

AMES NATIONAL CORP
Form 10-Q
November 09, 2011

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 September 30, 2011

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 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 No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated

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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 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

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	9,354,693
(Class)	(Shares Outstanding at October 26, 2011)

AMES NATIONAL CORPORATION

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AMES NATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(unaudited)

ASSETS	September 30, 2011	December 31, 2010
Cash and due from banks	\$23,033,128	\$ 15,478,133
Federal funds sold	-	3,000,000
Interest bearing deposits in financial institutions	34,581,968	19,229,814
Securities available-for-sale	500,084,113	469,907,901
Loans receivable, net	428,364,432	418,093,571
Loans held for sale	1,303,825	1,993,108
Bank premises and equipment, net	11,427,144	11,538,588
Accrued income receivable	7,320,692	6,098,535
Deferred income taxes	-	3,305,983
Other real estate owned	9,885,618	10,538,883
Other assets	4,227,090	3,790,329
Total assets	\$1,020,228,010	\$962,974,845
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Deposits		
Demand, noninterest bearing	\$116,786,018	\$105,513,143
NOW accounts	230,266,256	201,230,880
Savings and money market	208,990,036	199,017,213
Time, \$100,000 and over	103,098,557	94,858,053
Other time	141,095,598	143,242,355
Total deposits	800,236,465	743,861,644
Federal funds purchased and securities sold under agreements to repurchase	40,088,022	54,858,701
Other short-term borrowings	1,001,014	2,047,175
Federal Home Loan Bank advances	19,195,476	16,745,497
Other long-term borrowings	20,000,000	20,000,000
Dividend payable	1,217,669	1,037,621
Deferred income taxes	1,159,697	-
Accrued expenses and other liabilities	3,813,896	3,061,183
Total liabilities	886,712,239	841,611,821
STOCKHOLDERS' EQUITY		
Common stock, \$2 par value, authorized 18,000,000 shares; issued 9,432,915 shares; outstanding 9,366,684 shares as of September 30, 2011 and 9,432,915 shares as of December 31, 2010	18,865,830	18,865,830
Additional paid-in capital	22,651,222	22,651,222
Retained earnings	83,157,897	76,519,493

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Treasury stock, at cost; 66,231 shares and no shares at September 30, 2011 and December 31, 2010, respectively	(1,089,975)	-
Accumulated other comprehensive income-net unrealized gain on securities available-for-sale	9,930,797	3,326,479
Total stockholders' equity	133,515,771	121,363,024
Total liabilities and stockholders' equity	\$1,020,228,010	\$962,974,845

See Notes to Consolidated Financial Statements.

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AMES NATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2011	2010	2011	2010
Interest income:				
Loans, including fees	\$5,905,777	\$6,094,728	\$17,646,097	\$18,217,937
Securities:				
Taxable	1,906,708	1,737,458	5,365,245	5,335,686
Tax-exempt	1,624,310	1,480,513	4,892,269	4,275,663
Interest bearing deposits and federal funds sold	112,929	108,764	337,622	368,075
Total interest income	9,549,724	9,421,463	28,241,233	28,197,361
Interest expense:				
Deposits	1,323,083	1,452,764	4,076,697	4,678,728
Other borrowed funds	353,739	454,747	1,086,646	1,260,209
Total interest expense	1,676,822	1,907,511	5,163,343	5,938,937
Net interest income	7,872,902	7,513,952	23,077,890	22,258,424
Provision for loan losses	4,904	74,197	409,692	568,411
Net interest income after provision for loan losses	7,867,998	7,439,755	22,668,198	21,690,013
Noninterest income:				
Trust services income	547,917	522,892	1,619,617	1,518,906
Service fees	401,055	410,107	1,095,273	1,245,295
Securities gains, net	361,444	297,046	947,570	968,859
Gain on sale of loans held for sale	252,163	255,899	680,551	580,888
Merchant and ATM fees	183,987	193,059	555,481	553,583
Other noninterest income	180,558	163,935	608,048	544,715
Total noninterest income	1,927,124	1,842,938	5,506,540	5,412,246
Noninterest expense:				
Salaries and employee benefits	2,945,361	2,691,013	8,667,217	7,995,597
Data processing	524,602	483,436	1,451,420	1,429,081
Occupancy expenses	349,918	350,284	1,066,383	1,116,393
FDIC insurance assessments	129,289	268,867	607,785	860,333
Other real estate owned	280,482	34,602	567,212	153,909
Other operating expenses, net	670,714	676,601	2,002,262	2,118,078
Total noninterest expense	4,900,366	4,504,803	14,362,279	13,673,391
Income before income taxes	4,894,756	4,777,890	13,812,459	13,428,868
Provision for income taxes	1,304,882	1,226,579	3,506,692	3,481,951

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Net income	\$3,589,874	\$3,551,311	\$10,305,767	\$9,946,917
Basic and diluted earnings per share	\$0.38	\$0.38	\$1.09	\$1.05
Dividends declared per share	\$0.13	\$0.11	\$0.39	\$0.33
Comprehensive income	\$5,168,626	\$5,530,706	\$16,910,085	\$13,963,957

See Notes to Consolidated Financial Statements.

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AMES NATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Nine Months Ended September 30, 2011 and 2010

(unaudited)

2011

2010