

AMES NATIONAL CORP  
Form 10-Q  
August 06, 2015  
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**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

FORM 10-Q

[Mark One]

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT  
OF 1934

For the quarterly period ended June 30, 2015

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF  
1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 0-32637

**AMES NATIONAL CORPORATION**

(Exact Name of Registrant as Specified in Its Charter)

**IOWA** **42-1039071**  
(State or Other Jurisdiction of (I. R. S. Employer

Incorporation or Organization) Identification Number)

**405 FIFTH STREET**

**AMES, IOWA 50010**

(Address of Principal Executive Offices)

Registrant's Telephone Number, Including Area Code: **(515) 232-6251**

**Not Applicable**

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No \_\_\_\_\_

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this Chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes X No \_\_\_\_\_

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer, or a smaller reporting company. See definition of "accelerated filer", "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer \_\_\_\_\_ Accelerated filer X Non-accelerated filer \_\_\_\_\_ Smaller reporting company \_\_\_\_\_

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes \_\_\_\_\_ No X

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

<b>COMMON STOCK, \$2.00 PAR VALUE</b>	<b>9,310,913</b>
(Class)	(Shares Outstanding at July 31, 2015)



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	<b>June 30, 2015</b>	<b>December 31, 2014</b>
<b>ASSETS</b>		
Cash and due from banks	\$26,310,646	\$23,730,257
Federal funds sold	-	6,000
Interest bearing deposits in financial institutions	29,685,112	31,463,382
Securities available-for-sale	546,632,788	542,502,381
Loans receivable, net	677,579,651	658,440,998
Loans held for sale	465,000	704,850
Bank premises and equipment, net	16,373,694	15,956,989
Accrued income receivable	7,435,248	7,471,023
Other real estate owned	4,587,683	8,435,885
Deferred income taxes	3,171,778	2,633,177
Core deposit intangible, net	1,507,233	1,730,231
Goodwill	6,732,216	6,732,216
Other assets	1,637,644	1,223,328
<b>Total assets</b>	<b>\$1,322,118,693</b>	<b>\$1,301,030,717</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
Deposits		
Demand, noninterest bearing	\$195,469,480	\$188,725,609
NOW accounts	298,586,336	298,581,556
Savings and money market	357,110,905	321,700,422
Time, \$250,000 and over	33,950,601	36,169,601
Other time	194,261,076	206,946,069
<b>Total deposits</b>	<b>1,079,378,398</b>	<b>1,052,123,257</b>
Securities sold under agreements to repurchase	43,478,402	51,265,011
Federal Home Loan Bank (FHLB) advances	20,030,464	14,467,737
Other borrowings	16,937,903	23,000,000
Dividend payable	1,862,183	1,675,964
Accrued expenses and other liabilities	3,862,105	3,824,330
<b>Total liabilities</b>	<b>1,165,549,455</b>	<b>1,146,356,299</b>

STOCKHOLDERS' EQUITY

Common stock, \$2 par value, authorized 18,000,000 shares; issued and outstanding 9,310,913 shares as of June 30, 2015 and December 31, 2014	18,621,826	18,621,826
Additional paid-in capital	20,878,728	20,878,728
Retained earnings	113,977,220	110,701,847
Accumulated other comprehensive income - net unrealized gain on securities available-for-sale	3,091,464	4,472,017
<b>Total stockholders' equity</b>	156,569,238	154,674,418
<b>Total liabilities and stockholders' equity</b>	\$1,322,118,693	\$1,301,030,717

See Notes to Consolidated Financial Statements.

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## AMES NATIONAL CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF INCOME

*(unaudited)*

	Three Months Ended		Six Months Ended	
	June 30,	2014	June 30,	2014
	2015		2015	
Interest income:				
Loans, including fees	\$7,712,057	\$6,576,580	\$15,111,747	\$12,986,011
Securities:				
Taxable	1,566,298	1,851,296	3,132,696	3,614,899
Tax-exempt	1,479,726	1,645,094	2,966,086	3,319,202
Interest bearing deposits and federal funds sold	100,669	72,937	194,047	146,076
<b>Total interest income</b>	<b>10,858,750</b>	<b>10,145,907</b>	<b>21,404,576</b>	<b>20,066,188</b>
Interest expense:				
Deposits	768,650	862,691	1,531,046	1,754,701
Other borrowed funds	302,611	303,861	640,774	598,347
<b>Total interest expense</b>	<b>1,071,261</b>	<b>1,166,552</b>	<b>2,171,820</b>	<b>2,353,048</b>
<b>Net interest income</b>	<b>9,787,489</b>	<b>8,979,355</b>	<b>19,232,756</b>	<b>17,713,140</b>
Provision for loan losses	921,513	35,644	998,813	74,875
<b>Net interest income after provision for loan losses</b>	<b>8,865,976</b>	<b>8,943,711</b>	<b>18,233,943</b>	<b>17,638,265</b>
Noninterest income:				
Wealth management income	681,347	724,376	1,369,257	1,421,195
Service fees	444,798	410,795	839,357	768,274
Securities gains, net	492,355	-	497,304	135,081
Gain on sale of loans held for sale	285,312	150,526	499,298	249,179
Merchant and card fees	351,879	290,250	666,473	549,639
Gain (loss) on the sale of premises and equipment, net	-	(14,715 )	(1,132 )	1,242,209
Other noninterest income	151,296	172,740	302,649	314,179
<b>Total noninterest income</b>	<b>2,406,987</b>	<b>1,733,972</b>	<b>4,173,206</b>	<b>4,679,756</b>
Noninterest expense:				
Salaries and employee benefits	3,810,977	3,430,736	7,535,911	6,722,188
Data processing	704,596	595,570	1,369,131	1,166,920
Occupancy expenses, net	467,509	349,588	993,596	818,808



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FDIC insurance assessments	167,274	163,352	350,270	325,696
Professional fees	312,732	348,441	605,170	630,888
Business development	232,088	215,616	464,932	423,477
Other real estate owned expense, net	562,147	19,006	710,210	19,710
Core deposit intangible amortization	109,375	61,000	222,998	126,748
Other operating expenses, net	325,454	225,798	578,791	503,774
<b>Total noninterest expense</b>	<b>6,692,152</b>	<b>5,409,107</b>	<b>12,831,009</b>	<b>10,738,209</b>
<b>Income before income taxes</b>	<b>4,580,811</b>	<b>5,268,576</b>	<b>9,576,140</b>	<b>11,579,812</b>
Provision for income taxes	1,216,001			