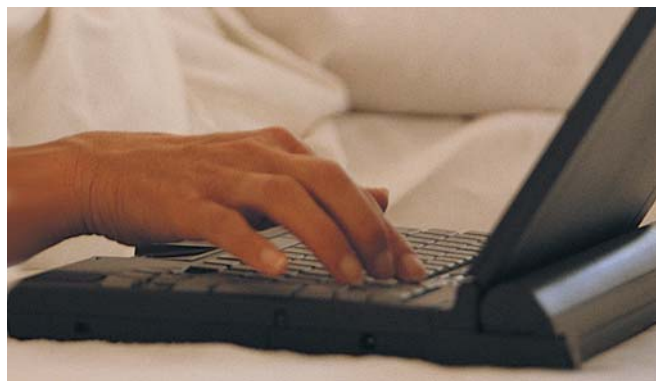


ANNUAL REPORT

2004



*Community
Service
Quality
Trust*



American National
Bankshares Inc.

Your Guide

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2004 Annual Report

American National Bankshares Inc. is the holding company of American National Bank and Trust Company, a community bank with thirteen offices in Danville, Chatham, Collinsville, Gretna, Martinsville, Henry County, and South Boston, Virginia; one office in Yanceyville, North Carolina; and a loan production office in Greensboro, North Carolina. 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 eighteen ATMs, "AmeriLink" Internet Banking, and our 24-hour "Access American" phone banking.

Annual Shareholders' Meeting

The Annual Meeting of Shareholders of American National Bankshares Inc. will be held Tuesday, April 26, 2005 at 11:30 a. m. at The Wednesday Club, 1002 Main Street, Danville, Virginia.

About The Report

This 2004 Annual Report is presented in a summary format to provide information regarding the performance of American National Bankshares Inc. in a manner which is meaningful and useful to the widest range of readers. The audited consolidated financial statements of American National Bankshares Inc. and subsidiaries and more detailed analytical information are contained in the American National Bankshares Inc. 2004 Annual Report on Form 10-K filed with the Securities and Exchange Commission.

Financial Highlights

(in thousands, except per share amounts)

American National Bankshares Inc. and Subsidiary

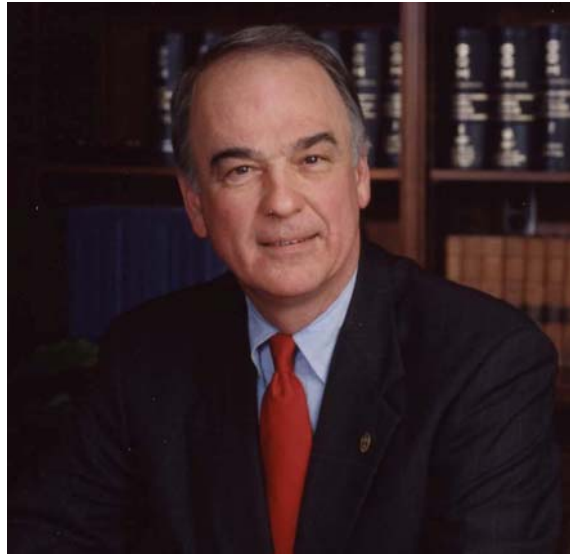
Operations Information:	2004	2003	2002	2001	2000
Interest income	\$ 30,120	\$ 32,178	\$ 35,135	\$ 39,820	\$ 38,606
Interest expense	7,479	9,391	12,310	17,502	17,343
Net interest income	22,641	22,787	22,825	22,318	21,263
Provision for loan losses	3,095	920	873	1,015	1,020
Noninterest income	6,510	6,671	5,712	5,668	4,771
Noninterest expense	15,011	15,111	14,285	13,614	12,923
Income before income taxes	11,045	13,427	13,379	13,357	12,091
Income taxes	3,032	3,914	3,918	3,942	3,415
Net income	\$ 8,013	\$ 9,513	\$ 9,461	\$ 9,415	\$ 8,676
Balance Sheet Information:					
Securities	\$ 188,163	\$ 207,479	\$ 163,824	\$ 156,791	\$ 162,929
Total loans	407,269	406,245	406,403	375,340	339,756
Total deposits	485,272	501,688	473,562	464,012	426,588
Shareholders' equity	71,000	71,931	70,736	65,397	63,338
Total assets	619,065	644,302	605,859	572,887	541,389
Per Share Information:					
Earnings - basic	\$ 1.43	\$ 1.67	\$ 1.63	\$ 1.58	\$ 1.42
Earnings - diluted	1.42	1.65	1.62	1.58	1.42
Dividends	0.79	0.75	0.71	0.66	0.585
Book value	12.86	12.71	12.24	11.23	10.45
Ratios:					
Return on average assets	1.26%	1.52%	1.63%	1.69%	1.70%
Return on average shareholders' equity	11.15%	13.52%	13.97%	14.49%	14.74%
Average shareholders' equity/average assets	11.34%	11.27%	11.64%	11.68%	11.54%
Total risk-based capital/assets	16.73%	15.99%	15.63%	15.56%	17.09%
Dividend payout ratio	55.05%	44.90%	43.52%	41.68%	41.07%
Net charge-offs to average net loans	0.10%	0.30%	0.15%	0.12%	0.13%
Allowance for loan losses to period-end loans	1.96%	1.30%	1.38%	1.42%	1.40%

