

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Virginia Savings Bancorp, Inc.		2 Issuer's employer identification number (EIN) 20-8947933	
3 Name of contact for additional information David L. Bumgarner	4 Telephone No. of contact 304-769-1100	5 Email address of contact david.bumgarner@cityholding.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 25 Gatewater Road		7 City, town, or post office, state, and Zip code of contact Cross Lanes, WV 25313	
8 Date of action May 31, 2012		9 Classification and description Shares of common stock and Series A non-voting preferred stock	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶

On May 31, 2012, Virginia Savings Bancorp, Inc. ("Virginia Bancorp") merged with and into City Holding Company ("City"), with City surviving. For U.S. federal income tax purposes, the parties treated the merger as a reorganization described in Section 368(a). Immediately prior to the merger, Virginia Bancorp had outstanding shares of common stock and Series A non-voting preferred stock (collectively, the "Virginia Bancorp Shares"). Pursuant to the merger, each Virginia Bancorp Share was exchanged, at the election of the holder, for one of the following forms of consideration: (i) 0.2100 shares of City common stock; (ii) \$6.17 in cash; or (iii) 0.1260 shares of City common stock and \$2.47 in cash. No fractional shares of City common stock were issued in the merger; City issued cash in lieu of fractional shares.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶

Each Virginia Bancorp shareholder's tax basis in the shares of City common stock received equals the adjusted tax basis of the shares of the Virginia Bancorp stock exchanged therefor, increased by the holder's recognized gain, if any, and decreased by the amount of any cash such holder received in the exchange.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶

The calculations are based upon the exchange ratios agreed to in the merger agreement, as described above in paragraph 14.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶

Sections 302, 354, 356, 358 and 368.

18 Can any resulting loss be recognized? ▶

As to those Virginia Bancorp shareholders who received City stock and cash, loss may be recognized only to the extent of cash received in lieu of a fractional share. As to those Virginia Bancorp shareholders who received solely cash in exchange for their Virginia Bancorp shares, loss may be recognized if the amount received is less than the holder's adjusted tax basis of the shares exchanged therefor, assuming such exchange of shares for cash is not treated as a dividend.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶

Reportable tax year is 2012.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ *David L. Phillips* Date ▶ 7/16/12
Print your name ▶ David L. Bungegne Title ▶ Sr VP & CFO

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	David L. Phillips	<i>David L. Phillips</i>	7/13/12		P01220686
	Firm's name ▶ Ernst & Young LLP	Firm's EIN ▶ 34-6565596		Phone no. 304-343-8971	
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