



Strategic Merger of Equals Between Virginia National Bankshares Corporation and Fauquier Bankshares, Inc.

Investor Presentation

October 1, 2020

Compliance Disclosures

Additional Information About the Merger and Where to Find It

In connection with the proposed merger, Virginia National Bankshares Corporation (“VABK”) intends to file with the Securities and Exchange Commission (the “SEC”) a registration statement on Form S-4, which will include a joint proxy statement/prospectus to be mailed to shareholders of both VABK and Fauquier Bankshares, Inc. (“FBSS”). SECURITY HOLDERS OF VABK AND FBSS ARE ADVISED TO READ THE REGISTRATION STATEMENT AND THE JOINT PROXY STATEMENT/PROSPECTUS WHEN THEY BECOME AVAILABLE AND ANY OTHER DOCUMENTS FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION REGARDING VABK, FBSS AND THE PROPOSED MERGER TRANSACTION. Security holders may obtain free copies of these documents, once they are filed, and other documents filed with the SEC on the SEC’s website at <http://www.sec.gov>. Security holders will also be able to obtain these documents, once they are filed, free of charge, by requesting them in writing from Tara Y. Harrison, VABK’s Chief Financial Officer, at 404 People Place, Charlottesville, Virginia 22911, or by telephone at (434) 817-8587, or Christine E. Headly, FBSS’s Chief Financial Officer, at 10 Courthouse Square, Warrenton, Virginia 20186, or by telephone at (540) 349-0218.

VABK, FBSS and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of VABK and FBSS in connection with the proposed merger. Information about the directors and executive officers of VABK and FBSS will be included in the joint proxy statement/prospectus when it becomes available. Additional information regarding the interests of those persons and other persons who may be deemed participants in the transaction may be obtained by reading the joint proxy statement/prospectus regarding the proposed merger when it becomes available. You may obtain free copies of each document as described in the preceding paragraph.

This presentation does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or proxy in favor of the merger, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

Risks Relating to the Coronavirus (COVID-19) Outbreak

In March 2020, the World Health Organization declared the coronavirus (COVID-19) outbreak a pandemic and the United States declared a national emergency. Global and national health concerns relating to the coronavirus outbreak have been weighing on the local, national and global economic environments, and the outbreak has significantly increased economic uncertainty. The outbreak has resulted in authorities implementing numerous measures to try to contain the virus, such as travel bans and restrictions, quarantines, shelter in place orders, and business shutdowns. These measures have not only negatively impacted consumer and business spending habits, they have also adversely impacted and may further impact VABK and FBSS’s workforces and operations and the operations of their customers, vendors and business partners. These measures may remain in place for a significant period of time and they are likely to continue to adversely affect the businesses, results of operations and financial condition of VABK and FBSS.

The bank regulatory agencies and various governmental authorities are urging financial institutions to work prudently with borrowers who are or may be unable to meet their contractual payment obligations because of the effects of COVID-19. Loan forbearances and other measures have been and will continue to be taken to assist affected customers and businesses, which may have an adverse impact on results of operations and financial condition. VABK’s and FBSS’s loans to particular businesses, such as restaurants, hotels and contractors, as well as to people working in those industries, may be particularly subject to adverse developments. Disruptions to customers could result in increased delinquencies, defaults, foreclosures and losses on loans, negatively impact regional economic conditions, result in declines in local loan demand, liquidity of loan guarantors, loan collateral (particularly in real estate), loan originations and deposit availability. The spread of the coronavirus has also caused VABK and FBSS to modify their business practices (including employee travel, employee work locations, and cancellation of physical participation in meetings, events and conferences), and VABK and FBSS may take further actions as may be required by government authorities or that they determine are in the best interests of their employees, customers and business partners. There is no certainty that such measures will be sufficient to mitigate the risks posed by the virus or otherwise be satisfactory to government authorities.

The extent to which the coronavirus outbreak impacts VABK’s and FBSS’s business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the outbreak, its severity, the actions to contain the virus or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume. Even after the coronavirus outbreak has subsided, VABK and FBSS may continue to experience materially adverse impacts to their businesses as a result of its economic impact, including any recession that has occurred or may occur in the future.

There are no comparable recent events which may provide guidance as to the effect of the spread of the coronavirus and a global pandemic, and, as a result, the ultimate impact of the coronavirus outbreak or a similar health epidemic is highly uncertain and subject to change. The full extent of the impact on VABK’s and FBSS’s businesses, operations or the economy as a whole is not yet known. However, the effects could have a material impact on results of operations, and VABK and FBSS will continue to monitor the coronavirus situation closely.

Legal Disclaimer

Cautionary Note Regarding Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements about (i) the benefits of a merger between VABK and FBSS, including future financial and operating results, cost savings, enhancements to revenue and accretion to reported earnings that may be realized from the merger; (ii) VABK's and FBSS's plans, objectives, expectations and intentions and other statements contained in this presentation that are not historical facts; and (iii) other statements identified by words such as "may", "assumes", "approximately", "will", "expects", "anticipates", "intends", "plans", "believes", "seeks", "estimates", "targets", "projects", or words of similar meaning generally intended to identify forward-looking statements. These forward-looking statements are based upon the current beliefs and expectations of the respective management of VABK and FBSS and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of VABK and FBSS. In addition, these forward-looking statements are subject to various risks, uncertainties and assumptions with respect to future business strategies and decisions that are subject to change and difficult to predict with regard to timing, extent, likelihood and degree of occurrence. As a result, actual results may differ materially from the anticipated results discussed in these forward-looking statements because of possible uncertainties.

