Annual Report of Holding Companies—FR Y-6

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. § 3108(a)); Sections 11(a)(1), 25 and 25A of the Federal Reserve Act (12 U.S.C. §§ 240(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.

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.

I, Michael S. Ives
Name of the Holding Company Director and Official
President and Chief Executive Officer
Title of the Holding Company Director and Official

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.

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 281, that the Reporter and individual consent to public release of all details in the report concerning that individual.

Signature of Holding Company Director and Official

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
C.I.

Date of Report (top-tier holding company’s fiscal year-end):
December 31, 2014
Month / Day / Year
N/A

Reporters’s Legal Entity Identifier (LEI) (20-Character LEI Code)

Reporter’s Name, Street, and Mailing Address
Heritage Bankshares, Inc.

Legal Title of Holding Company

150 Granby St., Suite 150 P.O. Box 3749
(Mailing Address of the Holding Company) Street / P.O. Box
Norfolk VA 23510
City State Zip Code

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:
Anne Vanderberry
Name Title
SVP/CFO

Area Code / Phone Number / Extension
757-548-1524
757-548-1560

Area Code / FAX Number
avanderberry@heritagebankva.com
E-mail Address
www.heritagebankva.com
Address (URL) for the Holding Company’s web page

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

Public reporting burden for this information collection is estimated to vary from 1.3 to 201 hours per response, with an average of 5.25 hours per response, including time to gather and maintain data in the required form and to review Instructions and complete the information collection. Send comments regarding this burden estimate or any other aspect of this information collection, including suggestions for reducing this burden to: Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551, and to the Office of Management and Budget, Paperwork Reduction Project (7100-0297), Washington, DC 20503.

10/2014
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 8, 2015.

2: Organizational Chart

```
Heritage Bankshares, Inc.
Norfolk, Virginia
Incorporated in Virginia

Heritage Bank
Norfolk, Virginia 100%
Incorporated in Virginia

Sentinel Financial Group, Inc.
Norfolk, Virginia 100%
Incorporated in Virginia
```
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 open date or acquisition date in the Effective Date column.

Comments
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, 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, Change, or Add.

The FR Y-10 report may be submitted in a hardcopy format or via the FR Y-10 Online application: https://www.federalreserve.gov.

* FDIC, UNSINUM, Office Number, and ID RSDo columns are for reference only. Verification if these values are not required.

<table>
<thead>
<tr>
<th>Data Action</th>
<th>Effective Date</th>
<th>Branch Service Type</th>
<th>Branch ID RSDo</th>
<th>Popular Name</th>
<th>Street Address</th>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
<th>Country</th>
<th>Free UNINUM</th>
<th>Office Number</th>
<th>Head Office</th>
<th>Head Office ID RSDo</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>OK</td>
<td></td>
<td>Full Service</td>
<td>911825</td>
<td>HERITAGE BNF</td>
<td>1001 GREENBRIER PARKWAY, SUITE 175</td>
<td>CHESAPEAKE</td>
<td>VA</td>
<td>23220</td>
<td>CHESAPEAKE CITY</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>HERITAGE BNF</td>
<td>911825</td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td></td>
<td>Full Service</td>
<td>911825</td>
<td>HERITAGE BNF</td>
<td>1020 COLLEY AVENUE, 100</td>
<td>COLLEY</td>
<td>VA</td>
<td>23220</td>
<td>COLLEY CITY</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>HERITAGE BNF</td>
<td>911825</td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td></td>
<td>Full Service (Head Office)</td>
<td>911825</td>
<td>HERITAGE BNF</td>
<td>600 SALVATION ST</td>
<td>SALVATION ST</td>
<td>VA</td>
<td>23220</td>
<td>SALVATION CITY</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>HERITAGE BNF</td>
<td>911825</td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td></td>
<td>Full Service</td>
<td>911825</td>
<td>HERITAGE BNF</td>
<td>601 LYNNHAVEN PARKWAY</td>
<td>VIRGINIA BEACH</td>
<td>VA</td>
<td>23220</td>
<td>VIRGINIA BEACH CITY</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>HERITAGE BNF</td>
<td>911825</td>
<td></td>
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</table>
### Item 3: Shareholders (1)(a)(b)(c) and (2)(a)(b)(c)

