Board of Governors of the Federal Reserve System

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(b)(1)(A) of the Bank Holding Company Act (12 U.S.C. § 1844(c)(1)(A); sections 6(a) and 13(a) of the International Banking Act (12 U.S.C. §§ 3106(a) and 3108(a); sections 15(a)(1), 25, and 25A of the Federal Reserve Act (12 U.S.C. §§ 340(b)(1), 602, and 611a); and sections 113, 165, 312, 616, and 809 of the Dodd-Frank Act (12 U.S.C. §§ 5361, 5365, 5412, 1850a(c)(1), and 5496(b)(1)). 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. If the holding company is an ESOP/ESOT formed as a corporation or as an LLC, see the General Instructions for the authorized individual who must sign the report.

I.F. Brad Denisard
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 "Rulings Regarding Availability of Information," 12 C.F.R. Part 261, that the Reporter and individual consent to public release of all details unless such consent concerns that individual.

Signature of Holding Company Director and Official

Date of Signatures: 03/27/2018

Date of Report (top-tier holding company's fiscal year-end):
December 31, 2018

National Bankshares, Inc.
Legal Title of Holding Company
P.O. Box 90002
(Writing Address of the Holding Company) Street / P.O. Box
Blackburg, VA
24062-9002
City
State
Zip Code

Person to whom questions about this report should be directed:
David K. Skeens
Chief Financial Officer
Name
Title

Area Code / Phone Number / Extension
(540) 951-6347
(540) 951-6396
Email Address
dskeeens@nbbank.com

Address (URL) for the Holding Company's web page
www.nationalbankshares.com

Is confidential treatment requested for any portion of this report submitted?
☐ No
☐ Yes

NOTE: Information for which confidential treatment is being requested must be provided separately and labeled as "confidential.

In accordance with the General Instructions for this report (check only one):
1. a letter justifying this request is being provided along with the report:
☐ Yes
☐ No

2. a letter justifying this request has been provided separately:
☐ Yes
☐ No

Public reporting burden for this information collection is estimated to vary from 1.5 to 10 hours per response, with an average of 5.5 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 (1504-0293). Washington, DC 20503.
NATIONAL BANKSHARES, INC.
ANNUAL REPORT OF HOLDING COMPANIES – FRY – 6
DECEMBER 31, 2017

COVER PAGE

National Bankshares, Inc. respectfully submits the
Annual Report of Holding Companies – FR Y-6
As of December 31, 2017

Signed:

F. Brad Denard
President and Chief Executive Officer

March 27, 2018
Date
Report Item 1 – 10K FILED WITH THE SECURITIES AND EXCHANGE COMMISSION

National Bankshares, Inc. Form 10-K – Year Ended December 31, 2017

(See Attached)

Report Item 2a – ORGANIZATION CHART

```
National Bankshares, Inc.
Blacksburg, VA

The National Bank of Blacksburg
100% Owned Subsidiary
Blacksburg, VA

National Bankshares Financial Services, Inc.
100% Owned Subsidiary
Blacksburg, VA
```

All entities shown above are incorporated in the Commonwealth (State) of Virginia, except for the National Bank of Blacksburg which is a nationally chartered banking association.

National Bankshares, Inc. LEI: 549300Q745S62Q6QNW78
Report Item 3 – SECURITIES HOLDERS

(1) The number of securities holders that reported ownership, control or the power to vote 5% or more of National Bankshares, Inc. common stock as of December 31, 2017: as listed below:

Blackrock Inc.
55 East 52nd Street
New York, NY 10055
452,045 Shares
6.50% of shares outstanding reported

National Rural Electric Cooperative Association
4301 Wilson Boulevard
Arlington, VA 22203
564,117 Shares
8.11% of shares outstanding reported

Royce & Associates, LLC
745 Fifth Avenue
New York, NY 10151
444,903 shares
6.39% of shares outstanding reported

(2) The number of securities holders that reported ownership, control or the power to vote 5% or more of National Bankshares, Inc. common stock during the fiscal year 2017, that are not listed above: none.

Report Item 4 – INSIDERS

Attached table of National Bankshares, Inc. Directors and Officers.
### NATIONAL BANKSHARES, INC. DIRECTORS AND OFFICERS

