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Traded: NASDAQ Global Select Market **Symbol:** AMNB

AMERICAN NATIONAL BANKSHARES INC. REPORTS FOURTH QUARTER AND FULL-YEAR 2008 EARNINGS

- *Net income of \$8.02 million for the year; \$1.68 million for the fourth quarter*
- *Net interest margin 3.87% for the year; 3.85% for the fourth quarter*
- *Increased net charge-offs and provisions for loan losses*
- *Allowance for loan losses 1.37% of loans*
- *Shareholders' equity of \$102.3 million represents 13% of assets*

Danville, VA -- American National Bankshares Inc. (NASDAQ: AMNB), parent company of American National Bank and Trust Company, today announced unaudited earnings of \$8.02 million for 2008. This net income produced returns on average assets and average equity of 1.02% and 7.79%, respectively. Earnings per share were \$1.32 on a basic basis, and \$1.31 on a diluted basis. Net income for the fourth quarter of 2008 was \$1.68 million, which produced annualized returns on average assets and average equity of 0.86% and 6.53%, respectively. Fourth quarter earnings per share were \$0.28 on both a basic and diluted basis.

Challenging Economic Conditions

National economic conditions remain under significant stress, and the U.S. Government has taken numerous measures to provide liquidity and stability to the financial markets. These conditions have produced a banking environment of low interest rates, tight margins, slow growth, declining credit quality, and lower earnings.

Strong Financial Performance

“American National continues to perform well under difficult economic conditions,” stated Charles H. Majors, President and Chief Executive Officer. “While the standards of performance in our industry have changed significantly due to the dramatic events taking place in the economy, I am pleased that, during 2008, American National once again exceeded industry averages for earnings, capital, and credit quality. Through our strategic focus on soundness, efficiency, and profitability, we have avoided many of the issues encountered by other financial institutions. While maintaining our credit standards, we increased our net loans by approximately \$20 million in 2008.”

Capital Remains High

American National’s capital ratios are among the highest in the country. At December 31, 2008, total shareholders’ equity was 13.0% of assets, and the ratio of tangible equity to tangible assets was 10.2%. As a result of its strong capital position, American National elected not to participate in the United States Treasury Department’s voluntary Capital Purchase Program.

Credit Quality Measurements Remain Below Industry Averages; Charge-Offs Increase

Nonperforming assets were below industry averages and represented 0.91% of total assets at December 31, 2008, compared to 0.92% at September 30, 2008. Nonperforming assets at year-end consisted of \$2.85 million of nonaccrual loans and \$4.31 million of foreclosed real estate. Net charge-offs increased to \$859,000 during the fourth quarter of 2008, and were comprised of \$1.01 million of charge-offs and \$153,000 of recoveries. One development loan accounted for \$575,000 of the fourth quarter charge-offs; the same loan accounted for \$3.26 million of the year-end foreclosed real estate. Loans 30-89 days delinquent remain well below industry averages, at 0.28% of loans as of December 31, 2008. The allowance for loans losses was \$7.82 million, or 1.37% of loans, at year-end 2008.

Lower Interest Rates Impact Net Interest Income

Net interest income declined from \$6.86 million in the third quarter of 2008 to \$6.72 million in the fourth quarter. For the full year 2008, net interest income was \$27.03 million, compared to \$29.23 million in 2007. Net interest income was adversely impacted by a series of rate reductions enacted by the Federal Reserve beginning in September 2007. The Federal Reserve lowered the federal funds rate most recently in December 2008. This rate reduction negatively impacted fourth quarter 2008 interest income, and will also negatively impact interest income in the first quarter of 2009.

Economic Conditions Impact Noninterest Income

Noninterest income totaled \$1.88 million in the fourth quarter of 2008, compared with \$2.06 million in the previous quarter. Adverse changes in the financial markets negatively impacted the income derived from trust, retail brokerage, and mortgage banking services. Other fees and commissions increased during the fourth quarter due in large part to increased income related to check card services.

Noninterest Expense Up Slightly in Fourth Quarter

Noninterest expense totaled \$5.55 million in the fourth quarter of 2008, compared to \$5.49 million in the previous quarter and \$5.33 million in the fourth quarter of 2007. Increases in noninterest expense over the prior year have been modest, due to expense control practices. During 2007 and through the first nine months of 2008, the Company, like many other financial institutions, incurred minimal FDIC insurance premium expense, due to a credit that was used to offset the expense. During the fourth quarter of 2008, American National exhausted the credit and began incurring FDIC insurance premium expense. The amount of the expense is determined based on the level of deposits and other factors. Additionally, the FDIC recently announced an increase in insurance premiums for 2009. As a result of these two occurrences, FDIC insurance expense is expected to increase in 2009, compared to 2008.

