



# 1ST QUARTER

2017  
**QUARTERLY  
 REPORT TO  
 SHAREHOLDERS**

COMPANY STOCK  
**ATLO**

NASDAQ Capital Market

March 31, 2017 Closing Price: **\$30.60**  
 First Quarter Price Range: **\$28.50 - \$37.45**  
 Declared Quarterly Cash Dividend: **\$0.22**  
 (Payable on May 15, 2017)

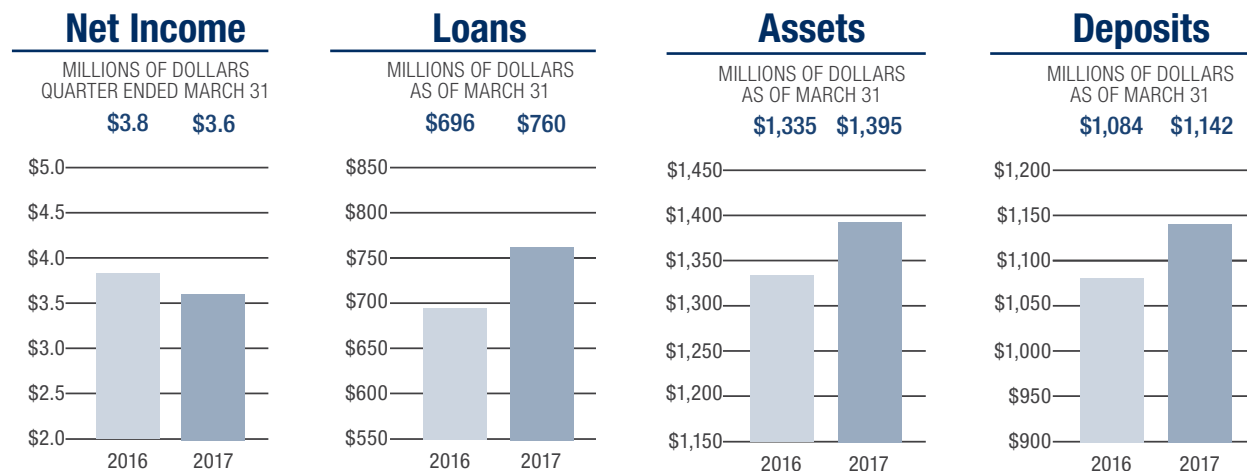
## First Quarter Financial Highlights

- Net income for Ames National Corporation totaled \$3,610,000 or \$0.39 per share, compared to \$3,807,000 or \$0.41 per share earned in 2016. The decline in earnings is primarily the result of an increased provision for loan losses and higher interest expense, offset in part by an increase in loan interest income. The provision for loan losses in 2017 was due to the increase in the loan portfolio.
- Net interest income totaled \$9,883,000, an increase of \$47,000, or 0.5%, compared to the same quarter a year ago. Average net loans grew \$52 million when comparing first quarter 2017 to first quarter 2016.
- Total assets reached \$1,395,306,000, a \$60.4 million increase in assets compared to March 31, 2016. The increase in assets was due primarily to an increase in the loan portfolio, which was funded by an core deposit growth.
- CEO, Thomas Pohlman, has announced his future retirement plans for the end of 2018. In anticipation of Mr. Pohlman's retirement, Company Chief Financial Officer, John Nelson, has been named Executive Vice President and Chief Operating Officer.
- Ames National Corporation was recognized by 2020 Women on Boards, a non-profit campaign committed to increasing the percentage of women who serve on company boards to 20% or greater by the year 2020, as a Winning Company.

You can now receive quarterly reports, dividend information, news releases and more by email!

If you haven't signed up already, simply contact:

Lori Hill, Shareholder Relations • [515] 232-6251 • [info@amesnational.com](mailto:info@amesnational.com)



## AT A GLANCE... FINANCIAL HIGHLIGHTS

	Three Months Ended March 31,	
	2016	2017
Net Income	\$3,807,000	\$3,610,000
Earnings Per Share – Basic	\$0.41	\$0.39
Dividends Per Share	\$0.21	\$0.22
Return on Average Assets (ROA)	1.16%	1.05%
Return on Average Equity (ROE)	9.28%	8.66%
Efficiency Ratio	53.91%	54.14%
Net Interest Margin (FTE)	3.36%	3.20%
Equity Capital Ratio	12.40%	12.05%

## Consolidated Balance Sheets

(unaudited)

