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FR Y-6  
OMB Number 7100-0297  
Approved by: December 31, 2015  
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**RECEIVED**

Board of Governors of the Federal Reserve System

MAR 31 2014



# Annual Report of Holding Companies—FR Y-6 RICHMOND

## Report at the close of business as of the end of fiscal year

This Report is required by law: Section 5(c)(1)(A) of the Bank Holding Company Act (12 U.S.C. § 1844 (c)(1)(A)); Section 8(a) of the International Banking Act (12 U.S.C. § 3106(a)); Sections 11(a)(1), 25 and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611a); Section 211.13(c) of Regulation K (12 C.F.R. § 211.13(c)); and Section 225.5(b) of Regulation Y (12 C.F.R. § 225.5(b)) and section 10(c)(2)(H) of the Home Owners' Loan Act. Return to the appropriate Federal Reserve Bank the original and the number of copies specified.

This report form is to be filed by all top-tier bank holding companies and top-tier savings and loan holding companies organized under U.S. law, and by any foreign banking organization that does not meet the requirements of and is not treated as a qualifying foreign banking organization under Section 211.23 of Regulation K (12 C.F.R. § 211.23). (See page one of the general instructions for more detail of who must file.) The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, an information collection unless it displays a currently valid OMB control number.

NOTE: The *Annual Report of Holding Companies* must be signed by one director of the top-tier holding company. This individual should also be a senior official of the top-tier holding company. In the event that the top-tier holding company does not have an individual who is a senior official and is also a director, the chairman of the board must sign the report.

Date of Report (top-tier holding company's fiscal year-end):

**December 31, 2013**

Month / Day / Year

I, **Michael S. Ives**

Reporter's Name, Street, and Mailing Address

**Heritage Bankshares, Inc.**

Name of the Holding Company Director and Official

**President and Chief Executive Officer**

Title of the Holding Company Director and Official

Legal Title of Holding Company

**150 Granby St., Suite 150**

(Mailing Address of the Holding Company) Street / P.O. Box

**Norfolk**

**VA**

**23510**

City

State

Zip Code

attest that the *Annual Report of Holding Companies* (including the supporting attachments) for this report date has been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

Physical location (if different from mailing address)

With respect to information regarding individuals contained in this report, the Reporter certifies that it has the authority to provide this information to the Federal Reserve. The Reporter also certifies that it has the authority, on behalf of each individual, to consent or object to public release of information regarding that individual. The Federal Reserve may assume, in the absence of a request for confidential treatment submitted in accordance with the Board's "Rules Regarding Availability of Information," 12 C.F.R. Part 261, that the Reporter and individual consent to public release of all details in the report concerning that individual.

Person to whom questions about this report should be directed:

**Anne Vanderberry**

**SVP/Controller**

Name

Title

**757-648-1524**

Area Code / Phone Number / Extension

**757-648-1560**

Area Code / FAX Number

**avanderberry@heritagebankva.com**

E-mail Address

**www.heritagebankva.com**

Address (URL) for the Holding Company's web page

**Michael S. Ives, President and Director**

Signature of Holding Company Director and Official

**March 26, 2014**

Date of Signature

For holding companies not registered with the SEC—

Indicate status of Annual Report to Shareholders:

- is included with the FR Y-6 report
- will be sent under separate cover
- is not prepared

For Federal Reserve Bank Use Only

RSSD ID **1076178**

C.I. \_\_\_\_\_

Does the reporter request confidential treatment for any portion of this submission?

Yes Please identify the report items to which this request applies:

In accordance with the instructions on pages GEN-2 and 3, a letter justifying the request is being provided.

The information for which confidential treatment is sought is being submitted separately labeled "Confidential."

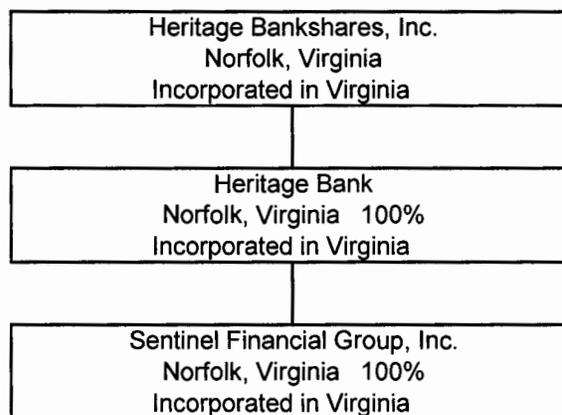
No

**FORM FR Y-6**  
**Heritage Bankshares, Inc.**  
**Norfolk, Virginia**  
**Fiscal Year Ending December 31, 2013**

Report Item 2a:

1: The BHC is not registered with the SEC. Annual Report to Shareholders to be mailed under separate cover on or about May 9, 2014.