MARKET PRICE OF THE CORPORATION'S COMMON STOCK

2004	Nasdaq Closing Price		2003	Nasdaq Closing Price	
	High	Low		High	Low
4th quarter	\$25.33	\$24.06	4th quarter	\$27.23	\$24.99
3rd quarter	\$24.31	\$21.55	3rd quarter	\$28.11	\$24.77
2nd quarter	\$25.26	\$21.01	2nd quarter	\$25.96	\$22.87
1st quarter	\$26.75	\$23.25	1st quarter	\$27.06	\$24.30

Message to Our Shareholders

Charles H. Majors
President and Chief
Executive Officer



March 21, 2005

To Our Shareholders:

The old storyline, “there is some good news and there is some not-so-good news”, is applicable and appropriate as I report to you on 2004.

Let me talk about the “not-so-good news” first. We had reduced earnings for the fourth quarter due to an increase in our allowance for loan losses and an impairment charge on preferred stock we hold in Federal Home Loan Mortgage Corporation (“FHLMC”) and Federal National Mortgage Association (“FNMA”). While both of these were non-cash expenses, the result was that our 2004 earnings were down from our 2003 earnings.

An additional \$2.0 million was added to our loan reserve related to a \$4.5 million loan secured by a hotel in a major North Carolina metropolitan area. Although payments have always been current on the loan, the increased reserve resulted from reduced cash flow of the hotel and a significant reduction in the collateral valuation of the property. As a result, the loan was determined to be impaired and was moved to a non-accrual status as of year end. The addition brought our loan loss reserve to \$7.98 million, which is 1.96% of loans at December 31, 2004. We believe we have fully reserved for our estimated potential exposure with the loan.

The reclassification of an unrealized mark-to-market

loss on the FHLMC and FNMA securities to an other-than-temporary charge was based upon a detailed impairment analysis and does not necessarily reflect the expected long-term value of these government sponsored investment-grade securities.

These two non-cash events resulted in net income for 2004 of \$8.01 million compared with \$9.51 million in 2003. Basic earnings per share (“EPS”) declined from \$1.67 in 2003 to \$1.43 in 2004; diluted EPS declined from \$1.65 to \$1.42.

Now to the good news. First, even with these charges, our Return on Average Assets (“ROA”) was 1.26%, which is in line with the average ROA of our peer banks. More importantly, without the special addition to the loan loss reserve and the securities impairment charge, we estimate that our 2004 EPS would have increased by 4.4% over the prior year and our ROA would have exceeded our peer bank average.

Excluding the securities impairment charge, we had a strong year for noninterest income, with an increase of

12.5%. Our Trust & Investment Services Division had significant growth. We were very pleased with our enhanced Trust office in Martinsville, which contributed greatly to this growth. Revenue for the Trust & Investment Services Division increased 18% for the year.

We continued to be pleased with our expense control. As I have mentioned to you before, a bank's efficiency ratio measures what percentage of revenue is consumed by expenses. Remember that the lower the number the better the ratio. Most banks consider 55-60% to be a successful number. Our efficiency ratio again was below 50% and was, in fact, lower than 2003. We achieve this laudable result by making expense control a bank-wide goal. We know that watching our expenses adds to the bottom line for our shareholders.

