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FR Y-6
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Approval expires September 30, 2018
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MAR 31 2017

Board of Governors of the Federal Reserve System



FRB RICHMOND

Annual Report of Holding Companies—FR Y-6

COPY

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)); sections 8(a) and 13(a) of the International Banking Act (12 U.S.C. §§ 3106(a) and 3108(a)); sections 11(a)(1), 25, and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611a); and sections 113, 165, 312, 618, and 809 of the Dodd-Frank Act (12 U.S.C. §§ 5361, 5365, 5412, 1850a(c)(1), and 5468(b)(1)). Return to the appropriate Federal Reserve Bank the original and the number of copies specified.

This report form is to be filed by all top-tier bank holding companies, top-tier savings and loan holding companies, and U.S. intermediate holding companies organized under U.S. law, and by any foreign banking organization that does not meet the requirements of and is not treated as a qualifying foreign banking organization under Section 211.23 of Regulation K (12 C.F.R. § 211.23). (See page one of the general instructions for more detail of who must file.) The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, an information collection unless it displays a currently valid OMB control number.

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. If the holding company is an ESOP/ESOT formed as a corporation or is an LLC, see the General Instructions for the authorized individual who must sign the report.

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

December 31, 2016

Month / Day / Year

N/A

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

Reporter's Name, Street, and Mailing Address

Parkway Acquisition Corp.

Legal Title of Holding Company

P.O. Box 215

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

Floyd VA 24091
City State Zip Code

101 Jacksonville Circle

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

Blake M. Edwards SEVP/CFO
Name Title

276-773-2811

Area Code / Phone Number / Extension

276-773-2057

Area Code / FAX Number

bedwards@skylinenationalbank.com

E-mail Address

http://www.skylinenationalbank.com

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

I, Allan Funk

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 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

03/30/2017

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 4949303
C.I.

Is confidential treatment requested for any portion of this report submission? 0=No 1=Yes 0

In accordance with the General Instructions for this report (check only one),

- 1. a letter justifying this request is being provided along with the report
- 2. a letter justifying this request has been provided separately

NOTE: Information for which confidential treatment is being requested must be provided separately and labeled as "confidential."

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**Parkway Acquisition Corp.
Floyd, Virginia
Fiscal Year Ending December 31, 2016**

Report Item 1: N/A – SEC Registrant. Form 10-K filed on March 29, 2017

Report Item 2a: Organization Chart

Parkway Acquisition Corp. located in Floyd, Virginia; incorporated in Virginia; NO LEI, owns: 100% of The Grayson National Bank, located in Independence, Virginia, NO LEI.

The Grayson National Bank owns 100% of: FBC, Inc., located in Floyd, Virginia; incorporated in Virginia; NO LEI.

Parkway Acquisition Corp. does not own any controlling interest in any other company.
All other items N/A

Report Item 2b: Domestic Branch Listing
A verified Branch Report was sent via e-mail to rich.fry6@rich.frb.org on March 30, 2017.
A copy of the report is also included with this correspondence.

Report Item 3: Schedule Attached

Report Item 4: Schedule Attached

Confirmed: _____

Allan Funk
President



Results: A list of branches for your holding company: PARKWAY ACQUISITION CORP (4949303) of FLOYD, VA.
 The data are as of 12/31/2016. Data reflects information that was received and processed through 01/10/2017.

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.

