

AMERICAN NATIONAL BANKSHARES INC

Form S-4

February 09, 2011

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As filed with the Securities and Exchange Commission on February 9, 2011

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-4
REGISTRATION STATEMENT

Under

THE SECURITIES ACT OF 1933

AMERICAN NATIONAL BANKSHARES INC.

(Exact name of registrant as specified in its charter)

Virginia
(State or other jurisdiction of)

6021
(Primary Standard Industrial

54-1284688
(I.R.S. Employer

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incorporation or organization)

Classification Code Number)

Identification No.)

628 Main Street

Danville, Virginia 24541

(434) 792-5111

(Address, including zip code, and telephone number, including area
code, of registrant's principal executive offices)

Charles H. Majors

President and Chief Executive Officer

American National Bankshares Inc.

628 Main Street

Danville, Virginia 24541

(434) 792-5111

(Name, address, including zip code, and telephone number,
including area code, of agent for service)

Copies of all correspondence to:

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(252) 672-5458

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(804) 783-2003

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this Registration Statement becomes effective and all other conditions to the proposed merger described herein have been satisfied or waived.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

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If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer " Accelerated filer b

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

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) "

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) "

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered (1)	Proposed maximum offering price per share	Proposed maximum aggregate offering price	Amount of registration fee
Common Stock, \$1.00 par value	1,748,813	N/A	\$34,499,309(2)	\$4,005
Series A Noncumulative Perpetual Preferred Stock, \$5.00 par value	5,000	N/A	4,819,000(3)	\$560
TOTAL:		N/A	\$39,318,309	\$4,565

- (1) Represents the estimated maximum number of shares of common stock and Series A noncumulative perpetual preferred stock of American National Bankshares Inc. (American) to be issued pursuant to the Agreement and Plan of Reorganization, dated as of December 15, 2010, between American and MidCarolina Financial Corporation (MidCarolina), based upon (a) 4,927,929 shares of MidCarolina common stock outstanding on February 7, 2011, (b) 371,504 shares of MidCarolina common stock that may be issued pursuant to options outstanding on February 7, 2011 and (c) 5,000 shares of MidCarolina Series A noncumulative perpetual preferred stock outstanding on February 7, 2011.
- (2) Pursuant to Rule 457(f) under the Securities Act of 1933, and solely for the purpose of calculating the registration fee, the proposed maximum aggregate offering price is equal to the aggregate market value of the estimated maximum number of shares of MidCarolina common stock to be received by American in the merger, based upon the average of the bid and asked prices of MidCarolina common stock on the OTC Bulletin Board on February 7, 2011 (\$6.51).
- (3) Pursuant to Rule 457(f) under the Securities Act of 1933, and solely for the purpose of calculating the registration fee, the proposed maximum aggregate offering price is equal to the aggregate book value of the estimated maximum number of shares of MidCarolina Series A noncumulative perpetual preferred stock to be received by American in the merger, as of September 30, 2010 (\$4,819,000).

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This proxy statement/prospectus does not constitute an offer to sell these securities, nor a solicitation of any offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale is not permitted.

PRELIMINARY SUBJECT TO COMPLETION DATED FEBRUARY 9, 2011

PROPOSED MERGER YOUR VOTE IS VERY IMPORTANT

Dear Fellow Shareholders:

We are pleased to report that the board of directors of American National Bankshares Inc. has approved a strategic merger agreement pursuant to which American will acquire MidCarolina Financial Corporation. We are sending you this document to ask you, as an American shareholder, to vote in favor of certain merger-related matters.

After the merger, American will have assets of over \$1.3 billion, a strong capital base and 24 banking offices with a significant presence in the south-central Virginia and north-central North Carolina markets. We believe the combined company will be well positioned to achieve strong financial performance and increase shareholder value through a balanced business mix, greater scale and enhanced efficiencies and competitiveness. In the proposed merger, MidCarolina will merge with and into a newly-formed subsidiary of American, and MidCarolina Bank, the wholly-owned subsidiary bank of MidCarolina, will merge with and into American National Bank and Trust Company, the wholly-owned subsidiary bank of American.

Upon completion of the proposed merger, we estimate that the current American shareholders will own approximately 79% of American common stock and the MidCarolina common shareholders will own approximately 21% of our common stock. In the merger, the MidCarolina common shareholders will receive 0.33 shares of American common stock for each share of MidCarolina common stock. In addition, each share of MidCarolina's Series A noncumulative perpetual preferred stock will be converted into one share of American's to-be-established Series A noncumulative perpetual preferred stock. American shareholders will continue to own their existing shares, which will not be affected by the merger.

