

AMES NATIONAL CORP  
Form 11-K  
October 22, 2007

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 11-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2006

OR

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

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

**Commission File Number: 0-32637**

A. Full title of the Plan and the address of the Plan, if different from that of the issuer named below:

**Ames National Corporation 401(k) Profit Sharing Plan**

B. Name of the issuer of the securities held pursuant to the Plan and the address of its principal executive office:

**Ames National Corporation  
405 Fifth Street  
Ames, Iowa 50010**

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**REQUIRED INFORMATION**

1. Financial statements and schedules of the Ames National Corporation 401(k) Profit Sharing Plan are included herein.
  2. A written consent of Independent Auditors is attached hereto as Exhibit 23 and is incorporated herein by this reference.
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**AMES NATIONAL CORPORATION  
401(k) PROFIT SHARING PLAN  
Ames, Iowa**

**FINANCIAL STATEMENTS  
December 31, 2006**

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**Report of Independent Registered Public Accounting Firm**

The Plan Administrator  
Ames National Corporation 401 (k) Profit Sharing Plan  
Ames, Iowa

We have audited the accompanying statement of net assets available for benefits of Ames National Corporation 401(k) Profit sharing Plan as of December 31, 2006, and the related statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Ames National Corporation 401(k) Profit Sharing Plan as of December 31, 2006, and the changes in net assets available for benefits for the year then ended in conformity with United States generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental schedule is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is presented fairly, in all material respects, in relation to the basic financial statements taken as a whole.

West Des Moines, Iowa  
October 3, 2007

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**AMES NATIONAL CORPORATION**  
**401(k) PROFIT SHARING PLAN**  
**STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS**  
**December 31, 2006**

**INVESTMENTS**

|  |                   |
|--|-------------------|
| Certificates of deposit                          | \$ 95,057         |
| U.S. government and government agency securities | 2,053,755         |
| Corporate bonds                                  | 1,963,302         |
| Preferred stocks                                 | 556,200           |
| Common stocks                                    | 11,320,436        |
| Mutual funds                                     | 2,284,189         |
| Participant loans                                | 91,416            |
| Interest-bearing cash                            | 501,113           |
| <b>Total investments</b>                         | <b>18,865,468</b> |

|             |                |
|-------------|----------------|
| <b>CASH</b> | <b>456,086</b> |
|-------------|----------------|

**RECEIVABLES**

|  |        |
|--|--------|
| Accrued interest and dividends         | 71,035 |
| Contributions receivable from employer | 50,387 |

|  |                      |
|--|----------------------|
| <b>NET ASSETS AVAILABLE FOR BENEFITS</b> | <b>\$ 19,442,976</b> |
|--|----------------------|

These financial statements should be read only in connection with the  
 accompanying summary of significant accounting policies  
 and notes to financial statements.

**AMES NATIONAL CORPORATION**  
**401 (k) PROFIT SHARING PLAN**  
**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**  
**Year ended December 31, 2006**

**ADDITIONS TO NET ASSETS ATTRIBUTED TO:**

|   |            |
|---|------------|
| Investment income:                            |            |
| Interest and dividends                        | \$ 722,090 |
| Net appreciation in fair value of investments | 520,685    |
|   |            |
| Total investment income                       | 1,242,775  |
| Contributions:                                |            |
| Employer                                      | 579,254    |
| Participant                                   | 577,665    |
|   |            |
| Total contributions                           | 1,156,919  |
|   |            |
| Total additions                               | 2,399,694  |

**DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:**

|                               |           |
|-------------------------------|-----------|
| Benefits paid to participants | 1,501,072 |
| Operating expenses            | 338       |
|                               |           |
| Total deductions              | 1,501,410 |

|                     |                |
|---------------------|----------------|
| <b>NET INCREASE</b> | <b>898,284</b> |
|---------------------|----------------|

|   |                   |
|---|-------------------|
| <b>NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR</b> | <b>18,544,692</b> |
|---|-------------------|

|   |                      |
|---|----------------------|
| <b>NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR</b> | <b>\$ 19,442,976</b> |
|---|----------------------|

These financial statements should be read only in connection with the  
 accompanying summary of significant accounting policies  
 and notes to financial statements.

