

AMERICAN NATIONAL BANKSHARES INC.
Form 10-Q
May 11, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 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, 2015.

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 54-1284688
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

628 Main Street
Danville, Virginia 24541
(Address of principal executive offices) (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 o (Do not check if a smaller reporting company)
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 6, 2015, the Company had 8,727,696 shares of Common Stock outstanding, \$1 par value.

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IndexPART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTSAmerican National Bankshares Inc. and Subsidiaries
Consolidated Balance Sheets
(Dollars in thousands, except share data)

	(Unaudited)	(*)
	March 31,	December
	2015	31, 2014
Assets		
Cash and due from banks	\$23,995	\$29,272
Interest-bearing deposits in other banks	75,254	38,031
Federal funds sold	13,616	-
Securities available for sale, at fair value	352,208	344,716
Restricted stock, at cost	5,231	4,468
Loans held for sale	1,936	616
Loans, net of unearned income	965,902	840,925
Less allowance for loan losses	(12,844)	(12,427)
Net loans	953,058	828,498
Premises and equipment, net	24,371	23,025
Other real estate owned, net of valuation allowance \$2,947 in 2015 and \$2,971 in 2014	2,653	2,119
Goodwill	44,210	39,043
Core deposit intangibles, net	3,583	2,045
Bank owned life insurance	17,261	15,193
Accrued interest receivable and other assets	22,722	19,466
Total assets	\$1,540,098	\$1,346,492
Liabilities		
Demand deposits -- noninterest bearing	\$289,818	\$254,458
Demand deposits -- interest bearing	229,721	193,432
Money market deposits	202,706	174,000
Savings deposits	110,104	90,130
Time deposits	410,326	363,817
Total deposits	1,242,675	1,075,837
Customer repurchase agreements	53,664	53,480
Long-term borrowings	9,941	9,935
Trust preferred capital notes	27,546	27,521
Accrued interest payable and other liabilities	9,583	5,939
Total liabilities	1,343,409	1,172,712
Shareholders' equity		
Preferred stock, \$5 par, 2,000,000 shares authorized, none outstanding	-	-
	8,710	7,872

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Common stock, \$1 par, 20,000,000 shares authorized, 8,727,696 shares outstanding at March 31, 2015 and 7,873,474 shares outstanding at December 31, 2014		
Capital in excess of par value	77,612	57,650
Retained earnings	106,102	104,594
Accumulated other comprehensive income, net	4,265	3,664
Total shareholders' equity	196,689	173,780
Total liabilities and shareholders' equity	\$ 1,540,098	\$ 1,346,492

(*) - Derived from audited financial statements.

The accompanying notes are an integral part of the consolidated financial statements.

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American National Bankshares Inc. and Subsidiaries
 Consolidated Statements of Income
 (Dollars in thousands, except share and per share data)
 (Unaudited)

	Three Months Ended March 31	
	2015	2014
Interest and Dividend Income:		
Interest and fees on loans	\$11,770	\$9,847
Interest on federal funds sold	4	-
Interest and dividends on securities:		
Taxable	975	964
Tax-exempt	960	1,035
Dividends	82	75
Other interest income	48	33
Total interest and dividend income	13,839	11,954
Interest Expense:		
Interest on deposits	1,194	1,229
Interest on short-term borrowings	3	2
Interest on long-term borrowings	80	80
Interest on trust preferred capital notes	184	184
Total interest expense	1,461	1,495
Net Interest Income	12,378	10,459
Provision for Loan Losses	600	-