The following factors, among others, could cause actual results to differ materially from the anticipated results or other expectations expressed in the forward-looking statements: (1) the businesses of VABK and FBSS may not be combined successfully, or such combination may take longer, be more difficult, time-consuming or costly to accomplish than expected; (2) the expected growth opportunities or cost savings from the merger may not be fully realized or may take longer to realize than expected; (3) deposit attrition, operating costs, customer losses and business disruption following the merger, including adverse effects on relationships with employees and customers, may be greater than expected; (4) the regulatory approvals required for the merger may not be obtained on the proposed terms or on the anticipated schedule; (5) the shareholders of VABK or FBSS may fail to approve the merger; (6) economic, legislative or regulatory changes, including changes in accounting standards, may adversely affect the businesses in which VABK and FBSS are engaged; (7) the interest rate environment may further compress margins and adversely affect net interest income; (8) results may be adversely affected by continued diversification of assets and adverse changes to credit quality; (9) competition from other financial services companies in VABK's and FBSS's markets could adversely affect operations; (10) an economic slowdown could adversely affect credit quality and loan originations; (11) the COVID-19 pandemic is adversely affecting VABK, FBSS, and their respective customers, employees and third-party service providers; the adverse impacts of the pandemic on their respective business, financial position, operations and prospects have been material, and it is not possible to accurately predict the extent, severity or duration of the pandemic or when normal economic and operation conditions will return; and (12) other factors that may affect future results of VABK and FBSS, including: changes in asset quality and credit risk; the inability to sustain revenue and earnings growth; changes in interest rates and capital markets; inflation; customer borrowing, repayment, investment and deposit practices; the impact, extent and timing of technological changes; capital management activities; and other actions of the bank regulatory agencies and legislative and regulatory actions and reforms. Additional factors that could cause actual results to differ materially from those expressed in the forward-looking statements are discussed in VABK's and FBSS's reports (such as Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K) filed with the SEC and available on the SEC's Internet site (<http://www.sec.gov>).

Risks Related to the SBA PPP Loan Program

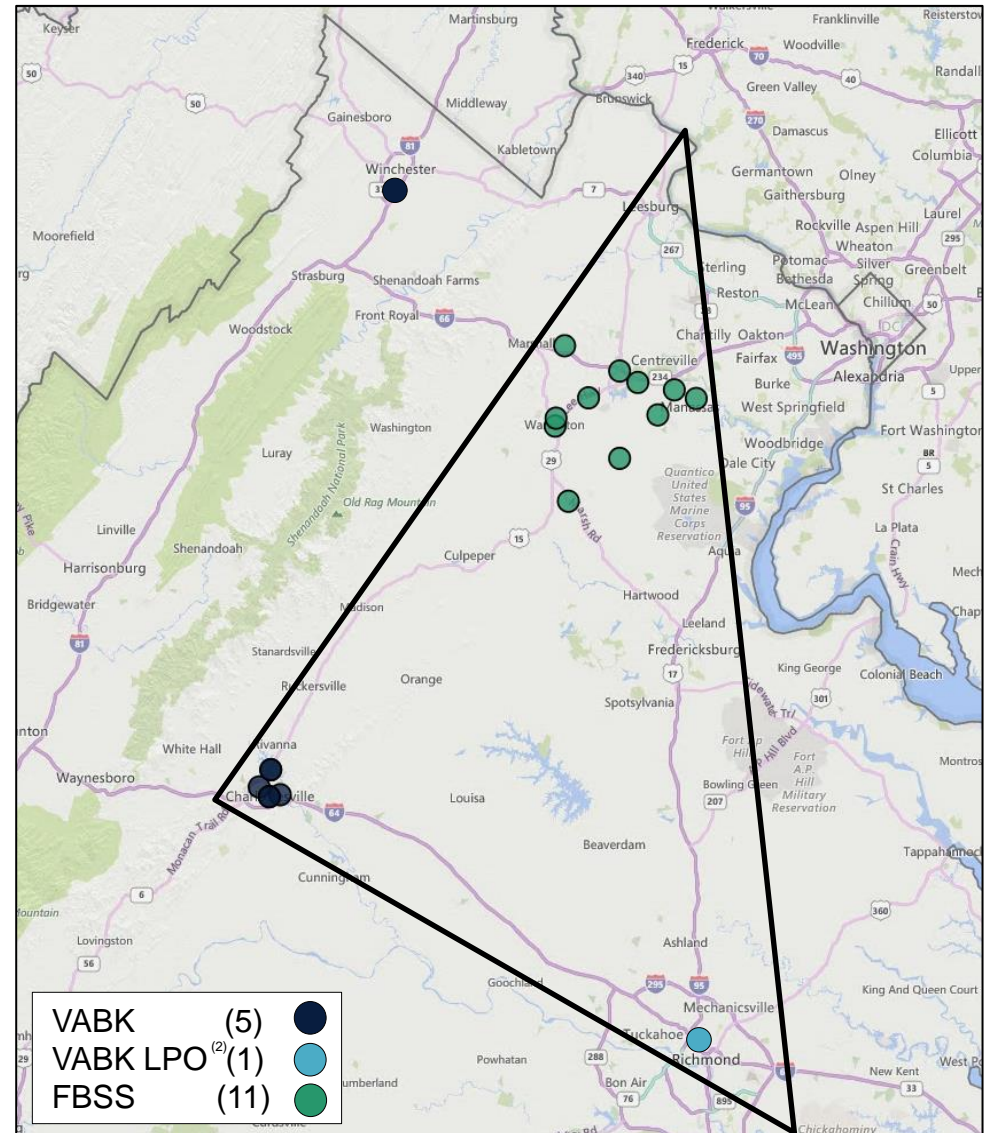
VABK and FBSS are participating lenders in the Paycheck Protection Program ("PPP"), a loan program administered through the Small Business Administration ("SBA"), which was created to help eligible businesses, organizations and self-employed persons fund their operational costs during the COVID-19 pandemic. Under this program, the SBA guarantees 100% of the amounts loaned under the PPP. VABK and FBSS may be exposed to credit risk on PPP loans if a determination is made by the SBA that there is a deficiency in the manner in which the loan was originated, funded, or serviced. If a deficiency is identified, the SBA may deny its liability under the guaranty, reduce the amount of the guaranty, or, if it has already paid under the guaranty, seek recovery of any loss related to the deficiency. Financial institutions have experienced litigation related to their process and procedures used in processing applications for the PPP. If VABK or FBSS were to be subject to any such litigation, such litigation could have a material adverse impact on the companies' businesses, financial conditions and results of operations.

VABK and FBSS caution that the foregoing list of factors is not exclusive. All subsequent written and oral forward-looking statements concerning the proposed transaction or other matters attributable to VABK or FBSS or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements above. VABK and FBSS do not undertake any obligation to update any forward-looking statement to reflect circumstances or events that occur after the date the forward-looking statements are made.

