



2021 SUMMARY
ANNUAL REPORT

The background of the lower half of the page is a blurred image of a laptop screen. The screen displays a data dashboard with various charts and metrics. A prominent line chart shows a fluctuating trend over time. Above the chart, there are several data points with percentage changes: 4,501 (+2% From last Week), 2,315 (+2% From last Week), and 7,325 (+2% From last Week). The dashboard also includes a sidebar with navigation options like 'Home', 'Dashboard', and 'Reports'.

AMES NATIONAL CORPORATION **AT A GLANCE**

Background

Ames National Corporation (ANC) is an Iowa-based bank holding company. ANC was organized and incorporated on January 21, 1975, under the laws of the State of Iowa to serve as a holding company for its principal banking subsidiary, First National Bank, Ames, Iowa. In 1983, ANC acquired the stock of State Bank & Trust Co. located in Nevada, Iowa; in 1991, ANC acquired Boone Bank & Trust Co., located in Boone, Iowa; in 1995, ANC acquired the stock of Reliance State Bank located in Story City, Iowa; and in 2002, ANC chartered and commenced operations of United Bank & Trust NA, located in Marshalltown, Iowa. In 2012, Reliance State Bank acquired an office located in Garner, Iowa. In 2014, First National Bank acquired three offices located in West Des Moines and Johnston, Iowa, and two locations in the Osceola, Iowa area in 2018. In 2019, ANC acquired Iowa State Savings Bank headquartered in Creston, Iowa.

Affiliate Bank Structure

Each affiliate bank operates independently with a board of directors and a bank president. Decisions are made locally, which means customers receive quick responses to questions, and services are customized to meet customer needs in each community.

The affiliate banks' lending activities consist primarily of short-term and medium-term commercial, agricultural and residential real estate loans, agricultural and business operating loans, lines of credit, home improvement loans and the origination of mortgage loans for sale into the secondary market. Affiliate banks also offer a variety of checking, savings, money market and time deposits accounts; cash management services; wealth management and trust services; merchant credit card processing; and safe deposit box services. Convenient access to funds and account information is also available through: Online Banking, Video Banking, Mobile Banking, Online Bill Pay, Mobile Wallet, online statements and debit cards.

Ames National Corporation Services

ANC provides various services to the affiliate banks, which include: management assistance, payroll, internal auditing, human resources, compliance management, marketing assistance, loan review, technology support, training and employee development. ANC employees seek to incorporate efficiencies across the affiliate banks' operational functions so the affiliate bank management teams can focus on what they do best: banking and taking care of customers' financial needs.

MISSION STATEMENT

Ames National Corporation is a results-oriented financial services holding company providing leadership, counsel and support to its community affiliate banks and superior performance for its shareholders.



CORE VALUES

Ames National Corporation's foundation is built on these values which guide our actions.

EXCELLENCE • INTEGRITY • LEADERSHIP
STABILITY • TRUST • COMMUNITY

STRATEGIC DIRECTION

The Ames National Corporation five-year strategic plan is focused on three driving initiatives:

Employee engagement

Enhance systems and activities to acquire, develop and retain employees.

Customer engagement

Develop a customer experience that supports relationship growth and customer acquisition.

Continuous improvement

Continually improve key processes to increase customer engagement, employee engagement and shareholder value.

LETTER TO SHAREHOLDERS

As the pandemic persisted into the 2021 financial year, Ames National Corporation (the “Company”) and our affiliate banks delivered on our mission to our customers, employees and shareholders with a strong financial performance. Our purpose has been magnified and elevated as our banks continue to support personal and business customers impacted by COVID-19.

Building on the momentum we created leading up to the pandemic has provided us with a strong sense of direction throughout the past year. The strength and stability of a well-capitalized holding company allowed us to weather record-low interest rates and lingering pandemic related trials and still prosper and grow as an organization.

Financial Results

Ames National Corporation was able to reach record levels of net income, assets, loans, deposits, and capital during 2021. We are pleased to provide our 2021 financial overview and highlight drivers of this record setting year.