New Branch Location Opened

On January 26, 2009, American National opened a full service office located in the Piedmont Drive section of Danville, Virginia. Two existing Danville branch offices are being consolidated into the new Piedmont Drive office, which offers expanded business hours, retail lending services, and additional space for administrative offices.

About American National

American National Bankshares Inc. is a bank holding company with assets of \$789 million. Headquartered in Danville, Virginia, it is the holding company of American National Bank and Trust Company, a community bank serving Southern and Central Virginia and the northern portion of Central North Carolina with twenty banking offices and a loan production office. The Bank also manages an additional \$411 million of assets in its Trust and Investment Services Division.

American National Bank and Trust Company provides a full array of financial products and services, including commercial, mortgage, and consumer banking; trust and investment services; and insurance. Services are also provided through twenty-four ATMs, “AmeriLink” Internet banking, and 24-hour “Access American” telephone banking. Additional information is available on the Bank’s website at www.amnb.com. The shares of American National Bankshares Inc. are traded on the NASDAQ Global Select Market under the symbol “AMNB.”

Forward-Looking Statements

This press release may contain “forward-looking statements,” within the meaning of federal securities laws that involve significant risks and uncertainties. Statements herein are based on certain assumptions and analyses by the Corporation and are factors it believes are appropriate in the circumstances. Actual results could differ materially from those contained in or implied by such statements for a variety of reasons including, but not limited to: changes in interest rates; changes in accounting principles, policies, or guidelines; significant changes in the economic scenario; significant changes in regulatory requirements; and significant changes in securities markets. Consequently, all forward-looking statements made herein are qualified by these cautionary statements and the cautionary language in the Corporation’s most recent Form 10-K report and other documents filed with the Securities and Exchange Commission. American National Bankshares Inc. does not undertake to update forward-looking statements to reflect circumstances or events that occur after the date the forward-looking statements are made.

American National Bankshares Inc. and Subsidiaries

Consolidated Balance Sheets

(Dollars in thousands, except share data)

Unaudited

ASSETS	December 31	
	2008	2007
Cash and due from banks	\$ 15,909	\$ 18,155
Interest-bearing deposits in other banks	8,189	149
Securities available for sale, at fair value	133,695	145,159
Securities held to maturity	7,121	11,990
Total securities	140,816	157,149
Loans held for sale	1,764	1,368
Loans, net of unearned income	571,110	551,391
Less allowance for loan losses	(7,824)	(7,395)
Net Loans	563,286	543,996
Premises and equipment, net	17,431	13,348
Other real estate owned	4,311	632
Goodwill	22,468	22,468
Core deposit intangibles, net	2,075	2,452
Accrued interest receivable and other assets	12,935	12,571
Total assets	\$ 789,184	\$ 772,288
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Demand deposits -- noninterest-bearing	\$ 95,703	\$ 99,231
Demand deposits -- interest-bearing	116,132	104,751
Money market deposits	56,615	50,254
Savings deposits	59,624	62,400
Time deposits	261,064	264,585
Total deposits	589,138	581,221
Short-term borrowings:		
Customer repurchase agreements	51,741	47,891
Other short-term borrowings	7,850	7,200
Long-term borrowings	13,787	8,937
Trust preferred capital notes	20,619	20,619
Accrued interest payable and other liabilities	3,749	4,909
Total liabilities	686,884	670,777
Shareholders' equity:		
Common stock, \$1 par, 10,000,000 shares authorized, 6,085,628 shares outstanding at December 31, 2008 and 6,118,717 shares outstanding at December 31, 2007	6,086	6,119
Capital in excess of par value	26,491	26,425
Retained earnings	71,090	69,409
Accumulated other comprehensive income (loss), net	(1,367)	(442)
Total shareholders' equity	102,300	101,511
Total liabilities and shareholders' equity	\$ 789,184	\$ 772,288

