NASDAQ

Ten years ago, the Company's Board of Directors decided it was in the best interest of shareholders to list our common shares on the NASDAQ stock market to improve liquidity. In 2014, Ames National Corporation celebrated its 10th anniversary as a publically-traded company in the NASDAQ Capital Market.



In recognition of this milestone, Tom Pohlman, president of the Company, and representatives from the board of directors, affiliate bank presidents, and families were invited to ring the NASDAQ closing bell on December 2, 2014. We would like to thank our shareholders, board of directors and employees for their ongoing support of the Ames National Corporation mission. Through 40 years of managing the wide fluctuations in interest rates, navigating the ever-changing regulatory environment, balancing changes in technology and delivering the latest in banking products and services, we have remained focused on doing what is right for our customers and, in turn, enhancing shareholder value. We are proud of our strong past performance and look forward to the many new growth opportunities yet to come.

TRADE VOLUME

Average Shares per Day

2014	12,800
2005	7,300

NASDAQ TICKER SYMBOL

ATLO

FINANCIAL SNAPSHOT

December 31,

(in millions)

	Assets	Deposits	Capital
2014	\$ 1,301.0	\$ 1,052.1	\$ 154.7
2004	\$ 839.8	\$ 658.2	\$ 110.9
1975	\$ 47.3	\$ 41.8	\$ 4.5

1975

Ames National Corporation was organized and incorporated to serve as a holding company for First National Bank, Ames, Iowa.

1983

The Company acquired the stock of the State Bank & Trust Co. located in Nevada, Iowa.

1991

The Company, through a newly-chartered state bank known as Boone Bank & Trust Co., acquired the assets of the former Boone State Bank & Trust Company located in Boone, Iowa.

1995

The Company acquired the stock of the Randall-Story State Bank located in Story City, Iowa.

2002

The Company chartered United Bank & Trust NA, located in Marshalltown, Iowa.

2004

Ames National Corporation lists its stock on the NASDAQ Capital Market.

2007

First National Bank opens a new office in Ankeny, Iowa.

2012

Randall-Story State Bank acquired two offices in Garner and Klemme, Iowa and changed its name to Reliance State Bank.

2014

First National Bank, Ames, acquired three offices in West Des Moines and Johnston, Iowa.

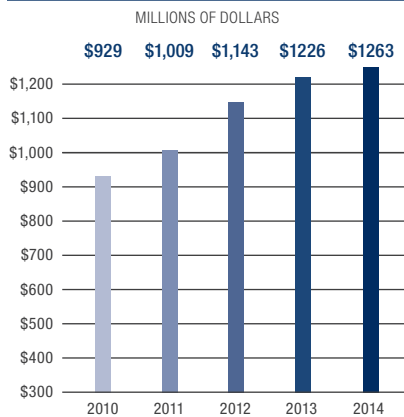
FINANCIAL HIGHLIGHTS

	2014	2013	2012	2011	2010
FOR THE YEAR					
PERFORMANCE					
Net Income (in thousands)	\$15,251	\$13,954	\$14,182	\$13,921	\$12,966
Return on					
Average Assets	1.21%	1.14%	1.24%	1.38%	1.40%
Average Equity	10.09%	9.76%	10.08%	10.82%	10.91%
Efficiency Ratio	53.37%	52.78%	52.33%	49.80%	50.12%
PER COMMON SHARE DATA					
Basic and Diluted Earnings	\$1.64	\$1.50	\$1.52	\$1.48	\$1.37
Cash Dividends Declared	\$0.72	\$0.64	\$0.60	\$0.52	\$0.44
Dividend Payout Ratio	43.90%	42.67%	39.47%	35.14%	32.12%
Dividend Yield	2.8%	2.9%	2.7%	2.7%	2.0%
AT DECEMBER 31					
BALANCE SHEET DATA (in thousands)					
Total Assets	\$1,301,031	\$1,233,084	\$1,217,692	\$1,035,564	\$962,975
Net Loans	\$658,441	\$564,502	\$510,126	\$438,651	\$418,094
Deposits	\$1,052,123	\$1,011,803	\$1,004,732	\$818,705	\$743,862
Stockholders' Equity	\$154,674	\$142,106	\$144,736	\$134,557	\$121,363
LOAN QUALITY					
Allowance for loan losses to total loans	1.32%	1.50%	1.50%	1.77%	1.77%
Net charge-offs to average outstanding loans	0.03%	0.00%	0.03%	0.03%	0.19%
Non performing loans to total loans	0.37%	0.44%	1.07%	1.81%	1.48%
CAPITAL					
Tier 1 Risk-Based Capital Ratio	11.0%	11.0%	10.9%	12.2%	12.5%
Total Equity/Total Assets	11.9%	11.5%	11.9%	13.0%	12.6%
Market Price per Share					
Closing	\$25.94	\$22.39	\$21.90	\$19.50	\$21.67
High	\$26.87	\$23.94	\$24.00	\$21.92	\$22.84
Low	\$20.24	\$18.50	\$18.30	\$14.15	\$16.61