**AMES NATIONAL CORPORATION**  
**401(k) PROFIT SHARING PLAN**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**December 31, 2006**

The Ames National Corporation 401(k) Profit Sharing Plan (the Plan) is sponsored by Ames National Corporation and its subsidiaries: First National Bank, Ames, Iowa (the Plan trustee); Boone Bank & Trust, Boone, Iowa; Randall-Story State Bank, Story City, Iowa; State Bank & Trust, Nevada, Iowa; and United Bank & Trust, Marshalltown, Iowa (collectively, the Companies). The Plan year ends on December 31. Significant accounting policies followed by the Plan are presented below.

**BASIS OF PRESENTATION**

The accompanying financial statements have been prepared on the accrual basis of accounting and present the net assets available for plan benefits and changes in those assets in accordance with generally accepted accounting principles.

**USE OF ESTIMATES IN PREPARING FINANCIAL STATEMENTS**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of additions to and deductions from net assets during the reporting period. Actual results could differ from those estimates.

**INVESTMENTS**

The Plan's investments are stated at fair value. The fair value of the interest-bearing cash and certificates of deposit are determined to be equal to cost. The fair value of the Plan's investments in U.S. government and government agency securities, corporate bonds and preferred and common stocks are based on quoted market prices. Shares of mutual funds are valued at the net asset value of shares held by the Plan at year-end. The fair value of participant loans has been determined to be equal to the unpaid principal balance.

Purchases and sales of investment securities are recorded on a trade-date basis. Interest is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

**PAYMENT OF BENEFITS**

Benefits are recorded when paid.

This information is an integral part of the accompanying financial statements.



**AMES NATIONAL CORPORATION**  
**401(k) PROFIT SHARING PLAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2006**

**NOTE 1 - DESCRIPTION OF PLAN**

The following description of the Plan provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

**General and eligibility**

The Plan is a defined contribution plan covering employees of the Companies who have completed six months of service and are age 21 or older. Employees are eligible to make salary deferral contributions to the Plan on the first day of the Plan year following their eligibility date. To be entitled to employer contributions, a participant must complete 1,000 hours of service during the plan year and must be employed by the Companies on the last day of the Plan year. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

**Contributions**

Participants may contribute up to 100% of their annual compensation as defined by the Plan subject to limits of \$15,000 and \$14,000 in 2006 and 2005, respectively. The Companies provide a matching contribution up to 2% of the participant's compensation, a nondiscretionary contribution of 5% of the participants' compensation and may also make additional discretionary contributions based on profits. The discretionary contributions are determined by the Boards of Directors on an annual basis. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans. In 2005, all Plan investments were directed by the Plan trustee. In 2006, the Plan investments for deferral and matching contributions are participant-directed, and the Companies' nondiscretionary and discretionary contributions are invested by the Plan trustee (not participant directed). For 2007, all Plan investments will be participant-directed.

**Participant accounts**

Each participant's account is credited with that participant's contribution, the Companies' matching contribution and an allocation of (a) the Companies' discretionary contribution and (b) Plan earnings. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. Forfeited balances of terminated participants' nonvested balances are used to reduce future contributions from the Companies.

**Vesting**

Participants are immediately vested in their voluntary contributions and the employer matching contributions and earnings thereon. Vesting in the Companies' discretionary and nondiscretionary contributions and earnings thereon is based on years of continuous service. A participant is 100% vested in discretionary contributions after five years of credited service with no vesting prior to that time.

**AMES NATIONAL CORPORATION**  
**401 (k) PROFIT SHARING PLAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2006**

**NOTE 1 -DESCRIPTION OF PLAN (CONTINUED)**

**Payment of benefits**

On termination of service due to death, disability, retirement or any other reason, a participant or their beneficiaries may elect to receive an amount equal to the value of the participant's vested interest in his or her account in a lump sum amount.

**Loans to participants**

Participants may borrow from their fund accounts up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. Loan transactions are treated as a transfer to (from) the investment fund from (to) the participant loan fund. Loans outstanding at December 31, 2006 mature through 2016 and the interest rates (as determined by the plan administrator) range from 4.5% to 7.5%. Principal and interest are paid ratably through monthly payroll deductions, generally, over five years. However, repayment of loans for the purchase of a primary residence may exceed five years. The loans are secured by the balance in the participant's account.

