

Financial Highlights
American National Bankshares Inc. and Subsidiaries

(Dollars in thousands,
except share data, unaudited)

	Three Months Ended March 31		
	2008	2007	Change
EARNINGS			
Interest income	\$ 11,260	\$ 11,898	(5.4) %
Interest expense	4,535	4,758	(4.7)
Net interest income	6,725	7,140	(5.8)
Provision for loan losses	140	303	(53.8)
Noninterest income	2,135	2,212	(3.5)
Noninterest expense	5,449	5,170	5.4
Income taxes	966	1,175	(17.8)
Net income	2,305	2,704	(14.8)
PER COMMON SHARE			
Earnings per share - basic	\$ 0.38	\$ 0.44	(13.6) %
Earnings per share - diluted	0.38	0.44	(13.6)
Cash dividends declared	0.23	0.22	4.5
Book value per share	16.86	15.70	7.4
Book value per share - tangible (a)	12.79	11.60	10.3
Closing market price	21.26	22.88	(7.1)
FINANCIAL RATIOS			
Return on average assets	1.18 %	1.39 %	(21) bp
Return on average equity	9.01	11.35	(234)
Return on average tangible equity (b)	12.24	15.81	(357)
Average equity to average assets	13.12	12.24	88
Net interest margin, taxable equivalent	3.88	4.13	(25)
Efficiency ratio	60.09	54.11	598
Effective tax rate	29.53	30.29	(76)
PERIOD END BALANCES			
Securities	\$ 160,675	\$ 152,008	5.7 %
Loans held for sale	1,681	2,017	(16.7)
Loans, net of unearned income	554,667	543,357	2.1
Goodwill and other intangibles	24,826	25,203	(1.5)
Assets	785,049	787,544	(0.3)
Assets - tangible (a)	760,223	762,341	(0.3)
Deposits	581,539	606,034	(4.0)
Repurchase agreements	58,179	44,526	30.7
Borrowings	36,744	35,669	3.0
Shareholders' equity	102,873	96,640	6.4
Shareholders' equity - tangible (a)	78,047	71,437	9.3
AVERAGE BALANCES			
Securities	\$ 151,699	\$ 157,004	(3.4) %
Loans held for sale	1,614	1,328	21.5
Loans, net of unearned income	553,971	542,834	2.1
Interest-earning assets	717,508	714,427	0.4
Goodwill and other intangibles	24,864	25,240	(1.5)
Assets	780,204	778,858	0.2
Assets - tangible (a)	755,340	753,618	0.2
Interest-bearing deposits	486,198	493,806	(1.5)
Deposits	583,410	594,817	(1.9)
Repurchase agreements	54,624	46,254	18.1
Borrowings	33,870	36,720	(7.8)
Shareholders' equity	102,342	95,332	7.4
Shareholders' equity - tangible (a)	77,478	70,092	10.5

Financial Highlights
American National Bankshares Inc. and Subsidiaries

(Dollars in thousands,
except share data, unaudited)

	Three Months Ended March 31		
	2008	2007	Change
CAPITAL			
Average shares outstanding - basic	6,107,832	6,156,812	(0.8) %
Average shares outstanding - diluted	6,121,285	6,185,084	(1.0)
Shares repurchased	28,800	11,600	148.3
Average price of shares repurchased	\$ 20.80	\$ 23.15	(10.2)
ALLOWANCE FOR LOAN LOSSES			
Beginning balance	\$ 7,395	\$ 7,264	1.8 %
Provision for loan losses	140	303	(53.8)
Charge-offs	(170)	(49)	246.9
Recoveries	60	72	(16.7)
Ending balance	\$ 7,425	\$ 7,590	(2.2)
NONPERFORMING ASSETS			
Nonperforming loans:			
90 days past due	\$ -	\$ -	- %
Nonaccrual	2,772	3,689	(24.9)
Foreclosed real estate	550	99	455.6
Nonperforming assets	\$ 3,322	\$ 3,788	(12.3)
ASSET QUALITY RATIOS			
Net chargeoffs (recoveries) to average loans	0.08 %	(0.02) %	10 bp
Nonperforming assets to total assets (c)	0.42	0.48	(6)
Nonperforming loans to total loans (c)	0.50	0.68	(18)
Allowance for loan losses to total loans (c)	1.34	1.40	(6)
Allowance for loan losses to nonperforming loans (c)	2.68 X	2.06 X	62
OTHER DATA			
Fiduciary assets at period-end (d)	\$ 386,375	\$ 388,405	(0.5) %
Retail brokerage assets at period-end (d)	\$ 89,927	\$ 81,270	10.7
Number full time-time equivalent employees	258	257	0
Number of full service offices	19	18	6
Number of loan production offices	1	1	-
Number of ATM's	23	23	-

Notes:

- (a) - Excludes goodwill and other intangible assets
- (b) - Excludes amortization expense, net of tax, of intangible assets
- (c) - Balance sheet amounts used in calculations are based on period-end balances
- (d) - Market value
- bp - Change is measured in basis points