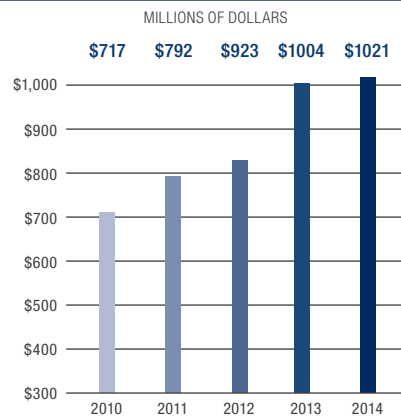
FIVE-YEAR PERFORMANCE RECORD

FIVE-YEAR FINANCIAL HIGHLIGHTS

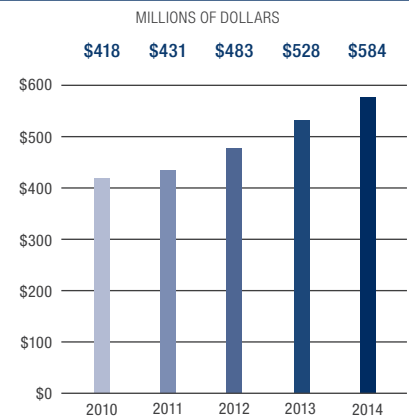
AVERAGE TOTAL ASSETS



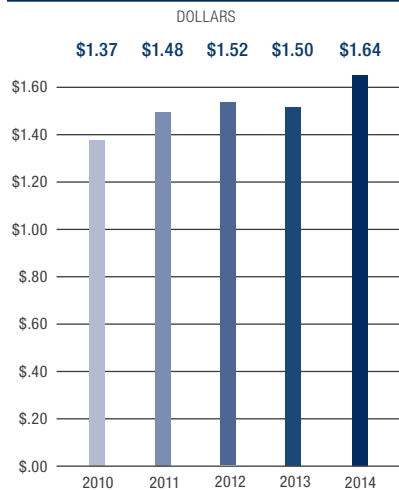
AVERAGE DEPOSITS



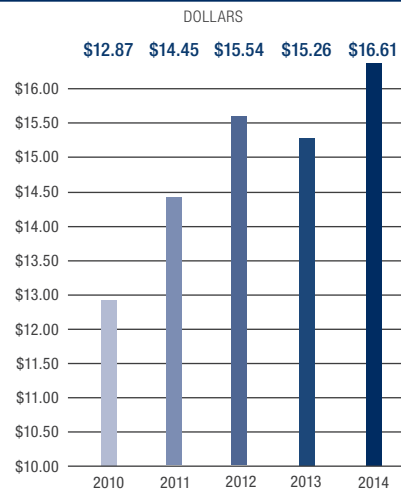
AVERAGE LOANS



EARNINGS PER SHARE



BOOK VALUE PER SHARE



DECLARED DIVIDENDS PER SHARE



CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited)

