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, Thomas W. Wayne
Name of the Holding Company Director and Official
Chief Financial Officer
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 30, 2015

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

RASSID 3587427
C1:

Public reporting burden for this information collection is estimated to vary from 1.3 to 101 hours per response, with an average of 5.36 hours per response, including time in gather and maintain data in the required format 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.

PUBLIC REAPERTING BURDEN FOR THIS INFORMATION COLLECTION IS ESTIMATED TO VARY FROM 1.3 TO 101 HOURS PER RESPONSE, WITH AN AVERAGE OF 5.36 HOURS PER RESPONSE, INCLUDING TIME IN GATHER AND MAINTAIN DATA IN THE REQUIRED FORMAT 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.

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 3(a) and 3(b), a letter justifying the request is being provided.
  ☐ The information for which confidential treatment is sought is being submitted separately labeled "Confidential."

☐ No
Report Item 2a
2: Organizational Chart

Form FR Y-6
Oak Ridge Financial Services, Inc.
Oak Ridge, North Carolina
Fiscal Year Ending December 31, 2014

Oak Ridge Financial Services, Inc.
Oak Ridge, NC
Incorporated in North Carolina

100%
Oak Ridge Statutory Trust 1
Hartford, CT
Incorporated in Connecticut

100%
Bank of Oak Ridge
Oak Ridge, NC
Incorporated in North Carolina
**Report Item 2b: Domestic Branch Listing**

**Results:** A list of branches for your depository institution: BANK OF OAK RIDGE (ID_RSSD: 2903123).
This depository institution is held by OAK RIDGE FINANCIAL SERVICES, INC. (3587427) of OAK RIDGE, 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 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.

<table>
<thead>
<tr>
<th>Branch Service Type (Branch ID)</th>
<th>Branch ID</th>
<th>Popular Name</th>
<th>Street Address</th>
<th>City</th>
<th>Zip Code</th>
<th>State</th>
<th>County</th>
<th>Country</th>
<th>FDIC UNINUM*</th>
<th>Office Number*</th>
<th>Head Office ID</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Service (Head Office)</td>
<td>2903123</td>
<td>BANK OF OAK RIDGE</td>
<td>2211 OAK RIDGE ROAD</td>
<td>OAK RIDGE</td>
<td>NC</td>
<td>27310</td>
<td>GUILFORD</td>
<td>UNITED STATES</td>
<td>78827</td>
<td>0</td>
<td>BANK OF OAK RIDGE</td>
<td>2903123</td>
</tr>
<tr>
<td>Full Service</td>
<td>3924965</td>
<td>LAKE JEANETTE BRANCH</td>
<td>400 PISGAH CHURCH ROAD</td>
<td>GREENSBORO</td>
<td>NC</td>
<td>27455</td>
<td>GUILFORD</td>
<td>UNITED STATES</td>
<td>470813</td>
<td>4</td>
<td>BANK OF OAK RIDGE</td>
<td>2903123</td>
</tr>
<tr>
<td>Full Service</td>
<td>3382282</td>
<td>NEW GARDEN CROSSING SHOPPING</td>
<td>1597 NEW GARDEN ROAD</td>
<td>GREENSBORO</td>
<td>NC</td>
<td>27410</td>
<td>GUILFORD</td>
<td>UNITED STATES</td>
<td>444148</td>
<td>2</td>
<td>BANK OF OAK RIDGE</td>
<td>2903123</td>
</tr>
<tr>
<td>Full Service</td>
<td>3304679</td>
<td>SUMMERFIELD BRANCH</td>
<td>4433 HIGHWAY 220 NORTH</td>
<td>SUMMERFIELD</td>
<td>NC</td>
<td>27358</td>
<td>GUILFORD</td>
<td>UNITED STATES</td>
<td>424743</td>
<td>1</td>
<td>BANK OF OAK RIDGE</td>
<td>2903123</td>
</tr>
</tbody>
</table>
Report Item 3: Securities holders
(1)(a)(b)(c) and (2)(a)(b)(c)

<table>
<thead>
<tr>
<th>Current Shareholders with ownership, control or holdings of 5% or more with power to vote as of fiscal year ending 12-31-2014</th>
<th>Shareholders not listed in 3(1)(c) that had ownership, control or holdings of 5% or more with power to vote during the fiscal year ending 12-31-2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)(a)</td>
<td>(2)(a)</td>
</tr>
<tr>
<td>Name &amp; Address Country of Citizenship (City, State, Country) or Incorporation</td>
<td>Name &amp; Address Country of Citizenship (City, State, Country) or Incorporation</td>
</tr>
<tr>
<td>Bank of Oak Ridge United States Employee Stock Ownership Plan and Trust*</td>
<td>None</td>
</tr>
<tr>
<td>113,493 common shares (5.24% of issued and outstanding common shares)</td>
<td></td>
</tr>
</tbody>
</table>

