

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

(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 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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AMERICAN NATIONAL BANKSHARES INC.

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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, 2015 | (*) December 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 | - |