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(h) 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, Robert C. Hatley
Name of the Holding Company Director and Official
President/CEO
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 281, 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
06/05/2015

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.

FR Y-6
OMB Number 7100-0297
Approval expires December 31, 2015

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

5493008M6946E2FNAU09
Reporters Legal Entity Identifier (LEI) (20-Character LEI Code)

Paragon Commercial Corporation
Legal Title of Holding Company

3535 Glenwood Avenue
Mailing Address of the Holding Company Street / P.O. Box
Raleigh NC 27612
City State Zip Code

Person to whom questions about this report should be directed:
Steven E. Crouse EVP/CFO
Name Title

919-534-7404
Area Code / Phone Number / Extension
666-741-4642
Area Code / FAX Number

scrouse@paragonbank.com
E-mail Address

www.paragonbank.com
Address (URL) for the Holding Company's web page

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
Form FR Y-6

Paragon Commercial Corporation
Domestic Bank Holding Company
Annual Report of F.R. Y-6
For the fiscal year Ended on December 31, 2014

Report Items

Report Item 1: Bank Holding Company Financial Statements

A. Form 10-K filed with the Securities and Exchange Commission

The Company’s duty to file Form 10-K with the Securities and Exchange Commission has been terminated per Rule 12h- (b)(1)(1)
   Rule 12h-3(c) and Rule 121-3d.

B. Annual Report to shareholders

The Company’s Annual Report is in the process of being printed. We will forward three copies when they are received.

Report Item 2a: Organization Chart

Note: Mayberry Real Estate Holdings, LLC (4) is not a reportable entity on FR Y-10
Results: A list of branches for your depository institution: PARAGON COMMERCIAL BANK (ID_RSSD: 2806626).

This depository institution is held by PARAGON COMMERCIAL CORPORATION (3021800) of RALEIGH, NC.
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 and the sale or closure date in the Effective Data column.
Delete: If a reportable branch is missing, insert a row, add the branch data, and enter ‘Add’ 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 Data column.

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 UNNUM, 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 UNNUM*</th>
<th>Office Number*</th>
<th>Head Office</th>
<th>Head Office ID_RSSD*</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>OA</td>
<td>Full Service</td>
<td>2806626</td>
<td>PARAGON COMMERCIAL BANK</td>
<td>1435 GLENWOOD AVE</td>
<td>RALEIGH</td>
<td>NC</td>
<td>27612</td>
<td>WAKE</td>
<td>UNITED STATES</td>
<td>74678</td>
<td>0</td>
<td>PARAGON COMMERCIAL BANK</td>
<td>2806626</td>
<td></td>
<td></td>
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<tr>
<td>OA</td>
<td>Full Service</td>
<td>4758397</td>
<td>CARY BRANCH</td>
<td>5000 VALLEYSTONE DRIVE SUITE 110</td>
<td>CARY</td>
<td>NC</td>
<td>27519</td>
<td>WAKE</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>0</td>
<td>PARAGON COMMERCIAL BANK</td>
<td>2806626</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OA</td>
<td>Full Service</td>
<td>3630566</td>
<td>CHARLOTTE BRANCH</td>
<td>6137 MONROE BOULEVARD</td>
<td>CHARLOTTE</td>
<td>NC</td>
<td>28211</td>
<td>Mecklenburg</td>
<td>UNITED STATES</td>
<td>453045</td>
<td>0</td>
<td>PARAGON COMMERCIAL BANK</td>
<td>2806626</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Report Item 2b: Domestic Branch Listing – See attached

Report Item 3: Shareholders – Items 1a, 1b, 1c

| Current Shareholders with ownership, control, or holdings of 5% or more with power to vote as of 12-31-14 |
|---------------------------------------------------|-------------------------------------------------|---------------------------------------|
| (1)(a)                                             | (1)(b)                                          | (1)(c)                                |
| Name and Address (City, State, Country)            | Country of Citizenship or Incorporation          | Number and Percentage of Each Class of Voting Securities |

| Banc Tenn Corp.                                      | USA                                             | 792,625 shares of common stock |
| Johnson City, TN USA                                 | USA                                             | 17.65% percent of total outstanding shares |