Your vote is important. We are holding a special meeting of our shareholders to obtain approval of the issuance of up to approximately 1,750,000 shares of our common stock in the merger. We urge you to read carefully this entire proxy statement/prospectus, which includes important information about the merger. **You should also carefully consider the information in the Risk Factors section beginning on page 25.**

Whether or not you plan to attend the special meeting, it is important that your shares be represented at the meeting and your vote recorded. Please take the time to vote by completing and mailing the enclosed proxy card. Even if you return the proxy card, you may attend the special meeting and vote your shares in person.

The American board of directors unanimously recommends that you vote FOR the proposal to issue shares of American common stock to MidCarolina shareholders in the merger.

Thank you for your support.

Charles H. Majors

President and Chief Executive Officer

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued in connection with the merger or determined if this proxy statement/prospectus is accurate or complete. Any representation to

the contrary is a criminal offense.

The securities to be issued in the merger are not savings or deposit accounts and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

This proxy statement/prospectus is dated [], 2011 and is first being mailed to American shareholders on or about [], 2011.

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PROPOSED MERGER YOUR VOTE IS VERY IMPORTANT

Dear Fellow Shareholders:

The board of directors of MidCarolina Financial Corporation has unanimously approved a strategic merger that will combine MidCarolina Financial Corporation with American National Bankshares Inc. We are sending this document to holders of MidCarolina common stock and series A noncumulative perpetual preferred stock, and we are asking holders of MidCarolina common stock to vote in favor of the merger agreement at the special meeting of MidCarolina shareholders that has been called to vote on the merger.

In the merger, holders of MidCarolina common stock will receive 0.33 shares of American common stock for each share of MidCarolina common stock they own. In addition, holders of MidCarolina's Series A noncumulative perpetual preferred stock will receive one share of American's to-be-established Series A noncumulative perpetual preferred stock for each share of MidCarolina Series A preferred stock they own. Upon completion of the proposed merger, we estimate that the current MidCarolina common shareholders will own approximately 21% of American's common stock.

The 0.33 common stock exchange ratio is fixed and will not be adjusted to reflect stock price changes prior to the closing of the merger. American's common stock trades on the NASDAQ Global Select Market under the symbol AMNB. MidCarolina's common stock trades on the OTC Bulletin Board under the symbol MCFL. Based on the closing sale price for American common stock on December 15, 2010 (\$23.80), the last trading day before public announcement of the merger, the 0.33 exchange ratio represented approximately \$7.85 in value for each share of MidCarolina common stock. The closing sale price for MidCarolina common stock on the OTC Bulletin Board on December 15, 2010 was \$2.85. The most recent reported closing sale price for American common stock on [], 2011 was \$[]. The most recent reported closing sale price for MidCarolina common stock on [], 2011 was \$[]. We urge you to obtain current market quotations for the shares of American and MidCarolina.

Your vote is very important. We are holding a special meeting of our shareholders to obtain approval of the merger agreement. We urge you to read carefully this entire proxy statement/prospectus, which includes important information about the merger. **You should also carefully consider the information in the Risk Factors section beginning on page 25.**

Whether or not you plan to attend the special meeting, it is important that your shares be represented at the meeting and your vote recorded. Please take the time to vote by completing and mailing the enclosed proxy card. Even if you return the proxy card, you may attend the special meeting and vote your shares in person.

The MidCarolina board of directors unanimously recommends that you vote FOR approval of the merger agreement.

Thank you for your support.

Charles T. Canaday, Jr.

President and Chief Executive Officer

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued in connection with the merger or determined if this proxy statement/prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

The securities to be issued in the merger are not savings or deposit accounts and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

This proxy statement/prospectus is dated [], 2011 and is first being mailed to MidCarolina shareholders on or about [], 2011.

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AMERICAN NATIONAL BANKSHARES INC.