Merger of Equals Creating a Premier Virginia Financial Institution



- \$1.6 billion financial institution with \$1 billion+ in assets under management
- Creates a Top 10 largest Virginia-based community bank⁽¹⁾
- Combines successful management teams with definitive succession plan
- Secures FBSS' 118-year history and shared legacy of high-touch client service reflected by the Virginia National brand
- Focused on several of Virginia's highest income markets



Market	Median Household Income	
	2020	2025 (projected)
Charlottesville, Virginia	\$64,331	\$71,320
Warrenton, Virginia	\$103,156	\$115,662
Albemarle County, Virginia	\$84,882	\$96,407
Fauquier County, Virginia	\$106,901	\$117,099
Prince William County, Virginia	\$112,290	\$119,893
Washington DC - MSA	\$107,029	\$116,653
Virginia	\$77,431	\$85,130
United States	\$66,010	\$72,525

Source: S&P Global Market Intelligence, company documents

(1) Community banks defined as less than \$15 billion in total assets

(2) VABK Richmond branch application approved

Opportunity to Take Advantage of Current Market Dynamics



Strategically Compelling

- Creates premier \$1.6 billion Virginia financial institution and \$1.0 billion+ in assets under management
- Greater scale, operating leverage and profitability, and service capabilities
- High-touch client service and increased legal lending limit to service larger clients
- Combines management talent and establishes succession plan

Market Enhancing

- Pro forma footprint will have presence in several of the top Virginia MSAs for growth and household income
- #1 deposit market share among community banks and #4 among all banks in core markets
- Accelerates respective market expansions in Richmond and Northern Virginia

Financially Attractive ⁽¹⁾

- EPS accretion >25% to both parties ⁽²⁾
- Tangible Book Earn-back period of 3.9 years
- Cash IRR >35%
- 62% dividend accretion for FBSS shareholders

Mitigated Risks

- Mutually strong regulatory capital position
- Substantial due diligence review that enlisted multiple third-party professionals
- Credit mark positions the combined company to better withstand any potential economic downturn
- Independently strong balance sheets

(1) Estimated financial impact is presented solely for illustrative purposes and is not a guarantee of future performance

(2) Represents the first full year of EPS accretion

Transaction Terms

Consideration per FBSS share	<ul style="list-style-type: none"> 100% stock consideration Each FBSS share will be exchanged for 0.675 shares of VABK common stock (fixed)
Announced Transaction Value ⁽¹⁾	<ul style="list-style-type: none"> Implied deal price per share of \$16.71 Aggregate transaction value of \$63.4 million⁽²⁾
Board Representation	<ul style="list-style-type: none"> 13 Member Board of Directors to consist of 7 VABK / 6 FBSS Chairman of the Board from VABK; Vice Chairman of the Board from FBSS
Key Management	<ul style="list-style-type: none"> Glenn Rust to continue as President and CEO of VABK Marc Bogan to be appointed President and CEO of Virginia National Bank
Pro Forma Ownership	<ul style="list-style-type: none"> Current VABK shareholders: 51.4% Current FBSS shareholders: 48.6%
Brand	<ul style="list-style-type: none"> Holding company will be “Virginia National Bankshares Corporation” and the Bank will be “Virginia National Bank” Combined company exploring move to national stock exchange Virginia National Bank aligns with new market footprint and potential expansion
Required Approvals	<ul style="list-style-type: none"> Shareholder approvals for both VABK and FBSS Customary regulatory approvals
Expected Closing	<ul style="list-style-type: none"> First Half of 2021

Source: Definitive Agreement, Company Documents

(1) Based on VABK’s volume-weighted 20-trading day average closing price of \$24.76 as of 09/30/20

(2) Based on an exchange ratio of 0.6750x and VABK’s volume-weighted 20-trading day average closing price of \$24.76 as of 09/30/20

Based on FBSS’s unaudited financial statements as of 06/30/2020. Estimated financial impact is presented solely for illustrative purposes and is not a guarantee of future performance

Key Transaction Assumptions

Consideration

- 100% stock consideration
- Each FBSS share will be exchanged for 0.675 shares of VABK common stock (fixed)

Estimated Cost Savings

- Approximately \$7.0 million in identified pre-tax cost saves
- 18% of combined and ~32% of FBSS's annual non-interest expense
- 60% realized in 2021 and 100% thereafter ⁽¹⁾

Merger & Integration Costs

- Approximately \$7.0 million in combined pre-tax merger expenses

Credit Assumptions

- \$20 million credit mark / 3.1% of FBSS total loans ⁽²⁾

Purchase Accounting & Other Adjustments

- FBSS balance sheet will be subject to fair market value accounting
- CDI: 0.75% of non-time deposits, amortized sum-of-years digits over 7 years

Source: S&P Global Market Intelligence, Performance Trust Capital Partners ("PTCP"), Definitive Agreement, company documents

