

AMES NATIONAL CORP
Form 10-Q
May 06, 2016
Table Of Contents

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 March 31, 2016

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

(State or Other Jurisdiction of Incorporation or Organization)

42-1039071

(I. R. S. Employer 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.

COMMON STOCK, \$2.00 PAR VALUE 9,310,913

(Class)

(Shares Outstanding at April 29, 2016)

Table Of Contents

AMES NATIONAL CORPORATION

INDEX

	Page
Part I. <u>Financial Information</u>	
Item 1. <u>Consolidated Financial Statements (Unaudited)</u>	3
<u>Consolidated Balance Sheets at March 31, 2016 and December 31, 2015</u>	3
<u>Consolidated Statements of Income for the three months ended March 31, 2016 and 2015</u>	4
<u>Consolidated Statements of Comprehensive Income for the three months ended March 31, 2016 and 2015</u>	5
<u>Consolidated Statements of Stockholders' Equity for the three months ended March 31, 2016 and 2015</u>	6
<u>Consolidated Statements of Cash Flows for the three months ended March 31, 2016 and 2015</u>	7
<u>Notes to Consolidated Financial Statements</u>	9
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	30
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	45
Item 4. <u>Controls and Procedures</u>	45
Part II. <u>Other Information</u>	
Item 1. <u>Legal Proceedings</u>	45
Item 1.A. <u>Risk Factors</u>	46
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	46
Item 3. <u>Defaults Upon Senior Securities</u>	46
Item 4. <u>Mine Safety Disclosures</u>	46
Item 5. <u>Other Information</u>	46

Item 6.	<u>Exhibits</u>	47
	<u>Signatures</u>	48

Table Of Contents**AMES NATIONAL CORPORATION AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEETS***(unaudited)*

	March 31, 2016	December 31, 2015
ASSETS		
Cash and due from banks	\$21,620,875	\$24,005,801
Interest bearing deposits in financial institutions	59,739,010	26,993,091
Securities available-for-sale	523,272,746	537,632,990
Loans receivable, net	695,627,262	701,328,171
Loans held for sale	443,571	539,370
Bank premises and equipment, net	16,768,218	17,007,798
Accrued income receivable	7,381,129	7,565,791
Other real estate owned	1,124,384	1,249,915
Deferred income taxes	-	1,276,571
Core deposit intangible, net	1,213,483	1,308,731
Goodwill	6,732,216	6,732,216
Other assets	975,895	1,106,698
Total assets	\$1,334,898,789	\$1,326,747,143
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Deposits		
Demand, noninterest bearing	\$193,177,754	\$202,542,011
NOW accounts	304,055,155	298,227,493
Savings and money market	369,326,455	354,026,475
Time, \$250,000 and over	38,715,001	36,956,653
Other time	178,579,704	182,440,490
Total deposits	1,083,854,069	1,074,193,122
Securities sold under agreements to repurchase	50,379,586	54,289,915
Federal Home Loan Bank (FHLB) advances	15,500,000	18,542,203
Other borrowings	13,000,000	13,000,000
Deferred income taxes	139,019	-
Dividend payable	1,955,292	1,862,183
Accrued expenses and other liabilities	4,598,993	3,609,663
Total liabilities	1,169,426,959	1,165,497,086
STOCKHOLDERS' EQUITY		
Common stock, \$2 par value, authorized 18,000,000 shares; issued and outstanding 9,310,913 shares as of March 31, 2016 and December 31, 2015	18,621,826	18,621,826

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Additional paid-in capital	20,878,728	20,878,728
Retained earnings	120,119,566	118,267,767
Accumulated other comprehensive income - net unrealized gain on securities available-for-sale	5,851,710	3,481,736
Total stockholders' equity	165,471,830	161,250,057
Total liabilities and stockholders' equity	\$1,334,898,789	\$1,326,747,143

See Notes to Consolidated Financial Statements.

Table Of Contents

AMES NATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(unaudited)

	Three Months Ended	
	March 31,	
	2016	2015
Interest income:		
Loans, including fees	\$7,857,970	\$7,399,690
Securities:		
Taxable	1,495,310	1,566,398
Tax-exempt	1,400,031	1,486,360
Interest bearing deposits and federal funds sold	95,703	93,378
Total interest income	10,849,014	10,545,826
Interest expense:		
Deposits	750,121	762,396
Other borrowed funds	263,370	338,163
Total interest expense	1,013,491	1,100,559
Net interest income	9,835,523	9,445,267
Provision for loan losses	192,014	77,300
Net interest income after provision for loan losses	9,643,509	9,367,967
Noninterest income:		
Wealth management income	787,108	687,910
Service fees	397,091	394,559
Securities gains, net	201,693	4,949
Gain on sale of loans held for sale	176,757	213,986
Merchant and card fees	344,073	314,594
Other noninterest income	192,750	150,221
Total noninterest income	2,099,472	1,766,219
Noninterest expense:		
Salaries and employee benefits	4,051,784	3,724,934
Data processing	761,132	664,535
Occupancy expenses, net	603,437	526,087
FDIC insurance assessments	163,988	182,996
Professional fees	267,916	292,438
Business development	235,160	232,844
Other real estate owned expense (income), net	(19,616)	148,063
Core deposit intangible amortization	95,248	113,623

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Other operating expenses, net	275,675	253,337
Total noninterest expense	6,434,724	6,138,857
Income before income taxes	5,308,257	4,995,329
Provision for income taxes	1,501,166	1,360,400
Net income	\$3,807,091	\$3,634,929
Basic and diluted earnings per share	\$0.41	\$0.39
Dividends declared per share	\$0.21	\$0.20

See Notes to Consolidated Financial Statements.

Table Of Contents**AMES NATIONAL CORPORATION AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME***(unaudited)*

	Three Months Ended	
	March 31,	
	2016	2015
Net income	\$3,807,091	\$3,634,929
Other comprehensive income, before tax:		
Unrealized gains on securities before tax:		
Unrealized holding gains arising during the period	3,963,557	3,494,946
Less: reclassification adjustment for gains realized in net income	201,693	4,949
Other comprehensive income, before tax	3,761,864	3,489,997
Tax effect related to other comprehensive income	(1,391,890)	(1,291,303)
Other comprehensive income, net of tax	2,369,974	2,198,694
Comprehensive income	\$6,177,065	\$5,833,623

See Notes to Consolidated Financial Statements.

Table Of Contents

AMES NATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(unaudited)

Three Months Ended March 31, 2016 and 2015

	Common	Additional	Retained	Accumulated Other	Total
	Stock	Paid-in-Capital	Earnings	Comprehensive Income, Net of Taxes	Stockholders' Equity
Balance, December 31, 2014	\$ 18,621,826	\$ 20,878,728	\$ 110,701,847	\$ 4,472,017	\$ 154,674,418
Net income	-	-	3,634,929	-	3,634,929
Other comprehensive income	-	-	-	2,198,694	2,198,694
Cash dividends declared, \$0.20 per share	-	-	(1,862,183)	-	(1,862,183)
Balance, March 31, 2015	\$ 18,621,826	\$ 20,878,728	\$		