#### DECEMBER 31, 2017

<table>
<thead>
<tr>
<th>NAME &amp; ADDRESS</th>
<th>TITLE WITH NATIONAL BANKSHARES, INC.</th>
<th>TITLE WITH DIRECT/INDIRECT SUBSIDIARIES OF HOLDING COMPANY</th>
<th>TITLE OR POSITION WITH ANY OTHER BUSINESS COMPANY</th>
<th>PRINCIPAL OCCUPATION, IF NOT HOLDING COMPANY</th>
<th>NUMBER OF SHARES &amp; % OF BANKSHARES COMMON STOCK OWNED/CONTROLLED</th>
<th>NUMBER OF SHARES OF DIRECT AND INDIRECT SUBSIDIARIES OWNED</th>
<th>NUMBER OF SHARES OR PARTNERSHIP INTEREST IN ANY OTHER BUSINESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lawrence J. Bell</td>
<td>Director</td>
<td>---</td>
<td>President, Moog Components Group</td>
<td>High Tech Manufacturing Executive</td>
<td>3,500 0.05%</td>
<td>0.0%</td>
<td>Ball Property Investments (BPI), LLC – 100%</td>
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<td>BFIBlackburg, LLC – 100%</td>
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<td>BPI383Villa, LLC – 100%</td>
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<tr>
<td>F. Brad Denardo</td>
<td>President and Chief Executive Officer, Director</td>
<td>Chairman, President, Chief Executive Officer and Director – The National Bank of Blacksburg; Chairman, President, Chief Executive Officer and Director – National Bankshares Financial Services, Inc.; NBB Company – Partner</td>
<td>The National Bank of Blacksburg</td>
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<td>30,479 0.44%</td>
<td>0.0%</td>
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<tr>
<td>John E. Dooley</td>
<td>Director</td>
<td>---</td>
<td>CFO and Secretary, Treasurer, Virginia Tech Foundation, Inc.</td>
<td>Higher Education Administrator</td>
<td>3,525 0.05%</td>
<td>0.0%</td>
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<tr>
<td>Michael E. Dye</td>
<td>Director</td>
<td>---</td>
<td>Pharmacist, New Graham Pharmacy</td>
<td>Pharmacist</td>
<td>2,697 0.04%</td>
<td>0.0%</td>
<td>New Graham Pharmacy - Cornerstone Gifts – The Last Fountain – New Graham Knives*</td>
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<tr>
<td>Norman V. Fitzwater, Ill</td>
<td>Director</td>
<td>---</td>
<td>President, A Cleaner World</td>
<td>Business Owner/Executive</td>
<td>4,000 0.06%</td>
<td>0.0%</td>
<td>Fitzwater Inc.</td>
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<tr>
<td>Charles E. Green, III</td>
<td>Director</td>
<td>---</td>
<td>Chartered Life Underwriter, Chartered Financial Consultant, AXA Advisors, LLC</td>
<td>Financial Advisor/Insurance Broker</td>
<td>40,138 0.58%</td>
<td>0.0%</td>
<td>WJ Golf, LLC – 100%</td>
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<td>Greens Family Limited Partnership, LLC – 95%</td>
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<td>Mildred R. Johnson</td>
<td>Director</td>
<td>---</td>
<td>Dean of Admissions, Radford University</td>
<td>Higher Education Management</td>
<td>625 0.01%</td>
<td>0.0%</td>
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<tr>
<td>Jack M. Lewis</td>
<td>Vice Chairman of the Board, Director</td>
<td>---</td>
<td>Retired Educator, past President of New River Community College</td>
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<td>6,056 0.00%</td>
<td>0.0%</td>
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<tr>
<td>NAME &amp; ADDRESS</td>
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<tr>
<td>Mary G. Miller</td>
<td>Director</td>
<td>--</td>
<td>Director, Regional Acceleration and Mentoring Program</td>
<td>Technology Business Development</td>
<td>3,500 0.50%</td>
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<td>Intellig LLC – 100%</td>
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<tr>
<td>Blacksburg, VA</td>
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<tr>
<td>William A. Peery</td>
<td>Director</td>
<td>--</td>
<td>President, Cargo Oil Company, Inc.</td>
<td>Oil &amp; Convenience Store Company Executive</td>
<td>12,998 0.19%</td>
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<td>Cargo Oil Company, Inc. – 35%</td>
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<td>Tazewell, VA</td>
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<td>Peery Farm – 25%</td>
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<tr>
<td>James C. Rakes</td>
<td>Chairman of the Board, Director</td>
<td>--</td>
<td>--</td>
<td>Retired, Banking Executive</td>
<td>87,403 0.16%</td>
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<td>JOR Properties, LLC – 100%</td>
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<td>Blacksburg, VA</td>
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<tr>
<td>Lars E. Remsey</td>
<td>Senior Vice President, Administration</td>
<td>Corporate Secretary - The National Bank of Blacksburg</td>
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<td>4,227 0.06%</td>
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<td>Radford, VA</td>
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<td>Glenn F. Reynolds</td>
<td>Director</td>
<td>--</td>
<td>President, Reynolds Architects, Inc.</td>
<td>Architect</td>
<td>7,077 0.16%</td>
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<td>Reynolds Architects, Inc. – 100%</td>
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<tr>
<td>Blacksburg, VA</td>
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<tr>
<td>David K. Stimus</td>
<td>Treasurer &amp; Chief Financial Officer</td>
<td>Senior Vice President/Risk Management &amp; Culture - The National Bank of Blacksburg</td>
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<td>The National Bank of Blacksburg</td>
<td>8,074 0.12%</td>
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<td>Christiansburg, VA</td>
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<tr>
<td>James C. Thompson</td>
<td>Director</td>
<td>--</td>
<td>Engineer and Chairman of the Board, Thompson &amp; Litton, Inc.</td>
<td>Engineer</td>
<td>7,922 0.11%</td>
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<td>Thompson &amp; Litton, Inc.</td>
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<tr>
<td>J. Lewis Welsh</td>
<td>Director</td>
<td>--</td>
<td>Lead Manager, Buchanan Coal Group</td>
<td>Retired, Dentist</td>
<td>7,218 0.10%</td>
<td>--</td>
<td>The Buchanan Group, LLC</td>
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</table>