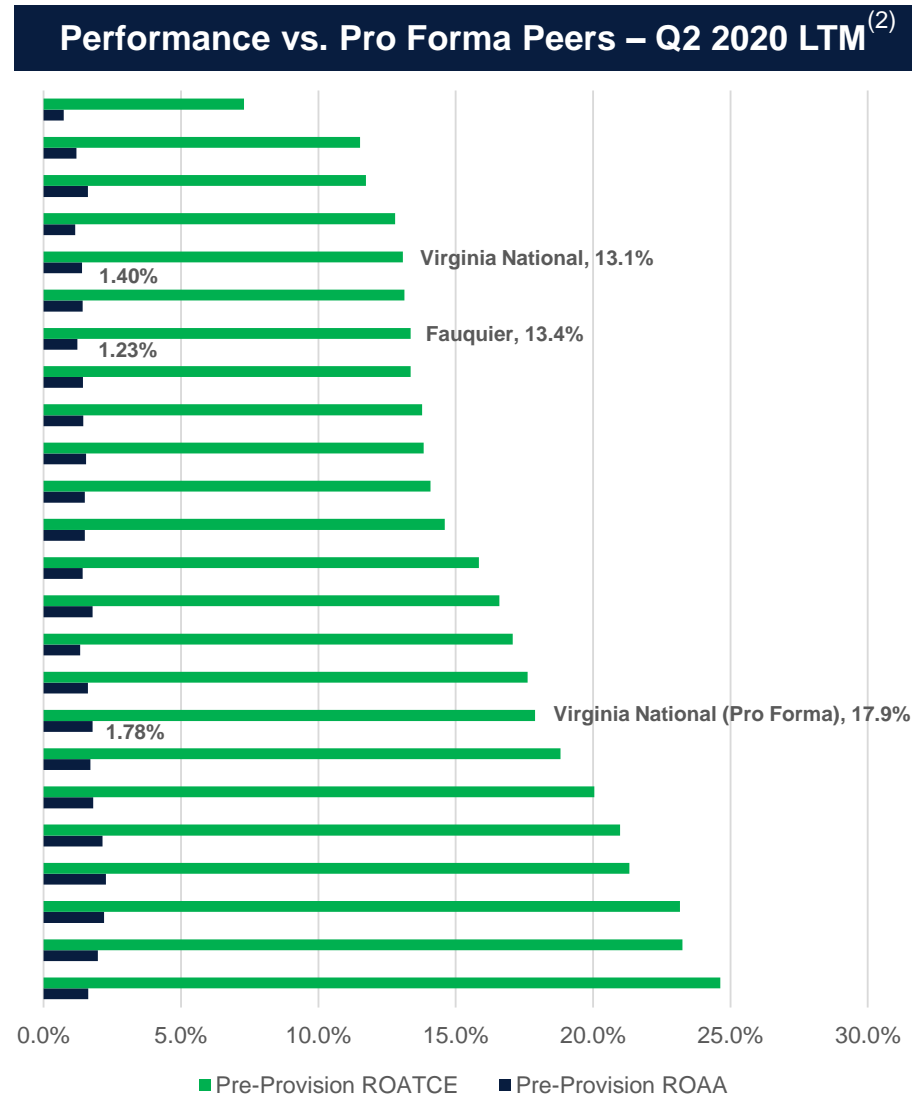
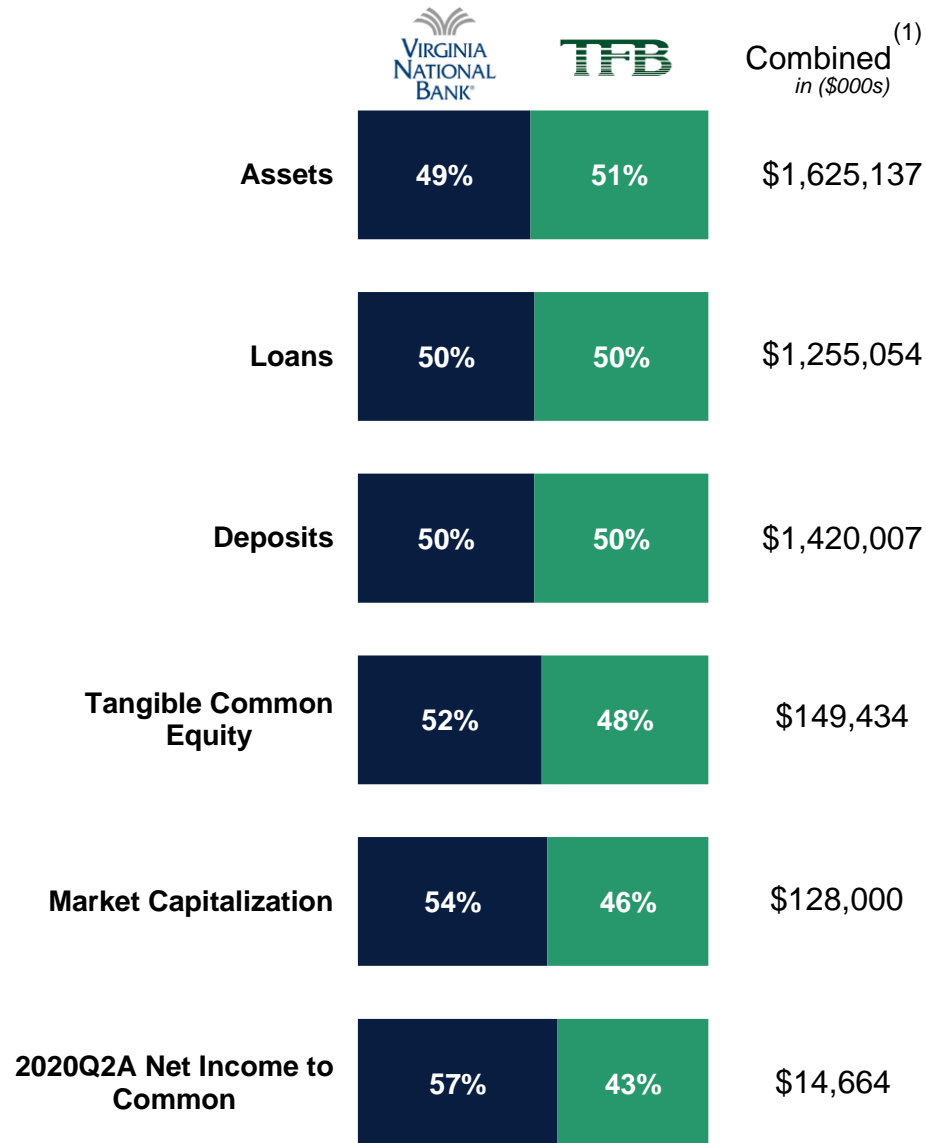
(1) Actual timing of cost savings realization may be impacted by COVID-19 pandemic

(2) Additionally, assumes reversal of FBSS' standalone provision

Combined Management Team

Chairman	William Dittmar, Jr.	<ul style="list-style-type: none"> Current Chairman of the VABK Board of Directors Original Board Member of VABK 22 years on VABK board and 7.5% shareholder 	
Vice Chairman	John Adams, Jr.	<ul style="list-style-type: none"> Current Chairman of the FBSS Board of Directors 18 years on FBSS Board of Directors Family has served on the FBSS Board of Directors since the 1970's 	
President and CEO of VABK	Glenn Rust	<ul style="list-style-type: none"> 47 years of banking experience with 13 years as President and CEO of VABK 65 years old Director of combined company and bank Boards of Directors >1% shareholder 	
President and CEO of Virginia National Bank	Marc Bogan	<ul style="list-style-type: none"> 30+ years of banking experience with 4 years as President and CEO of FBSS 54 years old Director of combined company and bank Boards of Directors Successor to Glenn Rust as President and CEO of VABK 	
Board of Directors	13 Members	7 VABK	6 FBSS

Merger of Equals with Balanced Contribution



Source: S&P Global Market Intelligence

Values as of 06/30/20

(1) Pro forma financials based on consolidated holding company financials and do not assume any credit marks; not inclusive of any balance sheet marks and deal costs

(2) Includes publicly traded banks between \$1 billion and \$3 billion in assets headquartered in D.C., MD, VA, and WV. Pro-Forma value includes cost savings assumptions