2: Organizational Chart



**Results:** A list of branches for your depository institution: HERITAGE BANK (ID RSSD: 911825).  
 This depository institution is held by HERITAGE BANKSHARES, INC. (1076178) of NORFOLK, VA.  
 The data are as of 12/31/2013. Data reflects information that was received and processed through 01/03/2014.

**Reconciliation and Verification Steps**

1. In the Data Action column of each branch row, enter one or more of the actions specified below.
2. If required, enter the date in the Effective Date column.

**Actions**

- OK:** If the branch information is correct, enter 'OK' in the Data Action column.  
**Change:** If the branch information is incorrect or incomplete, revise the data, enter 'Change' in the Data Action column and the date when this information first became valid in the Effective Date column.  
**Close:** If a branch listed was sold or closed, enter 'Close' in the Data Action column and the sale or closure date in the Effective Date column.  
**Delete:** If a branch listed was never owned by this depository institution, enter 'Delete' in the Data Action column.  
**Add:** If a reportable branch is missing, insert a row, add the branch data, and enter 'Add' in the Data Action column and the opening or acquisition date in the Effective Date column.

If printing this list, you may need to adjust your page setup in MS Excel. Try using landscape orientation, page scaling, and/or legal sized paper.

**Submission Procedure**

When you are finished, send a saved copy to your FRB contact. See the detailed instructions on this site for more information.  
 If you are e-mailing this to your FRB contact, put your institution name, city and state in the subject line of the e-mail.

**Note:**

To satisfy the FR Y-10 reporting requirements, you must also submit FR Y-10 Domestic Branch Schedules for each branch with a Data Action of Change, Close, Delete, or Add.  
 The FR Y-10 report may be submitted in a hardcopy format or via the FR Y-10 Online application - <https://y10online.federalreserve.gov>.

\* FDIC UNINUM, Office Number, and ID\_RSSD columns are for reference only. Verification of these values is not required.

Data Action	Effective Date	Branch Service Type	Branch ID	RSSD*	Popular Name	Street Address	City	State	Zip Code	County	Country	FDIC UNINUM*	Office Number*	Head Office	Head Office ID	RSSD*	Comments
CLOSE	8/1/2013	Full Service (Head Office)		xxxxx	HERITAGE BANK	841 NORTH MILITARY HIGHWAY	NORFOLK	VA	23502	NORFOLK CITY	UNITED STATES	15612					
ok		Full Service		4335997	GREENBRIER BANKING CENTER BRANCH	1403 GREENBRIER PARKWAY, SUITE 110	CHESAPEAKE	VA	23320	CHESAPEAKE CITY	UNITED STATES	Not Required	Not Required	HERITAGE BANK			911825
ok		Full Service		2641199	COLLEY AVENUE BRANCH	4815 COLLEY AVE	NORFOLK	VA	23508	NORFOLK CITY	UNITED STATES	254543		3	HERITAGE BANK		911825
CHANGE		Full Service (Head Office)		911825	FINANCIAL DISTRICT BRANCH	150 GRANBY STREET, SUITE 175	NORFOLK	VA	23510	NORFOLK CITY	UNITED STATES	254541		1	HERITAGE BANK		911825
CLOSE	8/1/2013	Full Service		2823847	OCEAN VIEW BRANCH	735 EAST OCEAN VIEW AVE	NORFOLK	VA	23503	NORFOLK CITY	UNITED STATES	254544		4	HERITAGE BANK		911825
ok		Full Service		3886027	HILLTOP BRANCH	1756 LASKIN ROAD	VIRGINIA BEACH	VA	23454	VIRGINIA BEACH CITY	UNITED STATES	493123		7	HERITAGE BANK		911825
ok		Full Service		3391428	LYNNHAVEN BRANCH	601 LYNNHAVEN PARKWAY	VIRGINIA BEACH	VA	23452	VIRGINIA BEACH CITY	UNITED STATES	480606		6	HERITAGE BANK		911825

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Heritage Bankshares, Inc.

