

AMES NATIONAL CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets
September 30, 2018 and 2017
(unaudited)

ASSETS	2018	2017
Cash and due from banks	\$ 25,318,944	\$ 23,087,890
Interest bearing deposits in financial institutions	38,048,525	35,486,284
Securities available-for-sale	474,442,299	503,368,435
Federal Home Loan Bank and Federal Reserve Bank stock, at cost	2,946,100	3,242,000
Loans receivable, net	859,830,015	764,228,850
Loans held for sale	279,940	279,800
Bank premises and equipment, net	16,071,119	15,595,418
Accrued interest income receivable	9,485,035	8,423,038
Other real estate owned	729,795	385,509
Bank-owned life insurance	2,757,310	-
Deferred income taxes, net	4,803,300	1,817,543
Other intangible assets, net	2,842,085	1,133,736
Goodwill	9,618,621	6,732,216
Other assets	1,079,179	1,159,533
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Total assets	\$ 1,448,252,267	\$ 1,364,940,252
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LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Deposits		
Demand, noninterest bearing	\$ 220,806,001	\$ 202,368,921
NOW accounts	369,779,264	337,062,117
Savings and money market	414,057,574	380,454,650
Time, \$250,000 and over	42,849,563	36,776,010
Other time	168,268,111	157,876,361
Total deposits	<hr/>	<hr/>
	1,215,760,513	1,114,538,059
Securities sold under agreements to repurchase	48,858,900	39,001,050
Federal Home Loan Bank (FHLB) advances and other borrowings	8,400,000	32,000,000
Dividends payable	2,141,510	2,048,401
Accrued expenses and other liabilities	4,461,535	4,023,858
Total liabilities	<hr/>	<hr/>
	1,279,622,458	1,191,611,368
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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 September 30, 2018 and 2017	18,621,826	18,621,826
Additional paid-in capital	20,878,728	20,878,728
Retained earnings	135,828,253	131,047,038
Accumulated other comprehensive income (loss)	(6,698,998)	2,781,292
Total stockholders' equity	<hr/>	<hr/>
	168,629,809	173,328,884
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Total liabilities and stockholders' equity	\$ 1,448,252,267	\$ 1,364,940,252
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AMES NATIONAL CORPORATION AND SUBSIDIARIES

Consolidated Statements of Income
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Interest income:				
Loans	\$ 9,557,527	\$ 8,729,702	\$ 27,442,604	\$ 25,345,116
Securities				
Taxable	1,574,020	1,557,872	4,720,996	4,637,498
Tax-exempt	1,085,131	1,210,510	3,451,084	3,819,380
Interest bearing deposits and federal funds sold	243,879	114,820	638,924	365,346
Total interest income	<u>12,460,557</u>	<u>11,612,904</u>	<u>36,253,608</u>	<u>34,167,340</u>
Interest expense:				
Deposits	1,740,579	1,169,296	4,736,455	3,204,115
Other borrowed funds	134,017	292,054	533,870	862,798
Total interest expense	<u>1,874,596</u>	<u>1,461,350</u>	<u>5,270,325</u>	<u>4,066,913</u>
Net interest income	10,585,961	10,151,554	30,983,283	30,100,427
Provision for loan losses	100,000	57,277	192,978	1,221,620
Net interest income after provision for loan losses	<u>10,485,961</u>	<u>10,094,277</u>	<u>30,790,305</u>	<u>28,878,807</u>
Noninterest income:				
Wealth Management Income	877,146	747,634	2,534,510	2,180,941
Service fees	363,993	401,237	1,036,841	1,126,122
Securities gains, net	-	37,881	-	498,560
Gain on sale of loans held for sale	207,856	179,553	576,441	544,095
Merchant and card fees	358,816	348,847	1,035,338	1,017,362
Gain on foreclosure of other real estate owned	162,862	-	162,862	-
Other noninterest income	191,130	144,953	570,685	598,791
Total noninterest income	<u>2,161,803</u>	<u>1,860,105</u>	<u>5,916,677</u>	<u>5,965,871</u>
Noninterest expense:				
Salaries and employee benefits	4,331,976	4,026,932	13,216,844	12,058,903
Data processing	838,414	807,419	2,506,804	2,481,331
Occupancy expenses, net	536,004	527,071	1,490,395	1,546,657
FDIC insurance assessments	99,934	111,987	308,002	326,958
Professional fees	423,172	307,484	1,123,577	919,157
Business development	327,985	262,408	821,344	722,869
Intangible asset amortization	94,883	89,861	266,337	280,837
Other operating expenses, net	335,464	162,826	832,729	835,414
Total noninterest expense	<u>6,987,832</u>	<u>6,295,988</u>	<u>20,566,032</u>	<u>19,172,126</u>
Income before income taxes	5,659,932	5,658,394	16,140,950	15,672,552
Income tax expense	1,201,100	1,729,987	3,328,100	4,661,687
Net income	<u>\$ 4,458,832</u>	<u>\$ 3,928,407</u>	<u>\$ 12,812,850</u>	<u>\$ 11,010,865</u>
Basic and diluted earnings per share	<u>\$ 0.48</u>	<u>\$ 0.42</u>	<u>\$ 1.38</u>	<u>\$ 1.18</u>
Declared dividends per share	<u>\$ 0.23</u>	<u>\$ 0.22</u>	<u>\$ 0.94</u>	<u>\$ 0.66</u>