Addressing COVID-19

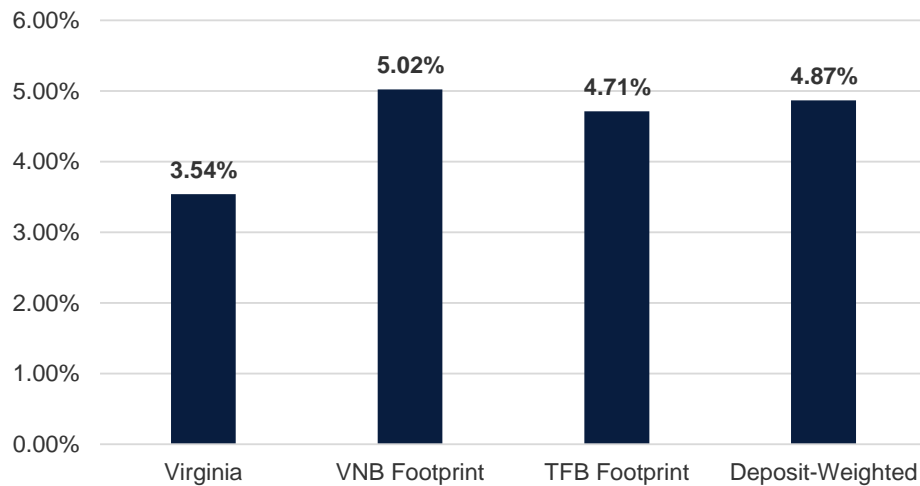
- VABK and FBSS worked with their clients to reduce credit stress in the wake of the COVID-19 pandemic by deferring loans and participating in the Paycheck Protection Program
 - The following table lists loan deferral statistics on a combined basis:⁽¹⁾

	Q2 2020	August 31, 2020
Deferred Loans	363	129
Deferred Loans (\$)	~\$150mm	~\$48mm
% of Total Loans	~12%	~3.8%

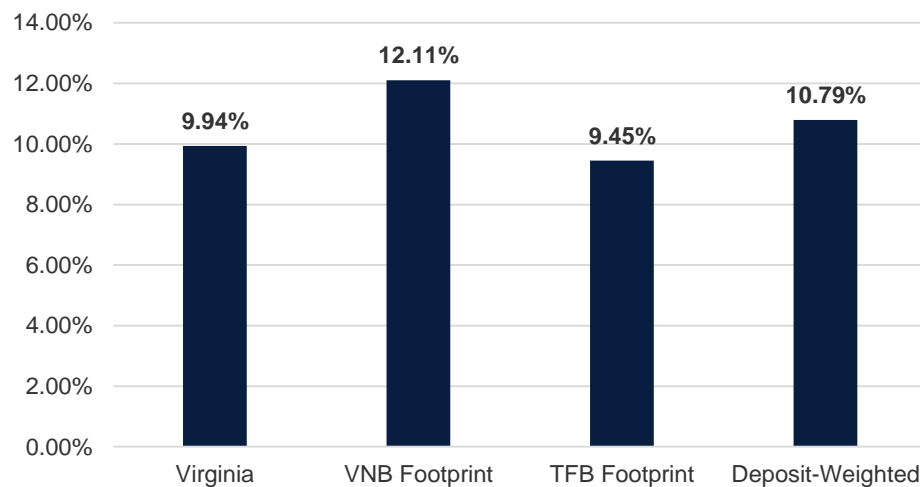
- VABK and FBSS Originated a total of ~\$140 million in PPP loans to 1,100+ clients
 - Estimated combined PPP processing fees of approximately \$5 million
- Cost savings realized in 2021 reduced due to challenges related to the pandemic

Deposit Market Share – Combined Markets

Projected Population Change



Projected Household Income Change



Deposit Market Share – Markets With Branches

Bank	2020 Branches	2020 Deposits (\$000s)
1 Truist Bank	33	3,878,040
2 Wells Fargo Bank NA	17	2,244,610
3 Bank of America NA	11	1,695,846
4 Virginia National Bank (Pro Forma)⁽¹⁾	17	1,422,341
5 Capital One NA	7	1,156,667
6 Atlantic Union Bank	10	919,793
7 United Bank	12	842,988
8 Virginia National Bank⁽¹⁾	6	715,996
9 The Fauquier Bank⁽¹⁾	11	706,345
10 Bank of Clarke County	6	395,587
11 PNC Bank NA	6	271,145
12 First Bank	2	234,214
13 FVCbank	1	207,058
14 Summit Community Bank Inc.	3	174,844
15 TD Bank NA	2	157,952
16 First-Citizens Bank & Trust Co.	4	130,652
17 Oak View National Bank	1	101,978
18 Blue Ridge Bank NA	1	91,013
19 Sonabank	2	79,953
20 Burke & Herbert Bank & Trust Company	1	48,360
21 Carter Bank & Trust	3	44,955
22 City National Bank of West Virginia	1	43,152
23 Manufacturers and Traders Trust Co.	1	38,776
24 Fulton Bank NA	2	37,555
25 Bank of the James	3	30,737

(1) VABK and FBSS full service branches were 5 and 11, respectively

Source: S&P Global Market Intelligence, FDIC

Note: Demographic data is county-level, projected over a 5 year time horizon; FDIC Deposit Market Share data as of 06/30/20

Note: Virginia National Bank or "VNB"; The Fauquier Bank or "TFB"

"Markets With Branches" include Charlottesville, Winchester, Warrenton, Manassas, Catlett, Bealeton, Haymarket, The Plains, Bristow, and Gainesville

Combining Attractive Market Shares

Charlottesville's True Community Bank

Charlottesville/Albemarle County		2020
Bank	2020 Branches	Deposits (\$000s)
1 Truist Bank	11	1,265,865
2 Bank of America NA	7	1,224,788
3 Wells Fargo Bank NA	7	1,032,626
4 Virginia National Bank⁽¹⁾	5	684,410
5 Atlantic Union Bank	5	560,863
6 United Bank	2	210,318
7 First Citizens Bank & Trust Co.	3	105,665
8 Blue Ridge Bank NA	1	91,013
9 Old Dominion National Bank	3	84,637
10 Sonabank	1	30,866