	March 31, 2017	March 31, 2016
<b>ASSETS</b>		
Cash and due from banks	\$ 24,843,933	\$ 21,620,875
Interest bearing deposits in financial institutions	49,361,944	59,739,010
Securities available-for-sale	516,352,893	523,272,746
Loans receivable, net	759,786,001	695,627,262
Loans held for sale	196,145	443,571
Bank premises and equipment, net	15,901,957	16,768,218
Accrued income receivable	7,270,957	7,381,129
Other real estate owned	542,812	1,124,384
Deferred income taxes	2,850,082	-
Other intangible assets net	1,238,290	1,213,483
Goodwill	6,732,216	6,732,216
Other assets	10,228,498	975,895
<b>Total assets</b>	<b>\$ 1,395,305,728</b>	<b>\$ 1,334,898,789</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
Deposits		
Demand, noninterest bearing	\$ 202,797,222	\$ 193,177,754
NOW accounts	343,459,201	304,055,155
Savings and money market	396,934,766	369,326,455
Time, \$250,000 and over	37,253,819	38,715,001
Other time	161,227,296	178,579,704
<b>Total deposits</b>	<b>1,141,672,304</b>	<b>1,083,854,069</b>
Securities sold under agreements to repurchase	50,373,505	50,379,586
FHLB advances and other borrowings	27,500,000	28,500,000
Deferred income taxes	-	139,019
Dividend payable	2,048,401	1,955,292
Accrued expenses and other liabilities	5,584,808	4,598,993
<b>Total liabilities</b>	<b>1,227,179,018</b>	<b>1,169,426,959</b>
<b>STOCKHOLDERS' EQUITY</b>		
Common stock, \$2 par value, authorized 18,000,000 shares; issued and outstanding 9,310,913 shares as of March 31, 2017 and 2016	18,621,826	18,621,826
Additional paid-in capital	20,878,728	20,878,728
Retained earnings	127,743,103	120,119,566
Accumulated other comprehensive income-net unrealized income on securities available-for-sale	883,053	5,851,710
<b>Total stockholders' equity</b>	<b>168,126,710</b>	<b>165,471,830</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 1,395,305,728</b>	<b>\$ 1,334,898,789</b>

## Consolidated Statements of Income

(unaudited)

	Three Months Ended March 31,	
	2017	2016
<b>INTEREST INCOME:</b>		
Loans	\$8,115,685	\$7,857,970
Securities		
Taxable	1,512,919	1,495,310
Tax-exempt	1,318,062	1,400,031
Interest bearing deposits and federal funds sold	137,173	95,703
<b>Total interest income</b>	<b>11,083,839</b>	<b>10,849,014</b>
<b>INTEREST EXPENSE:</b>		
Deposits	921,430	750,121
Other borrowed funds	279,401	263,370
<b>Total interest expense</b>	<b>1,200,831</b>	<b>1,013,491</b>
<b>Net interest income</b>	<b>9,883,008</b>	<b>9,835,523</b>
Provision for loan losses	397,574	192,014
<b>Net interest income after provision for loan losses</b>	<b>9,485,434</b>	<b>9,643,509</b>
<b>NONINTEREST INCOME:</b>		
Wealth management income	698,932	787,108
Service fees	359,132	397,091
Securities gains, net	365,035	201,693
Gain on sale of loans held for sale	138,012	176,757
Merchant and card fees	315,036	344,073
Other noninterest income	204,471	192,750
<b>Total noninterest income</b>	<b>2,080,618</b>	<b>2,099,472</b>
<b>NONINTEREST EXPENSE:</b>		
Salaries and employee benefits	4,045,644	4,051,784
Data processing	823,779	761,132
Occupancy expenses, net	544,030	603,437
FDIC insurance assessments	103,831	163,988
Professional fees	298,145	267,916
Business development	237,741	235,160
Other real estate owned (income) expense, net	4,134	(19,616)
Core deposit intangible amortization	98,802	95,248
Other operating expenses, net	320,618	275,675
<b>Total noninterest expense</b>	<b>6,476,724</b>	<b>6,434,724</b>
<b>Income before income taxes</b>	<b>5,089,328</b>	<b>5,308,257</b>
<b>PROVISION FOR INCOME TAX</b>	<b>1,479,200</b>	<b>1,501,166</b>
<b>NET INCOME</b>	<b>\$ 3,610,128</b>	<b>\$ 3,807,091</b>
Basic and diluted earnings per share	\$ 0.39	\$ 0.41
Declared dividends per share	\$ 0.22	\$ 0.21

## Mission

**Ames National Corporation is a result-oriented financial services holding company providing leadership, counsel and support to its community affiliate banks and superior performance for its shareholders.**

## Core Values

### Excellence:

Striving to exceed expectations

### Integrity:

Demonstrating high moral and ethical conduct

### Leadership:

Creating and developing opportunities that benefit our employees, customers, communities and shareholders

### Stability:

Maintaining financial strength and a dedicated staff to successfully serve the current and future needs of our employees, customers, communities, and shareholders

### Trust:

Acting in the best interest of our employees, customers, and shareholders

### Community:

Dedicated to serving our communities through local decision making, community involvement and active boards of directors

## Company Directors

### DOUGLAS C. GUSTAFSON, DVM

Chairman of the Board | Retired Veterinarian

### THOMAS H. POHLMAN

President & CEO, Ames National Corporation

### DAVID W. BENSON

Attorney, Nyemaster Goode, P.C.

### LISA M. ESLINGER

Senior Vice President, Finance & Operations,  
Iowa State University Foundation

### STEVEN D. FORTH

Farmer

### BETTY A. BAUDLER HORRAS

President, Baudler Enterprises, Inc.

### JAMES R. LARSON, II

President, Larson Development Corporation

### JOHN P. NELSON

Chief Financial Officer, Ames National Corporation

### RICHARD O. PARKER

Attorney, Parker Law Firm

### KEVIN L. SWARTZ

Chief Executive Officer, Wolfe Clinic PC

## Affiliate Banks



UNITED BANK & TRUST



## Ames National Corporation

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