Annual net income for the Company totaled \$23.9 million, or \$2.62 per share, in 2021 compared to \$18.9 million, or \$2.06 per share, in 2020. The increase in earnings is primarily the result of a decrease in the provision for loan losses in 2021 compared to 2020, as uncertainties associated with the economic slow-down created by the pandemic began to lessen. Further contributing to the improved net income was a reduction in interest expense due to declines in market interest rates.

Net interest income for 2021, was \$1.2 million higher than the prior year. The improved net interest income is primarily attributable to lower deposit interest expense and to the Paycheck Protection Program (PPP) annual fees of \$4.3 million recognized in 2021 compared to \$2.3 million in 2020.

Annual noninterest income for 2021 totaled \$10.5 million compared to \$10.6 million for 2020; while noninterest expense totaled \$36.6 million for 2021 and 2020.

Net loans as of December 31, 2021 increased slightly to \$1.14 billion, as compared to \$1.13 billion as of December 31, 2020. Excluding the \$44.9 million decrease in PPP loans, net loans increased \$59.5 million or 5% in 2021.

Loan quality metrics improved during 2021 compared to 2020 as substandard and impaired loan volumes were reduced by \$6.3 million. An additional positive development was the recording of net loan loss recoveries of \$163 thousand for 2021 compared to net loan charge offs of \$1.1 million for 2020.

Deposits totaled \$1.88 billion as of December 31, 2021, an increase of 9%, compared to \$1.72 billion as of December 31, 2020. The growth in deposits is primarily due to federal government stimulus programs and increases in core deposits, including retail and, to a lesser extent, commercial funds.

Highlights & Innovations

Changing consumer behaviors, expectations and preferences caused us to rethink much of what we do. The need to integrate advancing technology, build relationships and empower our team to continue to meet the wants and needs of customers pushed us to be more agile and innovative. Across our affiliate banks, we have shown we are both flexible and resilient. A few notable highlights include:

- First National Bank is replacing our existing Valley Junction building with a new 5,000 square foot building.
- Partnered with small businesses to originate and service 2,152 PPP loans which represented over \$123.3 million to support local business during the pandemic.
- We invest in each of the communities we serve through financial education, monetary contributions and volunteering our time and talents.
- We continue to invest in and expand our digital offerings to enhance the customer experience.
- ANC surpassed \$2 billion in assets and thanked our employees for achieving this milestone.

Board of Directors

During 2021, two new directors were appointed to our affiliate banks' Boards of Directors. Jeff Baker joined the First National Bank (FNB) Board of Directors. Mr. Baker retired from the accounting and consulting firm RSM US LLP where he specialized in banking, other financial services entities and public companies. In addition to his role as an audit partner, he was the Firm's national director of banking services. Jeff Rasmussen, CPA and proprietor of Bergman Tax and Accounting in Marshalltown, IA joined the United Bank & Trust (UBT) Board of Directors. Mr. Rasmussen has over 18 years of experience in accounting and tax matters and worked as the CFO of Marshalltown Company prior to joining the Bergman firm. Amy Rieck, PHR and Chief Human Resources Officer of Greater Regional Health in Creston joined the Iowa State Savings Bank Board of Directors. Amy and her husband own KSIB Radio station in Creston, raise and show livestock, and operate two additional local businesses.

We also want to thank the members of the affiliate banks' Board of Directors who will be retiring this upcoming May for their dedicated work and assistance to our success. Dave Benson will be leaving the FNB Board of Directors but will remain on the ANC Board. John Wise will be leaving the UBT Board of Directors. We are grateful to our Board members for lending their expertise to further our mission and for providing us with valuable insight into the communities we serve.

Economic Outlook

We are expecting increased volatility in the bond and equity markets as investors try to read the tea leaves on inflation, interest rates, and supply chain impediments on business profitability. Presently, economists prognostications for interest rates in 2022 is a 1% increase short term rates. With the Consumer Price Index All Urban Consumer (CPI) for December 2021 increasing 7% over the last 12 months; the question for many, is will a 1% hike in interest rates be enough to dampen the increasing momentum of higher prices which started in 2021. This relationship between interest rates and inflation will likely have a significant impact on our deposit interest expense in 2022.