As part of our announced plan for growth and expansion, we announced, in April, our expansion into the North Carolina Triad region with the opening of a loan production office in Greensboro. As its name implies, a loan production office is limited to lending. Our strategy is to develop a presence in that market through commercial and real estate lending and, then, to

expand that presence into full service banking. Charles Judy, the Vice President in charge of that office, has done an excellent job during the months he has been with us. We believe that adding this experienced lender is a tremendous opportunity for us to succeed in this nearby growth market.

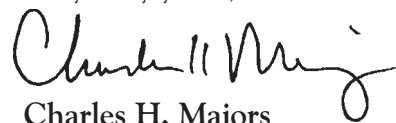
We increased our dividends again in the second quarter and the \$0.79 per share paid in 2004 represented a 5.3% increase over the \$0.75 paid in 2003. Based on the closing stock price on December 31, the current dividend payment of \$0.20 per share provides an annual yield of 3.3%.

In the pages following this message, you will read about

COMMUNITY, SERVICE, QUALITY, TRUST and RECOGNITION. These are key words which represent ingredients for our success – both in 2004 and for future years. I urge you to take a few minutes to read about the things and people that are important to us and to our future.

We appreciate and thank you for your continued support. Please feel free to contact me if you have any questions or if I may be of any assistance to you.

Very truly yours,



Charles H. Majors
*President and
Chief Executive Officer*

*Community, Service, Quality,
Trust and Recognition - the
keys to our success.*





Community

We believe that, in every successful community, there must be a strong, active community bank.



We believe that, in every successful community, there must be a strong, active community bank. American National Bank and Trust Company is your community bank. Since 1909, American National has been providing community banking services through our philosophy of quality financial services with exceptional customer service.

American National is a

community-involved bank. It supports community organizations, events and endeavors through volunteerism, leadership, and financial support. The bank has and will continue to be a leader in charitable and civic support, whether it is financially or through the thousands of hours our employees devote each year to better the communities where we work and live.

We take our role as a community bank very seriously and are proud of the time and talent our employees contribute to our communities each year. Success for American National is dependent on the viability of the markets we serve. That is why we will maintain our commitment to our communities.

We are in the service business. We take pride in serving our customers one-on-one through our mission statement, “to provide quality financial services with exceptional customer service.” We recognize the importance of customer service and that is why *exceptional* customer service is the cornerstone of our business.

The definition of customer service is an organization’s ability to supply their customer’s wants and needs. We take it a step further by not only meeting our customer’s wants and needs, but by making every effort to exceed their expectations while doing so.

We understand that each customer is different and has different needs. We offer a wide array of products and services, which enables us to customize a financial service mix to meet, or exceed, each customer’s needs. Customer service is kept local and decisions are made by local people. Local decisions and service means our customers benefit from flexibility and quick response time. Personalized customer service from a courteous and knowledgeable staff of financial professionals helps us build quality, long lasting relationships with our customers. “*Your Relationship Bank*” is more than just a slogan; it describes our commitment to service and our customers.

Service



Our mission is to provide quality financial services with exceptional customer service.



Quality



We are committed to providing quality financial services to the communities we serve. Quality begins with our people. Our financial experts are knowledgeable, experienced, and meticulous. Whether it is a simple savings account, intricate mortgage loan, or complex trust agreement, our qualified financial professionals review each customer's circumstances and help the individual or business

identify specific needs and goals. Then they work with the customer to determine appropriate products and financial services which will best meet their objectives.

We offer a full range of quality financial products and services. Our customers benefit

Quality begins with our people.

not only from traditional banking products, but also have access to e-banking, trust, investment, and insurance services. Our products and services are designed with the customer in mind. Because all decisions are made locally, we are also able to offer flexibility and quick processing.

Since 1909, our customers have been putting their trust in us. We have been there for their most important financial transactions. It has been an honor to serve several generations of customers in our communities and we look forward to serving many generations to come.

American National has a long track record of providing trusted financial services to our communities. We have worked hard to build long-lasting relationships with our customers, which has contributed greatly to our success over the years.

