

AMES NATIONAL CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2017 and 2016

(unaudited)

ASSETS	2017	2016
Cash and due from banks	\$ 24,843,933	\$ 21,620,875
Interest bearing deposits in financial institutions	49,361,944	59,739,010
Securities available-for-sale	516,352,893	523,272,746
Loans receivable, net	759,786,001	695,627,262
Loans held for sale	196,145	443,571
Bank premises and equipment, net	15,901,957	16,768,218
Accrued income receivable	7,270,957	7,381,129
Other real estate owned	542,812	1,124,384
Deferred income taxes	2,850,082	-
Other intangible assets, net	1,238,290	1,213,483
Goodwill	6,732,216	6,732,216
Other assets	10,228,498	975,895
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Total assets	\$ 1,395,305,728	\$ 1,334,898,789
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LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Deposits		
Demand, noninterest bearing	\$ 202,797,222	\$ 193,177,754
NOW accounts	343,459,201	304,055,155
Savings and money market	396,934,766	369,326,455
Time, \$250,000 and over	37,253,819	38,715,001
Other time	161,227,296	178,579,704
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Total deposits	1,141,672,304	1,083,854,069
Securities sold under agreements to repurchase	50,373,505	50,379,586
Federal Home Loan Bank (FHLB) advances and other borrowings	27,500,000	28,500,000
Deferred income taxes	-	139,019
Dividends payable	2,048,401	1,955,292
Accrued expenses and other liabilities	5,584,808	4,598,993
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Total liabilities	1,227,179,018	1,169,426,959
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STOCKHOLDERS' EQUITY		
Common stock, \$2 par value, authorized 18,000,000 shares; issued and outstanding 9,310,913 shares as of March 31, 2017 and 2016	18,621,826	18,621,826
Additional paid-in capital	20,878,728	20,878,728
Retained earnings	127,743,103	120,119,566
Accumulated other comprehensive income	883,053	5,851,710
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Total stockholders' equity	168,126,710	165,471,830
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Total liabilities and stockholders' equity	\$ 1,395,305,728	\$ 1,334,898,789

AMES NATIONAL CORPORATION AND SUBSIDIARIES

Consolidated Statements of Income
(unaudited)

	Three Months Ended	
	March 31,	
	2017	2016
Interest income:		
Loans	\$ 8,115,685	\$ 7,857,970
Securities		
Taxable	1,512,919	1,495,310
Tax-exempt	1,318,062	1,400,031
Interest bearing deposits and federal funds sold	137,173	95,703
Total interest income	<u>11,083,839</u>	<u>10,849,014</u>
Interest expense:		
Deposits	921,430	750,121
Other borrowed funds	279,401	263,370
Total interest expense	<u>1,200,831</u>	<u>1,013,491</u>
Net interest income	9,883,008	9,835,523
Provision for loan losses	397,574	192,014
Net interest income after provision for loan losses	<u>9,485,434</u>	<u>9,643,509</u>
Noninterest income:		
Wealth Management Income	698,932	787,108
Service fees	359,132	397,091
Securities gains, net	365,035	201,693
Gain on sale of loans held for sale	138,012	176,757
Merchant and card fees	315,036	344,073
Other noninterest income	204,471	192,750
Total noninterest income	<u>2,080,618</u>	<u>2,099,472</u>
Noninterest expense:		
Salaries and employee benefits	4,045,644	4,051,784
Data processing	823,779	761,132
Occupancy expenses, net	544,030	603,437
FDIC insurance assessments	103,831	163,988
Professional fees	298,145	267,916
Business development	237,741	235,160
Other real estate owned (income) expense, net	4,134	(19,616)
Intangible asset amortization	98,802	95,248
Other operating expenses, net	320,618	275,675
Total noninterest expense	<u>6,476,724</u>	<u>6,434,724</u>
Income before income taxes	5,089,328	5,308,257
Income tax expense	1,479,200	1,501,166
Net income	<u>\$ 3,610,128</u>	<u>\$ 3,807,091</u>
Basic and diluted earnings per share	<u>\$ 0.39</u>	<u>\$ 0.41</u>
Declared dividends per share	<u>\$ 0.22</u>	<u>\$ 0.21</u>