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. § 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.

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, [Name of the Holding Company Director and Official]

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.

[Signature of Holding Company Director and Official]

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.

[249271]

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

December 31, 2014

Month / Day / Year

N/A

Reporter's Legal Entity Identifier (LEI) (20-Character LEI Code)

Reporter's Name, Street, and Mailing Address

POWELL VALLEY BANKSHARES, INC.

P.O. BOX 100

JONESVILLE VA 24263

City State Zip Code

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

33785 MAIN STREET, JONESVILLE, VA 24263

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

CHRISTOPHER L. SUGGS VP / CFO

Name Title

276-346-1414

Area Code / Phone Number / Extension

276-346-0187

Area Code / FAX Number

csuggs@powellvalleybank.com

E-mail Address

www.powellvalleybank.com

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

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

10/2014
1. Powell Valley Bankshares, Inc. is not registered with the Securities and Exchange Commission. The bank holding company prepares an annual report for its shareholders. Two copies will be provided under separate cover as soon as possible.
Report Item 2a - Organization Chart of Parent - Subsidiary Relationships

George F. Cridlin  
Chairman of the Board of Parent  
and Chairman of Powell Valley National Bank  
PO Box 703, Jonesville, VA 24263

Lloyd C. Martin, President  
Secretary of Parent and of Powell Valley National Bank  
PO Box 336, Pennington Gap, VA 24277

Roy E. Woodward, Director of Parent and Director of Powell Valley National Bank  
PO Box 445, Jonesville, VA 24263

F. Winston Witt, Director of Parent and of Powell Valley National Bank  
Drawer S, Big Stone Gap, VA 24219

Robert Estes, Director of Parent and of Powell Valley National Bank  
358 Bluebonnet Dr., Jonesville, VA 24263

Browning Wynn, II - Director of Parent and of Powell Valley National Bank  
PO Box 1204, Jonesville, VA 24263

Powell Valley Bankshares, Inc.  
(Parent Company)  
Incorporated in Virginia  
33785 Main St.  
Jonesville, VA 24263

100%

Powell Valley National Bank  
(Subsidiary)  
Incorporated in Virginia  
33785 Main St.  
Jonesville, VA 24263

100%

Powell Valley Service Corporation, Inc.  
(Subsidiary)  
Incorporated in Virginia  
33785 Main St.  
Jonesville, VA 24263
### Results:
A list of branches for your holding company: POWELL VALLEY NATIONAL BANK, INC. (3249271) of JONESVILLE, VA.

The data are as of 1/21/2014. Data reflects information that was received and processed through 01/07/2015.

### 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.

When 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 FRS contact. See the detailed instructions on this site for more information.

If you are e-mailing this to your FRS 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_RSSO columns are for reference only. Verification of these values is not required.

<table>
<thead>
<tr>
<th>State</th>
<th>Branch Service Type</th>
<th>Branch ID, RSSO*</th>
<th>Popular Name</th>
<th>Street Address</th>
<th>City</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 UNINUM*</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>OR</td>
<td>Full Service</td>
<td>31826</td>
<td>POWELL VALLEY NATIONAL BANK</td>
<td>3275 MAIN STREET</td>
<td>JONESVILLE</td>
<td>VA</td>
<td>24063</td>
<td>Lee</td>
<td>UNITED STATES</td>
<td>48513</td>
<td>0</td>
<td>POWELL VALLEY NATIONAL BANK</td>
<td>31826</td>
</tr>
<tr>
<td>OR</td>
<td>Full Service</td>
<td>3249271</td>
<td>DUFFIELD BRANCH</td>
<td>329 EAST 5TH STREET SOUTH</td>
<td>BIGSTONE GAP</td>
<td>VA</td>
<td>24215</td>
<td>Wise</td>
<td>UNITED STATES</td>
<td>212428</td>
<td>0</td>
<td>POWELL VALLEY NATIONAL BANK</td>
<td>31826</td>
</tr>
<tr>
<td>OR</td>
<td>Full Service</td>
<td>3922279</td>
<td>PENNINGTON GAP BRANCH</td>
<td>320 EAST MORGAN AVENUE</td>
<td>PEMMINGTON GAP</td>
<td>VA</td>
<td>24277</td>
<td>Lee</td>
<td>UNITED STATES</td>
<td>212427</td>
<td>0</td>
<td>POWELL VALLEY NATIONAL BANK</td>
<td>31826</td>
</tr>
<tr>
<td>OR</td>
<td>Full Service</td>
<td>2184199</td>
<td>WISE BRANCH</td>
<td>540 WEST MAIN STREET</td>
<td>WISE</td>
<td>VA</td>
<td>24293</td>
<td>Wise</td>
<td>UNITED STATES</td>
<td>212427</td>
<td>2</td>
<td>POWELL VALLEY NATIONAL BANK</td>
<td>31826</td>
</tr>
</tbody>
</table>
Report Item 2b - Domestic Branch Listing