Norfolk, Virginia

Fiscal Year Ending December 31, 2013

Report Item 3: Shareholders

(1)(a)(b)(c) and (2)(a)(b)(c)

Current Shareholders with ownership, control or holdings of 5% or more with power to vote as of 12-31-13	Shareholders not listed in (3)(1)(a) through (3)(1)(c) that had ownership, control or holdings of 5% or more with power to vote during the fiscal year ending 12-31-13
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(1)(a) Names & Address (City, State, Country)	(1)(b) Country of Citizenship or Incorporation	(1)(c) Number and percentage of Each Class of Voting Securities	(2)(a) Name & Address (City, State, Country)	(2)(b) Country of Citizenship or Incorporation	(2)(c) Number and percentage of Each Class of Voting Securities
Peter M. Meredith, Jr. Norfolk, VA USA	USA	141,383 = 6.22% of common stock outstanding at 12/31/13	NONE		
Michael S. Ives Virginia Beach, VA USA	USA	77,444 = 3.40% of common stock outstanding at 12/31/13; 100,000 options+ 12,880 restricted stock = 4.73% of common stock outstanding including options + restricted stock at 12/31/13 (112,880/2,387,387)			
Palladium Registered Investment Advisors (Schedule 13F) Norfolk, VA USA	USA	Sole Voting Power 68,279 Sole Dispositive Power 157,572 Aggregate Amount Beneficially Owned by Each Reporting Person 157,152 (6.93% of common stock)			
U.S. Treasury (SBLF) Washington, DC USA	USA	Series C - 7,800 shares (preferred stock)			

Heritage Bankshares, Inc.

Norfolk, Virginia

Fiscal Year Ending December 31, 2013

Report Item 4: Directors and Officers

(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)

(1) Names & Address (City, State, Country)	(2) Principal Occupation if other than with Bank Holding Company (BHC)	(3)(a) Title & Position with BHC	(3)(b) Title & Position with Subsidiaries (include names of subsidiaries)	(3)(c) Title & Position with Other Businesses (include names of other businesses) Family trusts are not included	(4)(a) Percentage of Voting Shares in BHC	(4)(b) Percentage of Voting Shares in Subsidiaries (Include names of subsidiaries)	(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)
Stephen A. Johnsen Virginia Beach, VA USA	Commercial Insurance	Director, and Secretary	Director, and Secretary, Heritage Bank	Executive VP - Brown & Brown Insurance Agency of Virginia, Inc.; Partner, Harborton LLC; Advisory Board Member, VA. Institute of Marine Science; Board Member, Eastern Shore Land Trust	(1) 1.34%	None	Harborton, LLC (95%)
L. Allan Parrot, Jr. Virginia Beach, VA USA	Fleet Supplier	Director	Director, and Vice Chairman of the Board, Heritage Bank	President, Tidewater Fleet Supply, LLC; President, Parrott Properties, LLC; President, Parrott Distributing, Inc.; President, TFS Franchising, LLC	(1) 2.30% (2) 0.09%	None	Parrott Distributing, Inc. (100%) Parrott Properties, LLC (100%) Tidewater Fleet Supply, LLC (90%) TFS Franchising, LLC (100%)
Charles R. Malbon Jr. Virginia Beach, VA USA	Fuel Oil	Director	Director, Heritage Bank	President, Tank Lines, Inc.; Partner / Manager, CRM, LLC Real Estate Partnership	(1) 0.88% (2) 0.18%	None	Tank Lines, Inc. (100%) CRM, LLC Real Estate Partnership (33.3%)
James A. Cummings Virginia Beach, VA USA	Real Estate	Director	Director, Heritage Bank	Managing Partner, JP Real Estate, LLC; Managing Partner of Southern Atlantic Properties LLC	(1) 1.37%	None	JP Real Estate, LLC (50%) Southern Atlantic Properties LLC (50%)
Harvey Roberts, III Norfolk, VA USA	Certified Public Accountant (Retired)	Director, and Vice Chairman of the Board	None	General Partner, SP Enterprises; General Partner, Salem Ministorage; Partner, Rochambeau Storage Associates, LLC; Partner, General Booth Storage Assoc LLC	(1) 2.65%	None	Salem Ministorage (50%) SP Enterprises (50%) Rochambeau Storage Associates (25%) General Booth Storate Assoc, LLC (30%)
David A. Arias Virginia Beach, VA USA	Recreational Water Products Manufacturer	Director	Director, Heritage Bank	President, Swimways Corp; General Partner, DAVAL Limited Partnership; Partner, Virginia Sales FLP; Director, Ward Court Associates, LLC; Partner, Fox II Flight Gear;	(1) 0.64%	None	Swimways Corp - Shares (39.27%) DAVAL Limited Partnership (50%) Virginia Sales RLLP (50%)
Lisa F. Chandler Norfolk, VA USA	Realtor	Director	Director, Heritage Bank	Executive VP, Nancy Chandler Associates; Managing Member, Monroe Residential Properties; Managing Member, Westside Holdings, LLC	(1) 0.37%	None	Monroe Residential Properties (50%) Westside Holdings, LLC (25%)