Data Action	Effective Date	Branch Service Type	Branch ID_RSSD*	Popular Name	Street Address	City	State	Zip Code	County	Country	FDIC UNINUM*	Office Number*	Head Office	Head Office ID_RSSD*	Comments
OK		Full Service (Head Office)	90328	GRAYSON NATIONAL BANK, THE	113 WEST MAIN STREET	INDEPENDENCE	VA	24348	GRAYSON	UNITED STATES	4611	0	GRAYSON NATIONAL BANK, THE	90328	
OK		Full Service	2948188	SPARTA BRANCH	98 S GRAYSON ST	SPARTA	NC	28675	ALLEGHANY	UNITED STATES	361344	5	GRAYSON NATIONAL BANK, THE	90328	
OK		Full Service	2932794	CHRISTIANSBURG BRANCH	2145 ROANOKE ST	CHRISTIANSBURG	VA	24073	MONTGOMERY	UNITED STATES	Not Required	Not Required	GRAYSON NATIONAL BANK, THE	90328	
OK		Full Service	291527	ELK CREEK BRANCH	60 COMERS ROCK RD	ELK CREEK	VA	24326	GRAYSON	UNITED STATES	212405	1	GRAYSON NATIONAL BANK, THE	90328	
OK		Full Service	3599279	FAIRLAWN BRANCH	7349 PEPPERS FERRY BOULEVARD	FAIRLAWN	VA	24141-8857	PULASKI	UNITED STATES	Not Required	Not Required	GRAYSON NATIONAL BANK, THE	90328	
OK		Full Service	355821	FLOYD BRANCH	101 JACKSONVILLE CIRCLE	FLOYD	VA	24091	FLOYD	UNITED STATES	Not Required	Not Required	GRAYSON NATIONAL BANK, THE	90328	
OK		Full Service	3210891	CARROLL BRANCH	8351 CARROLLTON PIKE	GALAX	VA	24333	CARROLL	UNITED STATES	429986	6	GRAYSON NATIONAL BANK, THE	90328	
OK		Full Service	2468556	GALAX OFFICE	209 WEST GRAYSON STREET	GALAX	VA	24333	GALAX CITY	UNITED STATES	212408	4	GRAYSON NATIONAL BANK, THE	90328	
OK		Full Service	2707639	HILLSVILLE BRANCH	185 SOUTH MAIN ST	HILLSVILLE	VA	24343	CARROLL	UNITED STATES	Not Required	Not Required	GRAYSON NATIONAL BANK, THE	90328	
OK		Full Service	3311686	HILLSVILLE BRANCH	419 SOUTH MAIN STREET	HILLSVILLE	VA	24343	CARROLL	UNITED STATES	433863	7	GRAYSON NATIONAL BANK, THE	90328	
OK		Full Service	215224	EAST INDEPENDENCE BRANCH	802 E MAIN ST	INDEPENDENCE	VA	24348	GRAYSON	UNITED STATES	212406	2	GRAYSON NATIONAL BANK, THE	90328	
OK		Full Service	2037998	CAVE SPRING OFFICE	4094 POSTAL DRIVE, SW	ROANOKE	VA	24018	ROANOKE	UNITED STATES	Not Required	Not Required	GRAYSON NATIONAL BANK, THE	90328	
OK		Full Service	3329757	SALEM BRANCH	1634 WEST MAIN STREET	SALEM	VA	24153	SALEM CITY	UNITED STATES	Not Required	Not Required	GRAYSON NATIONAL BANK, THE	90328	
OK		Full Service	92425	TROUTDALE BRANCH	101 RIPSHIN RD	TROUTDALE	VA	24378	GRAYSON	UNITED STATES	212407	3	GRAYSON NATIONAL BANK, THE	90328	
OK		Full Service	3677225	WHITETOP BRANCH	16303 HIGHLANDS PKWY	WHITETOP	VA	24292	GRAYSON	UNITED STATES	458314	8	GRAYSON NATIONAL BANK, THE	90328	
OK		Full Service	2602592	WILLIS BRANCH	5598-B FLOYD HWY SOUTH	WILLIS	VA	24380	FLOYD	UNITED STATES	Not Required	Not Required	GRAYSON NATIONAL BANK, THE	90328	
OK		Full Service	3957691	WYTHEVILLE BRANCH	420 NORTH 4TH STREET	WYTHEVILLE	VA	24382	WYTHE	UNITED STATES	535622	10	GRAYSON NATIONAL BANK, THE	90328	

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Report Item 3: Shareholders

(1)(a) (1)(b) (1)(c) (2)(a) (2)(b) (2)(c)

Current Shareholders with ownership, control or holdings of 5% or more with power to vote as of 12-31-15

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 12-31-15

	(1)(c)	
(1)(a) Name & Address (City, State, Country)	(1)(b) Country of Citizenship Or Incorporation	Number and Percentage of Each Class of Voting Securities

	(2)(c)	
(2)(a) Name & Address (City, State, Country)	(2)(b) Country of Citizenship Or Incorporation	Number and Percentage of Each Class of Voting Securities

None

None

We do not have any other class of stock at this time.
We do not have any ESOPs or other Trust at this time.

