

AMERICAN NATIONAL BANKSHARES INC  
Form 8-K/A  
June 09, 2006

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 8-K/A**

**AMENDMENT NO. 1 TO**

**CURRENT REPORT**

**Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): April 4, 2006

**American National Bankshares Inc.**

(Exact name of registrant as specified in its charter)

**Virginia**  
(State or other jurisdiction  
of incorporation)

**0-12820**  
(Commission  
File Number)

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

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

**24541**  
(Zip Code)

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

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(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

.. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

.. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

.. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

.. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13a-4(c))

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**Item 9.01 Financial Statements and Exhibits**

(a) Financial Statements of Businesses Acquired.

The following financial statements of Community First Financial Corporation are being filed with this Current Report on Form 8-K:

Consolidated Balance Sheets as of December 31, 2005;

Consolidated Statements of Income for the Twelve Months Ended December 31, 2005;

Consolidated Statements of Changes in Stockholders' Equity for the Twelve Months Ended December 31, 2005;

Consolidated Statements of Cash Flows for the Twelve Months Ended December 31, 2005; and

Notes to Consolidated Financial Statements.

(b) Pro Forma Financial Information

The following unaudited pro forma financial statements of American National Bankshares Inc. are being filed with this Current Report on Form 8-K:

Unaudited Pro Forma Consolidated Combined Balance Sheet as of December 31, 2005; and

Unaudited Pro Forma Consolidated Combined Statement of Income for the Twelve Months Ended December 31, 2005

(d) Exhibits

The following is filed as an exhibit to the Current Report on Form 8-K:

<b>Exhibit Number</b>	<b>Description</b>
2.1	Agreement and Plan of Reorganization dated as of October 18, 2005, between the Company and Community First. (incorporated herein by reference to Exhibit 2.2 to the Company's Registration Statement on Form S-4 (Registration No. 333-130968)).

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AMERICAN NATIONAL BANKSHARES INC.

Date: June 9, 2006

By: /s/ Neal A. Petrovich  
Neal A. Petrovich

Senior Vice President and Chief Financial Officer

EXHIBIT INDEX

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**Community First Financial Corporation****Consolidated Balance Sheets***December 31, 2005 and 2004*

	<b>2005</b>	<b>2004</b>
<b>Assets</b>		
Cash and due from banks	\$ 7,714,729	\$ 7,236,913
Interest-bearing deposits with banks	250,407	223,332
Investment securities available-for-sale	7,415,355	10,507,984
Restricted equity securities	878,736	885,636
Loans, net of allowance for loan losses of \$1,385,524 in 2005 and \$1,392,127 in 2004	137,034,526	129,141,958
Loans held-for-sale	522,700	
Property and equipment, net	4,031,326	4,277,253
Foreclosed assets	41,600	
Accrued income	672,030	545,824
Other assets	3,918,436	3,719,240
<b>Total assets</b>	<b>\$ 162,479,845</b>	<b>\$ 156,538,140</b>

**Liabilities and Stockholders Equity**

<b>Liabilities</b>		
Noninterest-bearing deposits	\$ 18,709,301	\$ 17,615,739
Interest-bearing deposits	120,242,455	121,824,321
<b>Total deposits</b>	<b>138,951,756</b>	<b>139,440,060</b>
Federal funds purchased	5,878,000	275,000
Subordinated debt	2,500,000	2,500,000
Accrued interest payable	324,805	309,031
Other liabilities	305,300	166,208
<b>Total liabilities</b>	<b>147,959,861</b>	<b>142,690,299</b>

Commitments and contingencies

<b>Stockholders equity</b>		
Preferred stock, \$10 par value; 1,000,000 shares authorized; 300,000 shares issued and outstanding in 2005 and 2004	2,970,989	2,970,989
Common stock, no par value; 10,000,000 shares authorized; 1,162,326 shares issued and outstanding in 2005 and 2004	9,650,323	9,650,323
Retained earnings	2,005,358	1,268,482
Accumulated other comprehensive income (loss)	(106,686)	(41,953)
<b>Total stockholders equity</b>	<b>14,519,984</b>	<b>13,847,841</b>
<b>Total liabilities and stockholders equity</b>	<b>\$ 162,479,845</b>	<b>\$ 156,538,140</b>