American National Bankshares Inc. and Subsidiaries

Consolidated Statements of Income

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

Unaudited

	Three Months Ended		Twelve Months Ended	
	December 31		December 31	
	2008	2007	2008	2007
Interest and Dividend Income:				
Interest and fees on loans	\$ 8,594	\$ 10,506	\$ 35,941	\$ 41,499
Interest and dividends on securities:				
Taxable	1,151	1,185	4,795	4,409
Tax-exempt	381	431	1,621	1,690
Dividends	23	74	214	320
Other interest income	76	104	301	679
Total interest and dividend income	<u>10,225</u>	<u>12,300</u>	<u>42,872</u>	<u>48,597</u>
Interest Expense:				
Interest on deposits	2,737	3,888	12,280	15,535
Interest on short-term borrowings	289	492	1,629	1,860
Interest on long-term borrowings	134	119	557	602
Interest on trust preferred capital notes	343	343	1,373	1,373
Total interest expense	<u>3,503</u>	<u>4,842</u>	<u>15,839</u>	<u>19,370</u>
Net Interest Income	6,722	7,458	27,033	29,227
Provision for loan losses	<u>600</u>	<u>100</u>	<u>1,620</u>	<u>403</u>
Net Interest Income After Provision for Loan Losses	<u>6,122</u>	<u>7,358</u>	<u>25,413</u>	<u>28,824</u>
Noninterest Income:				
Trust fees	770	914	3,467	3,578
Service charges on deposit accounts	555	653	2,324	2,531
Other fees and commissions	235	195	857	786
Mortgage banking income	155	195	788	954
Brokerage fees	61	111	431	550
Securities gains (losses), net	-	1	(195)	135
Impairment of securities	-	(362)	(255)	(362)
Other	99	196	496	650
Total noninterest income	<u>1,875</u>	<u>1,903</u>	<u>7,913</u>	<u>8,822</u>
Noninterest Expense:				
Salaries	2,376	2,404	9,792	9,688
Employee benefits	789	585	3,001	2,749
Occupancy and equipment	909	967	3,701	3,527
Bank franchise tax	172	165	694	663
Core deposit intangible amortization	94	94	377	377
Other	1,207	1,114	4,559	4,322
Total noninterest expense	<u>5,547</u>	<u>5,329</u>	<u>22,124</u>	<u>21,326</u>
Income Before Income Taxes	2,450	3,932	11,202	16,320
Income Taxes	<u>767</u>	<u>1,157</u>	<u>3,181</u>	<u>4,876</u>
Net Income	<u>\$ 1,683</u>	<u>\$ 2,775</u>	<u>\$ 8,021</u>	<u>\$ 11,444</u>
Net Income Per Common Share:				
Basic	\$ 0.28	\$ 0.45	\$ 1.32	\$ 1.86
Diluted	\$ 0.28	\$ 0.45	\$ 1.31	\$ 1.86
Average Common Shares Outstanding:				
Basic	6,086,868	6,117,571	6,096,649	6,139,095
Diluted	6,090,844	6,133,807	6,105,154	6,161,825

Financial Highlights

American National Bankshares Inc. and Subsidiaries

(Dollars in thousands,
except share data, unaudited)

