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 officer 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, Tracey S. McCray
Name of the Holding Company Director and Official

Director/Vice President
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.

Date of Report (top-tier holding company's fiscal year-end):
December 31, 2014
Month / Day / Year
N/A

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

Person to whom questions about this report should be directed:
Tracey McCray
Name
Vice President
Title

Address (URL) for the Holding Company's web page
http://firstandcitizensbank.com

Does the reporter request confidential treatment for any portion of this submission?
☐ Yes Please identify the report items to which this request applies:
☐ No

☐ 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.”
Form FR Y-6

Highland County Bankshares, Inc.
Monterey, Virginia
Fiscal Year Ending December 31, 2014

Report Items

Item 1: Annual Report to Shareholders

See Consolidated Financial Statements contained in Annual Report to Shareholders and Parent Company only
Financial Statements Attached.

Item 2a: Organization Chart

First and Citizens Bank is a 100% owned subsidiary of Highland County Bankshares, Inc., both of which are located
in Monterey, Virginia.

Item 2b: Domestic Branch Listing

Submitted via email on March 27, 2015.

Item 3: Securities Holders

(1) Current shareholders with ownership, control or holdings of 5% or more with power to vote as of fiscal
year ending December 31, 2014:

<table>
<thead>
<tr>
<th>Name, City and State/Country</th>
<th>(1)(b) Country of Citizenship or Incorporation</th>
<th>(1)(c) Number and Percentage of Each Class of Voting Securities (common stock only class)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ralph Swecker Family Monterey, VA USA</td>
<td>USA</td>
<td>67,660 11.78%</td>
</tr>
<tr>
<td>Jacob Hevener Family Hightown, VA USA</td>
<td>USA</td>
<td>60,660 10.56%</td>
</tr>
<tr>
<td>Edwin Jones Family Greensboro, NC USA</td>
<td>USA</td>
<td>39,360 6.85%</td>
</tr>
<tr>
<td>Delbert Rexrode, Jr. Family Doe Hill, VA USA</td>
<td>USA</td>
<td>30,370 5.29%</td>
</tr>
<tr>
<td>John Singleton Family Warm Springs, VA USA</td>
<td>USA</td>
<td>35,270 6.14%</td>
</tr>
</tbody>
</table>

(2) 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 December 31, 2014:
None.
Results:
A list of branches for your depository institution:

FIRST AND CITIZENS BANK (ID_RSSD: 762625).

This depository institution is held by HIGHLAND COUNTY BANKSHARES, INC. (2496241) of MONTEREY, 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 qualified 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 date of closure in the Effective Date column.
Add: If a reportable branch is missing, enter 'Add' in the Data Action column and the date of opening 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 FRY-lOOnline application - https://ylOonline.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>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>Country</th>
<th>County</th>
<th>FDIC UNINUM*</th>
<th>Office Number</th>
<th>Name of Branch</th>
<th>Head Office</th>
<th>Head Office ID_RSSD*</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>OK</td>
<td>Full Service</td>
<td>762625</td>
<td>FIRST AND CITIZENS BANK</td>
<td>195 WEST MAIN STREET</td>
<td>MONTEREY</td>
<td>VA</td>
<td>24462</td>
<td>UNITED STATES</td>
<td>VIRGINIA</td>
<td>36765</td>
<td>762625</td>
<td>FIRST AND CITIZENS BANK</td>
<td>762625</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>Full Service</td>
<td>4073699</td>
<td>UNDERWOOD BRANCH</td>
<td>23 SCENIC HIGHWAY</td>
<td>FRANKFORT</td>
<td>KY</td>
<td>40652</td>
<td>UNITED STATES</td>
<td>KENTUCKY</td>
<td>4073699</td>
<td>4073699</td>
<td>FIRST AND CITIZENS BANK</td>
<td>762625</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>Full Service</td>
<td>762625</td>
<td>UNDERWOOD BRANCH</td>
<td>460 MAIZE HIGHWAY</td>
<td>HUDSON</td>
<td>VA</td>
<td>24462</td>
<td>UNITED STATES</td>
<td>VIRGINIA</td>
<td>762625</td>
<td>762625</td>
<td>FIRST AND CITIZENS BANK</td>
<td>762625</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Item 4. Insiders

<table>
<thead>
<tr>
<th>Name, City and State/Country</th>
<th>Principal Occupation, if Other Than With the Bank Holding Company</th>
<th>Title or Position With Bank Holding Company</th>
<th>Title or Position With Direct and Indirect Subsidiaries</th>
<th>Title or Position With Any Other Company</th>
<th>Percentage of Voting Securities Owned of the Bank Holding Company</th>
<th>Percentage of Voting Securities Owned of the Direct And Indirect Subsidiaries</th>
<th>Percentage of Voting Securities Owned of Any Other Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kyle E. Almond, Hightown, VA USA</td>
<td>Retired</td>
<td>Director, Chairman of the Board</td>
<td>N/A</td>
<td>1.7933%</td>
<td>0.0000%</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Wiley B. Kling, Jr., Hot Springs, VA USA</td>
<td>CPA Retired</td>
<td>Director</td>
<td>Director</td>
<td>VP/Treasurer</td>
<td>0.4584%</td>
<td>0.0000%</td>
<td>Amalgamated Consolidated Incorporated (33 1/3%)</td>
</tr>
<tr>
<td>Joseph B. Malcolm, McDowell, VA USA</td>
<td>Veterinarian</td>
<td>Director, Vice Chairman</td>
<td>Director, Vice Chairman</td>
<td>N/A</td>
<td>0.7920%</td>
<td>0.0000%</td>
<td>N/A</td>
</tr>
<tr>
<td>Tracey S. McCray, McDowell, VA USA</td>
<td>N/A</td>
<td>Director, Executive Vice President, CFO</td>
<td>Director Secretary/Treasurer Member</td>
<td>0.1489%</td>
<td>0.0000%</td>
<td>Davis Run, LLC 50%</td>
<td></td>
</tr>
<tr>
<td>Jerry Moats, Monterey, VA USA</td>
<td>Electronics Self Employed</td>
<td>Director</td>
<td>Director</td>
<td>Owner</td>
<td>0.0696%</td>
<td>0.0000%</td>
<td>Jerry’s Electronics 100%</td>
</tr>
<tr>
<td>Delbert Rexrode, Jr., Doe Hill, VA USA</td>
<td>Farmer Self Employed</td>
<td>Director</td>
<td>Director, President Emeritus</td>
<td>Member</td>
<td>5.0694%</td>
<td>0.0000%</td>
<td>Lazy R Ranch, LLC (100% owned by trust)</td>
</tr>
<tr>
<td>John C. Singleton, Warm Springs, VA USA</td>
<td>Attorney Self Employed</td>
<td>Director, Secretary</td>
<td>Director, Secretary</td>
<td>President/Owner</td>
<td>6.1406%</td>
<td>0.0000%</td>
<td>Amalgamated Consolidated Incorporated (33 1/3%)</td>
</tr>
<tr>
<td>Vernon D. Wooddell, Monterey, VA USA</td>
<td>N/A</td>
<td>Director, President</td>
<td>Director, President/CEO</td>
<td>N/A</td>
<td>0.0958%</td>
<td>0.0000%</td>
<td>N/A</td>
</tr>
<tr>
<td>Ralph Swecker Family</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>11.7799%</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Jacob Hevener Family</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>10.5611%</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
</tr>
</tbody>
</table>