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. § 1644 (c)(1)(A)); Section 8(a) of the International Banking Act (12 U.S.C. § 3105(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.

I, Glenn W. Rust
Name of the Holding Company Director and Official
President & CEO, and 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.

Date of Report (top-tier holding company’s fiscal year-end):
December 31, 2016

Signature of Holding Company Director and Official
03/29/2017

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. __________________________

E-mail Address
tara.harrison@vnb.com
www.vnbcorp.com
Address (URL) for the Holding Company’s web page

Public reporting burden for this information collection is estimated to vary from 1.3 to 101 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 collection of information, 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.
Report Item

1: Annual Report

The bank holding company prepares an annual report for its shareholders which is filed with the Securities and Exchange Commission (SEC). A copy of the report can be obtained from the SEC website or at www.vnbcorp.com, under “SEC Filings.”

2a: Organizational Chart

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Virginia National Bankshares Corporation
LEI 5493005LXSLNF92BF097
Charlottesville, Virginia
Incorporated in Virginia

100%

Virginia National Bank
No LEI
Charlottesville, Virginia
National Bank Organized under laws of
United States of America
Main Office Located in Virginia

100%

VNBTrust, National Association
No LEI
Charlottesville, Virginia
National Bank Organized under laws of
United States of America
Main Office Located in Virginia
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2b: Branch listing verified and provided to the Federal Reserve Bank of Richmond by email on March 22, 2017. See following sheet.

NOTE: Winchester branch (ID_RSSD 3091858) was closed October 28, 2016. FR Y-10 to report that this branch had closed was submitted electronically March 28, 2017.
Results: A list of branches for your depository institution: VIRGINIA NATIONAL BANK (ID_RSSD: 2708122).
This depository institution is held by VIRGINIA NATIONAL BANKSHARES CORPORATION (4517261) of CHARLOTTESVILLE, VA.
The data are as of 12/31/2016. Data reflects information that was received and processed through 01/10/2017.

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.

<table>
<thead>
<tr>
<th>Data Action</th>
<th>Effective Date</th>
<th>Branch Service Type</th>
<th>Branch ID_RSSD*</th>
<th>Popular Name</th>
<th>Street Address</th>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
<th>County</th>
<th>Country</th>
<th>FDIC UNINUM*</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>2708122</td>
<td>Full Service (Head Office)</td>
<td>222 EAST MAIN STREET</td>
<td>VIRGINIA NATIONAL BANK</td>
<td></td>
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</tr>
<tr>
<td>OK</td>
<td>3299234</td>
<td>Full Service</td>
<td>1900 ARLINGTON BOULEVARD</td>
<td>ARLINGTON BOULEVARD BRANCH</td>
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</tr>
<tr>
<td>OK</td>
<td>3967391</td>
<td>Full Service</td>
<td>404 PEOPLE PLACE</td>
<td>PANTOPS PARK BRANCH</td>
<td></td>
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</tr>
<tr>
<td>OK</td>
<td>2748883</td>
<td>Full Service</td>
<td>1580 SEMINOLE TRAIL</td>
<td>SEMINOLE BRANCH</td>
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<tr>
<td>OK</td>
<td>2963583</td>
<td>Full Service</td>
<td>102 EAST MAIN ST</td>
<td>ORANGE BRANCH</td>
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</tr>
<tr>
<td>OK</td>
<td>3231663</td>
<td>Full Service</td>
<td>3119 VALLEY AVENUE #102</td>
<td>CREEKSIDE OFFICE BRANCH</td>
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</tr>
<tr>
<td>Close</td>
<td>10/28/2016</td>
<td>Full Service</td>
<td>186 NORTH LOUDOUN STREET</td>
<td>WINCHESTER BRANCH</td>
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</tr>
</tbody>
</table>
3: Security Holders

(1) Current securities holders with ownership, control or holdings of 5% or more with power to vote as of fiscal year ending December 31, 2016.

<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 Shares of Common Stock</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hunter E. Craig Charlottesville, Virginia, USA</td>
<td>USA</td>
<td>231,566</td>
</tr>
<tr>
<td>William D. Dittmar, Jr. Charlottesville, Virginia, USA</td>
<td>USA</td>
<td>184,358</td>
</tr>
</tbody>
</table>

(2) Securities holders not listed in 3(1) above with ownership, control or holdings of 5% or more with power to vote during the fiscal year ending December 31, 2016.

None
## Insiders

The following table sets forth certain information as of December 31, 2016 concerning beneficial ownership of the Company’s common stock by each director and executive officer.