	4th Qtr 2008	3rd Qtr 2008	4th Qtr 2007	YTD 2008	YTD 2007
EARNINGS					
Interest income	\$ 10,225	\$ 10,599	\$ 12,300	\$ 42,872	\$ 48,597
Interest expense	3,503	3,743	4,842	15,839	19,370
Net interest income	6,722	6,856	7,458	27,033	29,227
Provision for loan losses	600	280	100	1,620	403
Noninterest income	1,875	2,062	1,903	7,913	8,822
Noninterest expense	5,547	5,485	5,329	22,124	21,326
Income taxes	767	929	1,157	3,181	4,876
Net income	1,683	2,224	2,775	8,021	11,444
PER COMMON SHARE					
Earnings per share - basic	\$ 0.28	\$ 0.36	\$ 0.45	\$ 1.32	\$ 1.86
Earnings per share - diluted	0.28	0.36	0.45	1.31	1.86
Cash dividends declared	0.23	0.23	0.23	0.92	0.91
Book value per share	16.81	16.86	16.59	16.81	16.59
Book value per share - tangible (a)	12.78	12.82	12.52	12.78	12.52
Closing market price	17.00	18.00	19.97	17.00	19.97
FINANCIAL RATIOS					
Return on average assets	0.86 %	1.13 %	1.44 %	1.02 %	1.48 %
Return on average equity	6.53	8.72	11.05	7.79	11.69
Return on average tangible equity (b)	8.90	11.84	15.05	10.60	16.09
Average equity to average assets	13.13	12.97	12.99	13.10	12.65
Net interest margin, taxable equivalent	3.85	3.90	4.31	3.87	4.24
Efficiency ratio	62.36	59.51	53.58	60.83	54.44
Effective tax rate	31.31	29.46	29.43	28.40	29.88
PERIOD-END BALANCES					
Securities	140,816	\$ 141,247	\$ 157,149	\$ 140,816	\$ 157,149
Loans held for sale	1,764	2,269	1,368	1,764	1,368
Loans, net of unearned income	571,110	576,598	551,391	571,110	551,391
Goodwill and other intangibles	24,543	24,637	24,920	24,543	24,920
Assets	789,184	800,645	772,288	789,184	772,288
Assets - tangible (a)	764,641	776,008	747,368	764,641	747,368
Deposits	589,138	589,057	581,221	589,138	581,221
Customer repurchase agreements	51,741	44,951	47,891	51,741	47,891
Other short-term borrowings	7,850	25,920	7,200	7,850	7,200
Long-term borrowings	34,406	34,444	29,556	34,406	29,556
Shareholders' equity	102,300	102,714	101,511	102,300	101,511
Shareholders' equity - tangible (a)	77,757	78,077	76,591	77,757	76,591
AVERAGE BALANCES					
Securities	\$ 137,947	\$ 141,697	\$ 148,741	\$ 145,371	\$ 147,480
Loans held for sale	1,669	1,986	1,211	1,869	1,842
Loans, net of unearned income	571,081	572,196	553,900	565,530	547,934
Interest-earning assets	720,197	724,368	713,270	722,009	710,687
Goodwill and other intangibles	24,600	24,695	24,957	24,736	25,098
Assets	785,182	786,804	773,228	785,868	773,639
Assets - tangible (a)	760,582	762,109	748,271	761,132	748,541
Interest-bearing deposits	491,701	480,133	484,395	483,544	488,209
Deposits	590,196	577,263	586,545	581,701	590,212
Customer repurchase agreements	49,868	51,038	51,562	52,264	48,088
Other short-term borrowings	6,788	17,589	340	9,818	346
Long-term borrowings	34,436	34,474	29,586	34,235	32,245
Shareholders' equity	103,126	102,052	100,481	102,917	97,854
Shareholders' equity - tangible (a)	78,526	77,357	75,524	78,181	72,756

Financial Highlights
American National Bankshares Inc. and Subsidiaries

(Dollars in thousands,
except share data, unaudited)

	4th Qtr 2008	3rd Qtr 2008	4th Qtr 2007	YTD 2008	YTD 2007
CAPITAL					
Average shares outstanding - basic	6,086,868	6,093,851	6,117,571	6,096,649	6,139,095
Average shares outstanding - diluted	6,090,844	6,100,089	6,133,807	6,105,154	6,161,825
Shares repurchased	7,100	7,850	8,700	46,150	61,900
Average price of shares repurchased	\$ 16.40	\$ 17.42	\$ 21.93	\$ 19.58	\$ 21.96
ALLOWANCE FOR LOAN LOSSES					
Beginning balance	\$ 8,083	\$ 7,932	\$ 7,334	\$ 7,395	\$ 7,264
Provision for loan losses	600	280	100	1,620	403
Charge-offs	(1,012)	(179)	(84)	(1,564)	(515)
Recoveries	153	50	45	373	243
Ending balance	\$ 7,824	\$ 8,083	\$ 7,395	\$ 7,824	\$ 7,395
LOANS					
Construction and land development	\$ 63,361	\$ 65,826	\$ 69,803	\$ 63,361	\$ 69,803
Commercial real estate	207,160	208,046	198,332	207,160	198,332
Residential real estate	136,480	139,683	133,899	136,480	133,899
Home equity	57,170	55,665	48,313	57,170	48,313
Commercial and industrial	98,546	99,139	91,028	98,546	91,028
Consumer	8,393	8,239	10,016	8,393	10,016
Total	\$ 571,110	\$ 576,598	\$ 551,391	\$ 571,110	\$ 551,391
NONPERFORMING ASSETS AT PERIOD-END					
Nonperforming loans:					
90 days past due	\$ -	\$ -	\$ -	\$ -	\$ -
Nonaccrual	2,845	6,674	2,639	2,845	2,639
Foreclosed real estate	4,311	707	632	4,311	632
Nonperforming assets	\$ 7,156	\$ 7,381	\$ 3,271	\$ 7,156	\$ 3,271
ASSET QUALITY RATIOS					
Annualized net chargeoffs to average loans	0.60 %	0.09 %	0.03 %	0.21 %	0.05 %
Nonperforming assets to total assets	0.91	0.92	0.42	0.91	0.42
Nonperforming loans to total loans	0.50	1.16	0.48	0.50	0.48
Allowance for loan losses to total loans	1.37	1.40	1.34	1.37	1.34
Allowance for loan losses to nonperforming loans	275.01	121.11	280.22	275.01	280.22
OTHER DATA					
Fiduciary assets at period-end (c)	\$ 326,614	\$ 368,341	\$ 404,478	\$ 326,614	\$ 404,478
Retail brokerage assets at period-end (c)	\$ 84,348	\$ 91,026	\$ 95,539	\$ 84,348	\$ 95,539
Number full time-time equivalent employees	258	258	263	258	259
Number of full service offices	20	20	19	20	19
Number of loan production offices	1	1	1	1	1
Number of ATM's	24	23	23	24	23