*See Notes to Consolidated Financial Statements*

## Community First Financial Corporation

## Consolidated Statements of Income

Years ended December 31, 2005, 2004 and 2003

	2005	2004	2003
<b>Interest income</b>			
Loans and fees on loans	\$ 9,473,275	\$ 8,464,133	\$ 9,128,708
Federal funds sold	18,457	48,788	38,056
Investment securities, taxable	298,771	242,847	139,627
Deposits with banks	7,073	714	185
Total interest income	9,797,576	8,756,482	9,306,576
<b>Interest expense</b>			
Deposits	3,658,377	3,032,266	3,843,583
Other borrowings	184,086	104,053	37,415
Total interest expense	3,842,463	3,136,319	3,880,998
Net interest income	5,955,113	5,620,163	5,425,578
<b>Provision for loan losses</b>	401,847	485,044	903,000
Net interest income after provision for loan losses	5,553,266	5,135,119	4,522,578
<b>Noninterest income</b>			
Service charges on deposit accounts	301,071	287,386	224,966
Mortgage loan origination fees	154,127	43,536	730,393
Other income	118,470	79,512	63,101
Increase in cash surrender value of bank owned life insurance	156,531	12,145	
Gain on sales of securities		157,500	
Total noninterest income	730,199	580,079	1,018,460
<b>Noninterest expense</b>			
Salaries and employee benefits	2,503,987	2,129,353	2,390,436
Occupancy and equipment expense	600,961	683,434	582,478
Data processing	150,326	135,945	127,952
Other expense	1,752,087	1,452,506	1,129,115
Total noninterest expense	5,007,361	4,401,238	4,229,981
Income before income taxes	1,276,104	1,313,960	1,311,057
<b>Income tax expense</b>	389,228	452,662	294,255
Net income	886,876	861,298	1,016,802
<b>Preferred stock dividends</b>	(150,000)	(150,000)	
Net income available to common stockholders	\$ 736,876	\$ 711,298	\$ 1,016,802
<b>Basic earnings per share <sup>(1)</sup></b>	\$ .63	\$ .61	\$ .87

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<i>Diluted earnings per share</i> <sup>(1)</sup>	\$ .55	\$ .55	\$ .66
<i>Weighted average common shares outstanding</i>	1,162,326	1,162,334	1,162,336
<i>Weighted average common shares outstanding, diluted</i>	1,614,134	1,563,408	1,535,735

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<sup>(1)</sup> Adjusted for 6 for 5 split in 2004.  
*See Notes to Consolidated Financial Statements*



## Community First Financial Corporation

## Consolidated Statements of Changes in Stockholders' Equity

Years ended December 31, 2005, 2004 and 2003

	Stock		Retained	Accumulated	Total
	Preferred	Common	Earnings	Other	
			(Deficit)	Income (Loss)	
<b>Balance, December 31, 2002</b>	2,621,989	\$ 9,650,427	\$ (459,618)	\$ 2,659	\$ 11,815,457
Shares sold	349,000				349,000
<b>Comprehensive income</b>					
Net income			1,016,802		1,016,802
Net change in unrealized appreciation (depreciation) on investment securities available-for-sale, net of taxes of \$2,483				(4,820)	(4,820)
Total comprehensive income					1,011,982
<b>Balance, December 31, 2003</b>	2,970,989	9,650,427	557,184	(2,161)	13,176,439
Fractional shares purchased		(104)			(104)
<b>Comprehensive income</b>					
Net income			861,298		861,298
Net change in unrealized appreciation (depreciation) on investment securities available-for-sale, net of taxes of \$33,051				64,158	64,158
Reclassify realized gains on sales of securities, net of taxes of \$(53,550)				(103,950)	(103,950)
Total comprehensive income					821,506
Dividends declared on Convertible preferred stock (\$.50 per share)			(150,000)		(150,000)
<b>Balance, December 31, 2004</b>	2,970,989	9,650,323	1,268,482	(41,953)	13,847,841
<b>Comprehensive income</b>					
Net income			886,876		886,876
Net change in unrealized appreciation (depreciation) on investment securities available-for-sale, net of taxes of \$(33,346)				(64,733)	(64,733)
Total comprehensive income					822,143
Dividends declared on convertible preferred stock (\$.50 per share)			(150,000)		(150,000)