

AMES NATIONAL CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

June 30, 2017 and 2016

(unaudited)

ASSETS	2017	2016
Cash and due from banks	\$ 19,573,969	\$ 20,299,644
Interest bearing deposits in financial institutions	28,126,299	31,235,295
Securities available-for-sale	518,914,246	528,801,262
Loans receivable, net	768,208,213	712,940,747
Loans held for sale	543,683	1,645,090
Bank premises and equipment, net	15,845,997	16,590,627
Accrued income receivable	7,413,393	7,384,529
Other real estate owned	425,359	1,053,923
Deferred income taxes	1,713,812	-
Other intangible assets, net	1,212,470	1,122,017
Goodwill	6,732,216	6,732,216
Other assets	915,960	1,041,651
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Total assets	\$ 1,369,625,617	\$ 1,328,847,001
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LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Deposits		
Demand, noninterest bearing	\$ 202,864,782	\$ 192,096,304
NOW accounts	332,846,478	298,819,035
Savings and money market	393,254,840	365,932,378
Time, \$250,000 and over	37,291,573	35,089,704
Other time	160,513,103	173,427,209
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Total deposits	1,126,770,776	1,065,364,630
Securities sold under agreements to repurchase	38,683,268	41,945,656
Federal funds purchased	-	959,000
Federal Home Loan Bank (FHLB) advances and other borrowings	26,500,000	42,800,000
Deferred income taxes	-	1,498,380
Dividends payable	2,048,401	1,955,292
Accrued expenses and other liabilities	3,979,793	4,236,546
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Total liabilities	1,197,982,238	1,158,759,504
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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 June 30, 2017 and 2016	18,621,826	18,621,826
Additional paid-in capital	20,878,728	20,878,728
Retained earnings	129,167,032	122,263,655
Accumulated other comprehensive income	2,975,793	8,323,288
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Total stockholders' equity	171,643,379	170,087,497
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Total liabilities and stockholders' equity	\$ 1,369,625,617	\$ 1,328,847,001

AMES NATIONAL CORPORATION AND SUBSIDIARIES

Consolidated Statements of Income
(unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2017	2016	2017	2016
Interest income:				
Loans	\$ 8,499,729	\$ 8,030,602	\$ 16,615,414	\$ 15,888,572
Securities				
Taxable	1,566,707	1,471,926	3,079,626	2,967,236
Tax-exempt	1,290,808	1,388,791	2,608,870	2,788,822
Interest bearing deposits and federal funds sold	113,353	114,353	250,526	210,056
Total interest income	11,470,597	11,005,672	22,554,436	21,854,686
Interest expense:				
Deposits	1,113,389	755,377	2,034,819	1,505,498
Other borrowed funds	291,343	258,339	570,744	521,709
Total interest expense	1,404,732	1,013,716	2,605,563	2,027,207
Net interest income	10,065,865	9,991,956	19,948,873	19,827,479
Provision for loan losses	766,769	14,070	1,164,343	206,084
Net interest income after provision for loan losses	9,299,096	9,977,886	18,784,530	19,621,395
Noninterest income:				
Wealth Management Income	734,375	738,213	1,433,307	1,525,321
Service fees	365,753	404,614	724,885	801,705
Securities gains, net	95,644	29,500	460,679	231,193
Gain on sale of loans held for sale	226,530	257,254	364,542	434,011
Merchant and card fees	353,479	356,817	668,515	700,890
Other noninterest income	249,367	139,235	453,838	331,985
Total noninterest income	2,025,148	1,925,633	4,105,766	4,025,105
Noninterest expense:				
Salaries and employee benefits	3,986,327	3,854,417	8,031,971	7,906,201
Data processing	850,133	780,732	1,673,912	1,541,864
Occupancy expenses, net	475,556	407,989	1,019,586	1,011,426
FDIC insurance assessments	111,140	161,531	214,971	325,519
Professional fees	313,528	325,085	611,673	593,001
Business development	222,720	220,956	460,461	456,116
Other real estate owned (income) expense, net	(3,330)	23,225	804	3,609
Intangible asset amortization	92,174	91,466	190,976	186,714
Other operating expenses, net	351,166	255,286	671,784	530,961
Total noninterest expense	6,399,414	6,120,687	12,876,138	12,555,411
Income before income taxes	4,924,830	5,782,832	10,014,158	11,091,089
Income tax expense	1,452,500	1,683,451	2,931,700	3,184,617
Net income	\$ 3,472,330	\$ 4,099,381	\$ 7,082,458	\$ 7,906,472
Basic and diluted earnings per share	\$ 0.37	\$ 0.44	\$ 0.76	\$ 0.85
Declared dividends per share	\$ 0.22	\$ 0.21	\$ 0.44	\$ 0.42