Notes:

- (a) - Excludes goodwill and other intangible assets
- (b) - Excludes amortization expense, net of tax, of intangible assets
- (c) - Market value

Net Interest Income Analysis
For the Three Months Ended December 31, 2008 and 2007

	<u>Average Balance</u>		<u>Interest Income/Expense</u>		<u>Yield/Rate</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Loans:						
Commercial	\$ 93,548	\$ 88,330	\$ 1,296	\$ 1,694	5.54 %	7.67 %
Real Estate	470,968	456,583	7,132	8,596	6.06	7.53
Consumer	8,234	10,198	189	233	9.18	9.14
Total loans	<u>572,750</u>	<u>555,111</u>	<u>8,617</u>	<u>10,523</u>	<u>6.02</u>	<u>7.58</u>
Securities:						
Federal agencies	43,373	58,408	533	695	4.92	4.76
Mortgage backed	46,237	36,499	581	463	5.03	5.07
State and municipal	43,180	47,272	595	644	5.51	5.45
Other securities	5,157	6,562	34	96	2.64	5.85
Total securities	<u>137,947</u>	<u>148,741</u>	<u>1,743</u>	<u>1,898</u>	<u>5.05</u>	<u>5.10</u>
Deposits in other banks	<u>9,500</u>	<u>9,418</u>	<u>76</u>	<u>104</u>	<u>3.20</u>	<u>4.42</u>
Total interest-earning assets	720,197	713,270	<u>10,436</u>	<u>12,525</u>	<u>5.80</u>	<u>7.02</u>
Non-earning assets	<u>64,985</u>	<u>59,958</u>				
Total assets	<u>\$ 785,182</u>	<u>\$ 773,228</u>				
Deposits:						
Demand	\$ 112,556	\$ 102,991	203	305	0.72	1.18
Money market	57,514	52,740	232	345	1.61	2.62
Savings	60,169	63,236	55	160	0.37	1.01
Time	261,462	265,428	2,247	3,078	3.44	4.64
Total deposits	<u>491,701</u>	<u>484,395</u>	<u>2,737</u>	<u>3,888</u>	<u>2.23</u>	<u>3.21</u>
Customer repurchase agreements	49,868	51,562	274	488	2.20	3.79
Other short-term borrowings	6,788	340	15	4	0.88	4.71
Long-term borrowings	34,436	29,586	477	462	5.54	6.25
Total interest-bearing liabilities	<u>582,793</u>	<u>565,883</u>	<u>3,503</u>	<u>4,842</u>	<u>2.40</u>	<u>3.42</u>
Noninterest-bearing demand deposits	98,495	102,150				
Other liabilities	768	4,714				
Shareholders' equity	<u>103,126</u>	<u>100,481</u>				
Total liabilities and shareholders' equity	<u>\$ 785,182</u>	<u>\$ 773,228</u>				
Interest rate spread					<u>3.40 %</u>	<u>3.60 %</u>
Net interest margin					<u>3.85 %</u>	<u>4.31 %</u>
Net interest income (taxable equivalent basis)			6,933	7,683		
Less: Taxable equivalent adjustment			211	225		
Net interest income			<u>\$ 6,722</u>	<u>\$ 7,458</u>		