In Summary

As we turn our attention to 2022, our team at ANC and the affiliate banks are aligned and motivated to build on the progress and lessons learned over the past year. Our strategic priorities build on our strong foundation and positions us for the future. We are stepping forward, focused on our integrated strategy and our immediate priorities to grow through the challenges we are facing. Over the past year, ANC has set a more ambitious agenda to build tomorrow's bank today. Introducing and offering the best digital tools that help customers achieve their financial goals and maintaining our excellent customer service standards are core to this ambition. In aspiring to these ambitions, we recognize the importance of achieving a balance for all stakeholders and thank our employees, customers, and shareholders for your support.

Annual Meeting

We look forward to providing you additional financial highlights at our Annual Meeting of Shareholders which will be held on April 27, 2022 at 4:30 p.m. More details are available on page 15 of this report.

We encourage you to attend the annual meeting virtually.



Thomas H. Pohlman
Thomas H. Pohlman
Chairman



John P. Nelson
John P. Nelson
President & CEO

FINANCIAL HIGHLIGHTS

As of and for the year ended December 31, 2021



Net Income
\$23.9 Million



Assets
\$2.14 Billion



Dividends Paid Per Share
\$1.03



ROA
1.15%



ROE
11.43%



ATLO Closing Price
\$24.49

Per Common Share

	2021
Cash Dividends Declared	\$1.29
Cash Dividends Paid	\$1.03
Dividend Payout*	39.26%
Dividend Yield**	4.25%

Loan Quality

	2021	2020
Allowance	1.43%	1.50%
Net Charge-Offs	-0.01%	0.10%
Non Performing	1.11%	1.33%

Market Price Per Share

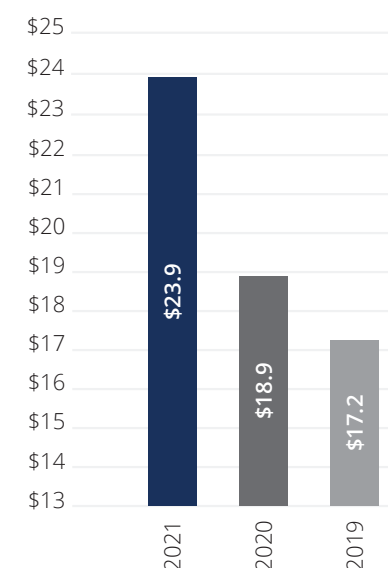
	2021	2020
Closing	\$24.49	\$24.02
High	\$27.90	\$28.05
Low	\$22.04	\$16.53

* Cash dividends paid divided by net income

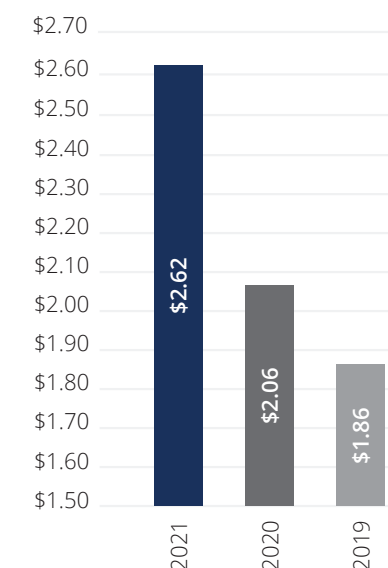
** Based upon latest quarterly dividend of \$0.26 and year-end ATLO closing price