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

To be held on [], 2011

A special meeting of shareholders of American National Bankshares Inc. (American) will be held at the [], located at the [], Danville, Virginia, at []: [] [] .m. local time, on [], 2011 for the following purposes:

1. To consider and vote on a proposal to approve the issuance of up to approximately 1,750,000 shares of American common stock to the shareholders of common stock of MidCarolina Financial Corporation (MidCarolina) in accordance with the Agreement and Plan of Reorganization, dated as of December 15, 2010, between American and MidCarolina, and a related Plan of Merger (together, the merger agreement), whereby MidCarolina will merge with and into a newly-formed subsidiary of American upon the terms and subject to the conditions set forth in the merger agreement, as more fully described in the accompanying proxy statement/prospectus. A copy of the merger agreement is attached as Appendix A to the accompanying proxy statement/prospectus.
2. To consider and vote on a proposal to adjourn or postpone the meeting to a later date or dates, if necessary, to permit further solicitation of proxies in the event there are not sufficient votes at the time of the meeting to approve the issuance of shares of American common stock to the shareholders of common stock of MidCarolina.

3. To transact such other business as may properly come before the meeting or any adjournments or postponements thereof.
All holders of record of American common stock at the close of business on [], 2011, are entitled to notice of and to vote at the meeting and any adjournments thereof.

By Order of the Board of Directors,

William W. Traynham

*Senior Vice President, Chief Financial Officer and
Corporate Secretary*

[], 2011

The American board of directors unanimously recommends that you vote FOR approval of the issuance of common stock to MidCarolina shareholders in the merger and FOR approval to adjourn or postpone the special meeting, if necessary.

Please promptly complete and return the enclosed proxy card, whether or not you plan to attend the special meeting. If you attend the meeting in person, you may withdraw your proxy card and vote your own shares.

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MIDCAROLINA FINANCIAL CORPORATION

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

To be held on [], 2011

A special meeting of shareholders of MidCarolina Financial Corporation (MidCarolina) will be held at the [], located at the [], Burlington, North Carolina, at []: [] [] .m. local time, on [], 2011 for the following purposes:

1. To consider and vote on a proposal to approve the Agreement and Plan of Reorganization, dated as of December 15, 2010, between American National Bankshares Inc. (American) and MidCarolina, and a related Plan of Merger (together, the merger agreement), whereby MidCarolina will merge with and into a newly-formed subsidiary of American (the merger) upon the terms and subject to the conditions set forth in the merger agreement, as more fully described in the accompanying proxy statement/prospectus. A copy of the merger agreement is attached as Appendix A to the accompanying proxy statement/prospectus.
2. To consider and vote on a proposal to adjourn or postpone the meeting to a later date or dates, if necessary, to permit further solicitation of proxies in the event there are not sufficient votes at the time of the meeting to approve the merger agreement.

3. To transact such other business as may properly come before the meeting or any adjournments or postponements thereof. All holders of record of MidCarolina common stock at the close of business on [], 2011, are entitled to notice of and to vote at the meeting and any adjournments thereof. You may cast one vote for each share of MidCarolina common stock held on such date. Holders of MidCarolina's Series A noncumulative perpetual preferred stock are not entitled to vote at the meeting.

By Order of the Board of Directors,

Charles T. Canaday, Jr.

President and Chief Executive Officer

[], 2011

The MidCarolina board of directors unanimously recommends that you vote **FOR the approval of the merger agreement and **FOR** the approval to adjourn or postpone the MidCarolina special meeting, if necessary.**

If the merger agreement is approved and the merger is completed, holders of both MidCarolina common stock and MidCarolina Series A preferred stock will have the right to dissent and demand payment of the fair value of their shares. Your right to dissent is conditioned on your strict compliance with the requirements of Article 13 of Chapter 55 of the North Carolina General Statutes. The full text of that statute is attached as Appendix D to the proxy statement/prospectus which accompanies this notice.

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Please promptly complete and return the enclosed proxy card, whether or not you plan to attend the special meeting. If you attend the meeting in person, you may withdraw your proxy card and vote your own shares.

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ADDITIONAL INFORMATION

This proxy statement/prospectus incorporates by reference important business and financial information about American from other documents that are not included in or delivered with this proxy statement/prospectus. For a listing of the documents incorporated by reference, see **Where You Can Find More Information** on page 162. This information is available to you without charge upon your written or oral request. You can obtain the documents incorporated by reference into this proxy statement/prospectus through the website of the Securities and Exchange Commission (the **SEC**) at <http://www.sec.gov>, through the website of American at <http://www.amnb.com> or by requesting them in writing or by telephone at the contact information set forth below:

American National Bankshares Inc.