**Forfeited accounts**

The forfeitures are used to reduce contributions from the Companies. Forfeitures for non-vested account balances for the year ended December 31, 2006, were approximately \$13,300.

**NOTE 2 - FINANCIAL INSTRUMENT RISK**

The Plan maintains cash in bank deposit accounts, which, at times may exceed federally insured limits. The Plan sponsor believes the Plan is not exposed to any significant credit risk on its cash accounts.

**NOTE 3 - ADMINISTRATIVE EXPENSES**

Certain administrative functions are performed by officers or employees of the Companies. No such officer or employee receives compensation from the Plan. Certain other administrative expenses are paid directly by the Companies.

**AMES NATIONAL CORPORATION**  
**401(k) PROFIT SHARING PLAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2006**

**NOTE 4 - INVESTMENTS**

The following table presents the Plan investments that represent 5% or more of the Plan's net assets:

Common stock:

|                           |              |
|---------------------------|--------------|
| Ames National Corporation | \$ 3,124,055 |
|---------------------------|--------------|

During 2006, the Plan's investments (including investments bought, sold and held during the year) appreciated in value by \$520,685. Interest and dividends realized on the Plan investments for the year ended 2006 was \$722,090.

**NOTE 5 - NON-PARTICIPANT DIRECTED INVESTMENTS**

As of and for the year ended December 31, 2006, information about the net assets and the significant components of the changes in net assets relating to the non-participant directed investments is as follows:

**Net assets:**

|  |                      |
|--|----------------------|
| Common stocks                                    | \$ 8,196,381         |
| Preferred stocks                                 | 556,200              |
| Corporate bonds                                  | 1,963,302            |
| U.S. government and government agency securities | 2,053,755            |
| Mutual funds                                     | 643,336              |
| Certificates of deposit                          | 95,057               |
| Interest-bearing cash                            | 501,113              |
| <b>Total</b>                                     | <b>\$ 14,009,144</b> |

**Changes in net assets:**

|   |                       |
|---|-----------------------|
| Contributions                                 | \$ 971,300            |
| Investment income                             | 1,004,890             |
| Benefits paid to participants                 | (1,439,651)           |
| Transfers to participant directed investments | (4,248,977)           |
| <b>Total</b>                                  | <b>\$ (3,712,438)</b> |

**AMES NATIONAL CORPORATION**  
**401(k) PROFIT SHARING PLAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2006**

**NOTE 6 - TRANSACTIONS WITH PARTIES-IN-INTEREST**

At December 31, 2006, the Plan held 148,839 shares of Ames National Corporation, a party-in-interest, common stock with a fair value of \$3,124,055. At December 31, 2006, the Plan also held cash totaling \$456,086 with First National Bank, Ames, Iowa.

**NOTE 7 - PLAN TERMINATION**

Although they have not expressed any intent to do so, the Companies have the right to terminate the Plan at any time subject to the provisions of ERISA. Upon termination all participants will become 100% vested.

**NOTE 8 - TAX STATUS**

The Plan obtained its latest determination letter dated August 24, 2004, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code (IRC) and, therefore, not subject to tax. The Plan has been amended since receiving the aforementioned determination letter. However, the Plan Administrator believes that the Plan is currently designed and being operated in compliance with applicable requirements of the IRC.

**NOTE 9 - RISKS AND UNCERTAINTIES**

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

This information is an integral part of the accompanying financial statements.

