

**AMES NATIONAL CORPORATION AND SUBSIDIARIES**

**Consolidated Balance Sheets**  
**September 30, 2019 and 2018**  
*(unaudited)*

<b>ASSETS</b>	<b>2019</b>	<b>2018</b>
Cash and due from banks	\$ 33,485,066	\$ 25,318,944
Interest bearing deposits in financial institutions	78,930,485	38,048,525
Securities available-for-sale	457,994,898	474,442,299
Federal Home Loan Bank (FHLB) Federal Reserve Bank (FRB) stock, at cost	2,655,200	2,946,100
Loans receivable, net	882,130,277	859,830,015
Loans held for sale	1,637,225	279,940
Bank premises and equipment, net	15,558,457	16,071,119
Accrued income receivable	9,736,328	9,485,035
Other real estate owned	217,856	729,795
Bank -owned life insurance	2,823,861	2,757,310
Deferred income taxes	820,400	4,803,300
Other intangible assets, net	2,250,663	2,842,085
Goodwill	9,744,472	9,618,621
Other assets	1,990,450	1,079,179
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<b>Total assets</b>	<b>\$ 1,499,975,638</b>	<b>\$ 1,448,252,267</b>
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<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
Deposits		
Demand, noninterest bearing	\$ 226,521,237	\$ 220,806,001
NOW accounts	391,739,201	369,779,264
Savings and money market	402,665,343	414,057,574
Time, \$250,000 and over	52,068,331	42,849,563
Other time	176,138,860	168,268,111
<b>Total deposits</b>	<hr/> <b>1,249,132,972</b>	<hr/> <b>1,215,760,513</b>
Securities sold under agreements to repurchase	52,196,061	48,858,900
Federal Home Loan Bank (FHLB) advances	5,000,000	8,400,000
Dividends payable	2,213,459	2,141,510
Accrued expenses and other liabilities	5,269,746	4,461,535
<b>Total liabilities</b>	<hr/> <b>1,313,812,238</b>	<hr/> <b>1,279,622,458</b>
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<b>STOCKHOLDERS' EQUITY</b>		
Common stock, \$2 par value, authorized 18,000,000 shares; issued and outstanding 9,222,747 and 9,310,913 shares as of September 30, 2019 and 2018, respectively	18,445,494	18,621,826
Additional paid-in capital	18,794,141	20,878,728
Retained earnings	144,140,565	135,828,253
Accumulated other comprehensive income (loss)	4,783,200	(6,698,998)
<b>Total stockholders' equity</b>	<hr/> <b>186,163,400</b>	<hr/> <b>168,629,809</b>
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<b>Total liabilities and stockholders' equity</b>	<b>\$ 1,499,975,638</b>	<b>\$ 1,448,252,267</b>
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**AMES NATIONAL CORPORATION AND SUBSIDIARIES**

**Consolidated Statements of Income**  
*(unaudited)*

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Interest and dividend income:				
Loans, including fees	\$ 10,513,426	\$ 9,557,527	\$ 32,022,997	\$ 27,442,604
Securities				
Taxable	1,671,572	1,545,541	4,715,137	4,638,503
Tax-exempt	945,769	1,085,131	3,114,298	3,451,084
Other interest and dividend income	400,963	272,358	928,996	721,417
Total interest and dividend income	<u>13,531,730</u>	<u>12,460,557</u>	<u>40,781,428</u>	<u>36,253,608</u>
Interest expense:				
Deposits	2,547,763	1,740,579	7,512,979	4,736,455
Other borrowed funds	170,082	134,017	553,930	533,870
Total interest expense	<u>2,717,845</u>	<u>1,874,596</u>	<u>8,066,909</u>	<u>5,270,325</u>
Net interest income	10,813,885	10,585,961	32,714,519	30,983,283
Provision for loan losses	378,789	100,000	545,203	192,978
Net interest income after provision for loan losses	<u>10,435,096</u>	<u>10,485,961</u>	<u>32,169,316</u>	<u>30,790,305</u>
Noninterest income:				
Wealth management income	857,664	877,146	2,661,421	2,534,510
Service fees	400,919	363,993	1,158,348	1,036,841
Securities gains, net	15,141	-	17,031	-
Gain on sale of loans held for sale	289,033	207,856	685,790	576,441
Merchant and card fees	372,073	358,816	1,119,598	1,035,338
Gain on foreclosure of other real estate owned	-	162,862	-	162,862
Other noninterest income	184,399	191,130	615,688	570,685
Total noninterest income	<u>2,119,229</u>	<u>2,161,803</u>	<u>6,257,876</u>	<u>5,916,677</u>
Noninterest expense:				
Salaries and employee benefits	4,780,894	4,331,976	14,294,219	13,216,844
Data processing	1,085,951	838,414	2,849,396	2,506,804
Occupancy expenses, net	526,360	536,004	1,643,924	1,490,395
FDIC insurance assessments	1,698	99,934	193,593	308,002
Professional fees	386,339	423,172	1,158,168	1,123,577
Business development	310,786	327,985	827,561	821,344
Intangible asset amortization	124,243	94,883	427,221	266,337
Other operating expenses, net	259,048	335,464	755,971	832,729
Total noninterest expense	<u>7,475,319</u>	<u>6,987,832</u>	<u>22,150,053</u>	<u>20,566,032</u>
Income before income taxes	5,079,006	5,659,932	16,277,139	16,140,950
Income tax expense	1,037,845	1,201,100	3,380,950	3,328,100
Net income	<u>\$ 4,041,161</u>	<u>\$ 4,458,832</u>	<u>\$ 12,896,189</u>	<u>\$ 12,812,850</u>
Basic and diluted earnings per share	<u>\$ 0.44</u>	<u>\$ 0.48</u>	<u>\$ 1.40</u>	<u>\$ 1.38</u>
Declared dividends per share	<u>\$ 0.24</u>	<u>\$ 0.23</u>	<u>\$ 0.72</u>	<u>\$ 0.94</u>