PERFORMANCE RECORD

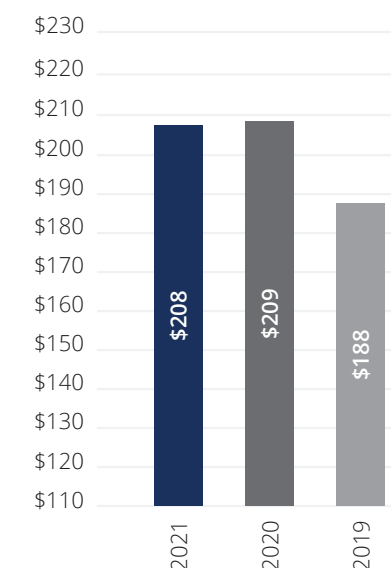
THREE-YEAR FINANCIAL HIGHLIGHTS



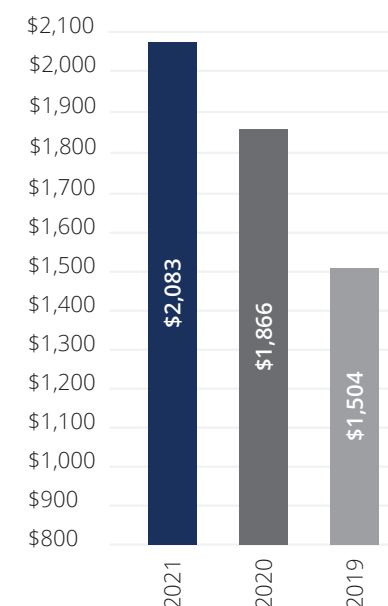
Earnings
Millions of Dollars



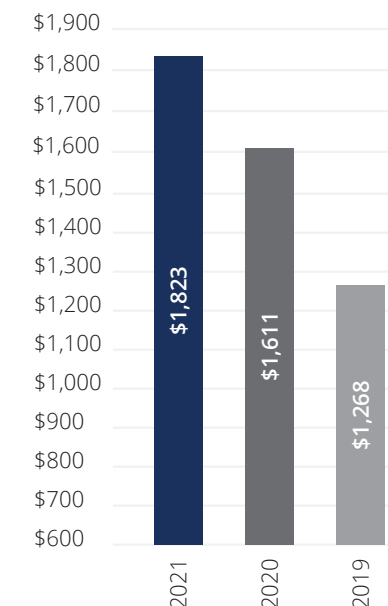
Earnings Per Share
Dollars



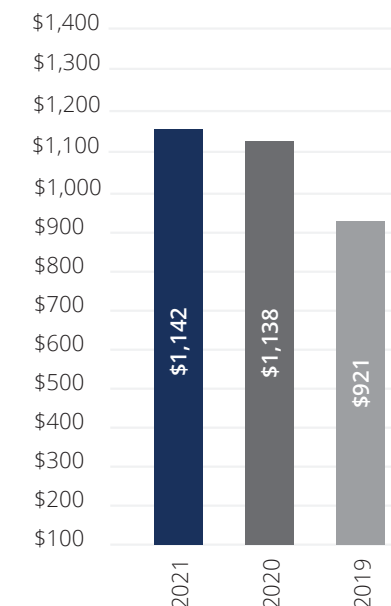
Capital
Millions of Dollars



Average Total Assets
Millions of Dollars



Average Deposits
Millions of Dollars



Average Loans
Millions of Dollars

AFFILIATE BANKS



Contact: (515) 432-6200
www.boonebankiowa.com
 Charter: State
 Organized: 1883
 Offices: Two locations in Boone, Iowa
 Employees: 21
 Capital: \$15.1 Million
 Assets: \$159 Million
 2021 Net Income: \$1.9 Million



Contact: (515) 232-5561
www.FNB247.com
 Charter: National
 Organized: 1903
 Offices: Nine locations in Ames, Ankeny, Johnston, Osceola, and West Des Moines, Iowa
 Employees: 125
 Capital: \$103 Million
 Assets: \$1.11 Billion
 2021 Net Income: \$13.1 Million



Contact: (641) 753-5900
www.ISSBbank.com
 Charter: State
 Organized: 1883
 Offices: Three locations in Creston and Lenox, Iowa
 Employees: 34
 Capital: \$26.5 Million
 Assets: \$252 Million
 2021 Net Income: \$2.1 Million