<table>
<thead>
<tr>
<th>Name</th>
<th>City, State</th>
<th>Occupation</th>
<th>Title and Position with Holding Company</th>
<th>Title and Position with Subsidiaries</th>
<th>Percentage of Voting Shares in Holding Company</th>
<th>Percentage of Voting Shares in Subsidiaries</th>
<th>Percentage of Voting Shares in Other Businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Virginia R. Bayes</td>
<td>Charlottesville, VA</td>
<td>Executive Officer</td>
<td>EVP &amp; Chief Credit Officer, Virginia National Bank</td>
<td>President, Oak Ridge Properties Inc. North Garden, VA</td>
<td>1% *</td>
<td>N/A</td>
<td>Oak Ridge Properties Inc. 50%</td>
</tr>
<tr>
<td>H.K. Benham, III</td>
<td>Winchester, VA</td>
<td>Retired attorney</td>
<td>Director, Virginia National Bank and VNBTrust, N.A</td>
<td>Trustee of: Elizabeth Kern Trust; Brockton Land Trust; Benham Trust; Richardson Trust; and Petith Trust (all of Winchester, VA). Co-Trustee of: Page-Brook Land Trust; Frederick Plaza Land Trust; Ridgeway Apartments Land Trust; and Sloan Trust (all of Winchester, VA). Co-Manager of: Winchester Commerce St. LLC; Briars-PLI, LLC; Page Brooke Village Apartments, LLC; R &amp; J Properties of Winchester LLC; SHK Properties, LLC; Sommerfield LLC; and Lord Fairfax Apartments (all of Winchester, VA). Director, Plasticard-Locktech International, LLP, Asheville, NC</td>
<td>1% *</td>
<td>N/A</td>
<td>Benham Trust  See Note 1</td>
</tr>
<tr>
<td>Steven W. Blaine</td>
<td>Charlottesville, VA</td>
<td>Attorney</td>
<td>Director, Virginia National Bank and VNBTrust, N.A</td>
<td>Partner &amp; Vice President, LeClairRyan, Charlottesville, VA</td>
<td>1% *</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>William D. Dittmar, Jr.</td>
<td>Charlottesville, VA</td>
<td>Executive of company that manages and develops of commercial properties</td>
<td>Chairman of the Board, Virginia National Bank and VNBTrust, N.A</td>
<td>Manager of: Enterprise Properties, LLC; OMD, LLC; BHN, LLC; Pantops Park, LLC; 401 East Market St., LLC; Lady Cass, LLC; BHE LLC (all of Charlottesville, VA)</td>
<td>7%</td>
<td>N/A</td>
<td>Enterprise Properties, LLC 100%  OMD, LLC 100%  BHN, LLC 50%  Pantops Park, LLC 100%  401 East Market St., LLC 100%  Lady Cass, LLC 100%  BHE LLC 100%</td>
</tr>
</tbody>
</table>

**Note 1:** Mr. Benham is the Trustee and Lifetime Beneficiary of these Trusts.
<table>
<thead>
<tr>
<th>Name</th>
<th>City, State</th>
<th>Principal Occupation if other than with Holding Company</th>
<th>(2) Title and Position with Holding Company</th>
<th>(3)(a) Title and Position with Subsidiaries</th>
<th>(3)(b) Title and Position with Other Businesses</th>
<th>(4)(a) Percentage of Voting Shares in Holding Company</th>
<th>(4)(b) Percentage of Voting Shares in Subsidiaries</th>
<th>(4)(c) Percentage of Voting Shares in Other Companies if 25% or more</th>
</tr>
</thead>
<tbody>
<tr>
<td>James T. Holland</td>
<td>Winchester, VA, USA</td>
<td>Consultant and Author</td>
<td>Director, Virginia National Bank and VNBTrust, N.A</td>
<td>Managing Partner, JSJ Partnership, Winchester, VA</td>
<td>1% *</td>
<td>N/A</td>
<td>JSJ Partnership</td>
<td>33%</td>
</tr>
<tr>
<td>Susan K. Payne</td>
<td>Charlottesville, VA, USA</td>
<td>Executive of marketing, public relations and advertising firm</td>
<td>Director, Virginia National Bank and VNBTrust, N.A</td>
<td>President, The Blue Ridge Group, Inc.; Owner, 206 E Jefferson St., LLC (all of Charlottesville, VA)</td>
<td>1% *</td>
<td>N/A</td>
<td>The Blue Ridge Group, Inc.</td>
<td>100%</td>
</tr>
<tr>
<td>Glenn W. Rust</td>
<td>Charlottesville, VA, USA</td>
<td>N/A</td>
<td>President and Chief Executive Officer, Director</td>
<td>N/A</td>
<td>1%</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Donna G. Shewmake</td>
<td>Charlottesville, VA, USA</td>
<td>N/A</td>
<td>EVP &amp; General Counsel, and Secretary to the Board</td>
<td>N/A</td>
<td>1% *</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Gregory L. Wells</td>
<td>Charlottesville, VA, USA</td>
<td>Executive of company operating fitness &amp; wellness centers</td>
<td>Director, Virginia National Bank and VNBTrust, N.A</td>
<td>Chief Executive Officer of: Legacy Management, Inc.; ACAC of Virginia, Inc.; ACAC of Richmond, Inc.; ACAC of Short Pump, Inc.; and ACAC, L.P. (all of Charlottesville, VA)</td>
<td>1% *</td>
<td>N/A</td>
<td>Jump Gardens, LLC</td>
<td>35%</td>
</tr>
<tr>
<td>Bryan D. Wright</td>
<td>Charlottesville, VA, USA</td>
<td>Attorney</td>
<td>Director, Virginia National Bank and VNBTrust, N.A</td>
<td>Principal and Owner, Law Offices of Bryan D. Wright; Chairman &amp; CEO, Bexar, LLC and WorldGen, LLC; Chairman &amp; General Manager, Kuhlmann Wilsdorf Motors, LLC; Director, EAS I P, LLC (all of Charlottesville, VA)</td>
<td>1% *</td>
<td>N/A</td>
<td>Law Offices of Bryan D. Wright</td>
<td>100%</td>
</tr>
</tbody>
</table>

* Each of these individuals owns less than 1% of the common stock of Virginia National Bankshares Corporation.

**NOTE:** (4)(b) -- Percentage of Voting Shares in Subsidiaries
Virginia National Bank is a wholly owned subsidiary of Virginia National Bankshares Corporation, and VNBTrust, N.A. is a wholly owned subsidiary of Virginia National Bank; therefore, there are no individuals or other entities with shares in the subsidiaries.