It is important to trust your financial institution and we take that trust very seriously. That is why we have a staff of highly qualified, professional people. That is why we are well capitalized. That is why we have invested in the latest technology. That is why we have strict security and confidentiality policies. That is why we will maintain our commitment to our customers and the communities we serve.

Trust



It is important to trust your financial institution and we take that trust very seriously.



Consolidated Balance Sheets

December 31, 2004 and 2003

American National Bankshares Inc. and Subsidiary

(Dollars in thousands, except per share data)

	2004	2003
Assets		
Cash and due from banks	\$ 12,371	\$ 16,235
Interest-bearing deposits in other banks	197	1,652
Securities available for sale, at fair value	165,958	171,376
Securities held to maturity (fair value of \$23,088 in 2004 and \$37,455 2003)	22,205	36,103
Total securities	188,163	207,479
Loans held for sale	971	560
Loans, net of unearned income	407,269	406,245
Less allowance for loan losses	(7,982)	(5,292)
Net loans	399,287	400,953
Bank premises and equipment, at cost, less accumulated depreciation of \$12,362 in 2003 and \$11,807 in 2003	7,517	7,718
Core deposit intangibles, net	484	934
Accrued interest receivable and other assets	10,075	8,770
Total assets	\$ 619,065	\$ 644,302

Liabilities and Shareholders' Equity

Liabilities:

Demand deposits — noninterest bearing	\$ 75,256	\$ 71,027
Demand deposits — interest bearing	80,793	69,053
Money market deposits	52,031	59,251
Savings deposits	83,216	83,031
Time deposits	193,976	219,326
Total deposits	485,272	501,688
Repurchase agreements	38,945	47,035
FHLB borrowings	21,338	21,000
Accrued interest payable and other liabilities	2,510	2,648
Total liabilities	548,065	572,371

Shareholders' equity:

Preferred stock, \$5 par, 200,000 shares authorized, none outstanding	—	—
Common stock, \$1 par, 10,000,000 shares authorized, 5,521,164 shares outstanding at December 31, 2004 and 5,660,419 shares outstanding at December 31, 2003	5,521	5,660
Capital in excess of par value	9,437	9,437
Retained earnings	55,780	55,538
Accumulated other comprehensive income, net	225	1,296
Total shareholders' equity	70,000	71,931
Total liabilities and shareholders' equity	\$ 619,065	\$ 644,302

Consolidated Statements of Income

For The Years Ended December 31, 2004, 2003 and 2002
 American National Bankshares Inc. and Subsidiary
 (Dollars in thousands, except per share data)

	2004	2003	2002
Interest Income:			
Interest and fees on loans	\$ 22,791	\$ 25,228	\$ 27,150
Interest and dividends on securities:			
Taxable	5,028	4,771	5,737
Tax-exempt	2,006	1,838	1,664
Dividends	163	231	336
Other interest income	132	110	248
Total interest income	30,120	32,178	35,135
Interest Expense:			
Interest on deposits:	5,979	7,915	10,847
Interest on repurchase agreements	528	497	635
Interest on other borrowings	972	979	828
Total interest expense	7,479	9,391	12,310
Net Interest Income	22,641	22,787	22,825
Provision for Loan Losses	3,095	920	873
Net Interest Income After Provision			
For Loan Losses	19,546	21,867	21,952
Noninterest Income:			
Trust and investment services	2,976	2,523	2,516
Service charges on deposit accounts	2,411	2,163	1,706
Other fees and commissions	888	914	816
Mortgage banking income	612	571	361
Securities gains, net	157	115	39
Impairment of securities	(985)	—	—
Other	451	385	274
Total non interest income	6,510	6,671	5,712
Noninterest Expense:			
Salaries	6,795	6,844	6,519
Pension and other employee benefits	1,699	1,814	1,471
Occupancy and equipment	2,457	2,513	2,460
Bank franchise tax	555	547	513
Core deposit intangible amortization	450	450	450
Other	3,055	2,943	2,872
Total noninterest expense	15,011	15,111	14,285
Income Before Income Tax Provision	11,045	13,427	13,379
Income Tax Provision	3,032	3,914	3,918
Net Income	\$ 8,013	\$ 9,513	\$ 9,461
Net Income Per Common Share:			
Basic	\$ 1.43	\$ 1.67	\$ 1.63
Diluted	\$ 1.42	\$ 1.65	\$ 1.62
Average Common Shares Outstanding:			
Basic	5,591,839	5,702,625	5,800,302
Diluted	5,642,056	5,764,127	5,850,349

Board of Directors

American National Bankshares Inc. American National Bank and Trust Company

Bill Barker, Jr.