628 Main Street

Danville, Virginia 24541

Telephone: (434) 792-5111

Attention: Carolyn Compton

Assistant Corporate Secretary

Information contained on the website of American does not constitute part of this proxy statement/prospectus and is not incorporated into other filings that American makes with the SEC.

MidCarolina shareholders may also obtain documents incorporated by reference into this proxy statement/prospectus by requesting them in writing or by telephone from Morrow & Co., LLC, MidCarolina's proxy solicitor, at the following address and telephone number:

470 West Avenue 3rd Floor

Stamford, CT 06902

1-800- []

To receive timely delivery of the documents in advance of the special meetings, please make your request no later than [], 2011.

In this proxy statement/prospectus, American National Bankshares Inc. is referred to as **American**, the newly-formed subsidiary of American formed to facilitate the transaction, ANB Merger Subsidiary, Inc., is referred to as the **merger subsidiary**, American National Bank and Trust Company, the wholly-owned bank subsidiary of American, is referred to as **American National Bank** and MidCarolina Financial Corporation is referred to as **MidCarolina**. The merger of MidCarolina with and into the merger subsidiary is referred to as the **merger**, and the Agreement and Plan of Reorganization, dated as of December 15, 2010, between American National Bankshares Inc. and MidCarolina Financial Corporation, including the related Plan of Merger between MidCarolina and the merger subsidiary, is referred to collectively as the **merger agreement**. The special meeting of shareholders of American and the special meeting of shareholders of MidCarolina are sometimes referred to herein collectively as the **special meetings**.

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QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETINGS

The following questions and answers briefly address some commonly asked questions about the special meetings and the merger. They may not include all the information that is important to American and MidCarolina shareholders. We urge such shareholders to read carefully this entire proxy statement/prospectus, including the appendices and the other documents referred to herein.

Q: What is the transaction?

A: American and MidCarolina have entered into a merger agreement whereby MidCarolina will merge with and into a newly-formed merger subsidiary of American, and MidCarolina shareholders will receive American stock in exchange for their MidCarolina stock.

Q: Why am I receiving these materials?

A: We are sending you these materials to solicit your proxy and help you decide how to vote your shares of American common stock and MidCarolina common stock. These materials are intended to help American shareholders decide how to vote their shares with respect to the proposal to approve the issuance of common stock to MidCarolina shareholders in the merger and to help holders of MidCarolina common stock decide how to vote their shares with respect to the proposal to approve the merger agreement.

Each of American and MidCarolina is holding a special meeting of shareholders to vote on the proposals necessary to complete the merger. Information about the special meetings, the merger and the other business to be considered by American and MidCarolina shareholders is contained in this proxy statement/prospectus.

Q: Why did American and MidCarolina enter into the merger agreement?

A: The boards of directors of American and MidCarolina believe that the proposed merger is in the best interest of American and MidCarolina. The boards believe that combining MidCarolina with American is the best way to increase shareholder value in the long run for both American and MidCarolina shareholders and will position the combined company to be a stronger competitor in the competitive market for financial institutions. To review the background and reasons for the merger in more detail, see pages 40 through 49.

Q: What will MidCarolina shareholders receive in the merger?

A: In the proposed merger, holders of MidCarolina's common stock will receive 0.33 shares of common stock of American for each of their shares of MidCarolina common stock. This exchange ratio is fixed and will not be adjusted to reflect stock price changes prior to the closing of the merger. In addition, each share of MidCarolina's Series A Noncumulative Perpetual Preferred Stock (the "MidCarolina Series A preferred stock") will be converted into one share of American's to-be-established Series A Noncumulative Perpetual Preferred Stock (the "American Series A preferred stock"), which will have substantially identical terms, preferences and rights as the MidCarolina Series A preferred stock. American shareholders will continue to own their existing shares, which will not be affected by the merger.

It is expected that existing shareholders of MidCarolina common stock will own approximately 21% of American's outstanding common stock, on a fully diluted basis, after the merger. The American Series A preferred stock to be issued in exchange for the

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MidCarolina Series A preferred stock will not be convertible into shares of American common stock, and therefore has no effect on the common stock ownership of American after the merger.

Q: Will American continue to pay dividends on its common stock after the merger?