**SUPPLEMENTAL INFORMATION**

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**AMES NATIONAL CORPORATION**  
**401(k) PROFIT SHARING PLAN**  
**SCHEDULE H, LINE 4i, SCHEDULE OF ASSETS (HELD AT END OF YEAR)**  
**December 31, 2006**

| Description                                       | Interest Rate | Due Date   | Number of Shares or Principal Amount | Cost      | Fair Value |
|---|---------------|------------|--------------------------------------|-----------|------------|
| Assets held at First National Bank, Ames, Iowa*   |               |            |                                      |           |            |
| Certificates of deposit:                          |               |            |                                      |           |            |
| Washington Mutual                                 | 5.40%         | 6/29/2007  | 95,000                               | \$ 95,000 | \$ 95,057  |
| U.S. government and government agency securities: |               |            |                                      |           |            |
| Federal Home Loan Bank                            | 4.13          | 10/19/2007 | 150,000                              | 149,218   | 149,028    |
| Federal Home Loan Bank                            | 4.19          | 12/28/2007 | 125,000                              | 125,000   | 123,819    |
| Federal Home Loan Bank                            | 4.51          | 8/25/2008  | 100,000                              | 100,000   | 98,804     |
| Federal Home Loan Bank                            | 4.02          | 11/24/2008 | 100,000                              | 100,000   | 97,960     |
| Federal Home Loan Bank                            | 4.61          | 9/30/2009  | 125,000                              | 125,000   | 122,902    |
| Federal Home Loan Bank                            | 4.25          | 12/29/2009 | 200,000                              | 200,000   | 194,892    |
| Federal Home Loan Bank                            | 4.61          | 3/29/2030  | 125,000                              | 125,000   | 122,483    |
| Federal Home Loan Bank                            | 4.50          | 5/12/2010  | 250,000                              | 250,000   | 244,378    |
| Federal Home Loan Bank                            | 4.79          | 8/26/2010  | 200,000                              | 200,000   | 196,536    |
| Federal Home Loan Mortgage                        | 5.88          | 3/21/2011  | 100,000                              | 97,452    | 102,599    |
| Federal Farm Credit Bank                          | 4.77          | 5/25/2011  | 100,000                              | 98,937    | 99,252     |
| Federal Home Loan Bank                            | 5.75          | 8/15/2011  | 200,000                              | 195,042   | 203,800    |
| Federal Home Loan Bank                            | 5.00          | 8/5/2013   | 100,000                              | 100,000   | 97,258     |
| Federal Home Loan Bank                            | 6.00          | 12/27/2013 | 100,000                              | 100,003   | 100,161    |
| Federal Home Loan Bank                            | 6.20          | 8/15/2016  | 100,000                              | 100,000   | 99,883     |
|   |               |            |                                      | 2,065,652 | 2,053,755  |

**AMES NATIONAL CORPORATION**  
**401(k) PROFIT SHARING PLAN**  
**SCHEDULE OF ASSETS (HELD AT END OF YEAR)**  
**December 31,2006**

| Description               | Interest<br>Rate | Due Date   | Number of<br>Shares or<br>Principal<br>Amount | Cost      | Fair Value |
|---------------------------|------------------|------------|---|-----------|------------|
| Corporate bonds:          |                  |            |   |           |            |
| Bank One Corporation      | 6.00%            | 2/17/2009  | 100,000                                       | 99,758    | 101,407    |
| Bellsouth Corporation     | 6.00             | 10/15/2011 | 300,000                                       | 297,447   | 307,614    |
| Cargill, Inc.             | 6.05             | 10/21/2008 | 50,000  | 48,729    | 50,566     |
| Cargill, Inc.             | 6.28             | 11/10/2008 | 50,000  | 50,110    | 50,784     |
| Credit Suisse Inc.        | 6.13             | 11/15/2011 | 225,000                                       | 223,861   | 233,840    |
| First Data Corp Note      | 5.63             | 11/1/2011  | 100,000                                       | 101,584   | 100,348    |
| General Electric Cap Corp | 5.88             | 2/15/2012  | 100,000                                       | 97,903    | 102,994    |
| Goldman Sachs Note Ser B  | 6.50             | 2/25/2009  | 120,000                                       | 121,694   | 123,255    |
| JP Morgan                 | 6.00             | 1/15/2009  | 100,000                                       | 99,436    | 101,568    |
| Lincoln National Life     | 6.50             | 3/15/2008  | 100,000                                       | 99,630    | 101,380    |
| Merrill Lynch Corp        | 6.00             | 2/17/2009  | 100,000                                       | 100,000   | 101,709    |
| Morgan Stanley            | 3.63             | 4/1/2008   | 250,000                                       | 246,553   | 245,200    |
| Morgan Stanley            | 4.00             | 1/15/2010  | 100,000                                       | 99,097    | 96,577     |
| National Bank Bond        | 6.60             | 5/15/2010  | 100,000                                       | 105,673   | 104,404    |
| Sara Lee Bond             | 6.15             | 6/19/2008  | 40,000  | 40,000    | 40,345     |
| US Bank Bonds             | 6.50             | 2/1/2008   | 100,000                                       | 93,715    | 101,311    |
|                           |                  |            |   | 1,925,190 | 1,963,302  |
| Preferred stocks:         |                  |            |   |           |            |
| Wells Fargo Cap IV        | 7.00             |            | 2,000   | 52,600    | 50,400     |
| AT&T Inc.                 | 7.00             |            | 2,000   | 52,785    | 50,380     |
| Citigroup VII             | 7.13             |            | 4,000   | 106,280   | 101,440    |
| General Electric          | 6.63             |            | 2,000   | 53,200    | 50,420     |
| ING Group NV              | 6.20             |            | 4,000   | 92,360    | 101,920    |
| Verizon, New England      | 7.00             |            | 4,000   | 108,382   | 101,240    |
| Wells Fargo Cap Trust V   | 7.00             |            | 4,000   | 102,590   | 100,400    |
|                           |                  |            |   | 568,197   | 556,200    |