NOTE: Branch verification submitted early via email on 3/10/2015

1) Jonesville - Main Office
   33785 Main Street
   Jonesville, VA 242263
   Lee / USA
   Full Service

2) Pennington Gap - Branch
   42180 East Morgan Avenue
   Pennington Gap, VA 24277
   Lee / USA
   Full Service

3) Wise - Branch
   540 West Main Street
   Wise, VA 24293
   Wise / USA
   Full Service

4) Big Stone Gap - Branch
   228 East 5th Street South
   Big Stone Gap, VA 24219
   Wise / USA
   Full Service

5) Duffield - Branch
   301 Duff-Patt Highway
   Duffield, VA 24244
   Scott / USA
   Full Service
Report Item 2b - Domestic Branch Listing
NOTE: Branch verification submitted early via email on 3/10/2015

1) Jonesville - Main Office
   33785 Main Street
   Jonesville, VA 242263
   Lee / USA
   Full Service

2) Pennington Gap - Branch
   42180 East Morgan Avenue
   Pennington Gap, VA 24277
   Lee / USA
   Full Service

3) Wise - Branch
   540 West Main Street
   Wise, VA 24293
   Wise / USA
   Full Service

4) Big Stone Gap - Branch
   228 East 5th Street South
   Big Stone Gap, VA 24219
   Wise / USA
   Full Service

5) Duffield - Branch
   301 Duff-Patt Highway
   Duffield, VA 24244
   Scott / USA
   Full Service
Report Item 3: Securities Holders
(1)(a)(b)(c) and (2)(a)(b)(c)

<table>
<thead>
<tr>
<th>Name &amp; Address</th>
<th>Country of Citizenship or Incorporation</th>
<th>Number and Percentage of Each Class of Voting Securities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cridlin Investment Co.</td>
<td>USA</td>
<td>47,534 shares - 7.19% of common stock</td>
</tr>
<tr>
<td>George F. Cridlin</td>
<td>USA</td>
<td></td>
</tr>
<tr>
<td>Karen Cridlin</td>
<td>USA</td>
<td></td>
</tr>
<tr>
<td>H. Fuller Cridlin</td>
<td>USA</td>
<td></td>
</tr>
<tr>
<td>J. Patton Cridlin</td>
<td>USA</td>
<td></td>
</tr>
<tr>
<td>John C. Wynn</td>
<td>USA</td>
<td></td>
</tr>
<tr>
<td>Patricia M. Wynn</td>
<td>USA</td>
<td>228,860 shares - 34.62% of common stock</td>
</tr>
<tr>
<td>Children:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Browning Wynn II</td>
<td>USA</td>
<td></td>
</tr>
<tr>
<td>Sarah H. Wynn</td>
<td>USA</td>
<td></td>
</tr>
<tr>
<td>Laura M. Wynn</td>
<td>USA</td>
<td></td>
</tr>
<tr>
<td>Rachel Hammonds Wynn</td>
<td>USA</td>
<td></td>
</tr>
<tr>
<td>Mary D. Hancock Trust</td>
<td>USA</td>
<td>36,667 shares - 5.55% of common stock</td>
</tr>
<tr>
<td>Charlottesville, VA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jennie Grigsby Stewart</td>
<td>USA</td>
<td>38,585 shares - 5.84% of common stock</td>
</tr>
<tr>
<td>Pennington Gap, VA</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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 12/31/14

<table>
<thead>
<tr>
<th>Name &amp; Address</th>
<th>Country of Citizenship or Incorporation</th>
<th>Number and Percentage of Each Class of Voting Securities</th>
</tr>
</thead>
<tbody>
<tr>
<td>NONE</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Report Item 3: Securities Holders
(1)(a)(b)(c) and (2)(a)(b)(c)

Current shareholders with ownership, control or holdings of 5% or more with power to vote as of 12/31/14

<table>
<thead>
<tr>
<th>(1) (a)</th>
<th>(1) (b)</th>
<th>(1) (c)</th>
<th></th>
<th>(2) (a)</th>
<th>(2) (b)</th>
<th>(2) (c)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name &amp; Address</td>
<td>Country of Citizenship or Incorporation</td>
<td>Number and Percentage of Each Class of Voting Securities</td>
<td></td>
<td>Name &amp; Address</td>
<td>Country of Citizenship or Incorporation</td>
<td>Number and Percentage of Each Class of Voting Securities</td>
</tr>
<tr>
<td>Robert T. Estes</td>
<td>USA</td>
<td>51,067 shares - 7.72% of common stock</td>
<td></td>
<td>Julaine Estes</td>
<td>USA</td>
<td>NONE</td>
</tr>
<tr>
<td>Estes Bros Construction, Inc.</td>
<td>USA</td>
<td></td>
<td></td>
<td>Jonesville, VA</td>
<td>USA</td>
<td></td>
</tr>
</tbody>
</table>

