

AMES NATIONAL CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2018 and 2017

(unaudited)

ASSETS	2018	2017
Cash and due from banks	\$ 22,484,501	\$ 24,843,933
Interest bearing deposits in financial institutions	68,832,839	49,361,944
Securities available-for-sale	489,091,103	513,288,393
Federal Home Loan Bank and Federal Reserve Bank stock, at cost	2,557,400	3,064,500
Loans receivable, net	772,494,978	759,786,001
Loans held for sale	148,906	196,145
Bank premises and equipment, net	15,348,582	15,901,957
Accrued income receivable	7,730,256	7,270,957
Other real estate owned	385,509	542,812
Deferred income taxes, net	3,849,437	2,850,082
Other intangible assets, net	1,018,887	1,238,290
Goodwill	6,732,216	6,732,216
Other assets	1,104,703	10,228,498
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Total assets	\$ 1,391,779,317	\$ 1,395,305,728
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LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Deposits		
Demand, noninterest bearing	\$ 217,191,985	\$ 202,797,222
NOW accounts	357,058,832	343,459,201
Savings and money market	401,030,635	396,934,766
Time, \$250,000 and over	38,904,107	37,253,819
Other time	156,237,985	161,227,296
Total deposits	<hr/>	<hr/>
	1,170,423,544	1,141,672,304
Securities sold under agreements to repurchase	36,534,018	50,373,505
Federal Home Loan Bank (FHLB) advances and other borrowings	9,000,000	27,500,000
Dividends payable	4,469,238	2,048,401
Accrued expenses and other liabilities	4,806,299	5,584,808
Total liabilities	<hr/>	<hr/>
	1,225,233,099	1,227,179,018
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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 March 31, 2018 and 2017	18,621,826	18,621,826
Additional paid-in capital	20,878,728	20,878,728
Retained earnings	131,335,175	127,743,103
Accumulated other comprehensive income (loss)	(4,289,511)	883,053
Total stockholders' equity	<hr/>	<hr/>
	166,546,218	168,126,710
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Total liabilities and stockholders' equity	\$ 1,391,779,317	\$ 1,395,305,728
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AMES NATIONAL CORPORATION AND SUBSIDIARIES

Consolidated Statements of Income
(unaudited)

	Three Months Ended	
	March 31,	
	2018	2017
Interest income:		
Loans	\$ 8,888,855	\$ 8,115,685
Securities		
Taxable	1,556,838	1,512,919
Tax-exempt	1,186,346	1,318,062
Interest bearing deposits and federal funds sold	165,319	137,173
Total interest income	<u>11,797,358</u>	<u>11,083,839</u>
Interest expense:		
Deposits	1,362,481	921,430
Other borrowed funds	248,390	279,401
Total interest expense	<u>1,610,871</u>	<u>1,200,831</u>
Net interest income	10,186,487	9,883,008
Provision for loan losses	29,000	397,574
Net interest income after provision for loan losses	<u>10,157,487</u>	<u>9,485,434</u>
Noninterest income:		
Wealth Management Income	751,000	698,932
Service fees	338,242	359,132
Securities gains, net	-	365,035
Gain on sale of loans held for sale	177,200	138,012
Merchant and card fees	309,659	315,036
Other noninterest income	187,901	187,504
Total noninterest income	<u>1,764,002</u>	<u>2,063,651</u>
Noninterest expense:		
Salaries and employee benefits	4,568,045	4,045,644
Data processing	781,032	823,779
Occupancy expenses, net	494,946	544,030
FDIC insurance assessments	105,995	103,831
Professional fees	345,407	298,145
Business development	254,548	237,741
Intangible asset amortization	87,535	98,802
Other operating expenses, net	227,629	307,785
Total noninterest expense	<u>6,865,137</u>	<u>6,459,757</u>
Income before income taxes	5,056,352	5,089,328
Income tax expense	1,019,600	1,479,200
Net income	<u>\$ 4,036,752</u>	<u>\$ 3,610,128</u>
Basic and diluted earnings per share	<u>\$ 0.43</u>	<u>\$ 0.39</u>
Declared dividends per share	<u>\$ 0.48</u>	<u>\$ 0.22</u>