

AMES NATIONAL CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

June 30, 2019 and 2018

(unaudited)

ASSETS	2019	2018
Cash and due from banks	\$ 22,615,322	\$ 20,554,902
Interest bearing deposits in financial institutions	67,435,442	41,831,023
Securities available-for-sale	458,763,315	478,733,417
Federal Home Loan Bank (FHLB) Federal Reserve Bank (FRB) stock, at cost	2,655,700	2,561,200
Loans receivable, net	873,639,020	780,259,704
Loans held for sale	766,945	1,480,648
Bank premises and equipment, net	15,733,212	15,203,655
Accrued income receivable	8,998,009	7,755,177
Other real estate owned	217,856	385,509
Bank -owned life insurance	2,806,029	-
Deferred income taxes	1,213,746	4,135,552
Other intangible assets, net	2,374,906	934,968
Goodwill	9,744,472	6,732,216
Other assets	1,631,159	1,486,743
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Total assets	\$ 1,468,595,133	\$ 1,362,054,714
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LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Deposits		
Demand, noninterest bearing	\$ 220,241,881	\$ 218,222,877
NOW accounts	386,894,248	338,858,159
Savings and money market	413,412,483	400,566,104
Time, \$250,000 and over	50,144,650	39,727,075
Other time	173,763,838	154,440,954
Total deposits	<hr/>	<hr/>
	1,244,457,100	1,151,815,169
Securities sold under agreements to repurchase	31,693,100	34,107,530
Federal Home Loan Bank (FHLB) advances	2,000,000	2,000,000
Dividends payable	2,215,709	2,141,510
Accrued expenses and other liabilities	4,977,688	4,049,475
Total liabilities	<hr/>	<hr/>
	1,285,343,597	1,194,113,684
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STOCKHOLDERS' EQUITY		
Common stock, \$2 par value, authorized 18,000,000 shares; issued and outstanding 9,232,122 and 9,310,913 shares as of June 30, 2019 and 2018, respectively	18,464,244	18,621,826
Additional paid-in capital	19,019,767	20,878,728
Retained earnings	142,312,863	133,510,931
Accumulated other comprehensive income (loss)	3,454,662	(5,070,455)
Total stockholders' equity	<hr/>	<hr/>
	183,251,536	167,941,030
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Total liabilities and stockholders' equity	\$ 1,468,595,133	\$ 1,362,054,714

AMES NATIONAL CORPORATION AND SUBSIDIARIES

Consolidated Statements of Income
(unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2019	2018	2019	2018
Interest and dividend income:				
Loans	\$ 10,808,142	\$ 8,996,222	\$ 21,509,571	\$ 17,885,077
Securities				
Taxable	1,554,713	1,617,854	3,043,565	3,146,976
Tax-exempt	1,067,955	1,179,607	2,168,529	2,365,953
Other interest and dividend income	290,465	202,010	528,033	395,045
Total interest and dividend income	<u>13,721,275</u>	<u>11,995,693</u>	<u>27,249,698</u>	<u>23,793,051</u>
Interest expense:				
Deposits	2,606,384	1,633,395	4,965,216	2,995,876
Other borrowed funds	184,634	151,463	383,848	399,853
Total interest expense	<u>2,791,018</u>	<u>1,784,858</u>	<u>5,349,064</u>	<u>3,395,729</u>
Net interest income	10,930,257	10,210,835	21,900,634	20,397,322
Provision for loan losses	68,320	63,978	166,414	92,978
Net interest income after provision for loan losses	<u>10,861,937</u>	<u>10,146,857</u>	<u>21,734,220</u>	<u>20,304,344</u>
Noninterest income:				
Wealth management income	1,019,143	906,364	1,803,757	1,657,364
Service fees	387,133	334,606	757,429	672,848
Securities gains, net	1,890	-	1,890	-
Gain on sale of loans held for sale	224,031	191,385	396,757	368,585
Merchant and card fees	386,384	366,863	747,525	676,522
Other noninterest income	194,358	191,654	431,289	379,555
Total noninterest income	<u>2,212,939</u>	<u>1,990,872</u>	<u>4,138,647</u>	<u>3,754,874</u>
Noninterest expense:				
Salaries and employee benefits	4,797,497	4,316,823	9,513,325	8,884,868
Data processing	872,064	887,358	1,763,445	1,668,390
Occupancy expenses, net	518,559	459,445	1,117,564	954,391
FDIC insurance assessments	91,666	102,073	191,895	208,068
Professional fees	382,983	354,998	771,829	700,405
Business development	248,178	238,811	516,775	493,359
Intangible asset amortization	139,314	83,919	302,978	171,454
Other operating expenses, net	167,717	269,636	496,923	497,265
Total noninterest expense	<u>7,217,978</u>	<u>6,713,063</u>	<u>14,674,734</u>	<u>13,578,200</u>
Income before income taxes	5,856,898	5,424,666	11,198,133	10,481,018
Income tax expense	1,239,305	1,107,400	2,343,105	2,127,000
Net income	<u>\$ 4,617,593</u>	<u>\$ 4,317,266</u>	<u>\$ 8,855,028</u>	<u>\$ 8,354,018</u>
Basic and diluted earnings per share	\$ 0.50	\$ 0.46	\$ 0.96	\$ 0.90
Declared dividends per share	\$ 0.24	\$ 0.23	\$ 0.48	\$ 0.71