	December 31, 2014	December 31, 2013
ASSETS		
Cash and due from banks	\$ 23,730,257	\$ 24,270,031
Federal funds sold	6,000	–
Interest bearing deposits in financial institutions	31,463,382	23,628,117
Securities available-for-sale	542,502,381	580,039,080
Loans receivable, net	658,440,998	564,501,547
Loans held for sale	704,850	295,618
Bank premises and equipment, net	15,956,989	11,892,329
Accrued income receivable	7,471,023	7,437,673
Other real estate owned	8,435,885	8,861,107
Deferred income taxes	2,633,177	5,027,103
Core deposit intangible, net	1,730,231	1,029,564
Goodwill	6,732,216	5,600,749
Other assets	1,223,328	501,242
Total assets	\$ 1,301,030,717	\$ 1,233,084,160
LIABILITIES AND STOCKHOLDERS' EQUITY		
<i>LIABILITIES</i>		
Deposits		
Demand, noninterest bearing	\$ 188,725,609	\$ 179,946,472
NOW accounts	298,581,556	299,788,852
Savings and money market	321,700,422	289,307,102
Time, \$250,000 and over	36,169,601	36,839,069
Other time	206,946,069	205,921,683
Total deposits	1,052,123,257	1,011,803,178
Securities sold under agreements to repurchase and federal funds purchased	51,265,011	39,616,644
FHLB advances and other borrowings	37,467,737	34,540,526
Dividend payable	1,675,964	1,489,746
Accrued expenses and other liabilities	3,824,330	3,527,882
Total liabilities	1,146,356,299	1,090,977,976
<i>STOCKHOLDERS' EQUITY</i>		
Common stock, \$2 par value, authorized 18,000,000 shares; issued 9,310,913 shares as of December 31, 2014 and 9,432,915 shares as of December 31, 2013; outstanding 9,310,913 shares as of December 31, 2014 and 2013	18,621,826	18,865,830
Additional paid-in capital	20,878,728	22,651,222
Retained earnings	110,701,847	102,154,498
Accumulated other comprehensive income-net unrealized income on securities available-for-sale	4,472,017	451,132
Treasury stock, at cost; 122,002 shares as of December 31, 2013	–	(2,016,498)
Total stockholders' equity	154,674,418	142,106,184
Total liabilities and stockholders' equity	\$ 1,301,030,717	\$ 1,233,084,160

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (unaudited)

	Years Ended December 31,		
	2014	2013	2012
INTEREST INCOME:			
Loans	\$ 27,196,859	\$ 25,433,950	\$ 24,761,633
Securities			
Taxable	7,104,563	5,744,321	6,058,556
Tax-exempt	6,354,147	6,864,948	6,767,545
Interest bearing deposits and federal funds sold	308,782	390,594	484,004
Total interest income	<u>40,964,351</u>	<u>38,433,813</u>	<u>38,071,738</u>
INTEREST EXPENSE:			
Deposits	3,385,099	3,861,713	4,472,337
Other borrowed funds	1,162,002	1,213,050	1,279,604
Total interest expense	<u>4,547,101</u>	<u>5,074,763</u>	<u>5,751,941</u>
Net interest income	<u>36,417,250</u>	<u>33,359,050</u>	<u>32,319,797</u>
Provision for loan losses	429,140	786,390	22,277
Net interest income after provision for loan losses	<u>35,988,110</u>	<u>32,572,660</u>	<u>32,297,520</u>
NONINTEREST INCOME:			
Wealth Management Income	2,748,619	2,199,797	2,219,320
Service fees	1,649,169	1,580,811	1,578,672
Securities gains, net	1,110,953	1,002,920	646,755
Gain on sale of loans held for sale	704,051	1,200,402	1,589,122
Merchant and card fees	1,189,503	1,142,027	1,055,613
Gain on sale of premises and equipment, net	1,239,581	-	-
Other noninterest income	610,203	591,821	605,753
Total noninterest income	<u>9,252,079</u>	<u>7,717,778</u>	<u>7,435,384</u>
NONINTEREST EXPENSE:			
Salaries and employee benefits	14,129,956	13,131,556	12,465,403
Data processing	2,609,185	2,414,564	2,239,003
Occupancy expenses	1,680,351	1,471,978	1,462,898
FDIC insurance assessments	645,997	661,127	664,285
Professional fees	1,274,111	1,127,666	1,224,093
Business development	1,103,923	957,702	941,090
Other real estate owned, net	1,502,408	651,401	482,904
Core deposit intangible amortization	317,333	273,700	196,736
Other operating expenses, net	1,110,199	989,178	1,126,541
Total noninterest expense	<u>24,373,463</u>	<u>21,678,872</u>	<u>20,802,953</u>
Income before income taxes	<u>20,866,726</u>	<u>18,611,566</u>	<u>18,929,951</u>
INCOME TAX EXPENSE	<u>5,615,519</u>	<u>4,657,922</u>	<u>4,747,643</u>
NET INCOME	<u>\$ 15,251,207</u>	<u>\$ 13,953,644</u>	<u>\$ 14,182,308</u>
Basic and diluted earnings per share	<u>\$ 1.64</u>	<u>\$ 1.50</u>	<u>\$ 1.52</u>

