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Board of Governors of the Federal Reserve System

MAR 31 2014



# Annual Report of Holding Companies—FR ~~FRB~~ RICHMOND

## 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.

This report form is to be filed by all top-tier bank holding companies and top-tier savings and loan holding companies organized under U.S. law, and by any foreign banking organization that does not meet the requirements of and is not treated as a qualifying foreign banking organization under Section 211.23 of Regulation K (12 C.F.R. § 211.23). (See page one of the general instructions for more detail of who must file.) The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, an information collection unless it displays a currently valid OMB control number.

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.

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

**December 31, 2013**

Month / Day / Year

I. Allan Funk

Reporter's Name, Street, and Mailing Address

Grayson Bankshares, Inc.

Name of the Holding Company Director and Official

Legal Title of Holding Company

President & CEO

Post Office Box 186

Title of the Holding Company Director and Official

(Mailing Address of the Holding Company) Street / P.O. Box

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.

Independence VA 24348  
City State Zip Code

113 West Main Street

Physical location (if different from mailing address)

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.

Person to whom questions about this report should be directed:

Blake M. Edwards EVP/CFO

Name Title

276-773-2811

Area Code / Phone Number / Extension

276-773-2057

Area Code / FAX Number

bedwards@graysonnationalbank.com

E-mail Address

http://www.graysonnationalbank.com/

Address (URL) for the Holding Company's web page

Signature of Holding Company Director and Official

03/28/2014

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. \_\_\_\_\_

Does the reporter request confidential treatment for any portion of this submission?

Yes Please identify the report items to which this request applies:

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."

No

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, N.W., Washington, DC 20551, and to the Office of Management and Budget, Paperwork Reduction Project (7100-0297), Washington, DC 20503.

**Form FR Y-6**

**Grayson Bankshares, Inc.**  
**Independence, Virginia**  
**Fiscal Year Ending December 31, 2013**

**Report Item 1:** Copies of the Annual Report will be submitted as soon as practicable. We anticipate reports to be published on or about April 15, 2014.

**Report Item 2a:** Organization Chart  
Grayson Bankshares, Inc. (incorporated in Virginia) owns 100% of The Grayson National Bank, located in Independence, Virginia.  
Grayson Bankshares, Inc. does not own any controlling interest in any other company.  
All other items N/A

Grayson Bankshares, Inc. (Incorporated in Virginia)

**Report Item 2b:** Domestic Branch Listing  
A verified Branch Report was sent via e-mail to [rich.fry6@rich.frb.org](mailto:rich.fry6@rich.frb.org) on March 28, 2014.  
A copy of the report is also included with this correspondence.

**Report Item 3:** Schedule Attached

**Report Item 4:** Schedule Attached

Confirmed: \_\_\_\_\_

  
Allan Funk  
President

# Grayson Bankshares, Inc.

## Report Item 2b: Branch Listing

Results: A list of branches for your holding company: GRAYSON BANKSHARES, INC. (1974470) of INDEPENDENCE, VA.  
The data are as of 12/31/2013. Data reflects information that was received and processed through 01/07/2014.

### 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.

	Branch Service Type	Branch ID_RSSD*	Popular Name	Street Address	City	State	Zip Code	County	Country	FDIC UNINUM*	Office Number*	Head Office	Head Office ID_RSSD*	Comments
ok	Full Service (Head Office)	90328	GRAYSON NATIONAL BANK, THE	113 WEST MAIN STREET	INDEPENDENCE	VA	24348	GRAYSON	UNITED STATES	4611	0	GRAYSON NATIONAL BANK, THE	90328	
ok	Full Service	2948188	SPARTA BRANCH	98 S GRAYSON ST	SPARTA	NC	28675	ALLEGHANY	UNITED STATES	361344	5	GRAYSON NATIONAL BANK, THE	90328	
ok	Full Service	291527	ELK CREEK BRANCH	60 COMERS ROCK RD	ELK CREEK	VA	24326	GRAYSON	UNITED STATES	212405	1	GRAYSON NATIONAL BANK, THE	90328	
ok	Full Service	3210891	CARROLL BRANCH	8351 CARROLLTON PIKE	GALAX	VA	24333	CARROLL	UNITED STATES	429986	6	GRAYSON NATIONAL BANK, THE	90328	
ok	Full Service	2468556	GALAX OFFICE	209 WEST GRAYSON STREET	GALAX	VA	24333	GALAX CITY	UNITED STATES	212408	4	GRAYSON NATIONAL BANK, THE	90328	
ok	Full Service	3311686	HILLSVILLE BRANCH	419 SOUTH MAIN STREET	HILLSVILLE	VA	24343	CARROLL	UNITED STATES	433863	7	GRAYSON NATIONAL BANK, THE	90328	
ok	Full Service	215224	EAST INDEPENDENCE BRANCH	802 E MAIN ST	INDEPENDENCE	VA	24348	GRAYSON	UNITED STATES	212406	2	GRAYSON NATIONAL BANK, THE	90328	
ok	Full Service	92425	TROUTDALE BRANCH	101 RIPSHIN RD	TROUTDALE	VA	24378	GRAYSON	UNITED STATES	212407	3	GRAYSON NATIONAL BANK, THE	90328	
ok	Full Service	3677225	WHITETOP BRANCH	16303 HIGHLANDS PKWY	WHITETOP	VA	24292	GRAYSON	UNITED STATES	458314	8	GRAYSON NATIONAL BANK, THE	90328	
ok	Full Service	3957691	WYTHEVILLE BRANCH	420 NORTH 4TH STREET	WYTHEVILLE	VA	24382	WYTHE	UNITED STATES	510895	9	GRAYSON NATIONAL BANK, THE	90328	