118 Years in Fauquier County

Fauquier County		2020
Bank	2020 Branches	Deposits (\$000s)
1 Capital One Bank NA	1	785,818
2 The Fauquier Bank⁽¹⁾	6	559,498
3 Truist Bank	4	489,893
4 Atlantic Union Bank	3	193,448
5 Oak View National Bank	2	189,788
6 Wells Fargo Bank NA	1	159,488
7 PNC Bank, NA	1	107,196
8 Sonabank	1	49,087
9 Summit Community Bank	1	37,283

Source: S&P Global Market Intelligence, FDIC

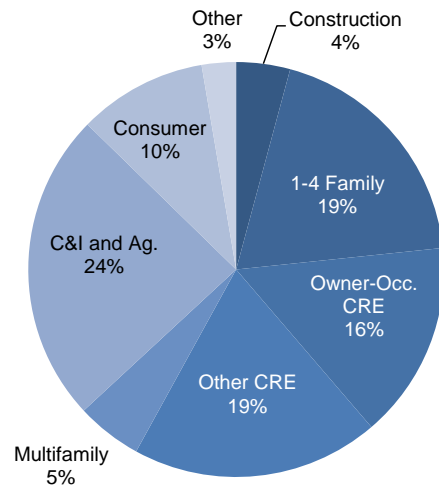
Note: Deposit Market Share data as of 06/30/20

Note: One VABK branch is drive-through only with no associated deposits

(1) VABK and FBSS total deposits for Q2 2020 were \$714 million and \$706 million, respectively, and 5 and 11 full service branches, respectively

Improved Loan Portfolio Diversification

VNB

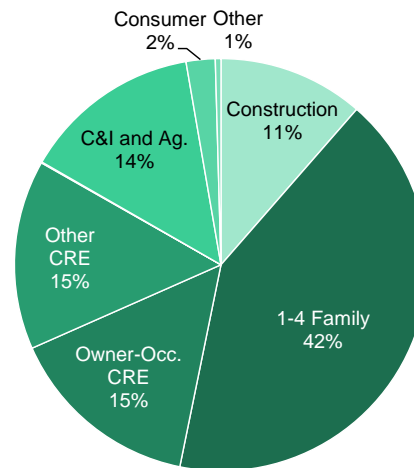


MRQ Loan Yield: 3.98%

MRQ CRE / Total Loans: 28.6%

MRQ CRE / RBC: 220%

TFB

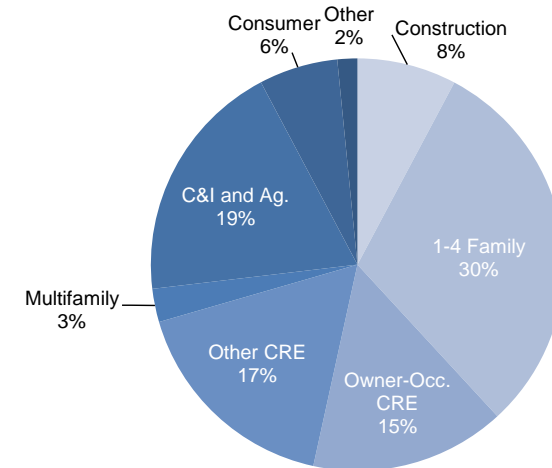


MRQ Loan Yield: 4.26%

MRQ CRE / Total Loans: 26.3%

MRQ CRE / RBC: 213%

Pro Forma



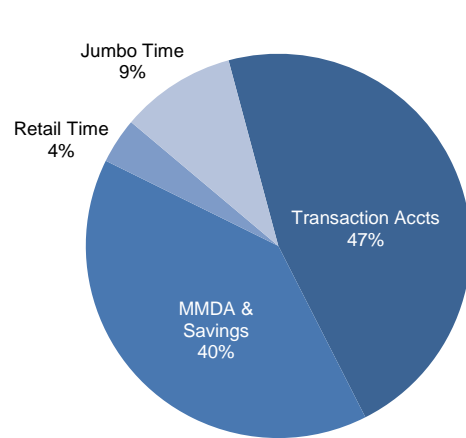
MRQ Loan Yield: 4.12%

MRQ CRE / Total Loans: 27.5%

MRQ CRE / RBC: 216%

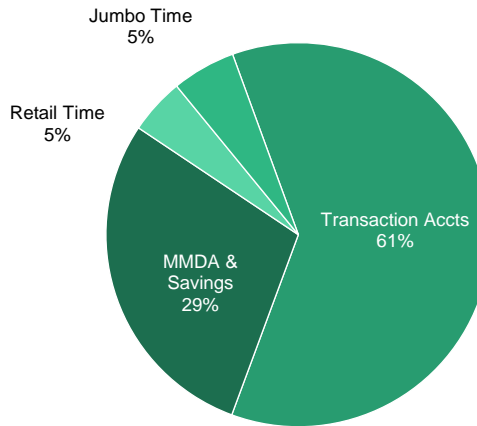
Maintaining Strong Core Deposit Base

VNB



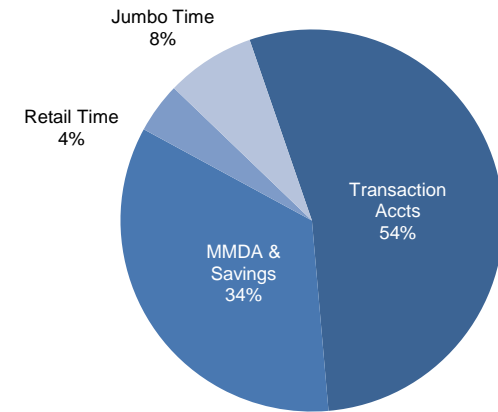
MRQ Cost of Funds: 0.35%
MRQ Loans / Deposits: 88.6%