**AMES NATIONAL CORPORATION**  
**401 (k) PROFIT SHARING PLAN**  
**SCHEDULE OF ASSETS (HELD AT END OF YEAR)**  
**December 31, 2006**  
**(Continued)**

| Description                     | Interest<br>Rate | Due<br>Date | Number of<br>Shares or<br>Principal<br>Amount | Cost      | Fair Value |
|---------------------------------|------------------|-------------|---|-----------|------------|
| Common stocks:                  |                  |             |   |           |            |
| Alliant Energy                  |                  |             | 6,550   | 177,134   | 247,393    |
| Ameren                          |                  |             | 6,500   | 217,341   | 349,245    |
| American International Group    |                  |             | 2,000   | 141,180   | 143,320    |
| Ames National Corporation*      |                  |             | 148,839                                       | 239,893   | 3,124,055  |
| Automatic Data Processing       |                  |             | 3,000   | 169,224   | 147,750    |
| Chevron                         |                  |             | 2,800   | 114,831   | 205,884    |
| Citigroup                       |                  |             | 1,500   | 66,300    | 83,550     |
| Coca Cola                       |                  |             | 4,400   | 261,469   | 212,300    |
| ConocoPhillips                  |                  |             | 5,000   | 138,733   | 359,750    |
| Donaldson                       |                  |             | 6,000   | 105,360   | 208,260    |
| DuPont                          |                  |             | 2,538   | 75,577    | 123,626    |
| ExxonMobil                      |                  |             | 12,500  | 49,469    | 957,875    |
| General Dynamics                |                  |             | 1,000   | 37,620    | 74,350     |
| General Electric                |                  |             | 17,500  | 658,817   | 651,175    |
| Home Depot                      |                  |             | 7,000   | 169,092   | 281,120    |
| Intel                           |                  |             | 4,800   | 100,224   | 97,200     |
| International Business Machines |                  |             | 1,000   | 110,913   | 97,150     |
| Johnson & Johnson               |                  |             | 7,000   | 250,350   | 462,140    |
| JPMorgan Chase                  |                  |             | 6,415   | 29,104    | 309,844    |
| McDonald's                      |                  |             | 8,000   | 96,590    | 354,640    |
| Merck                           |                  |             | 1,900   | 111,948   | 82,840     |
| Microsoft                       |                  |             | 4,000   | 177,497   | 119,440    |
| Pfizer                          |                  |             | 7,800   | 242,863   | 202,020    |
| Procter & Gamble                |                  |             | 7,600   | 316,418   | 488,452    |
| Staples                         |                  |             | 5,700   | 87,375    | 152,190    |
| Stryker                         |                  |             | 1,050   | 50,752    | 57,866     |
| United Parcel Service           |                  |             | 1,300   | 97,630    | 97,474     |
| United Technologies             |                  |             | 1,800   | 63,192    | 112,536    |
| US Bancorp                      |                  |             | 3,000   | 89,766    | 108,570    |
| Verizon                         |                  |             | 6,375   | 314,777   | 237,405    |
| Walgreen                        |                  |             | 8,400   | 92,984    | 385,476    |
| Wal-Mart                        |                  |             | 7,000   | 176,606   | 323,260    |
| Wells Fargo                     |                  |             | 13,000  | 336,111   | 462,280    |
|                                 |                  |             |   | 5,367,137 | 11,320,436 |