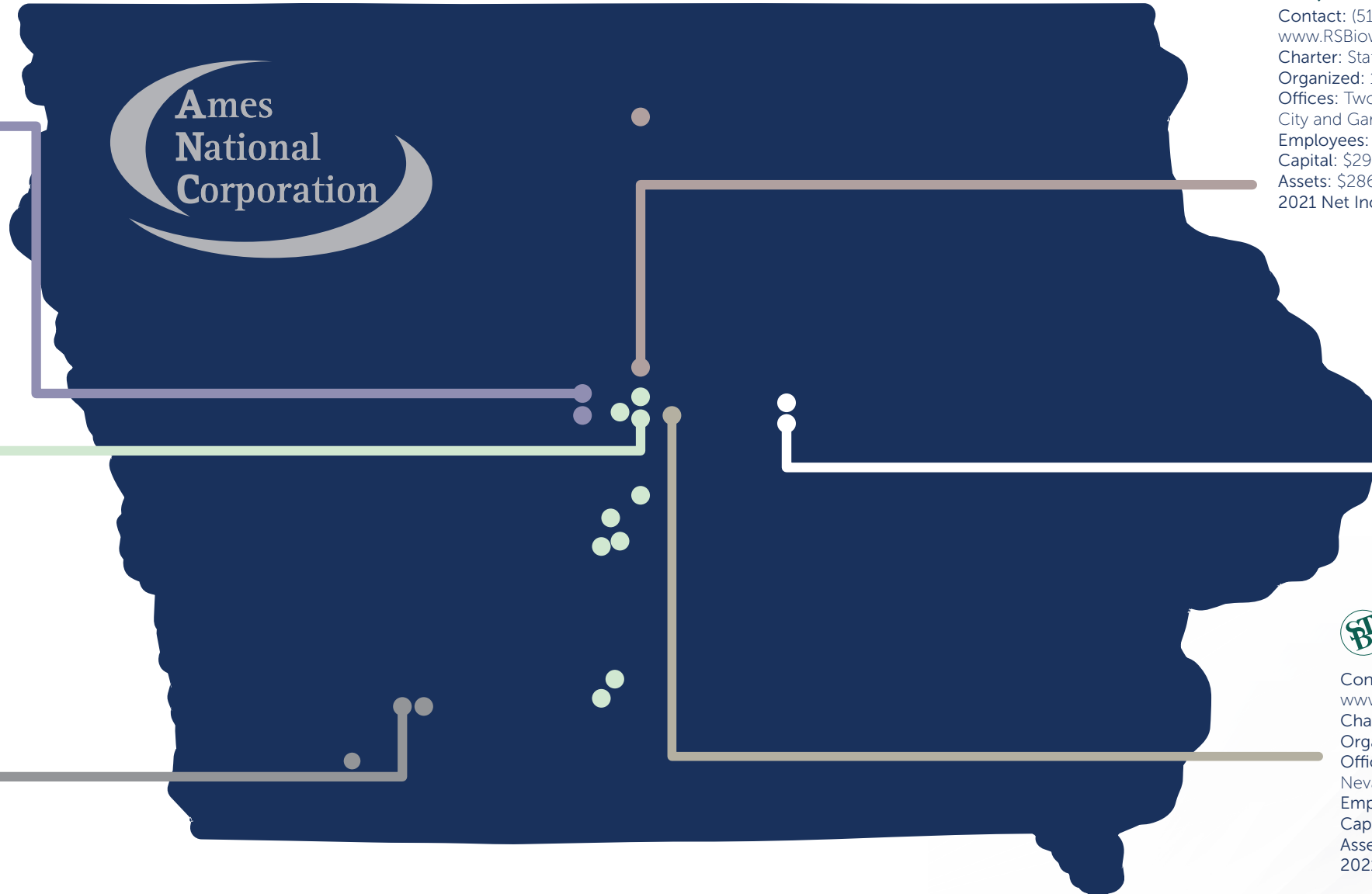
Contact: (515) 733-4396
www.RSBIowa.com
 Charter: State
 Organized: 1928
 Offices: Two locations in Story City and Garner, Iowa
 Employees: 33
 Capital: \$29.7 Million
 Assets: \$286 Million
 2021 Net Income: \$3.2 Million



