

AMERICAN NATIONAL BANKSHARES INC
Form 10-Q
May 11, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED March 31, 2009.

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 0-12820

AMERICAN NATIONAL BANKSHARES INC.
(Exact name of registrant as specified in its charter)

VIRGINIA
(State or other jurisdiction of
incorporation or organization)

54-1284688
(I.R.S. Employer
Identification No.)

628 Main Street
Danville, Virginia
(Address of principal executive offices)

24541
(Zip Code)

(434) 792-5111
(Registrant's telephone number, including area code)

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 (§232.405 of this chapter) during the preceding 12 months.

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "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

At May 7, 2009, the Company had 6,100,323 shares Common Stock outstanding, \$1 par value.

Table of Contents

AMERICAN NATIONAL BANKSHARES INC.

Index		Page
Part I.	FINANCIAL INFORMATION	
Item 1	Financial Statements	
	<u>Consolidated Balance Sheets as of March 31, 2009 and December 31, 2008</u>	3
	<u>Consolidated Statements of Income for the three months ended March 31, 2009 and 2008</u>	4
	<u>Consolidated Statements of Changes in Shareholders' Equity for the three months ended March 31, 2009 and 2008</u>	5
	<u>Consolidated Statements of Cash Flows for the three months ended March 31, 2009 and 2008</u>	6
	<u>Notes to Consolidated Financial Statements</u>	7
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	18
Item 3.	<u>Quantitative and Qualitative Disclosures about Market Risk</u>	27
Item 4.	<u>Controls and Procedures</u>	28
Part II.	OTHER INFORMATION	
Item 1.	<u>Legal Proceedings</u>	29
Item 1A.	<u>Risk Factors</u>	29
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	29
Item 3.	<u>Defaults Upon Senior Securities</u>	29

Item 4.	<u>Submission of Matters to a Vote of Security Holders</u>	29
Item 5.	<u>Other Information</u>	29
Item 6.	<u>Exhibits</u>	29

SIGNATURES

Table of Contents

Part I. Financial Information

Item 1. Financial Statements

American National Bankshares Inc. and Subsidiaries

Consolidated Balance Sheets

(Dollars in thousands, except share data)

	(Unaudited) March 31, 2009	(Audited) December 31, 2008
ASSETS		
Cash and due from banks	\$ 13,632	\$ 14,986
Interest-bearing deposits in other banks	18,188	9,112
Securities available for sale, at fair value	167,981	133,695
Securities held to maturity	6,811	7,121
Total securities	174,792	140,816
Loans held for sale	2,782	1,764
Loans, net of unearned income	569,003	571,110
Less allowance for loan losses	(7,836)	(7,824)
Net loans	561,167	563,286
Premises and equipment, net	18,282	17,431
Other real estate owned	3,345	4,311
Goodwill	22,468	22,468
Core deposit intangibles, net	1,981	2,075
Accrued interest receivable and other assets	12,841	12,935
Total assets	\$ 829,478	\$ 789,184
LIABILITIES and SHAREHOLDERS' EQUITY		
Liabilities:		
Demand deposits -- noninterest bearing	\$ 98,926	\$ 95,703
Demand deposits -- interest bearing	94,505	116,132
Money market deposits	72,085	56,615
Savings deposits	63,553	59,624
Time deposits	286,819	