*James W. Hall (Director of Bank and Holding Company), Lynda J. Anderson (Director of Bank and Holding Company), and Marissa Parrish (the Bank’s HR Director) are trustees of the ESOP. Participants in the ESOP are not entitled to direct the trustee of the ESOP to vote shares held in the participant’s ESOP account on routine annual proxy matters such as the matters to be voted upon at the 2015 Annual Meeting, but will be entitled to direct the trustee of the ESOP to vote shares held in the participant’s ESOP account on matters involving the sale of all or substantially all of the Company’s assets or upon a merger, liquidation, recapitalization, reclassification, dissolution or consolidation of the Company.

Note: no insiders have 5% or more power to vote. Since Oak Ridge Financial Services, Inc. deregistered from the SEC on November 8, 2013, it no longer has the ability to know shareholders in street name with holdings of 5% or more with power to vote as of 12-31-13.
<table>
<thead>
<tr>
<th>Names &amp; Address (City, State, Country)</th>
<th>Principal Occupation if other than with Bank Holding Company</th>
<th>Title &amp; Position with Bank Holding Company</th>
<th>Title &amp; Position with Subsidiaries (include names of subsidiaries)</th>
<th>Title &amp; Position with Other Businesses (include names of other businesses)</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 (includes partnerships) if 25% or more of securities are held (List names of companies and percentage of voting securities held)</th>
<th>Percentage of Voting Shares in Bank Holding Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ronald O. Black, Oak Ridge, NC, USA</td>
<td>N/A</td>
<td>Director, President &amp; Chief Executive Officer</td>
<td>President (Triad Real Estate Today) &amp; President (Streetcars Carwash)</td>
<td>Director, President &amp; Chief Executive Officer (Bank of Oak Ridge)</td>
<td>4.35%</td>
<td>None</td>
<td>Triad Consulting, Inc. (100%)</td>
<td>4.35%</td>
</tr>
<tr>
<td>Douglas G. Boike, Oak Ridge, NC, USA</td>
<td>Director &amp; Chairman</td>
<td>Director &amp; Chairman (Bank of Oak Ridge)</td>
<td>Director (Triad Consulting, Inc.)</td>
<td>Director &amp; Chairman (Bank of Oak Ridge)</td>
<td>3.20%</td>
<td>None</td>
<td>N/A</td>
<td>3.20%</td>
</tr>
<tr>
<td>L. William Vasaly, Ill, Clemmons, NC, USA</td>
<td>Chief Credit Officer</td>
<td>Chief Credit Officer (Bank of Oak Ridge)</td>
<td>Chief Credit Officer (Triad Real Estate Today) &amp; President (Streetcars Carwash)</td>
<td>Chief Credit Officer (Bank of Oak Ridge)</td>
<td>1.37%</td>
<td>None</td>
<td>N/A</td>
<td>1.37%</td>
</tr>
<tr>
<td>Thomas W. Wayne, Greensboro, NC, USA</td>
<td>Director and Chief Financial Officer Director</td>
<td>Chief Financial Officer (Bank of Oak Ridge)</td>
<td>President (Triad Consulting, Inc.) &amp; President (Triad Real Estate Today) &amp; President (Streetcars Carwash)</td>
<td>Chief Financial Officer (Bank of Oak Ridge)</td>
<td>2.55%</td>
<td>None</td>
<td>N/A</td>
<td>2.55%</td>
</tr>
<tr>
<td>Lynda J. Anderson, Oak Ridge, NC, USA</td>
<td>N/A</td>
<td>Director, President &amp; Chief Executive Officer</td>
<td>Director, President &amp; Chief Executive Officer</td>
<td>Director</td>
<td>1.09%</td>
<td>None</td>
<td>N/A</td>
<td>1.09%</td>
</tr>
<tr>
<td>James W. Hall, Summerfield, NC, USA</td>
<td>N/A</td>
<td>Director, President &amp; Chief Executive Officer</td>
<td>Director, President &amp; Chief Executive Officer</td>
<td>Director</td>
<td>1.99%</td>
<td>None</td>
<td>Streetcars Carwash (100%) Kanoy Grading and Landscaping, Inc. (100%)</td>
<td>1.99%</td>
</tr>
<tr>
<td>Billy R. Kanoy, Oak Ridge, NC, USA</td>
<td>N/A</td>
<td>Director, President &amp; Chief Executive Officer</td>
<td>Director, President &amp; Chief Executive Officer</td>
<td>Director</td>
<td>1.65%</td>
<td>None</td>
<td>Kanoy Grading and Landscaping, Inc. (100%)</td>
<td>1.65%</td>
</tr>
<tr>
<td>Stephen S. Neal, Summerfield, NC, USA</td>
<td>N/A</td>
<td>Director, President &amp; Chief Executive Officer</td>
<td>Director, President &amp; Chief Executive Officer</td>
<td>Director</td>
<td>1.55%</td>
<td>None</td>
<td>Summerfield Feed and Seed (100%)</td>
<td>1.55%</td>
</tr>
<tr>
<td>Stanley N. Tennant, Greensboro, NC, USA</td>
<td>N/A</td>
<td>Director, President &amp; Chief Executive Officer</td>
<td>Director, President &amp; Chief Executive Officer</td>
<td>Director</td>
<td>1.57%</td>
<td>None</td>
<td>N/A</td>
<td>1.57%</td>
</tr>
<tr>
<td>John S. Olmsted, Summerfield, NC, USA</td>
<td>N/A</td>
<td>Director, President &amp; Chief Executive Officer</td>
<td>Director, President &amp; Chief Executive Officer</td>
<td>Director</td>
<td>3.36%</td>
<td>None</td>
<td>N/A</td>
<td>3.36%</td>
</tr>
<tr>
<td>Manuel L. Perkins, Greensboro, NC, USA (retired from Board on 12/31/13)</td>
<td>N/A</td>
<td>Director, President &amp; Chief Executive Officer</td>
<td>Director, President &amp; Chief Executive Officer</td>
<td>Manager (MLP Construction Co., LLC)</td>
<td>1.58%</td>
<td>None</td>
<td>MLP Construction Co., LLC (100%)</td>
<td>1.58%</td>
</tr>
</tbody>
</table>
Oak Ridge Financial Services, Inc.