TFB



MRQ Cost of Funds: 0.26%
MRQ Loans / Deposits: 88.2%

Pro Forma



MRQ Cost of Funds: 0.31 %
MRQ Loans / Deposits: 88.4%

Estimated Capital Ratios and Concentrations

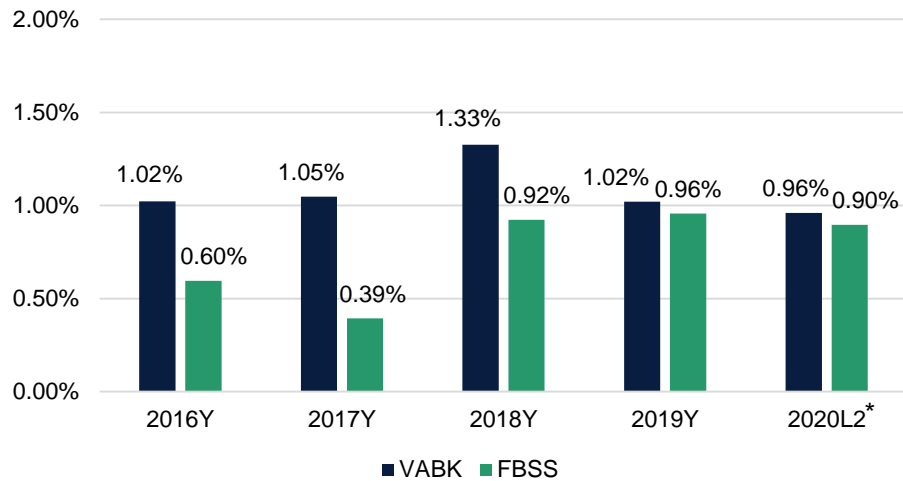
<i>Capital Ratios</i>	Virginia National Bank	The Fauquier Bank	Pro Forma at Close
TCE / TA	9.8%	9.0%	8.5%
Leverage Ratio	9.8%	9.0%	8.5%
CET 1 Ratio	14.6%	12.4%	12.8%
Tier 1 Ratio	14.6%	12.4%	12.8%
Total Capital Ratio	15.5%	13.5%	13.3%

<i>Concentration Ratios</i>	Virginia National Bank	The Fauquier Bank	Pro Forma at Close
ADC / Total Capital	32%	92%	61%
CRE / Total Capital	220%	213%	216%

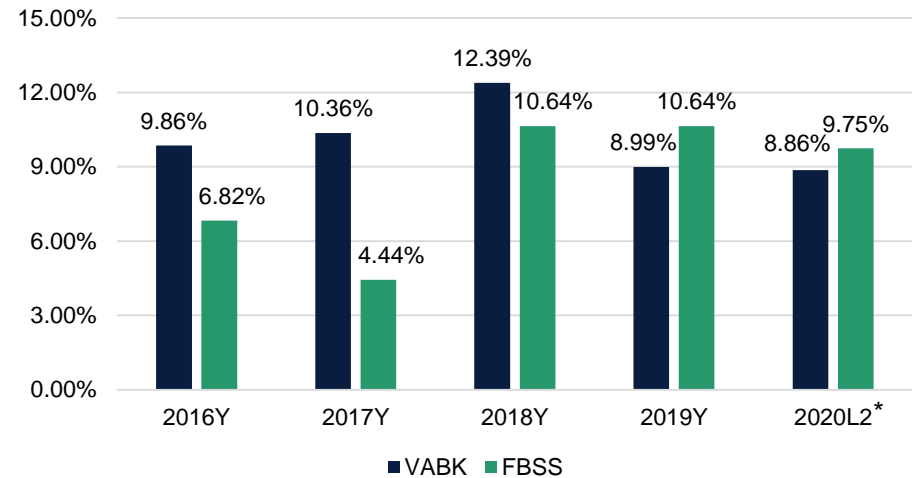
- Standalone and pro forma organizations to remain “Well Capitalized”

Performance Trends

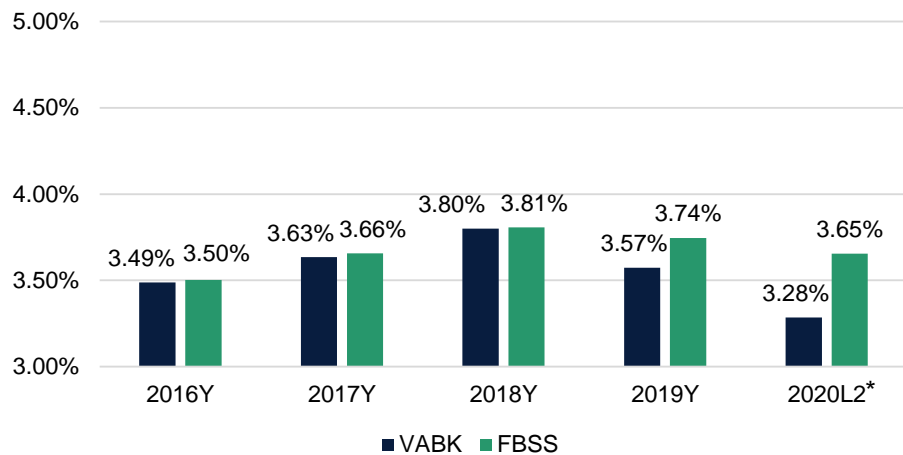
Return on Average Assets



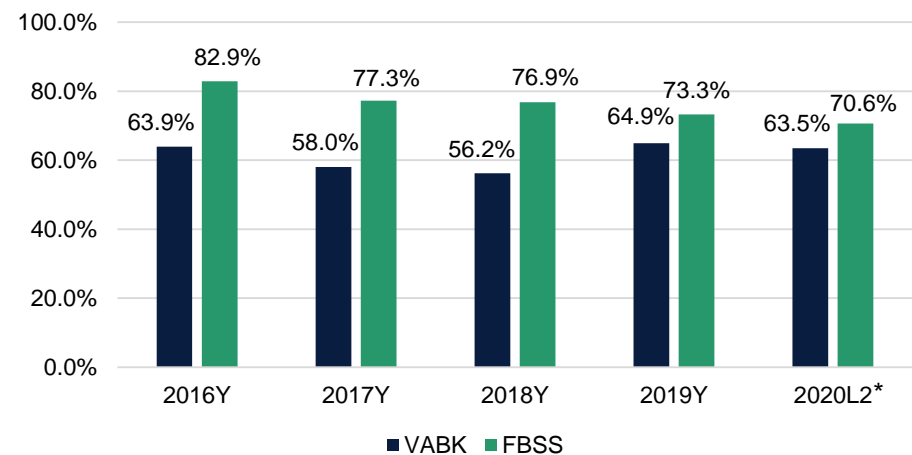
Return on Average Equity



Net Interest Margin (FTE)



Efficiency Ratio (FTE)