<table>
<thead>
<tr>
<th>(1)(a) Name &amp; Address (City, State, Country)</th>
<th>(1)(b) Country of Citizenship or Incorporation</th>
<th>(1)(c) Number and percentage of Each Class of Voting Securities</th>
<th>(2)(a) Name &amp; Address (City, State, Country)</th>
<th>(2)(b) Country of Citizenship or Incorporation</th>
<th>(2)(c) Number and percentage of Each Class of Voting Securities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peter M. Meredith, Jr. Norfolk, VA USA</td>
<td>USA</td>
<td>139,193 shs = 5.08% of common stock outstanding at 12/31/14</td>
<td>NONE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Michael S. Ives Virginia Beach, VA USA</td>
<td>USA</td>
<td>83,856 shs = 3.67% of common stock outstanding at 12/31/14; 70,000 options + 9,660 shs restricted stock = 3.37% of (total common stock outstanding + Mr. Ives stock options + Mr. Ives shs of restricted stock at 12/31/14) (79,660/2,367,169)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Treasury (SBLF) Washington, DC USA</td>
<td>USA</td>
<td>Series C - 7,800 shares = 100% non-voting preferred stock</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Names</td>
<td>Address (City, State, County)</td>
<td>Position &amp; Other Businesses</td>
<td>Ownership</td>
<td>Subsidiaries</td>
<td>Other Businesses (in Company Names)</td>
</tr>
<tr>
<td>-------</td>
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</tr>
<tr>
<td>Peter M. Meredith, Jr.</td>
<td>Norfolk, VA, USA</td>
<td>Director and Chairman of the Board</td>
<td>Director and Chairman of the Board, Heritage Bank</td>
<td>Heritage Bankshares, Inc.</td>
<td>None</td>
</tr>
<tr>
<td>Charles R. Melson Jr.</td>
<td>Virginia Beach, VA, USA</td>
<td>Director, and Vice Chairman of the Board</td>
<td>Director</td>
<td>President, Tank Live, Inc., Partner/Manager, CRM, LLC Real Estate Partnership</td>
<td>None</td>
</tr>
<tr>
<td>Stephen A. Johnson</td>
<td>Virginia Beach, VA, USA</td>
<td>Director, and Secretary of the Board</td>
<td>Director, Heritage Bank</td>
<td>President, CRM, LLC Real Estate Partnership</td>
<td>None</td>
</tr>
<tr>
<td>David A. Arias</td>
<td>Virginia Beach, VA, USA</td>
<td>Director, Heritage Bank</td>
<td>Director, Heritage Bank</td>
<td>President, CRM, LLC Real Estate Partnership</td>
<td>None</td>
</tr>
<tr>
<td>Lisa F. Chandler</td>
<td>Norfolk, VA USA</td>
<td>Director, Heritage Bank</td>
<td>Director, Heritage Bank</td>
<td>Executive VP, Nancy Chandler Associates: Manager/Member, Manorie Residential Properties, LLC, Manager/Member, Westside Holdings, LLC</td>
<td>None</td>
</tr>
<tr>
<td>James A. Cummings</td>
<td>Virginia Beach, VA, USA</td>
<td>Director, Heritage Bank</td>
<td>Director, Heritage Bank</td>
<td>Executive VP, Nancy Chandler Associates: Manager/Member, Manorie Residential Properties, LLC, Manager/Member, Westside Holdings, LLC</td>
<td>None</td>
</tr>
<tr>
<td>Michael S. Ives</td>
<td>Virginia Beach, VA, USA</td>
<td>Director, President &amp; CEO</td>
<td>President, CEO &amp; Director, Heritage Bank</td>
<td>President, CEO &amp; Director, Heritage Bank</td>
<td>None</td>
</tr>
</tbody>
</table>