Contact: (641) 753-5900
www.ubtna.com
 Charter: National
 Organized: 2002
 Offices: Two locations in Marshalltown, Iowa
 Employees: 20
 Capital: \$11.3 Million
 Assets: \$126 Million
 2021 Net Income: \$1.2 Million



Contact: (515) 382-2191
www.bankSBT.com
 Charter: State
 Organized: 1939
 Offices: One location in Nevada, Iowa
 Employees: 20
 Capital: \$19.1 Million
 Assets: \$209 Million
 2021 Net Income: \$3.3 Million



CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share data)

Unaudited

	December 31, 2021	December 31, 2020
ASSETS		
Cash and due from banks	\$ 19,590	\$ 24,819
Interest-bearing deposits in financial institutions and federal funds sold	69,539	148,278
Total cash and cash equivalents	89,129	173,097
Interest-bearing time deposits	16,922	18,426
Securities available-for-sale	831,003	596,999
Federal Home Loan Bank (FHLB) and Federal Reserve Bank (FRB) stock, at cost	3,422	3,148
Loans receivable, net	1,144,108	1,129,505
Loans held for sale	-	1,621
Bank premises and equipment, net	17,512	17,340
Accrued income receivable	10,124	11,143
Bank-owned life insurance	2,985	2,916
Deferred income taxes, net	1,922	-
Other intangible assets, net	2,505	3,133
Goodwill	12,424	12,424
Other assets	4,985	5,896
Total assets	\$ 2,137,041	\$ 1,975,648
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Deposits		
Non-interest bearing checking	\$ 411,585	\$ 349,500
Interest bearing checking	575,997	528,796
Savings and money market	674,975	581,224
Time, \$250,000 and over	40,793	60,019
Other time	174,669	196,907
Total deposits	1,878,019	1,716,446
Securities sold under agreements to repurchase	39,851	37,293
FHLB advances	3,000	3,000
Dividends payable	2,364	-
Deferred income taxes, net	-	1,731
Accrued expenses and other liabilities	6,029	7,691
Total liabilities	1,929,263	1,766,161
STOCKHOLDERS' EQUITY		
Common stock, \$2 par value, authorized 18,000,000 shares; issued and outstanding 9,092,167 (unaudited) and 9,122,747 shares as of December 31, 2021 and 2020, respectively	18,184	18,245
Additional paid-in capital	16,353	17,002
Retained earnings	170,377	158,217
Accumulated other comprehensive income	2,864	16,023
Total stockholders' equity	207,778	209,487
Total liabilities and stockholders' equity	\$ 2,137,041	\$ 1,975,648

CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except share and per share data)

Unaudited

	Years Ended December 31	
	2021	2020
INTEREST AND DIVIDEND INCOME:		
Loans, including fees	\$ 47,829	\$ 50,470
Securities		
Taxable	8,861	7,764
Tax-exempt	3,095	3,628
Other interest and dividend income	697	1,079
Total interest and dividend income	60,482	62,941
INTEREST EXPENSE:		
Deposits	4,342	7,821
Other borrowed funds	143	277
Total interest expense	4,485	8,098
Net interest income	55,997	54,843
Provision (credit) for loan losses	(757)	5,681
Net interest income after provision (credit) for loan losses	56,754	49,162
NON-INTEREST INCOME:		
Wealth management income	4,448	3,848
Service fees	1,474	1,523
Securities gains, net	24	430
Gain on sale of loans held for sale	1,673	2,112
Merchant and card fees	2,019	1,772
Other non-interest income	899	935
Total non-interest income	10,537	10,620
NON-INTEREST EXPENSE:		
Salaries and employee benefits	22,281	22,869
Data processing	5,549	5,182
Occupancy expenses, net	2,664	2,668
FDIC insurance assessments	578	313
Professional fees	1,663	1,537
Business development	1,465	1,082
Intangible asset amortization	628	826
New market tax credit projects amortization	639	639
Other operating expenses, net	1,151	1,435
Total non-interest expense	36,618	36,551
Income before income taxes	30,673	23,231
Income Tax Expense	6,760	4,381
Net Income	\$ 23,913	\$ 18,850
Basic and diluted earnings per share	\$ 2.62	\$ 2.06
Declared dividends per share	\$ 1.29	\$ 0.75

STATE BANK & TRUST

Historically, banks have been the core of a strong community. More than 80 years of banking in Nevada confirm that State Bank & Trust Co. (SBT) is a community pillar with a talented team of local experts offering decisions made close to the customer. State Bank & Trust is a full-service bank, serving Nevada and Eastern Story County communities from one convenient location, whose goal is to simplify your banking and life by providing you with a level of personal service you don't often find today.



