

AMES NATIONAL CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets
September 30, 2017 and 2016
(unaudited)

ASSETS	2017	2016
Cash and due from banks	\$ 23,087,890	\$ 21,305,138
Interest bearing deposits in financial institutions	35,486,284	25,998,518
Securities available-for-sale	506,610,435	517,579,320
Loans receivable, net	764,228,850	740,321,874
Loans held for sale	279,800	1,188,415
Bank premises and equipment, net	15,595,418	16,342,418
Accrued income receivable	8,423,038	8,370,918
Other real estate owned	385,509	653,684
Deferred income taxes	1,817,543	-
Other intangible assets, net	1,133,736	1,035,525
Goodwill	6,732,216	6,732,216
Other assets	1,159,533	815,950
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Total assets	\$ 1,364,940,252	\$ 1,340,343,976
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LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Deposits		
Demand, noninterest bearing	\$ 202,368,921	\$ 187,835,703
NOW accounts	337,062,117	302,133,497
Savings and money market	380,454,650	366,167,359
Time, \$250,000 and over	36,776,010	35,663,074
Other time	157,876,361	170,009,512
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Total deposits	1,114,538,059	1,061,809,145
Securities sold under agreements to repurchase	39,001,050	49,858,395
Federal Home Loan Bank (FHLB) advances and other borrowings	32,000,000	51,000,000
Deferred income taxes	-	1,039,151
Dividends payable	2,048,401	1,955,292
Accrued expenses and other liabilities	4,023,858	3,945,268
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Total liabilities	1,191,611,368	1,169,607,251
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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, 2017 and 2016	18,621,826	18,621,826
Additional paid-in capital	20,878,728	20,878,728
Retained earnings	131,047,038	124,112,244
Accumulated other comprehensive income	2,781,292	7,123,927
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Total stockholders' equity	173,328,884	170,736,725
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Total liabilities and stockholders' equity	\$ 1,364,940,252	\$ 1,340,343,976

AMES NATIONAL CORPORATION AND SUBSIDIARIES

Consolidated Statements of Income
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Interest income:				
Loans	\$ 8,729,702	\$ 8,236,401	\$ 25,345,116	\$ 24,124,973
Securities				
Taxable	1,557,872	1,425,366	4,637,498	4,392,602
Tax-exempt	1,210,510	1,329,071	3,819,380	4,117,893
Interest bearing deposits and federal funds sold	114,820	86,869	365,346	296,925
Total interest income	11,612,904	11,077,707	34,167,340	32,932,393
Interest expense:				
Deposits	1,169,296	753,642	3,204,115	2,259,140
Other borrowed funds	292,054	274,297	862,798	796,006
Total interest expense	1,461,350	1,027,939	4,066,913	3,055,146
Net interest income	10,151,554	10,049,768	30,100,427	29,877,247
Provision for loan losses	57,277	234,703	1,221,620	440,787
Net interest income after provision for loan losses	10,094,277	9,815,065	28,878,807	29,436,460
Noninterest income:				
Wealth Management Income	747,634	684,908	2,180,941	2,210,229
Service fees	401,237	426,711	1,126,122	1,228,416
Securities gains, net	37,881	64,917	498,560	296,110
Gain on sale of loans held for sale	179,553	339,501	544,095	773,512
Merchant and card fees	348,847	350,488	1,017,362	1,051,378
Other noninterest income	144,953	137,153	598,791	469,138
Total noninterest income	1,860,105	2,003,678	5,965,871	6,028,783
Noninterest expense:				
Salaries and employee benefits	4,026,932	3,977,495	12,058,903	11,883,696
Data processing	807,419	824,429	2,481,331	2,366,293
Occupancy expenses, net	527,071	449,775	1,546,657	1,461,201
FDIC insurance assessments	111,987	109,289	326,958	434,808
Professional fees	307,484	296,720	919,157	889,721
Business development	262,408	239,917	722,869	696,033
Other real estate owned (income), net	(3,200)	(91,173)	(2,396)	(87,564)
Intangible asset amortization	89,861	86,492	280,837	273,206
Other operating expenses, net	166,026	219,283	837,810	750,244
Total noninterest expense	6,295,988	6,112,227	19,172,126	18,667,638
Income before income taxes	5,658,394	5,706,516	15,672,552	16,797,605
Income tax expense	1,729,987	1,902,636	4,661,687	5,087,253
Net income	\$ 3,928,407	\$ 3,803,880	\$ 11,010,865	\$ 11,710,352
Basic and diluted earnings per share	\$ 0.42	\$ 0.41	\$ 1.18	\$ 1.26
Declared dividends per share	\$ 0.22	\$ 0.21	\$ 0.66	\$ 0.63