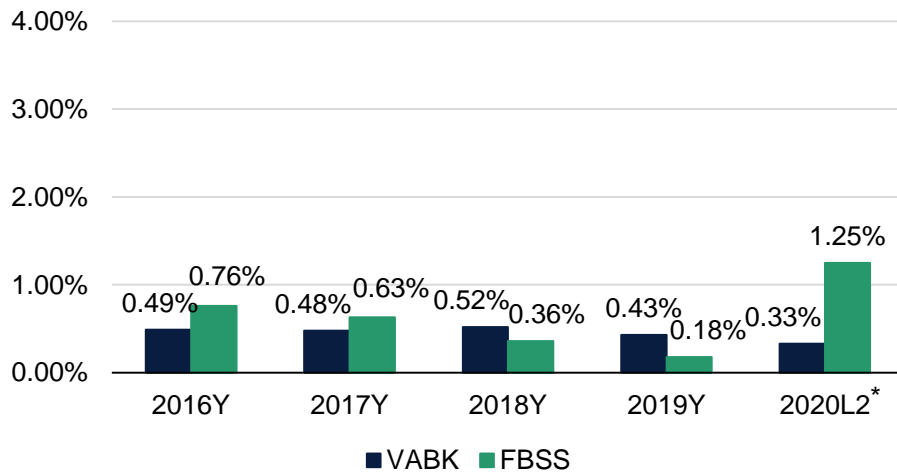


Source: S&P Global Market Intelligence

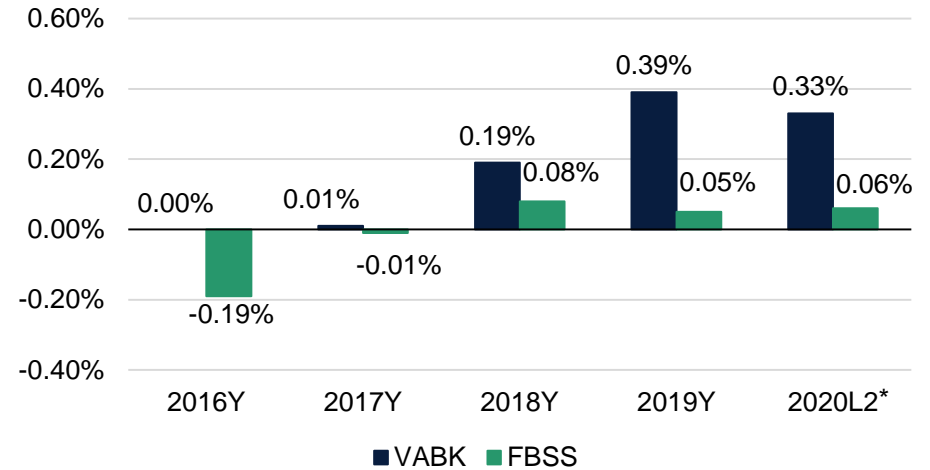
Note: 2020L2* is last twelve months data as of 06/30/20; "FTE" defined as Fully Taxable Equivalent

Credit Quality

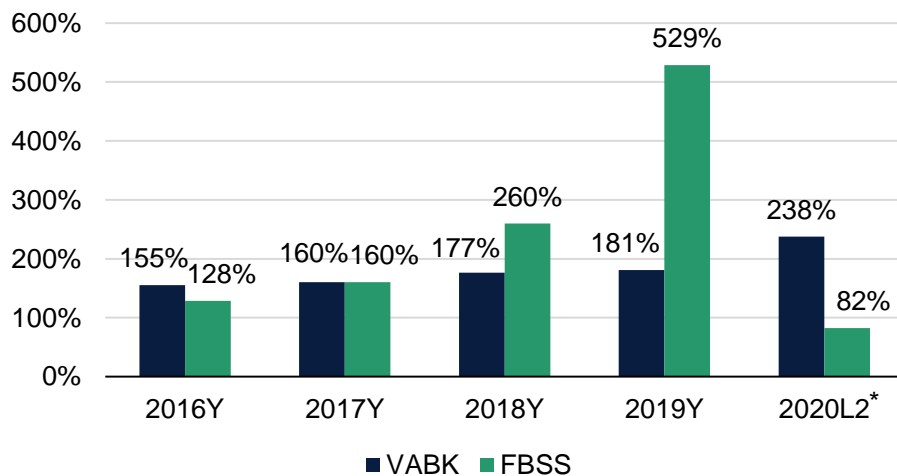
NPLs / Total Loans



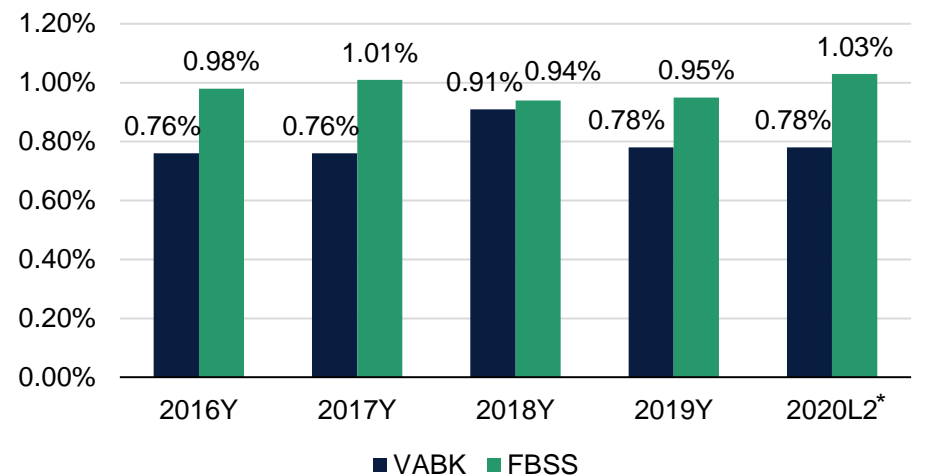
NCOs / Avg. Loans



Loan Loss Reserves / NPLs



Loan Loss Reserves / Total Loans



Source: S&P Global Market Intelligence

Note: 2020L2* is last twelve months data as of 06/30/20

Creating a Premier Virginia Financial Institution



Strategic Merger of Equals

25%+ EPS Accretion to VABK and FBSS Shareholders

Scale and Management to Increase Growth and Profitability

\$1.6 billion total assets
\$1.0+ billion AUM
Succession Plan

Creating a Premier Virginia Community Bank

10th Largest Virginia Community Bank⁽¹⁾
15th Largest Bank among all Virginia Banks

Attractive Opportunity for All Stakeholders

Shareholders
Clients
Employees
Community

Due Diligence Completed

Strong Cultural Compatibility

Extensive Credit Review

Wealth and Trust Division Review

Finance, Accounting, and Tax
Evaluation

Risk Management Analysis

Human Resources Planning

Investor Contacts



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