

AMES NATIONAL CORPORATION AND SUBSIDIARIES

**Consolidated Balance Sheets
December 31, 2019 and 2018**

ASSETS	<i>(unaudited)</i> 2019	<i>(audited)</i> 2018
Cash and due from banks	\$ 34,616,880	\$ 30,384,066
Interest bearing deposits in financial institutions	108,947,624	26,057,513
Securities available-for-sale	479,843,448	458,971,162
Federal Home Loan Bank (FHLB) and Federal Reserve Bank (FRB) stock, at cost	3,138,900	3,191,200
Loans receivable, net	1,048,147,496	890,461,479
Loans held for sale	2,776,785	401,287
Bank premises and equipment, net	17,810,605	15,813,196
Accrued income receivable	11,788,409	9,415,570
Other real estate owned	4,003,684	829,603
Bank-owned life insurance	2,842,713	2,773,729
Deferred income taxes	1,151,016	3,848,713
Other intangible assets, net	3,959,260	2,677,884
Goodwill	12,114,559	9,744,472
Other assets	6,041,126	1,117,477
Total assets	\$ 1,737,182,505	\$ 1,455,687,351
 LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Deposits		
Demand, noninterest bearing	\$ 267,441,988	\$ 230,113,170
NOW accounts	461,857,728	366,178,715
Savings and money market	481,642,221	418,384,284
Time, \$250,000 and over	74,206,421	40,014,550
Other time	208,026,740	166,393,120
Total deposits	1,493,175,098	1,221,083,839
Securities sold under agreements to repurchase	42,033,570	40,674,486
FHLB advances	5,000,000	14,600,000
Dividends payable	2,213,459	2,137,460
Accrued expenses and other liabilities	7,180,906	4,326,502
Total liabilities	1,549,603,033	1,282,822,287
 STOCKHOLDERS' EQUITY		
Common stock, \$2 par value, authorized 18,000,000 shares; issued and outstanding 9,222,747 <i>(unaudited)</i> and 9,293,305 shares as of December 31, 2019 and 2018, respectively	18,445,494	18,586,610
Additional paid-in capital	18,794,141	20,461,724
Retained earnings	146,225,085	137,891,821
Accumulated other comprehensive income (loss)	4,114,752	(4,075,091)
Total stockholders' equity	187,579,472	172,865,064
Total liabilities and stockholders' equity	\$ 1,737,182,505	\$ 1,455,687,351

AMES NATIONAL CORPORATION AND SUBSIDIARIES
Consolidated Statements of Income

	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>
	Three Months Ended December 31,		Years Ended December 31,	
	2019	2018	2019	2018
Interest and dividend income:				
Loans, including fees	\$ 12,259,200	\$ 10,570,645	\$ 44,282,197	\$ 38,013,249
Securities				
Taxable	1,768,756	1,549,900	6,483,893	6,188,403
Tax-exempt	932,756	1,131,886	4,047,054	4,582,970
Other interest and dividend income	435,353	220,924	1,364,349	942,341
Total interest and dividend income	<u>15,396,065</u>	<u>13,473,355</u>	<u>56,177,493</u>	<u>49,726,963</u>
Interest expense:				
Deposits	2,687,647	2,105,352	10,200,626	6,841,807
Other borrowed funds	174,793	227,519	728,723	761,389
Total interest expense	<u>2,862,440</u>	<u>2,332,871</u>	<u>10,929,349</u>	<u>7,603,196</u>
Net interest income	12,533,625	11,140,484	45,248,144	42,123,767
Provision for loan losses	768,901	446,338	1,314,104	639,316
Net interest income after provision for loan losses	<u>11,764,724</u>	<u>10,694,146</u>	<u>43,934,040</u>	<u>41,484,451</u>
Noninterest income:				
Wealth management income	935,349	810,069	3,596,770	3,344,579
Service fees	460,921	388,520	1,619,269	1,425,361
Securities gains, net	-	-	17,031	-
Gain on sale of loans held for sale	359,008	204,506	1,044,798	780,947
Merchant and card fees	405,711	391,996	1,525,309	1,427,334
Gain on foreclosure of other real estate owned	-	-	-	162,862
Other noninterest income	210,533	189,169	826,221	759,854
Total noninterest income	<u>2,371,522</u>	<u>1,984,260</u>	<u>8,629,398</u>	<u>7,900,937</u>
Noninterest expense:				
Salaries and employee benefits	5,381,733	4,604,909	19,675,952	17,821,753
Data processing	1,281,110	971,836	4,130,506	3,478,640
Occupancy expenses, net	631,958	517,936	2,275,882	2,008,331
FDIC insurance assessments	-	96,512	193,593	404,514
Professional fees	595,363	359,334	1,753,531	1,482,911
Business development	414,710	345,344	1,242,271	1,166,688
Intangible asset amortization	182,403	164,200	609,624	430,537
Data conversion costs	-	61,039	-	228,854
New market tax credit amortization	565,506	-	581,563	-
Other operating expenses, net	318,833	278,268	1,058,747	943,182
Total noninterest expense	<u>9,371,616</u>	<u>7,399,378</u>	<u>31,521,669</u>	<u>27,965,410</u>
Income before income taxes	4,764,630	5,279,028	21,041,769	21,419,978
Income tax expense	466,650	1,078,000	3,847,600	4,406,100
Net income	<u>\$ 4,297,980</u>	<u>\$ 4,201,028</u>	<u>\$ 17,194,169</u>	<u>\$ 17,013,878</u>
Basic and diluted earnings per share	<u>\$ 0.47</u>	<u>\$ 0.45</u>	<u>\$ 1.86</u>	<u>\$ 1.83</u>
Declared dividends per share	<u>\$ 0.24</u>	<u>\$ 0.23</u>	<u>\$ 0.96</u>	<u>\$ 1.17</u>