Report Item 3: Shareholders – Item 2

There were no shareholders holding 5% or more share in the Company during 2014 other than those listed above.
<table>
<thead>
<tr>
<th>Name and Address</th>
<th>Principal Occupation If Other Than with Bank Holding Company</th>
<th>Title and Position with Bank Holding Company</th>
<th>Title and Position with Subsidiaries</th>
<th>Title and Position with Other Businesses</th>
<th>Percentage of Voting Shares in the Bank Holding Company</th>
<th>Percentage of Voting Shares in Subsidiaries</th>
<th>Other Companies (Including Partnerships) Where 25% or More of the Voting Securities Are Held &amp; % Owned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Robert C. Hatley</td>
<td>N/A</td>
<td>Director, Paragon Commercial Corp</td>
<td>Director, Paragon Commercial Bank</td>
<td>N/A - None</td>
<td>2.17%</td>
<td>N/A - None</td>
<td>N/A - None</td>
</tr>
<tr>
<td>Raleigh, NC, USA</td>
<td></td>
<td>CEO, Paragon Commercial Corp</td>
<td>President &amp; CEO, Paragon Commercial Bank</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Curtis C. Brewer, III</td>
<td>Owner</td>
<td>Director/ Paragon Commercial Corp</td>
<td>Director, Paragon Commercial Bank</td>
<td>Mayo Lake Pins., LLC-Manager</td>
<td>1.19%</td>
<td>N/A - None</td>
<td>Brewer Properties, LLC-40%</td>
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<tr>
<td>Raleigh, NC, USA</td>
<td>Brewer Properties, LLC</td>
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<td>Core Prop Holdings, LLC-Manager</td>
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<td>Mayo Lake Partners, LLC-33.3%</td>
</tr>
<tr>
<td>K. Wesley M. Jones</td>
<td>Managing Partner</td>
<td>Director/ Paragon Commercial Corp</td>
<td>Director, Paragon Commercial Bank</td>
<td>Mayo Lake Pins., LLC-Manager</td>
<td>1.19%</td>
<td>N/A - None</td>
<td>Brewer Properties, LLC-40%</td>
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<tr>
<td>Charlotte, NC, USA</td>
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<td>Managing Member, Sheppard Investments Group</td>
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<td>Mayo Lake Partners, LLC-33.3%</td>
</tr>
<tr>
<td>Howard Jung</td>
<td>President</td>
<td>Chairman of the Board</td>
<td>Chairman of the Board</td>
<td>Chairman of the Board</td>
<td>N/A - None</td>
<td>1.54%</td>
<td>N/A - None</td>
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<tr>
<td>Raleigh, NC, USA</td>
<td>Ace Hardware Stores, Inc.</td>
<td>Paragon Commercial Corporation</td>
<td>Paragon Commercial Bank</td>
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<td></td>
<td>Ace Hardware Stores, Inc.-49%</td>
<td></td>
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<tr>
<td>Roy L. Harmon, Jr.</td>
<td>Chairman</td>
<td>Director, Paragon Commercial Corp</td>
<td>Director, Paragon Commercial Bank</td>
<td>EVP &amp; Director</td>
<td>1.14%</td>
<td>N/A - None</td>
<td>BancTenn Corp.</td>
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<tr>
<td>Kingsport, TN, USA</td>
<td>Bank of Tennessee</td>
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</tr>
<tr>
<td>Alton Russell</td>
<td>Attorney</td>
<td>Director, Paragon Commercial Corp</td>
<td>Director, Paragon Commercial Bank</td>
<td>Chairman &amp; General Counsel</td>
<td>0.71%</td>
<td>N/A - None</td>
<td>The Title Company of NC</td>
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<tr>
<td>Raleigh, NC, USA</td>
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<td></td>
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<td>SVP, Old Republic National Title Company</td>
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<tr>
<td>Steve Crouse</td>
<td>N/A</td>
<td>CFO</td>
<td>EVP/CFO-PGB</td>
<td>N/A - None</td>
<td>0.10%</td>
<td>N/A - None</td>
<td>N/A - None</td>
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<tr>
<td>Cary, NC, USA</td>
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<td></td>
<td></td>
<td></td>
<td>N/A - None</td>
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<tr>
<td>Banc Tenn Corp</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>17.65%</td>
<td>N/A</td>
<td>N/A</td>
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</table>