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EXCHANGE NATIONAL BANCSHARES INC

Form 8-K

May 04, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K
CURRENT REPORT

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

May 2, 2005

Date of Report (Date of earliest event reported)

EXCHANGE NATIONAL BANCSHARES, INC.

(Exact name of registrant as specified in its charter)

Missouri -----	0-23636 -----	43-1626350 -----
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

132 East High Street, Jefferson City, MO 65101

(Address of principal executive offices) (Zip Code)

(573) 761-6100

Registrant's telephone number, including area code

(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 (see General Instruction A.2. below):

- 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 240.13e-4(c))

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ITEM 2.01 COMPLETION OF ACQUISITION OR DISPOSITION OF ASSETS

On May 2, 2005, our Company, Exchange National Bancshares, Inc., completed its acquisition of 100% of the outstanding capital stock of Bank 10, a Missouri state bank with offices in the Missouri communities of Belton, Drexel, Harrisonville, Independence and Raymore. The press release that our Company used to announce the completion of this acquisition is attached to this report as Exhibit 99.1 and is incorporated herein by reference.

The terms and conditions of the acquisition were provided in an Acquisition Agreement dated January 28, 2005 among our Company, Drexel Bancshares, Inc., and certain other persons and entities, which Acquisition Agreement was amended by an Agreement Altering Transaction Structure dated February 28, 2005 between our Company, Drexel Bancshares and the representative for the shareholders of Drexel Bancshares. A copy of the Acquisition Agreement was attached as Exhibit 2.1 to our Company's Current Report on Form 8-K dated February 28, 2005 and is incorporated herein by reference. A copy of the Agreement Altering Transaction Structure was attached as Exhibit 2.1.1 to our Company's Current Report on Form 8-K dated February 28, 2005 and is incorporated herein by reference.

Under the terms of the Acquisition Agreement, as amended by an Agreement Altering Transaction Structure, the purchase price payable to Drexel Bancshares, Inc. for the outstanding capital stock of Bank 10 was an amount in cash equal to \$32,862,000, plus (or minus) any amount by which the book value of Bank 10 as of the business day preceding the closing date was greater (or less) than \$13,144,800, subject to further adjustments to eliminate any unrealized gain or loss in Bank 10's investment portfolio and to cause Bank 10's reserve for loan losses to be at least 1.1% of the amount of its outstanding loans. In applying these terms at the transaction closing, the purchase price for all of the outstanding shares of Bank 10's common stock was determined to be approximately \$33,988,000. This amount was paid by our Company to Drexel Bancshares in cash at the May 2, 2005 transaction closing.

The foregoing description of our Company's acquisition of Bank 10 does not purport to be complete and is qualified in its entirety by reference to the full text of the Acquisition Agreement and the Agreement Altering Transaction Structure referred to above, each of which was previously filed with our Company's Current Report on Form 8-K dated February 28, 2005.

Statements made in this report, including the exhibits hereto, that suggest our Company's or our management's intentions, hopes, beliefs, expectations, or predictions of the future constitute "forward-looking statements" within the meaning of Section 21E of the Securities and Exchange Act of 1934, as amended, and include statements suggesting that the acquisition would be accretive to our Company's earnings per share. It is important to note that actual results could differ materially from those projected in such forward-looking statements. Factors that may cause actual results to differ materially from those contemplated by such forward looking statements include, among other things, the following possibilities: (i) revenues following the acquisition may be lower than expected; (ii) competitive pressure among depository institutions may increase significantly; (iii) costs related to the integration of Bank 10 may be greater than expected; (iv) changes in the interest rate environment may reduce interest margins; and (v) general economic conditions, either nationally or in our market, may be less favorable than expected. Additional information concerning factors that could cause actual results to differ materially from those projected in such forward-looking statements is contained from time to time in Exchange's quarterly and annual

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reports filed with the Securities and Exchange Commission.

ITEM 9.01. FINANCIAL STATEMENTS AND OTHER EXHIBITS

(a) Financial Statements of Business Acquired

The financial statements required by Item 9.01(a) of Form 8-K will be filed by amendment within 71 calendar days after the date upon which this report on Form 8-K must be filed.

2

(b) Pro Forma Financial Information

The pro forma financial statements required by Item 9.01(b) of Form 8-K will be filed by amendment within 71 calendar days after the date upon which this report on Form 8-K must be filed.

(c) Exhibits

Exhibit No. -----	Description -----
2.1	Acquisition Agreement, dated January 28, 2005 among Exchange National Bancshares, Inc., 2005 Acquisition Company, Inc., Drexel Bancshares, Inc., and the shareholders of Drexel Bancshares, Inc. (filed as Exhibit 2.1 to our Company's Current Report on Form 8-K dated February 28, 2005 and incorporated herein by reference).
2.1.1	Agreement Altering Transaction Structure, dated February 28, 2005, among Exchange National Bancshares, Inc., Drexel Bancshares, Inc., and the shareholder representative of the shareholders of Drexel Bancshares, Inc. (filed as Exhibit 2.1.1 to our Company's Current Report on Form 8-K dated February 28, 2005 and incorporated herein by reference).
99.1	Press Release of Exchange National Bancshares, Inc. dated May 2, 2005.

* * *

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.

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EXCHANGE NATIONAL BANCSHARES, INC.

Dated: May 2, 2005

By: James E. Smith

James E. Smith
Chairman & CEO

3

EXHIBIT INDEX

Exhibit No. -----	Description -----
99.1	Press Release of Exchange National Bancshares, Inc. dated May 2, 2005.

4