

AMES NATIONAL CORP
Form 10-Q
August 06, 2010

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, 2010

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
(Class)

9,432,915
(Shares Outstanding at July 30, 2010)

AMES NATIONAL CORPORATION

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AMES NATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(unaudited)

ASSETS	June 30, 2010	December 31, 2009
Cash and due from banks	\$16,671,320	\$18,796,664
Interest bearing deposits in financial institutions	25,357,030	24,776,088
Securities available-for-sale	436,928,802	418,655,018
Loans receivable, net	410,432,696	415,434,236
Loans held for sale	2,510,258	1,023,200
Bank premises and equipment, net	11,666,390	11,909,404
Accrued income receivable	5,918,291	5,710,226
Deferred income taxes	2,513,174	3,867,523
Other real estate owned	10,630,371	10,480,449
Other assets	4,350,105	4,916,991
Total assets	\$926,978,437	\$915,569,799
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Deposits		
Demand, noninterest bearing	\$91,706,784	\$99,918,848
NOW accounts	208,779,142	197,393,459
Savings and money market	179,879,101	184,631,343
Time, \$100,000 and over	86,614,339	87,054,194
Other time	148,225,335	153,166,105
Total deposits	715,204,701	722,163,949
Federal funds purchased and securities sold under agreements to repurchase	50,279,602	40,489,505
Short-term borrowings	6,819	138,874
FHLB advances and other long-term borrowings	38,500,000	36,500,000
Dividend payable	1,037,620	943,292
Accrued expenses and other liabilities	3,251,797	2,994,291
Total liabilities	808,280,539	803,229,911
STOCKHOLDERS' EQUITY		
Common stock, \$2 par value, authorized 18,000,000 shares; 9,432,915 shares issued and outstanding	18,865,830	18,865,830
Additional paid-in capital	22,651,222	22,651,222
Retained earnings	72,024,066	67,703,701
Accumulated other comprehensive income-net unrealized gain on securities available-for-sale	5,156,780	3,119,135
Total stockholders' equity	118,697,898	112,339,888
Total liabilities and stockholders' equity	\$926,978,437	\$915,569,799

See Notes to Consolidated Financial Statements.

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AMES NATIONAL CORPORATION AND SUBSIDIARIES

Consolidated Statements of Income
(unaudited)

	Three Months Ended June 30,		Six Month Ended June 30,	
	2010	2009	2010	2009
Interest and dividend income:				
Loans, including fees	\$6,023,730	\$6,389,627	\$12,123,209	\$13,000,802
Securities:				
Taxable	1,770,707	2,055,441	3,598,228	4,166,936
Tax-exempt	1,429,568	1,291,796	2,795,150	2,570,452
Federal funds sold	-	8,253	-	19,328
Interest bearing deposits	129,198	81,151	259,311	186,222
Total interest and dividend income	9,353,203	9,826,268	18,775,898	19,943,740
Interest expense:				
Deposits	1,563,610	2,183,150	3,225,964	4,624,680
Other borrowed funds	402,304	476,498	805,462	944,882
Total interest expense	1,965,914	2,659,648	4,031,426	5,569,562
Net interest income	7,387,289	7,166,620	14,744,472	14,374,178
Provision for loan losses	170,416	326,670	494,214	556,324
Net interest income after provision for loan losses	7,216,873	6,839,950	14,250,258	13,817,854
Noninterest income:				
Trust department income	465,298	390,882	996,014	773,434
Service fees	435,365	449,382	835,188	870,832
Securities gains (losses), net	134,830	255,088	671,813	(95,587)
Gain on loans held for sale	171,453	256,776	324,989	519,682
Merchant and ATM fees	195,137	153,159	360,524	299,169
Other	209,460	223,337	380,780	367,066
Total noninterest income	1,611,543	1,728,624	3,569,308	2,734,596
Noninterest expense:				
Salaries and employee benefits	2,706,545	2,703,106	5,304,584	5,049,865
Data processing	494,681	541,678	945,645	1,020,313
Occupancy expenses	364,955	302,240	766,109	695,044
FDIC insurance assessments	278,109	557,091	591,466	1,037,002
Other real estate owned	62,954	727,793	119,307	1,154,637
Other operating expenses	728,405	705,236	1,441,477	1,406,703

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Total noninterest expense	4,635,649	5,537,144	9,168,588	10,363,564
Income before income taxes	4,192,767	3,031,430	8,650,978	6,188,886
Provision for income taxes	1,066,761	622,525	2,255,372	1,338,841
Net income	\$3,126,006	\$2,408,905	\$6,395,606	\$4,850,045
Basic and diluted earnings per share	\$0.33	\$0.26	\$0.68	\$0.51