A: Since the second quarter of 2007, American has paid a quarterly dividend on shares of its common stock at a rate of \$0.23 per share per quarter. American has no current intention to change its dividend strategy of paying a relatively high cash dividend, but has and will continue to evaluate that decision based a quarterly review of earnings, growth, capital and such other factors that the American board of directors considers relevant to the dividend decision process. MidCarolina has never paid a cash dividend on its common stock.

Q: Will any of the directors and executive officers of MidCarolina participate in the management of American following the merger?

A: After the merger, American will be governed by a board of directors comprised of 14 directors, of which 11 are current directors of American and three are current directors of MidCarolina. The three current directors of MidCarolina, F. D. Hornaday III, John H. Love and Robert A. Ward, were chosen by MidCarolina's board of directors, and approved by American's board of directors, to become directors of American and American National Bank following the merger. Additionally, though he will not serve as a voting director of American, MidCarolina's chairman, James R. Copland III, will serve as a director emeritus of American following the merger. Certain directors of MidCarolina and MidCarolina Bank selected by American will also be invited to join the North Carolina Advisory Board of Directors of American National Bank. Current MidCarolina president and chief executive officer, Charles T. Canaday, Jr., will serve as a senior vice president of American and an executive vice president of American National Bank, as well as president of North Carolina Banking for American National Bank.

Q: When do American and MidCarolina expect to complete the merger?

A: American and MidCarolina expect to complete the merger after all conditions to the merger in the merger agreement are satisfied or waived, including after shareholder approvals are received at the special meetings, and all required regulatory approvals are received. We currently expect to complete the merger in the second quarter of 2011. However, it is possible that factors outside of our control could require us to complete the merger at a later time or not to complete it at all.

Q: How does the American board of directors recommend that American shareholders vote?

A: The American board of directors unanimously recommends that American shareholders vote FOR the proposal to issue shares of common stock to MidCarolina shareholders in the merger and FOR the proposal to adjourn the American special meeting to a later date or dates, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the American special meeting to approve the issuance of shares of American common stock to MidCarolina shareholders.

Q: How does the MidCarolina board of directors recommend that MidCarolina shareholders vote?

A: The MidCarolina board of directors unanimously recommends that holders of MidCarolina common stock vote FOR the proposal to approve the merger agreement and the transactions

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contemplated thereby, and FOR the proposal to adjourn the MidCarolina special meeting to a later date or dates, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the MidCarolina special meeting to approve the merger agreement.

Q: What do I need to do now to vote my shares?

A: After carefully reading and considering the information contained in this proxy statement/prospectus, please vote your shares as soon as possible so that your shares will be represented at the American or MidCarolina special meeting. Please follow the instructions set forth on the proxy card or on the voting instruction form provided by the record holder if your shares are held in the name of your broker or other nominee.

Q: How do I vote?

A: You may vote before the American or MidCarolina special meeting by completing, signing, dating and returning the enclosed proxy card in the enclosed postage-paid envelope.

If you are a record holder of MidCarolina common stock, you can also appoint the proxies to vote your shares for you by going to the Internet website www.midcarolinabank.com/proxy. When you are prompted for your control number, enter the number printed just above your name on the enclosed proxy card, and then follow the instructions provided. You may vote by Internet only until 5:00 p.m. Eastern Daylight Time on [], 2011, which is the day before the MidCarolina special meeting date. If you vote by Internet, you need not sign and return a proxy card. Under North Carolina law, you will be appointing the proxies to vote your shares on the same terms and with the same authority as if you completed, signed and returned a proxy card. The authority you will be giving the proxies is described in the proxy card.

You may also cast your vote in person at the respective company's special meeting. If your shares are held in street name, through a broker, bank or other nominee, that institution will send you separate instructions describing the procedure for voting your shares. Street name shareholders who wish to vote in person at the special meetings will need to present a proxy from the institution that holds their shares.

Q: If my shares are held in street name by a broker or other nominee, will my broker or nominee vote my shares for me?

A: Your broker or other nominee does not have authority to vote on the proposals described in this proxy statement/prospectus if you do not provide instructions to it on how to vote. Your broker or other nominee will vote your shares held by it in street name with respect to these matters ONLY if you provide instructions to it on how to vote. You should follow the directions your broker or other nominee provides.

Q: When and where is the American special meeting of shareholders?

A: The special meeting of American shareholders will be held at []: [] [] .m., local time, on [], 2011 at the [], located at [], Danville, Virginia. All holders of American common stock as of the record date for the American meeting, or their duly appointed proxies, may attend the American special meeting.

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Q: When and where i