President, Barklea, Inc., Danville, VA, tobacco warehouse.
Director since 1996. Committee(s) 1, 4

Richard G. Barkhouser

President, Barkhouser Motors, Inc., Danville, VA, automobile dealership. Director since 1980. Committee(s) 2, 4, 5, 6

Fred A. Blair

President, Blair Construction, Inc., Gretna, VA, commercial building contractor. Director since 1992. Committee(s) 1, 3, 4

Ben J. Davenport, Jr.

Chairman, First Piedmont Corporation, Chatham, VA, waste management. Director since 1992. Committee(s) 4, 5, 6

H. Dan Davis

Retired Executive Vice President of the Corporation. Director since 1996. Committee(s) 3, 4

Michael P. Haley

Chairman, MW Manufacturers, Inc., Rocky Mount, VA, window manufacturing. Director since 2002. Committee(s) 1, 4

Lester A. Hudson, Jr., Ph.D.

Professor and Wayland H. Cato Chair of Leadership, McColl Graduate School of Business, Queens University of Charlotte, Charlotte, NC. Director since 1984. Committee(s) 4, 6

E. Budge Kent, Jr.

Executive Vice President of the Corporation and Executive Vice President & Chief Trust and Investment Officer of the Bank. Director since 1979. Committee(s) 7

Fred B. Leggett, Jr.

Retired Chairman and Chief Executive Officer, Leggett Stores, Danville, VA, retail department stores. Director since 1994. Committee(s) 4, 7

Franklin W. Maddux, M.D.

President, Gamewood, Inc., Danville, VA, information technology services, Chairman, Danville Urologic Clinic, Inc., Danville, VA, health care. Director since 2002. Committee(s) 2, 4

Charles H. Majors

President and Chief Executive Officer of the Corporation and the Bank. Director since 1981. Committee(s) 7

Claude B. Owen, Jr.

Retired Chairman & Chief Executive Officer, DIMON Incorporated, Danville, VA, leaf tobacco dealer. Director since 1984. Committee(s) 2, 4, 5, 7

Committees: 1. Audit & Compliance; 2. Corporate Governance & Nominating; 3. Emergency Preparedness; 4. Loan Review; 5. President's Advisory; 6. Human Resources & Compensation; 7. Trust

Advisory Board

South Boston-Halifax County

William W. Bennett, Jr.
Attorney

Gerald C. Burnett, M.D.
Physician

J. Brian Burton
President
J. E. Burton Construction Co., Inc.

James Edmunds, II
Member
Halifax County Board of Supervisors

W. Joseph Ferguson, M.D.
Physician

Wanda B. Jeffress
Vice President
Jeffress Funeral Home

Chris A. Lumsden
Chief Executive Officer
Halifax Regional Health System

Advisory Board

Martinsville-Henry County

David W. Bowles
Vice President
Stanley Bowles Corp.

James D. Coleman, Jr.
President
R.S.B. Enterprises, Inc.

Joseph C. Compton
Vice President
Compton Wood Products Inc.

Shirley A. Craven
President
Adkins Construction Corp.

Phillip G. Gardner
Attorney

William F. Lemons
President
W.F.L. Company, Inc.

James K. Muehleck, D.D.S.
Dentist

G. Ronald Pigg
President
John Barnes Hardwood Dimensions

Joseph A. Roach
Chief Executive Officer
Memorial Hospital of Martinsville and Henry County

John E. Turner
Co-owner
Riverside Tire Company



American National Bankshares Inc.