Table 1 - Net Interest Income Analysis
For the Years Ended December 31, 2008 and 2007

(in thousands, except yields and rates)

	Average Balance			Interest Income/Expense			Average Yield/Rate		
	2008	2007	2006	2008	2007	2006	2008	2007	2006
Loans:									
Commercial	\$ 91,117	\$ 89,673	\$ 84,676	\$ 5,515	\$ 6,980	\$ 6,481	6.05 %	7.78 %	7.65 %
Real Estate	467,508	449,683	416,530	29,712	33,621	29,813	6.36	7.48	7.16
Consumer	8,774	10,420	12,287	795	975	1,152	9.06	9.36	9.38
Total loans	<u>567,399</u>	<u>549,776</u>	<u>513,493</u>	<u>36,022</u>	<u>41,576</u>	<u>37,446</u>	<u>6.35</u>	<u>7.56</u>	<u>7.29</u>
Securities:									
Federal agencies	45,660	68,521	94,589	2,215	3,032	3,745	4.85	4.42	3.96
Mortgage-backed	47,997	25,406	21,197	2,433	1,255	988	5.07	4.94	4.66
State and municipal	45,573	46,069	46,735	2,505	2,530	2,624	5.50	5.49	5.61
Other	6,141	7,484	11,059	277	438	621	4.51	5.85	5.62
Total securities	<u>145,371</u>	<u>147,480</u>	<u>173,580</u>	<u>7,430</u>	<u>7,255</u>	<u>7,978</u>	<u>5.11</u>	<u>4.92</u>	<u>4.60</u>
Deposits in other banks	9,239	13,431	12,922	301	679	620	3.26	5.06	4.80
Total interest earning assets	<u>722,009</u>	<u>710,687</u>	<u>699,995</u>	<u>43,753</u>	<u>49,510</u>	<u>46,044</u>	<u>6.06</u>	<u>6.97</u>	<u>6.58</u>
Nonearning assets	<u>63,859</u>	<u>62,952</u>	<u>57,807</u>						
Total assets	<u>\$ 785,868</u>	<u>\$ 773,639</u>	<u>\$ 757,802</u>						
Deposits:									
Demand	\$ 109,492	\$ 107,834	\$ 105,320	803	1,550	1,513	0.73 %	1.44 %	1.44 %
Money market	53,659	52,843	48,124	1,011	1,429	1,180	1.88	2.70	2.45
Savings	61,620	66,246	77,445	331	845	963	0.54	1.28	1.24
Time	258,773	261,286	255,856	10,135	11,711	9,693	3.92	4.48	3.79
Total deposits	<u>483,544</u>	<u>488,209</u>	<u>486,745</u>	<u>12,280</u>	<u>15,535</u>	<u>13,349</u>	<u>2.54</u>	<u>3.18</u>	<u>2.74</u>
Customer repurchase agreements	52,264	48,088	40,970	1,377	1,841	1,384	2.63	3.83	3.38
Other short-term borrowings	9,818	346	1,240	252	19	69	2.57	5.49	5.56
Long-term borrowings	34,235	32,245	31,847	1,930	1,975	1,859	5.64	6.12	5.84
Total interest bearing liabilities	<u>579,861</u>	<u>568,888</u>	<u>560,802</u>	<u>15,839</u>	<u>19,370</u>	<u>16,661</u>	<u>2.73</u>	<u>3.40</u>	<u>2.97</u>
Noninterest bearing demand deposits	98,157	102,003	102,117						
Other liabilities	4,933	4,894	5,059						
Shareholders' equity	102,917	97,854	89,824						
Total liabilities and shareholders' equity	<u>\$ 785,868</u>	<u>\$ 773,639</u>	<u>\$ 757,802</u>						
Interest rate spread							<u>3.33 %</u>	<u>3.57 %</u>	<u>3.61 %</u>
Net interest margin							<u>3.87 %</u>	<u>4.24 %</u>	<u>4.20 %</u>
Net interest income (taxable equivalent basis)				27,914	30,140	29,383			
Less: Taxable equivalent adjustment				881	913	974			
Net interest income				<u>\$ 27,033</u>	<u>\$ 29,227</u>	<u>\$ 28,409</u>			