**Grayson Bankshares, Inc.**

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**Report Item 3: Shareholders**

(1)(a) (1)(b) (1)(c) (2)(a) (2)(b) (2)(c)

Current Shareholders with ownership, control or holdings of 5% or more with power to vote as of 12-31-13

Shareholders 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 the fiscal year ending 12-31-12

(1)(a) Name & Address (City, State, Country)	(1)(b) Country of Citizenship Or Incorporation	(1)(c) Number and Percentage of Each Class of Voting Securities	(2)(a) Name & Address (City, State, Country)	(2)(b) Country of Citizenship Or Incorporation	(2)(c) Number and Percentage of Each Class of Voting Securities
Jacqueline Peer Mouth of Wilson, VA	USA	110,497 - 6.4% Common Stock	None		
Nancy M. & Ernest W. Stone Elk Creek, VA	USA	87,640 - 5.1% Common Stock			
We do not have any other class of stock at this time. We do not have any ESOPs or other Trust at this time.					

**Grayson Bankshares, Inc.**

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**Report Item 4: Directors and Officers**

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

(1) Names & Address (City, State, Country)	(2) Principal Occupation if other than with Bank Holding Company	(3)(a) Title & Position with Bank Holding Company	(3)(b) Title & Position with Subsidiaries (include names of subsidiaries)	(3)(c) Title & Position with Other Businesses (include names of other businesses)	(4)(a) Percentage of Voting Shares in Bank Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries (include names of subsidiaries)	(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)
Jacky K. Anderson Independence, VA	N/A	Director	Director - The Grayson National Bank	N/A	0.32%	None	N/A
Bryan L. Edwards Sparta, NC	Town Manager, Sparta, NC	Director	Director - The Grayson National Bank	N/A	0.04%	None	N/A
J. Allan Funk Galax, VA	N/A	Director & President	Director & President & CEO - The Grayson National Bank	N/A	0.29%		
Jack E. Guynn, Jr. Galax, VA	Funeral Services - Guynn Enterprises	Director & Vice Chairman	Director & Vice Chairman - The Grayson National Bank	Co-Owner - Guynn Enterprises	0.14%	None	Guynn Enterprises 25%
Hayden H. Homey Speedwell, VA	Clerk of Court Wythe County	Director	Director - The Grayson National Bank	N/A	0.26%	None	N/A
Thomas M. Jackson, Jr. Galax, VA	Attorney	Director & Chairman	Director & Chairman - The Grayson National Bank	N/A	0.32%	None	N/A
Theresa S. Lazo Galax, VA	Community Activist	Director	Director - The Grayson National Bank	N/A	0.69%	None	N/A
Carl J. Richardson Elk Creek, VA	Retired	Director	Director - The Grayson National Bank	N/A	0.96%	None	N/A
Charles T. Sturgill Independence, VA	Retired	Director	Director - The Grayson National Bank	N/A	0.24%	None	N/A
J. David Vaughan Galax, VA	Manufacturing - Vaughan Furniture	Director	Director - The Grayson National Bank	President - Vaughan Furniture	0.20%	None	N/A
Linda B. Eller Independence, VA	N/A	Secretary	Secretary & VP - The Grayson National Bank	N/A	0.00%	None	N/A
Blake M. Edwards, Jr. Hillsville, VA	N/A	Chief Financial Officer	SEVP/CFO - The Grayson National Bank	N/A	0.03%	None	N/A