Charles H. Majors
President & Chief Executive Officer

E. Budge Kent, Jr.
Executive Vice President

Jeffrey V. Haley
Senior Vice President

R. Helm Dobbins
Senior Vice President

Neal A. Petrovich
*Senior Vice President
Secretary & Treasurer*

Dabney T. P. Gilliam, Jr.
Senior Vice President

Carolyn H. Compton
Assistant Secretary



American National Bank AND TRUST COMPANY

Charles H. Majors
President & Chief Executive Officer

E. Budge Kent, Jr.
*Executive Vice President
& Chief Trust and Investment Officer*

R. Helm Dobbins
Senior Vice President & Chief Credit Officer

Dabney T. P. Gilliam, Jr.
Senior Vice President & Chief Banking Officer

Jeffrey V. Haley
*Senior Vice President &
Chief Administrative Officer*

Neal A. Petrovich
*Senior Vice President &
Chief Financial Officer*

Cheryl L. Clark
Vice President

L. Michael Coleman
Vice President

Michael L. Dance
Vice President

Wayne D. Holley
Vice President

James R. Jefferson
Vice President & Controller

James H. Johnson, Jr.
Vice President & City Executive

E. C. Jordan
Vice President & City Executive

Charles E. Judy, Jr.
Vice President

Ronnie F. Moore
Vice President

Beverly Scruggs
Vice President

Phillip H. Strader
Vice President

Linda H. Coleman
Director of Internal Audit

Betty C. Penick
Director of Compliance

William B. Stephens, Jr.
Director of Technology Development

Wayne M. Barker
Assistant Vice President

Thomas Y. Chandler
Assistant Vice President

Sue B. Hair
Assistant Vice President

Moir G. Hairfield
Assistant Vice President

Barry J. Shields
Assistant Vice President

William S. Via
Assistant Vice President

Mary H. Wertz
Assistant Vice President

Loretta B. Aron
Trust Officer

Scott E. Baker
Banking Associate

Jane S. Baynes
Deposit Operations Manager

Sean A. Brown
Banking Officer

Shirley O. Bryant
Banking Officer

Patricia B. Burnett
Mortgage Operations Manager

Catherine N. Chandler
Trust & Investment Operations Manager

Carolyn H. Compton
Assistant to the President

Linda A. Conner
Banking Officer

Rita Cook-Raynor
Banking Officer

Lynne H. Cousins
Loan Documentation Administrator

Binnie Y. Davis
Loan Officer

Angela Dyer-Cannon
Senior Internal Auditor

Joseph T. Dykes
Collector

J. Joyner Edmundson, Jr.
Investment Associate

Janice O. England
Banking Officer

Trudy Epps
Loan Documentation Administrator

Thomas W. Freeze
Investment Consultant

Robert S. Fuller
Banking Officer

Brenda L. Gibson
Accounting Specialist

John B. Hall, Jr.
Trust Officer

Donna M. Hankins
Human Resources Administrator

Kimberly T. Harris
Trust Administrative Associate

Kaye S. Hayden
Banking Officer

Babette Hoffman-Price
Loan Officer

Robert A. Howard
Credit Analyst

Patricia T. Hudson
Accounting Specialist

Elizabeth S. Hylton
Marketing & Community Affairs Officer

Lisa G. Johnston
Accounting Specialist

Elaine T. Jones
Banking Officer

Todd S. Jones
Banking Officer

Judy P. Keesee
Business Development Officer

Doris A. Kendrick
Banking Officer

Jennifer S. Krantz
Banking Officer

Joanne C. Mann
Investment Consultant

Randall J. McDaniel
Credit Administrator

Sandra H. Miller
Banking Officer

Katja Milligan-Collie
Banking Associate

Anne D. Moore
Loan Operations Officer

Mary S. Nester
Banking Officer

Frances H. Sam
Banking Associate

Bernetha W. Saunders
Banking Associate

Beth M. Searce
Loan Documentation Officer

William D. Shealy
Trust Investment Officer

Katherine P. Shelton
Banking Associate

Whitney B. Sides
Assistant Auditor

Gwen L. Smith
Banking Officer

Mary Jac Sparks
Banking Officer

Angela V. Tanner
Loan Documentation Administrator

Eugene A. Tate
Collector

Lorrie K. Teegen
Trust Officer

Thomas G. Tune
Mortgage Sales Manager

Richard B. Waters
Systems Analyst

Phyllis A. Wiles
Trust Operations Manager

Shirley J. Witt
Banking Associate

Jeffrey A. Young
Credit & Financial Analysis Manager



Recognition



January
Barry Shields



February
Sue Hair



March
Beth Searce



April
Brandy Reagan



May
Loretta Aron



June
Binnie Davis



July
Kristy Amos



August
Angela Cross



September
Phyllis Wiles



October
Doris Ann Kendrick



November
Mary West



December
Mary Nester

Our employees are our most valuable asset. Their hard work ethic, attention to detail, and energy are what make American National successful. That is why we find it important to recognize outstanding employees for their accomplishments.