**AMES NATIONAL CORPORATION**  
**401(k) PROFIT SHARING PLAN**  
**SCHEDULE OF ASSETS (HELD AT END OF YEAR)**  
**December 31, 2006**  
**(Continued)**

| Description                     | Interest Rate | Due Date                     | Number of Shares or Principal Amount | Cost          | Fair Value    |
|---------------------------------|---------------|------------------------------|--------------------------------------|---------------|---------------|
| Mutual funds:                   |               |                              |                                      |               |               |
| Adams Express                   |               |                              | 10,500                               | 112,191       | 145,635       |
| American Europacific Growth R5  |               |                              | 2,244                                | 98,976        | 104,497       |
| American Growth Fund of AM R5   |               |                              | 3,997                                | 132,561       | 131,333       |
| Davis NY Venture A              |               |                              | 2,583                                | 92,366        | 99,510        |
| DNP Select Income Fund          |               |                              | 23,000                               | 228,848       | 248,860       |
| DWS Dreman High Return Equity-A |               |                              | 2,578                                | 123,539       | 132,340       |
| Metlife Stable Value Fund       |               |                              | 6,338                                | 74,658        | 76,452        |
| MSCI EAFE Index Fund            |               |                              | 1,800                                | 102,146       | 131,796       |
| Oppenheimer Develop Markets     |               |                              | 3,810                                | 159,379       | 157,028       |
| Russell 2000 Index Fund         |               |                              | 1,500                                | 101,596       | 117,045       |
| Vanguard 500 Index              |               |                              | 709                                  | 84,806        | 92,626        |
| Vanguard Small-Cap Index        |               |                              | 5,779                                | 180,942       | 188,496       |
| Vanguard Develop Markets Index  |               |                              | 5,213                                | 64,075        | 65,576        |
| Vanguard Mid-Cap Index          |               |                              | 5,507                                | 103,209       | 108,929       |
| Vanguard Target Retire 2005     |               |                              | 53                                   | 610           | 610           |
| Vanguard Target Retire 2015     |               |                              | 1,560                                | 18,618        | 19,434        |
| Vanguard Target Retire 2025     |               |                              | 14,189                               | 181,018       | 185,030       |
| Vanguard Target Retire 2035     |               |                              | 3,031                                | 40,285        | 42,047        |
| Vanguard Target Retire 2045     |               |                              | 5,130                                | 70,936        | 73,466        |
| Vanguard Target Retire Income   |               |                              | 3,059                                | 32,819        | 32,734        |
| Vanguard Total Bond Market Ind  |               |                              | 13,088                               | 130,044       | 130,745       |
|                                 |               |                              |                                      | 2,133,621     | 2,284,189     |
| Participant loans*              |               |                              |                                      |               |               |
|                                 | 4.5% to 7.5%  | August 2008 to February 2016 |                                      | 91,416        | 91,416        |
| Interest-bearing cash           |               |                              |                                      | 501,113       | 501,113       |
|                                 |               |                              |                                      | \$ 12,747,326 | \$ 18,865,468 |

\* Indicates a party-in-interest to the Plan



**SIGNATURES**

*The Plan.* Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this Annual Report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: October 22, 2007

**AMES NATIONAL CORPORATION 401(k) PROFIT  
SHARING PLAN**

By: First National Bank, Ames, Iowa, Trustee

By: /s/ Steven J. McLaughlin

Name: Steven J. McLaughlin

Title: Senior Trust Officer

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EXHIBIT INDEX

Exhibit  
Number

Exhibit

23 Consent of Independent Registered Accounting Firm

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