Nevada created a new Community Garden in 2021. SBT donated funds to build raised beds in the garden.

As a local, community bank, we work to give our clients the most dependable and secure banking experience possible. When you begin to explore what a local, community bank means, you begin to understand how our commitment to the Nevada community prepared us to meet the challenges of 2021.

The strength and resiliency of an organization is best defined by its ability to respond to the unexpected. That's where experience comes into play. In 2021, we drew on the collective knowledge of our entire team and generations of bankers before us.

We knew we were in for a test as we navigated a persistent global pandemic and a two-year Nevada Main Street project to repave the streets and repair infrastructure, which restricted customer access to our building and drive up. We planned, got creative, and worked together. While clients were sometimes unable to visit the bank, that didn't stop their need for banking services. Many were introduced to online and mobile banking systems for the first time. During the height of the pandemic, our team shifted into split-teams, allowing remote work to become a reality. We relied on ANC and their technology to provide a safe working environment for all. Committed to our clients, our team proved day after day that high-touch service can be delivered in a challenging environment.

The bank became a lifeline for financial information for our commercial and ag clients. Navigating the rules of the Paycheck Protection Program was overwhelming for many. Our business banking team was on the front line, working to ensure that every customer got the necessary attention and guidance. Their work directly supported the preservation of many local jobs and businesses. We know we strengthened existing relationships and built new relationships that will endure for years to come.

We believe that supporting our communities adds to the common good and enriches the lives of all. The communities served by State Bank & Trust Co. are thriving examples of our vision and we are proud to contribute in a variety of ways including volunteer work, serving on committees and boards, and philanthropic giving.

2021 saw State Bank & Trust reaching new levels of performance with income of \$3.3 million, due in part to PPP loans and negative provision for loan losses, and we peaked at \$225 million in total assets. Bank President, Steve McGill, credits the success to his excellent team of 22 employees who offer more than 200 years of SBT experience and banking expertise to serve clients' changing needs.

\$2 BILLION

Celebrated becoming a \$2 Billion Holding Company with a Special Gift as a thank you to all employees

3 Areas of Support:



Financial Literacy



Community & Economic Development



Health & Human Services

Employees serve on nearly



200
organizations

19

Locations

12

Communities

7100



volunteer hours

STEVE MCGILL RETIREMENT



Steve McGill

Steve McGill plans to retire from his position as President of State Bank & Trust at the end of 2022, after 19 years as the leader of this successful team of bankers. His unique ability to build employee and client relationships earned him respect across our markets and helped increase SBT assets from \$76 million to more than \$225 million; and loans increased from \$42 million to \$110 million during his tenure. McGill was quick to credit his long-time team members and said he surrounds himself with a great team he trusts.

Steve hails from Independence Iowa, and he studied ag business at Iowa State University. He joined SBT in 1999 as a commercial lender and has an impressive lending and banking career with a niche for problem solving loans. He and his wife, Nancy, a retired teacher, have two children and five grandchildren. McGill will remain in Nevada after retirement. He

plans to travel and hopes to enjoy more of his hobbies, including fishing, hunting, and Lego-building including large creations, such as the USS Arizona. When asked about his career milestones, Steve said he enjoyed and was honored to serve on local boards through volunteer work with ASSET and United Way; however, the career achievement he is most proud of is being the President at State Bank & Trust and said, "I like a small-town community bank, and this is a really good place to work!"

Dan Johnson, Executive Vice President & Assistant Trust Officer with SBT for 14 years, will be named President in 2023. Prior to his departure, Steve continues to work with Dan to provide for a smooth transition.