Each month we recognize an Employee of the Month. Nominations are submitted by fellow employees and must describe examples of outstanding job performance or customer service. Our 2004 Employees of the Month are featured on the left side of this page.

The EYE Award, or Exceeding Your Expectations Award, is a special recognition that was started in 2004. Periodically, our senior management chooses to recognize a department or branch office for *exceptional* sales or service. There were three recipient groups in 2004.

Each year, one lucky employee is selected Employee of the Year. Nominations are collected both internally and from customers. The winner receives a trip for two to Walt Disney World in Orlando, Florida.

Employee of the Year



Loretta Aron
Trust Officer
Main Office

EYE Award

Airport Office



Trust & Investments Martinsville Office



Audit Department



General Information

American National Bankshares Inc.

CONTACT INFORMATION

American National Bankshares Inc.
628 Main Street
P. O. Box 191
Danville, VA 24543
434-792-5111

WEBSITE

Please visit www.amnb.com for information concerning our products and services, news releases, and financial information.

SHAREHOLDER INFORMATION

Shareholders needing information on stock transfer requirements, lost certificates, dividends, and other shareholder matters may contact Carolyn Compton, Assistant Secretary, at the address above, by calling 434-773-2220 or by e-mail at comptonc@amnb.com.

DIVIDEND REINVESTMENT PLAN

For information on purchasing additional shares of American National Bankshares Inc. stock through the dividend-reinvestment plan, shareholders may contact Carolyn Compton, Assistant Secretary, at the address above, by calling 434-773-2220, or by e-mail at comptonc@amnb.com.

STOCK LISTING

American National Bankshares Inc.'s common stock is listed on the NASDAQ National Market under the symbol "AMNB".

INVESTOR RELATIONS

& FINANCIAL STATEMENTS

A copy of Form 10-K and quarterly reports on Form 10-Q, as filed with the Securities and Exchange Commission, are available without charge to stockholders upon written request and are also available on our website at www.amnb.com. Requests for this or other financial information about American National Bankshares Inc. should be directed to Neal A. Petrovich, Senior Vice President and Chief Financial Officer, at the address above, by telephone at 434-773-2242, or by e-mail at petrovichn@amnb.com.

INDEPENDENT AUDITORS

Yount, Hyde & Barbour, P.C.
50 South Cameron Street
Winchester, VA 22601

EQUAL OPPORTUNITY EMPLOYER

American National Bankshares Inc. is an equal opportunity employer. All matters regarding recruiting, hiring, training, compensation, benefits, promotions, transfers and all other personnel policies will remain free from discriminatory practices.

Bank Offices

Main Office - 628 Main Street, Danville, VA 24541

Airport Office - 1407 South Boston Road, Danville, VA 24540

Chatham Office - 13880 U. S. Highway 29, Chatham, VA 24531

Collinsville Office - 2484 Virginia Avenue, Collinsville, VA 24078

Greensboro Loan Production Office - 600 Green Valley Road Suite 210, Greensboro, NC 27408

Gretna Office - 109 Main Street, Gretna, VA 24557

Martinsville Office - 201 East Main Street, Martinsville, VA 24112

Nor-Dan Office - 239 Nor-Dan Drive, Danville, VA 24540

Riverside Office - 1081 Riverside Drive, Danville, VA 24541

South Boston Office - 3229 Halifax Road, South Boston, VA 24592

South Main Office - 1013 South Main Street, Danville, VA 24541

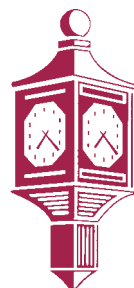
Tower Drive Office - 103 Tower Drive, Danville, VA 24540

West Main Office - 2016 West Main Street, Danville, VA 24541

Yanceyville Office - 173 Main Street, Yanceyville, NC 27379

220 South Office - 3810 Greensboro Road, Ridgeway, VA 24148

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