Annual Report to Shareholders

December 31, 2014 and 2013

and the Years then Ended
Dear Shareholders, Friends and Neighbors,

We trust you’ve come to expect the exceptional from us, both in terms of financial solutions and client service. But we wanted to take your experience—and your expectations—to another level this past year. That’s why we encouraged you to “Dream Big with Bank of Oak Ridge” in 2014. The truth is that we’re more than just a bank; we’re a resource to help you move from picturing your dream to living your dream.

That takes knowledge, innovation, and strength. We are confident we’re on the right track.

In 2014, our net income increased substantially, loans were up, and new avenues to savings were implemented. What does all that mean for you? While Oak Ridge Financial Services has always been a rock of stability, the past year only increased our security (and yours) and expanded our ability to deliver valuable financial products and services.

Here are just a few highlights from our year:

- Net income for 2014 was $2.1 million, an increase of $747,000 or 56.6%.
- Diluted income per common share for 2014 was $0.71, an increase of $0.38 or 115.2%.
- Loans as of December 31, 2014, stood at $275.4 million, an increase of $9.6 million or 3.6%.
- Deposits as of December 31, 2014, were $313.5 million, an increase of $1.5 million or 0.5%.
- On December 19, 2014, Oak Ridge Financial Services, Inc. redeemed $2.5 million of its Series A Preferred Stock at par. The redemption of the Series A Preferred Stock will save Oak Ridge Financial Services, Inc. $225,000 annually in dividend payments.

But perhaps the biggest highlight of the year was Bank of Oak Ridge being voted the “Best Bank in the Triad” for the third consecutive year. We’re honored and humbled by your endorsement, and it makes all of us here want to work even harder. One way we’re doing that is by constantly evaluating ways to make your financial life easier. A recent example: Mobiliti, our newly launched Mobile Banking App. You apparently like it as much as we do because this anytime, anywhere service was embraced practically overnight.

Of course, the value of a bank is measured by more than just dollar amounts or technology. Our commitment to community service runs deep. In 2014, just as we have every year since our inception, Bank of Oak Ridge joined with local non-profits to help children, vulnerable adults, small businesses and the arts thrive. One project especially close to my heart was our 2nd Annual Healthy Heart Challenge, a partnership with the American Heart Association’s Guilford Heart Ball. Our three winners changed their lives and, in the process, helped inspire our clients, employees and members of the community to change theirs as well.

Whether it’s delivering top-notch financial services with a smile or volunteering untold numbers of hours with local charities, our employees are the backbone of our bank. I also want to extend my heartfelt appreciation to our talented management team and dedicated Board of Directors.

Thank you for taking a moment to help us celebrate the accomplishments of this past year. Without you, none of these things would be possible. And thanks to your unwavering support, Bank of Oak Ridge marks its 15th anniversary in 2015. So here’s to another year of building toward tomorrow and making dreams come true. Because that’s Banking As It Should Be.

Sincerely,

Ronald O. Black
President & CEO
Oak Ridge Financial Services, Inc. and Bank of Oak Ridge