(1) Number shares owned as % of number shares outstanding

(2) [Options plus unvested restricted stock] as % of {sum of number shares outstanding okys iotuibs okys ybvested restricted stock}

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Heritage Bankshares, Inc.

Norfolk, Virginia

Fiscal Year Ending December 31, 2013

Report Item 4: Directors and Officers

(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)

(1) Names & Address (City, State, Country)	(2) Principal Occupation if other than with Bank Holding Company (BHC)	(3)(a) Title & Position with BHC	(3)(b) Title & Position with Subsidiaries (include names of subsidiaries)	(3)(c) Title & Position with Other Businesses (include names of other businesses) Family trusts are not included	(4)(a) Percentage of Voting Shares in BHC	(4)(b) Percentage of Voting Shares in Subsidiaries (Include names of subsidiaries)	(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)
Donald E. Perry, Virginia Beach, VA USA	Commercial Real Estate and Development	Director	Director, Heritage Bank	President/Treasurer, Continental Realty Services; President, Salem Woods Property Corp; Principal Continental Capital Management, LLC; Principal, Continental Properties Corp. Mr. Perry is General Partner of the following companies: CPI Associates III; Salem Woods III Associates, LP; Continental-Eltham Associates, LP; Continental-Research Associates, LP; Continental Copper Associates, LP. Mr. Perry is Managing Member of the following companies: Continental Capital Partners, LCL; Almeda Associates, LLC; Continental-Ashland Associates, LLC; Continental- Bridgeway Associates, LLC; Continental-Harbour View Associates, LLC; Continental- Ridgewood Associates, LLC; Continental Commercial Associates, LLC; Continental Pickett's Line, LLC; Grove Road Associates, LLC; Continental Sandpiper Key Associates; Continental-Poplarwood Cedar, LLC; Continental-Poplarwood Aspen, LLC; Continental-Technology Associates, LLC; Continental Capital Partners, LLC	(1) 0.64%	None	Continental Realty Services (100%) CPI Associates III (100%) Almeda Associates, LLC (100%) Salem Woods III Associates, LP (89.4%) Continental-Eltham Associates, LP (84%) Continental-Research Associates, LP (90%) Continental-Copper Associates, LP (90%) Salem Woods Property Corporation (100%) Continental-Ashland Associates, LLC (30%) Continental-Bridgeway Associates, LLC (28%) Continental-Harbour View Associates, LLC (30%) Continental-Ridgewood Associates, LLC (80%) Continental-Commercial Associates, LLC (40%) Continental Pickett's Line, LLC (30%) Continental Grove Road Associates, LLC (40%) Continental Sandpiper Key Associates (100%) Continental-Poplarwood Cedar, LLC (63%) Continental-Poplarwood Aspen, LLC (63%) Continental-Technology Associates, LLC (37%) Continental Capital Partners (37%) Continental Capital Management Corp. (37%)
Ross C. Reeves Norfolk, VA USA	Attorney	Director	Director, Heritage Bank	Attorney, Wilcox & Savage P.C.; President, LMM Associates, Inc.	(1) 0.40%	None	LMM Assocs. Inc. (50%)
John Guthrie, Virginia Beach, VA USA	Banking	EVP & CFO	CFO, Heritage Bank	None	(1) 0.33% (2) 0.96%	None	None

(1) Number shares owned as % of number shares outstanding

(2) [Options plus unvested restricted stock] as % of [sum of number shares outstanding okys iotuibs okys ybvested restricted stock]