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Report Item 4: Directors and Officers

(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)	(3)(c) Title & Position with Other Businesses (include names of other businesses)	(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)
Jacky K. Anderson Independence, VA	Retired	Director	Director - The Grayson National Bank	None	0.23%	None	None
Dr. J. Howard Conduff, Jr. Floyd, VA	Dentist	Director	Director - The Grayson National Bank	Owner Dr. J. Howard Conduff, Jr., DDS	2.40%	None	Dr. J. Howard Conduff, Jr., DDS 100%
Bryan L. Edwards Sparta, NC	Town Manager, Sparta, NC	Director	Director - The Grayson National Bank	None	0.06%	None	None
J. Allan Funk Galax, VA	N/A	Director & President & CEO	Director & President & CEO - The Grayson National Bank	None	0.14%	None	None
T. Mauyer Gallimore Floyd, VA	Realtor/Appraiser	Director	Director - The Grayson National Bank	Owner/Broker Blue Ridge Land & Auction Managing Member Pendergrass Farm, LLC	0.16%	None	Blue Ridge Land & Auction 100% Pendergrass Farm, LLC 50%
Thomas M. Jackson, Jr. Galax, VA	Attorney	Director & Chairman	Director & Chairman - The Grayson National Bank	Sole Member The Jackson Law Group, PLLC	0.21%	None	The Jackson Law Group, PLLC 100%
R. Devereux Jarratt Roanoke, VA	Retired	Director	Director - The Grayson National Bank	None	0.74%	None	None
Theresa S. Lazo Galax, VA	Community Activist	Director	Director - The Grayson National Bank	None	0.39%	None	None
Carl J. Richardson Elk Creek, VA	Retired	Director	Director - The Grayson National Bank	None	0.63%	None	None
Melissa G. Rotenberry Riner, VA	CFO/Controller Shelor Motor Mile, Inc.	Director	Director - The Grayson National Bank	None	0.01%	None	None
James W. Shortt Floyd, VA	Attorney	Director & Vice Chairman	Director & Vice Chairman - The Grayson National Bank	Attorney/President/Owner James W. Shortt & Associates Member - Buford Lee, LLC	0.05%	None	James W. Shortt & Associates 100% Buford Lee, LLC - 50%

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Report Item 4: Directors and Officers, Continued

(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)	(3)(c) Title & Position with Other Businesses (include names of other businesses)	(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)
John Michael Turman Willis, VA	Manufacturing - Real Estate Dev - Timber	Director	Director - The Grayson National Bank	See Attachment	0.26%	None	See Attachment
J. David Vaughan Galax, VA	Distrubution - Vaughan Furniture	Director	Director - The Grayson National Bank	President - Vaughan Furniture	0.14%	None	None
Blake M. Edwards, Jr. Hillsville, VA	N/A	EVP/CFO	SEVP/CFO - The Grayson National Bank	None	0.02%	None	None
Rodney R. Halsey Mouth of Wilson, VA	N/A	Chief Operations Officer	EVP/COO - The Grayson National Bank	None	0.06%	None	None
Rebecca M. Melton Christiansburg, VA	N/A	Chief Risk Officer	EVP/CRO - The Grayson National Bank	None	0.10%	None	None
Lynn T. Murray Hillsville, VA	N/A	Chief Retail Banking Officer	EVP/CRBO - The Grayson National Bank	None	0.01%	None	None
Mary D. Tabor Dublin, VA	N/A	Chief Credit Officer	EVP/CCO - The Grayson National Bank	None	0.00%	None	None

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Report Item 4: Directors and Officers - Attachment John Michael Turman - Other Businesses - Position and Ownership

<u>Title/Position</u>	<u>Name of Busines</u>	<u>Ownership %</u>
Partner	Phillips & Turman	50%
Part Owner	Xpress Markets Inc	50%
Managing Member	Turman Investment Group LC	90%
Part Owner	Walker Mountain Sawmill Inc	50%
Partner	Turman & Bolte	60%
Member	Turman Mercer Sawmills LLC	37%
Owner	Sino-American Trading Company	100%
Member	Blackberry Land Company LLC	50%
Part Owner	Blackberry Land Company	50%
Partner	Buffalo Mountain Partnership	50%
Partner	T & M Riner LLC	50%
Partner	T & M Floyd LLC	50%
Partner	T & M Auburn LLC	50%
Partner	T & M Floyd West LLC	50%
Partner	T & M M of D LLC	50%
Partner	T & M Pulaski LLC	50%
Partner	T & M Hillsville LLC	50%
Partner	T & M Southwest LLC	50%
Member	Branscome -Turman LLC	50%
Part Owner	Turman Lumber Company Inc	50%
Part Owner	Turman Hardwood Flooring Inc	32%
Owner	Turman Sawmill Inc	100%
Part Owner	Turman Log Homes Inc	49%
Member	DST Associates LLC	33%
Member	Thornspring Development Group	33%
Member	The Thornspring Group	33%
Member	Hylton Hollow Trading Co LLC	50%
Member	MMD3 LLC	50%
Member	Turman Tye River LLC	31%
Member	Brandon Turman LLC	50%
Member	Draper Valley Golf Course LLC	27%