(1) Number shares owned as % of total number shares outstanding
(2) [Stock options and unvested restricted stock held by individual] / [Total shares outstanding plus that individual's stock options plus unvested restricted stock]
<table>
<thead>
<tr>
<th>Name</th>
<th>Occupation</th>
<th>Relationship to Companies</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thomas G. Johnson, III</td>
<td>Commercial Real Estate</td>
<td>Director</td>
<td>None; Senior Vice President and Partner, S.L. Nusbaum Realty Company; Vice President, SLNWC Holding Company Inc. Mr. Johnson’s position with the following companies is Manager: Hague Medical Building, LLC; Old Brandon Investments Co., LLC; Old Brandon 24th Street Assocs., LLC; Old Brandon Great Neck Assocs., LLC; Old Brandon First Colonial Assocs., LLC; Old Brandon Great Neck Assoc., LLC; SLN Investment Co., LLC; SLNWC Holding Co., LLC.</td>
</tr>
<tr>
<td>David L. Kaufman, Virginia Beach, VA, USA</td>
<td>Venture Capital</td>
<td>Director</td>
<td>None; Senior Managing Director, Ernest Hodges, LLC; Mr. Kaufman is a Partner in the following companies: Bennetts Creek, LLC; Club Forest Commonwealth; Ernest Ventures I, LLC; Ernest Ventures II, LLC; Ernest Ventures III, LLC; Hudson Corners, LLC; Morey Investors, LLC; Old Donation Assocs.; Pak Rat, LLC; Polymers, LLC; RFEC, LLC; Service Center Metals, LLC; TMC Investors Fund I, LLC; Mr. Kaufman is an Officer &amp; Director in the following companies: CLK Company, Inc.; Southeast Marine, Inc.; Officer &amp; Partner, Envest Holdings, LLC (an unrelated company); Mr. Kaufman is a Partner &amp; Director in the following companies: Edglogs; Specialty Coating, LLC; Mr. Kaufman is a Director in the following companies: Endochore Inc., Nuscript, Inc.; 757 Angels.</td>
</tr>
<tr>
<td>L. Allan Parrott, Jr.</td>
<td>Fixed Supplier</td>
<td>Director</td>
<td>None; President, Tidewater Fleet Supply, LLC; President, Parrott Properties, LLC; President, Parrott Distributing, Inc., LLC; President, TFS Franchising, LLC.</td>
</tr>
<tr>
<td>Donald E. Perry, Virginia Beach, VA, USA</td>
<td>Commercial Real Estate and Development</td>
<td>Director</td>
<td>None; President/ Treasurer, Continental Realty Services; President, Salem Woods Property Corp; Principal, Continental Properties Corp.; Mr. Perry is General Partner of the following companies: CPI Associates III; Salem Woods III Associates, LP; Mr. Perry is Managing Member of the following companies: Continental Capital Management, LLC; Continental Capital Partners, LLC; Ahmed Associates, LLC; Continents-Ashland Associates, LLC; Continental-Harbour View Associates, LLC; Continental-Harbour View Associates, LLC; Continental-Pickett’s Live, LLC; Continental Grove Road Associates, LLC; Continental Sandpiper Key Associates; Continental-Poplarwood Cedar, LLC; Continental-Poplarwood Aspen, LLC; Continental Technology Associates, LLC.</td>
</tr>
<tr>
<td>Duane H. Roberts, Norfolk, VA, USA</td>
<td>Certified Public Accountant (Retired)</td>
<td>Director</td>
<td>None; President, Tidewater Fleet Supply, LLC; President, Parrott Properties, LLC; President, Parrott Distributing, Inc., LLC; President, TFS Franchising, LLC.</td>
</tr>
<tr>
<td>Anne Van Winkle Berry, Norfolk, VA, USA</td>
<td>Banking</td>
<td>SVP &amp; CFO</td>
<td>None; President, Tidewater Fleet Supply, LLC; President, Parrott Properties, LLC; President, Parrott Distributing, Inc., LLC; President, TFS Franchising, LLC.</td>
</tr>
</tbody>
</table>

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

(2) [Stock options and unvested restricted stock held by individual] / [Total shares outstanding plus that individual’s stock options plus unvested restricted stock]