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 12/31/14

| | | |
| | | |

Form FR Y-6
Powell Valley Bankshares, Inc.
Jonesville, Virginia
Fiscal Year Ending December 31, 2014
Report Item 4: Insiders
(1), (2), (3)(a)(b)(c) and (4)(a)(b)(c)

<table>
<thead>
<tr>
<th>(1) Names &amp; Address (City, State, Country)</th>
<th>(2) Principal Occupation if other than with Bank Holding Company</th>
<th>(3)(a) Title &amp; Position with Bank Holding Company</th>
<th>(3)(b) Title &amp; Position with Subsidiaries</th>
<th>(3)(c) Title &amp; Position with Other businesses (include names of other businesses)</th>
<th>(4)(a) Percentage of voting shares in Bank Holding Company</th>
<th>(4)(b) Percentage of voting shares in Subsidiaries</th>
<th>(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)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lloyd C. Martin</td>
<td>N/A</td>
<td>President &amp; Secretary of the Corporation</td>
<td>President &amp; Secretary of the Corporation (PVNB)</td>
<td>NONE</td>
<td>1.090%</td>
<td>NONE</td>
<td>N/A</td>
</tr>
<tr>
<td>Pennington Gap, VA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roy E. Woodward, Jr.</td>
<td>N/A</td>
<td>Director</td>
<td>Director (PVNB)</td>
<td>NONE</td>
<td>0.061%</td>
<td>NONE</td>
<td>N/A</td>
</tr>
<tr>
<td>Jonesville, VA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F. Winston Witt, Jr.</td>
<td>Insurance Agent</td>
<td>Director</td>
<td>Director (PVNB)</td>
<td>President Southwest Insurance Agency</td>
<td>0.813%</td>
<td>NONE</td>
<td>Southwest Insurance Agency 90% owner</td>
</tr>
<tr>
<td>Big Stone Gap, VA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>George F. Cridlin</td>
<td>Attorney</td>
<td>Director General Counsel</td>
<td>Director (PVNB)</td>
<td>President of George F. Cridlin Law Firm</td>
<td>7.190%</td>
<td>NONE</td>
<td>George F. Cridlin Law Firm - 100%</td>
</tr>
<tr>
<td>Jonesville, VA</td>
<td></td>
<td>Chairman of Board</td>
<td>Chairman of Board</td>
<td>Cridlin Law Firm (aggregate family ownership)</td>
<td></td>
<td></td>
<td>Tall Oaks A&amp;P - 50%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Lee County Properties - 100%</td>
</tr>
</tbody>
</table>
Report Item 4: Insiders
(1), (2), (3)(a)(b)(c) and (4)(a)(b)(c)

<table>
<thead>
<tr>
<th>Names &amp; Address (City, State, Country)</th>
<th>Occupation if other than with Bank Holding Company</th>
<th>Title &amp; Position with Bank Holding Company</th>
<th>Title &amp; Position with Subsidiaries</th>
<th>Principal Occupation if other than with Bank Holding Company</th>
<th>Percentage of voting shares in Bank Holding Company</th>
<th>Percentage of voting shares in Subsidiaries</th>
<th>List names of other companies (include names of other businesses)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Robert Estes, Jonesville, VA</td>
<td>Commercial Contractor</td>
<td>Director</td>
<td>Director (PVNB)</td>
<td>President of Estes Bros. Construction Company</td>
<td>7.72%</td>
<td>NONE</td>
<td>Boones Trail Bison, LLC - 51%, Lee Land Co., LLC - 51%</td>
</tr>
<tr>
<td>Browning Wynn, II, Jonesville, VA</td>
<td>N/A</td>
<td>Director</td>
<td>Vice President (PVNB) Director (PVNB)</td>
<td>NONE</td>
<td>34.616% (aggregate family ownership)</td>
<td>NONE</td>
<td>N/A</td>
</tr>
<tr>
<td>Leton L. Harding, Wise, VA</td>
<td>N/A</td>
<td>Executive Vice Pres.</td>
<td>Executive Vice President &amp; Chief Executive Officer</td>
<td>NONE</td>
<td>0.151%</td>
<td>NONE</td>
<td>N/A</td>
</tr>
</tbody>
</table>