

AMES NATIONAL CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2017 and 2016

(unaudited)

ASSETS	2017	2016
Cash and due from banks	\$ 26,397,550	\$ 29,478,068
Interest bearing deposits in financial institutions	43,021,953	31,737,259
Securities available-for-sale	498,342,864	516,079,506
Loans receivable, net	771,549,655	752,181,730
Loans held for sale	-	242,618
Bank premises and equipment, net	15,399,146	16,049,379
Accrued income receivable	8,382,391	7,768,689
Other real estate owned	385,509	545,757
Deferred income taxes	2,542,533	3,485,689
Other intangible assets, net	1,091,462	1,352,812
Goodwill	6,732,216	6,732,216
Other assets	1,214,371	799,306
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Total assets	\$ 1,375,059,650	\$ 1,366,453,029
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LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Deposits		
Demand, noninterest bearing	\$ 227,332,347	\$ 212,074,792
NOW accounts	322,392,945	310,427,812
Savings and money market	389,630,180	381,852,433
Time, \$250,000 and over	38,838,782	39,031,663
Other time	156,196,433	166,022,165
Total deposits	<hr/>	<hr/>
	1,134,390,687	1,109,408,865
Securities sold under agreements to repurchase	37,424,619	58,337,367
Federal Home Loan Bank (FHLB) advances and other borrowings	26,500,000	27,500,000
Dividends payable	2,048,401	1,955,292
Accrued expenses and other liabilities	3,942,801	4,146,262
Total liabilities	<hr/>	<hr/>
	1,204,306,508	1,201,347,786
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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 December 31, 2017 and 2016	18,621,826	18,621,826
Additional paid-in capital	20,878,728	20,878,728
Retained earnings	131,684,961	126,181,376
Accumulated other comprehensive (loss)	(432,373)	(576,687)
Total stockholders' equity	<hr/>	<hr/>
	170,753,142	165,105,243
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Total liabilities and stockholders' equity	\$ 1,375,059,650	\$ 1,366,453,029

AMES NATIONAL CORPORATION AND SUBSIDIARIES

Consolidated Statements of Income
(unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2017	2016	2017	2016
Interest income:				
Loans	\$ 8,703,194	\$ 8,233,055	\$ 34,048,310	\$ 32,358,028
Securities				
Taxable	1,581,532	1,460,544	6,219,030	5,853,146
Tax-exempt	1,196,316	1,322,015	5,015,696	5,439,908
Interest bearing deposits and federal funds sold	146,053	98,032	511,399	394,957
Total interest income	<u>11,627,095</u>	<u>11,113,646</u>	<u>45,794,435</u>	<u>44,046,039</u>
Interest expense:				
Deposits	1,235,190	814,518	4,439,305	3,073,658
Other borrowed funds	278,976	265,617	1,141,774	1,061,623
Total interest expense	<u>1,514,166</u>	<u>1,080,135</u>	<u>5,581,079</u>	<u>4,135,281</u>
Net interest income	10,112,929	10,033,511	40,213,356	39,910,758
Provision for loan losses	297,976	83,578	1,519,596	524,365
Net interest income after provision for loan losses	<u>9,814,953</u>	<u>9,949,933</u>	<u>38,693,760</u>	<u>39,386,393</u>
Noninterest income:				
Wealth management income	879,658	719,227	3,060,599	2,929,456
Service fees	389,876	404,762	1,515,998	1,633,178
Securities gains, net	6,579	127,491	505,139	423,601
Gain on sale of loans held for sale	239,681	308,835	783,776	1,082,347
Merchant and card fees	358,040	354,373	1,375,402	1,405,751
Other noninterest income	153,062	169,835	751,853	638,973
Total noninterest income	<u>2,026,896</u>	<u>2,084,523</u>	<u>7,992,767</u>	<u>8,113,306</u>
Noninterest expense:				
Salaries and employee benefits	3,935,133	3,803,639	15,994,036	15,687,335
Data processing	816,749	930,786	3,298,080	3,297,079
Occupancy expenses, net	471,896	501,525	2,018,553	1,962,726
FDIC insurance assessments	100,823	105,429	427,781	540,237
Professional fees	312,621	289,203	1,231,778	1,178,924
Business development	310,157	320,332	1,033,026	1,016,365
Other real estate owned (income), net	(63)	(85,064)	(2,459)	(172,628)
Intangible asset amortization	88,743	95,053	369,580	368,259
Other operating expenses, net	196,352	331,876	1,034,162	1,082,120
Total noninterest expense	<u>6,232,411</u>	<u>6,292,779</u>	<u>25,404,537</u>	<u>24,960,417</u>
Income before income taxes	5,609,438	5,741,677	21,281,990	22,539,282
Income tax expense	2,923,114	1,717,253	7,584,801	6,804,506
Net income	<u>\$ 2,686,324</u>	<u>\$ 4,024,424</u>	<u>\$ 13,697,189</u>	<u>\$ 15,734,776</u>
Basic and diluted earnings per share	<u>\$ 0.29</u>	<u>\$ 0.43</u>	<u>\$ 1.47</u>	<u>\$ 1.69</u>
Declared dividends per share	<u>\$ 0.22</u>	<u>\$ 0.21</u>	<u>\$ 0.88</u>	<u>\$ 0.84</u>