We wish Steve good health and happiness as he nears his retirement and want to encourage Dan in his transition as Steve's successor.



Dan Johnson
Executive Vice President & Assistant Trust Officer

BOARD OF DIRECTORS



Back, Left to Right:

Thomas H. Pohlman
Chairman

John P. Nelson
President & CEO

Steven D. Forth
Farmer

John L. Pierschbacher
Chief Financial Officer

Middle, Left to Right:

Michelle R. Cassabaum
*Chief Operating & Financial Officer,
21st Century Rehab*

Betty A. Baudler Horras
President, Baudler Enterprises, Inc.

Lisa M. Eslinger
*Chief Financial and Administrative
Officer, Iowa State University
Foundation*

Front, Left to Right:

Patrick G. Hagan
*Retired Senior Vice President of
Fareway Stores, Inc.*

David W. Benson
*Attorney at Law
Nyemaster Goode*

Kevin L. Swartz
*Retired Chief Executive Officer,
Wolfe Clinic PC*

James R. Larson II
*President, Larson Development
Corporation*

AMES NATIONAL TEAM

John P. Nelson
President & CEO

John L. Pierschbacher
Chief Financial Officer

Timothy J. Lupardus
Chief Information Officer

Buffy S. Clatt
Vice President & Marketing Director

Jennifer J. Hanson
Vice President & Human Resources Director

Tracy W. Laws
Vice President & Internal Auditor

Matthew R. Hackbart
Vice President of Technology

Joel P. Jacobsen
Vice President & Risk Management Officer

David A. Troe
Vice President & Valuation Officer

Justin C. Clausen
Controller

Marie I. Roberts
Accounting Specialist

Lori J. Hill
*Valuation Services Coordinator &
Administrative Officer*

Doug S.H. Kinsey
Information Technology Systems Admin II

Paul M. Crowe
Information Technology Systems Admin I

Tyler D. Nablo
Information Technology Support Analyst II

SHAREHOLDER INFORMATION

Annual Meeting

The Board of Directors of Ames National Corporation has established Wednesday, April 27, 2022, at 4:30 p.m. as the date of the Annual Meeting of Shareholders.

The meeting will be held at First National Bank, 405 5th Street Ames, Iowa. The Annual Meeting will also be available through a virtual format due to the continued public health impact of the coronavirus pandemic (COVID-19). Shareholders are encouraged to participate virtually. To participate virtually, visit the Ames National Corporation website, www.amesnational.com, shortly before the meeting on April 27, 2022. Shareholders are encouraged to vote their shares in advance by proxy, as online voting will not be available through the virtual format.

Shareholders may attend the meeting in person, but are requested to notify the Company of their attendance in advance. Notification should be made by email, info@amesnational.com or by calling 515-232-6251

Professional Experts

External Auditor:
CliftonLarsonAllen LLP
West Des Moines, Iowa

Counsel:
Nyemaster Goode, P.C.
Des Moines, Iowa

Market Makers

Ames National Corporation's common stock is listed on the NASDAQ Capital Market under the symbol "ATLO."

Market makers and brokers in the stock include:
First Point Wealth Management, First National Bank,
Ames (515) 663-3074
D.A. Davidson | (800) 755-7589
Raymond James | (800) 800-4693

Stock Transfer Agent

Continental Stock Transfer & Trust
17 Battery Place
New York, NY 10004
(212) 509-4000
www.continentalstock.com

Form 10-K and Other Information

A copy of the Company's Annual Report to the Securities and Exchange Commission on Form 10-K will be available on the Securities and Exchange Commission's website at <http://www.sec.gov> and through a link on the Company's website, www.amesnational.com, at Financial Information, SEC Filings on or about March 11, 2022.

Additional information is also available by contacting John L. Pierschbacher, CFO at 515-232-6251 or info@amesnational.com.

Ames National Corporation

P.O. Box 846 405 5th Street

Ames, IA 50010

(515) 232-6251 | Fax (515) 663-3033

info@amesnational.com | www.amesnational.com