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, 2014, Boone Bank had capital of \$13,653,000 and 26 full-time equivalent employees. Boone Bank had net income for the years ended December 31, 2014, 2013 and 2012 of approximately \$1,614,000, \$1,533,000 and \$1,764,000, respectively. Total assets as of December 31, 2014, 2013 and 2012 were approximately \$125,776,000, \$128,551,000 and \$123,829,000, 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: *Robert L. Cramer, Richard D. Blomgren, Douglas C. Gustafson, DVM, Patrick J. McMullan*

Front Row, Left to Right: *William S. Zinnel, Thomas H. Pohlman, Jeffrey K. Putzier*



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, 2014, First National had capital of \$69,400,000 and 111 full-time equivalent employees. First National had net income for the years ended December 31, 2014, 2013 and 2012 of approximately \$7,490,000, \$7,200,000 and \$7,193,000, respectively. Total assets as of December 31, 2014, 2013 and 2012 were approximately \$706,185,000, \$629,414,000 and \$616,287,000, respectively.

Locations:

Main Office:

405 5th Street, Ames

West Office:

119 Stanton, 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: *Warren R. Madden, Scott T. Bauer, David W. Benson, Thomas H. Pohlman, Terrill L. Wycoff, James R. Larson, II*

Front Row, Left to Right: *Charles D. Jons, Lisa M. Eslinger, Betty A. Baudler Horras, John R. Lynch*

Organized: Reliance State Bank, formerly known as “Randall-Story 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 and Klemme, Iowa offices 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, 2014, Reliance Bank had capital of \$26,728,000 and 30 full-time equivalent employees. Reliance Bank had net income for the years ended December 31, 2014, 2013 and 2012 of approximately \$2,392,000, \$2,172,000 and \$1,833,000, respectively. Total assets as of December 31, 2014, 2013 and 2012 were approximately \$219,474,000, \$221,597,000 and \$221,799,000, respectively.

Locations:

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

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, 2014, State Bank had capital of \$17,890,000 and 23 full-time equivalent employees. State Bank had net income for the years ended December 31, 2014, 2013 and 2012 of approximately \$2,280,000, \$2,122,000 and \$2,208,000, respectively. Total assets as of December 31, 2014, 2013 and 2012 were approximately \$157,894,000, \$154,405,000 and \$151,859,000, respectively.

Locations:

Main Office:
 1025 6th Street, Nevada

Colo Office:
 405 Main Street, Colo

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, 2014, United Bank had capital of \$13,883,000 and 23 full-time equivalent employees. United Bank had net income for the years ended December 31, 2014, 2013 and 2012 of approximately \$1,110,000, \$1,103,000 and \$1,269,000, respectively. Total assets as of December 31, 2014, 2013 and 2012 were approximately \$107,000,000, \$111,420,000 and \$107,627,000, 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 \$25.94 on December 31, 2014.

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 2014 and 2013 of \$6,704,000 and \$5,959,000, respectively, or \$0.72 per share in 2014 and \$0.64 per share in 2013.

Market Price & Dividend Two-Year Comparison

2014					2013				
Quarter	MARKET PRICE		CLOSING PRICE	CASH DIVIDENDS Declared	Quarter	MARKET PRICE		CLOSING PRICE	CASH DIVIDENDS Declared
	High	Low				High	Low		
1st	\$23.50	\$20.24	\$22.04	\$0.18	1st	\$22.91	\$19.92	\$20.86	\$0.16
2nd	\$23.35	\$21.15	\$23.14	\$0.18	2nd	\$23.15	\$18.50	\$22.76	\$0.16
3rd	\$24.37	\$22.13	\$22.35	\$0.18	3rd	\$23.94	\$19.87	\$22.41	\$0.16
4th	\$26.87	\$21.63	\$25.94	\$0.18	4th	\$23.05	\$21.09	\$22.39	\$0.16

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 & Marketing Director
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
Colin T. Richey Information Systems Officer

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 29, 2015, 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 March 15, 2015. 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