Report at the close of business as of the end of fiscal year

This Report is required by law: Section 6(c)(1)(A) of the Bank Holding Company Act (12 U.S.C. § 1844 (c)(1)(A)); Section 6(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, John Paul Houston
Name of the Holding Company Director and Official
Chairman of the Board
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
March 31, 2015

Date of Signature

For holding companies not registered with the SEC—Indicate status of Annual Report to Shareholders:
☐ X 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 2434467
C.I.

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 (1506-0597), Washington, DC 20503.
Form FR Y-6
Cardinal Bankshares Corporation
Floyd, Virginia
Fiscal Year Ending December 31, 2014

Report Item 2a: Organizational Chart

Single Bank Holding Company

Cardinal Bankshares Corporation
101 Jacksonville Circle; Floyd, VA 24091
Owns 100% of The Bank of Floyd

Bank of Floyd
101 Jacksonville Circle; Floyd, VA 24091
Owns 100% of FBC, Inc.

FBC, Incorporated (financial svc sub)
101 Jacksonville Circle; Floyd, VA 24091

STATE OF INCORPORATION FOR ALL (3) ENTITIES
IS THE COMMONWEALTH OF VIRGINIA
Results: A list of branches for your depository institution: BANK OF FLOYD (ID_RSSD: 355821).
This depository institution is held by CARDINAL BANKS HARES CORPORATION (2434467) of FLOYD, VA.
The data are as of 12/31/2014. 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.
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.

<table>
<thead>
<tr>
<th>Data Action</th>
<th>Effective Date</th>
<th>Branch Service Type</th>
<th>Branch ID_RSSD*</th>
<th>Popular Name</th>
<th>Street Address</th>
<th>City</th>
<th>State</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 ID_RSSD*</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>OK</td>
<td>Full Service</td>
<td>355821</td>
<td>BANK OF FLOYD</td>
<td>301 JACKSONVILLE CIRCLE</td>
<td>FLOYD VA 24091</td>
<td>FLOYD</td>
<td>UNITED STATES</td>
<td>11066 0</td>
<td>BANK OF FLOYD 355821</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>Full Service</td>
<td>2852796</td>
<td>CHRISTIANBURG BRANCH</td>
<td>2145 ROANOKE ST</td>
<td>CHRISTIANBURG VA 24029</td>
<td>MONTGOMERY UNITED STATES</td>
<td>357127 4</td>
<td>BANK OF FLOYD 355821</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>Full Service</td>
<td>3599279</td>
<td>FAIRLAWN BRANCH</td>
<td>7349 PEPPERS FERRY BOULEVARD</td>
<td>FAIRLAWN VA 24034-88</td>
<td>FAIRLAWN UNITED STATES</td>
<td>4964640 7</td>
<td>BANK OF FLOYD 355821</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>Full Service</td>
<td>2707639</td>
<td>HILLSVILLE BRANCH</td>
<td>185 SOUTH MAIN ST</td>
<td>HILLSVILLE VA 24035</td>
<td>CARROLL UNITED STATES</td>
<td>2998986 2</td>
<td>BANK OF FLOYD 355821</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>Full Service</td>
<td>3329757</td>
<td>SALEM BRANCH</td>
<td>3634 WEST MAIN STREET</td>
<td>SALEM VA 24015</td>
<td>SALEM CITY UNITED STATES</td>
<td>442337 5</td>
<td>BANK OF FLOYD 355821</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>Full Service</td>
<td>2603523</td>
<td>WILLES BRANCH</td>
<td>5598 FLOYD HWY SOUTH</td>
<td>WILLES VA 24080</td>
<td>WILLES UNITED STATES</td>
<td>2998957 3</td>
<td>BANK OF FLOYD 355821</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Form FR Y-6  
Cardinal Bankshares Corporation  
Floyd, Virginia  
December 31, 2014

Report Item 3: Shareholders  
(1)(a)(b)(c) and (2)(a)(b)(c)

<table>
<thead>
<tr>
<th>(1)(a) Name &amp; Address (City, State, County)</th>
<th>(1)(b) Country of Citizenship or Incorporation</th>
<th>(1)(c) Number and Percentage of Each Class of Voting Securities</th>
<th>(2)(a) Name &amp; Address (City, State, County)</th>
<th>(2)(b) Country of Citizenship or Incorporation</th>
<th>(2)(c) Number and Percentage of Each Class of Voting Securities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joseph H Conduff, Jr. Floyd, VA 24091</td>
<td>USA</td>
<td>96,853 = 6.31%</td>
<td></td>
<td></td>
<td>NONE</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.
## Report Item 4: Insiders

(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) | (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) |
|------------------------------------------|---------------------------------------------------------------|--------------------------------------------------|---------------------------------------------------------------|--------------------------------------------------|------------------------------------------------------------------|
| Dr. J. Howard Conduff, Jr., DDS          | Dentist                                                       | Chairman of Audit Committee                      | N O N E                                                       | Dr. J. Howard Conduff, Jr., DDS, General Dentistry/Owner | 6.307% |
| J. Alan Dickerson                        | NONE                                                          | Chief Financial Officer & Senior Vice-President  | CFO & SVP                                                      | The Bank of Floyd                                   | 0.003% |
| Joseph Howard Conduff, Jr. Floyd, VA 24091 | Floyd, VA 24091                                               | NONE                                             | N O N E                                                       | Blue Ridge Land & Auction Owner/Broker              | 0.409% |
| T. Mauyer Gallimor                      | Realtor/Appraiser                                             | Director                                         | NONE                                                          | Stone, Houston & Associates General Partner/VP/Secretary | 0.017% |
| Floyd, VA 24091                          |                                                               |                                                  |                                                               |                                                   |
| John Paul Houston                       | Financial Advisor                                             | Director                                         | NONE                                                          | Pendergrass Farm, LLC Managing Member              | 0.123% |
| Floyd, VA 24091                          |                                                               |                                                  |                                                               |                                                   |
| R. Devereaux Jarrett                     | Retired CEO                                                   | Director                                         | NONE                                                          | None                                             | 1.940% |
| Roanoke, VA 24014                        |                                                               |                                                  |                                                               |                                                   |
| James W. Shortt                          | Attorney                                                      | Director                                         | NONE                                                          | James W. Shortt & Associates Attorney/President/Owner | 0.060% |
| Floyd, VA 24091                          |                                                               |                                                  |                                                               |                                                   |
| Mark A. Smith                            | NONE                                                          | Interim President/CEO & Chief Lending Officer    | CLO                                                           | The Bank of Floyd                                   | 0.000% |
| Floyd, VA 24091                          |                                                               |                                                  |                                                               |                                                   |

Other than Officers and Directors, outsiders would be listed on this schedule if percentage of shares owned are 10.000% or greater.