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AMERICAN NATIONAL BANKSHARES INC.
Form 10-Q
August 04, 2017
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

^x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED June 30, 2017.

^o 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, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☒

Non-accelerated filer ☐ (Do not check if a smaller reporting company)

Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

At July 31, 2017, the Company had 8,642,913 shares of Common Stock outstanding, \$1 par value.

AMERICAN NATIONAL BANKSHARES INC.

Index

Page

Part I. FINANCIAL INFORMATION

Item 1. Financial Statements

Consolidated Balance Sheets as of June 30, 2017 (unaudited) and December 31, 2016 3

Consolidated Statements of Income for the three and six months ended June 30, 2017 and 2016 (unaudited) 4

Consolidated Statements of Comprehensive Income for the three and six months ended June 30, 2017 and 2016 (unaudited) 5

Consolidated Statements of Changes in Shareholders' Equity for the six months ended June 30, 2017 and 2016 (unaudited) 6

Consolidated Statements of Cash Flows for the six months ended June 30, 2017 and 2016 (unaudited) 7

Notes to Consolidated Financial Statements (unaudited) 8

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations 35

Item 3. Quantitative and Qualitative Disclosures about Market Risk 57

Item 4. Controls and Procedures 59

Part II. OTHER INFORMATION

Item 1. Legal Proceedings 60

Item 1A. Risk Factors 60

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds 60

Item 3. Defaults Upon Senior Securities 60

Item 4. Mine Safety Disclosures 60

Item 5. Other Information 60

Item 6. Exhibits 61

SIGNATURES 62

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

American National Bankshares Inc.

Consolidated Balance Sheets

(Dollars in thousands, except per share data)

	(Unaudited) (*)	
	June 30, 2017	December 31, 2016
Assets		
Cash and due from banks	\$23,765	\$ 20,268
Interest-bearing deposits in other banks	62,164	32,939
Securities available for sale, at fair value	280,503	346,502
Restricted stock, at cost	5,501	6,224
Loans held for sale	2,379	5,996
Loans, net of unearned income	1,288,693	1,164,821
Less allowance for loan losses	(13,632)	(12,801)
Net loans	1,275,061	1,152,020
Premises and equipment, net	26,265	25,439
Other real estate owned, net of valuation allowance of \$248 in 2017 and \$134 in 2016	1,686	1,328
Goodwill	43,872	43,872
Core deposit intangibles, net	1,351	1,719
Bank owned life insurance	18,381	18,163
Accrued interest receivable and other assets	23,545	24,168
Total assets	\$ 1,764,473	\$ 1,678,638
Liabilities		
Demand deposits -- noninterest bearing	\$390,603	\$ 378,600
Demand deposits -- interest bearing	218,714	209,430
Money market deposits	339,106	283,035
Savings deposits	125,237	120,720
Time deposits	389,181	378,855
Total deposits	1,462,841	1,370,640
Short-term borrowings:		
Customer repurchase agreements	48,282	39,166
Other short-term borrowings	—	20,000
Long-term borrowings	9,991	9,980
Junior subordinated debt	27,775	27,724
Accrued interest payable and other liabilities	8,531	9,748
Total liabilities	1,557,420	1,477,258
Shareholders' equity		
Preferred stock, \$5 par, 2,000,000 shares authorized, none outstanding	—	—
Common stock, \$1 par, 20,000,000 shares authorized, 8,642,913 shares outstanding at June 30, 2017 and 8,618,051 shares outstanding at December 31, 2016	8,595	8,578
Capital in excess of par value	75,691	75,076

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Retained earnings	123,795	119,600
Accumulated other comprehensive loss, net	(1,028)	(1,874)
Total shareholders' equity	207,053	201,380
Total liabilities and shareholders' equity	\$1,764,473	\$ 1,678,638

(*) - Derived from audited consolidated financial statements.

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

American National Bankshares Inc.

Consolidated Statements of Income

(Dollars in thousands, except per share data) (Unaudited)

Three Months Ended June 30, 2017	2016	Six Months Ended June 30, 2017	2016
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Interest and Dividend Income: