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. § 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.

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.

1. Scott C. Harvard
   Name of the Holding Company Director and Official
   President, Chief Executive Officer, & Director
   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 261, 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, 2016

549300DCCMDRFUMP0106

Report's Legal Entity Identifier (LEI) (20-Character LEI Code)

First National Corporation

112 West King Street

Strasburg VA 22657

City State Zip Code

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:
Justin M. Hockman

VP-Controller

540-465-9121

Area Code / Phone Number / Extension

540-865-9847

Area Code / FAX Number

jhockman@fbvirginia.com

E-mail Address

www.fbvirginia.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:
☒ No

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.”
Report Item

1: The bank holding company is registered with the Securities and Exchange Commission.

2a: Organizational Chart

First National Corporation  
LEI - 549300TDGMRU0P0196  
Strasburg, VA, USA  
Incorporated in Virginia

First National (VA)  
Statutory Trust I - No LEI  
Strasburg, VA, USA  
Established in Delaware

First National (VA)  
Statutory Trust II - No LEI  
Strasburg, VA, USA  
Established in Delaware

Shen-Vailey Land Holdings LLC - No LEI  
Strasburg, VA, USA  
Organized in Virginia

Note: First National Corporation holds 100% of all subordinate entities and is the managing member for Shen-Vailey Land Holdings LLC.

2b: Email Submission Completed March 9, 2016.

3: Securities holders

Current securities holders with ownership, control, or holdings of 5% or more with power to vote as of fiscal year ending 12/31/2015

<table>
<thead>
<tr>
<th>(1)(a) Name, 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>
</tr>
</thead>
<tbody>
<tr>
<td>James R. Wilkins III, Winchester, VA, USA</td>
<td>United States of America</td>
<td>597,311 – 12.15% * Common Stock</td>
</tr>
<tr>
<td>The Banc Funds Company, LLC, Chicago, IL, USA</td>
<td>United States of America</td>
<td>367,720 – 7.48% Common Stock</td>
</tr>
</tbody>
</table>

* Includes 4.23% held in the First National Corporation Employee Stock Ownership Plan and Trust. Messrs. Harvard and Wilkins, and Mrs. Cottrell serve as Trustees of the ESOP and have voting powers with respect to such shares.

Securities holders 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 fiscal year ending 12/31/2015

(2) None
**Report Item 4: Insiders**

<table>
<thead>
<tr>
<th>Name &amp; Address</th>
<th>(2) Principal Occupation, if other than with FNC</th>
<th>(3)(a) Title &amp; Position with FNC</th>
<th>(3)(b) Title &amp; Position with Subsidiaries</th>
<th>(3)(c) Title &amp; Position with Other Businesses</th>
<th>(4)(a) Percentage of Voting Shares in FNC</th>
<th>(4)(b) Percentage of Voting Shares in Subsidiaries</th>
<th>(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Douglas C. Arthur</strong>&lt;br&gt;Strasburg, VA, USA</td>
<td>Attorney</td>
<td>Chairman of the Board &amp; Director</td>
<td>Chairman of the Board &amp; Director – First Bank</td>
<td>Owner – Douglas C. Arthur, Attorney&lt;br&gt;Vice Chairman &amp; Lead Director – Shenandoah Telecommunications Company</td>
<td>Less than 1%</td>
<td>None</td>
<td>Douglas C. Arthur Attorney, 100% Realty Appraisal &amp; Title Co. Inc., 25%</td>
</tr>
<tr>
<td><strong>Emily M. Beck</strong>&lt;br&gt;Winchester, VA, USA</td>
<td>President – Marlow Automotive Group</td>
<td>Director</td>
<td>Director – First Bank</td>
<td>President – GW Motors dba TriState Nissan&lt;br&gt;President – Marlow Motor Company&lt;br&gt;President – Luray Ford dba Marlow Ford&lt;br&gt;Member – Marard Associates dba JD Byrider&lt;br&gt;Member – MWM Associates dba Credit Now Acceptance Company&lt;br&gt;Member – JSB Associates&lt;br&gt;Director – Virginia Automobile Dealers Association&lt;br&gt;Chairman – Lord Fairfax Community College Foundation Board&lt;br&gt;Board of Trustees – Warren Memorial Hospital Foundation</td>
<td>Less than 1%</td>
<td>None</td>
<td>GW Motors dba TriState Nissan, 35% Marlow Motor Company, 40% Luray Ford dba Marlow Ford, 40%</td>
</tr>
<tr>
<td><strong>M. Shane Bell</strong>&lt;br&gt;Winchester, VA, USA</td>
<td>Executive Vice President &amp; Chief Financial Officer – First Bank</td>
<td>Executive Vice President &amp; Chief Financial Officer</td>
<td>Executive Vice President &amp; Chief Financial Officer – First Bank</td>
<td>None</td>
<td>Less than 1%</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td><strong>Elizabeth H. Cotrell</strong>&lt;br&gt;Maurertown, VA, USA</td>
<td>Writing/Editing Services</td>
<td>Vice-Chairman and Secretary of the Board &amp; Director</td>
<td>Vice-Chairman and Secretary of the Board &amp; Director – First Bank</td>
<td>Owner / CEO - Riverwood Writer LLC&lt;br&gt;Director &amp; Treasurer – Moore Educational Trust General Partner – Herbert Family Limited Partnership</td>
<td>4.46%*</td>
<td>None</td>
<td>Riverwood Writer LLC, 100%</td>
</tr>
<tr>
<td>Name &amp; Address</td>
<td>Principal Occupation, if other than with FNC</td>
<td>Title &amp; Position with FNC</td>
<td>Title &amp; Position with Subsidiaries</td>
<td>Other Businesses</td>
<td>Percentage of Voting Shares in FNC</td>
<td>Percentage of Voting Shares in Subsidiaries</td>
<td>List names of other companies (includes partnerships) if 25% or more of voting securities are held.</td>
</tr>
<tr>
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<td>---------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| Miles K. Davis  
Leesburg, VA, USA | Dean – Harry F. Byrd Jr. School of Business, Shenandoah University | Director | Director – First Bank | Trustee – Amana Mutual Funds Trust  
Director – Top of Virginia Chamber of Commerce  
Trustee – Loudoun Hospital Center | Less than 1% | None | None |
| Dennis A. Dysart  
Edinburg, VA, USA | President & Chief Operating Officer – First Bank | Senior Executive Vice President & Chief Operating Officer | President & Chief Operating Officer – First Bank | Director – Virginia Association of Community Banks | Less than 1% | None | None |
| Christopher E. French  
Woodstock, VA, USA | President & Chief Executive Officer – Shenandoah Telecommunications Company | Director | Director – First Bank | President & CEO, Chairman of the Board & Director - Shenandoah Telecommunications Company  
Treasurer & Director - Pine Meadows Inc.  
Treasurer & Director - Frenchfield Inc. Limited Partner – Alder Run Land LP | 1.24% | None | Frenchfield Inc., 40% |
| W. Michael Funk  
Woodstock, VA, USA | Retired | Director | Director – First Bank | Member – Town of Woodstock Economic Development Authority  
Director & Treasurer – Shenandoah Community Foundation | Less than 1% | None | None |
| Scott C. Harvard  
Winchester, VA, USA | Chief Executive Officer – First Bank | Director, President, & Chief Executive Officer | Director & Chief Executive Officer – First Bank | Principal – Harvard Resources Corporation Trustee – Westminster Canterbury of Shenandoah Valley  
Chairman-United Way of the Northern Shenandoah Valley  
Advisory Board Member – Shenandoah University Harry F. Byrd Jr. School of Business  
Director – Virginia Bankers Association | 4.78%* | None | Harvard Resources Corporation, 100% |
## Report Item 4: Insiders

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

<table>
<thead>
<tr>
<th>Name &amp; Address</th>
<th>Principal Occupation, if other than with FNC</th>
<th>Title &amp; Position with FNC</th>
<th>Title &amp; Position with Subsidiaries</th>
<th>Percentage of Voting Shares in FNC</th>
<th>Percentage of Voting Shares in Subsidiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gerald F. Smith Jr.</strong></td>
<td>President &amp; CEO – Valley Proteins Inc.</td>
<td>Director</td>
<td>Director – First Bank</td>
<td>1.44%</td>
<td>None</td>
</tr>
<tr>
<td>Winchester, VA, USA</td>
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<td></td>
<td></td>
<td>Valley Proteins Inc., 56%</td>
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<tr>
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<td>Eagle 1976 LLC, 100%</td>
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<td></td>
<td></td>
<td></td>
<td>Ridgewood Orchard LP, 99%</td>
</tr>
<tr>
<td><strong>James R. Wilkins III</strong></td>
<td>President – Silver Lake Properties Inc.</td>
<td>Director</td>
<td>Director – First Bank</td>
<td>12.15%*</td>
<td>None</td>
</tr>
<tr>
<td>Winchester, VA, USA</td>
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<td></td>
<td></td>
<td></td>
<td>Silver Lake LLC, 50%</td>
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<tr>
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<td></td>
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<td>Greystone Developers Inc., 50%</td>
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<td>Greystone Properties LLC, 50%</td>
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<td></td>
<td>Silver Lake Properties Inc., 50%</td>
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<td></td>
<td>Wilkins Investments LP, 48%</td>
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<td></td>
<td></td>
<td></td>
<td>Wilkins Enterprises LP, RLLP, 100%</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>JRW Properties &amp; Rentals Inc., 49.5%</td>
</tr>
</tbody>
</table>

*Includes 4.23% held in the First National Corporation Employee Stock Ownership Plan and Trust. Messrs. Harvard and Wilkins, and Mrs. Cottrell serve as trustees of the ESOP and have voting powers with respect to such shares.*
Results: A list of branches for your depository institution: FIRST BANK (ID_RSSD: 899428).

The data are as of 12/31/2015. Data reflect information that was received and processed through 01/07/2016.

**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.

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://ty10online.federalreserve.gov).

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.

<table>
<thead>
<tr>
<th>Data Action</th>
<th>Effective Date</th>
<th>Branch Service Type</th>
<th>Branch_ID_RSSD</th>
<th>Appear Name</th>
<th>Street Address</th>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
<th>County</th>
<th>Country</th>
<th>FDIC LIQUIDATION</th>
<th>Office Number</th>
<th>Head Office</th>
<th>Head Office_ID_RSSD</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>OK</td>
<td></td>
<td>Full Service (Head Office)</td>
<td>899428</td>
<td>FIRST BANK</td>
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<td>VA</td>
<td>22657</td>
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<td>366 BUSHY PARK ROAD</td>
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<td>100 FAIRFAX PIKE</td>
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<td>WINCHESTER BRANCH</td>
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