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)); sections 8(a) and 13(a) of the International Banking Act (12 U.S.C. §§ 3105(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.

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 as an LLC, see the General Instructions for the authorized individual who must sign the report.

Name of the Holding Company Director and Official

President, CEO & Director

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

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

RSD ID

C.I.

Date of Report

(applicable only to top-tier holding companies)

December 31, 2016

Month / Day / Year

Not Applicable

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

Report's Name, Street, and Mailing Address

Peoples Bankshares, Inc

P.O. Box 306

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

Montross VA 22520

City State Zip Code

Physical Location (if different from mailing address)

15960 Kings Highway, Montross, VA

Person to whom questions about this report should be directed:

Zirkle Blakey, III EVP & CFO

Name Title

804-493-8031

Area Code / Phone Number / Extension

804-493-8131

Area Code / Fax Number

Email Address

zBlakey@peoplesbank.com

www.peoplescommunitybank.com

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

Is confidential treatment requested for any portion of this report submission?

☐ Yes

☐ No

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

☐ A letter justifying this request is being provided along with the report

☐ 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.

Approval expires September 30, 2018

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12/2016

Public reporting burden for this information collection is estimated to vary from 1.3 to 101 hours per response, with an average of 5.59 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, NN, Washington, DC 20551, and to the Office of Management and Budget, Paperwork Reduction Project (7100-0297), Washington, DC 20503.
Peoples Bankshares, Incorporated owns 100% of the outstanding community stock of Peoples Community Bank, Incorporated-DBA Peoples Community Bank

ORGANIZATION CHART (as of December 31, 2016)

holding company
Peoples Bankshares, Incorporated

[No LEI]

wholly-owned subsidiary
Peoples Community Bank

[No LEI]

wholly-owned subsidiary
Peoples Community Bank

[No LEI]

PCB Financial Services, Inc

[No LEI]

Courtney Properties Inc

[No LEI]

State of Incorporation: Virginia Montross, VA Country: USA

State of Incorporation: Virginia Montross, VA Country: USA
Report Item 1: Annual Report to Shareholders:

Peoples Bankshares, Incorporated is not registered with the Securities and Exchange Commission.

Two copies of the Annual Report to Shareholders will be forwarded when available.

Report Item 2a Organizational Chart: Attached

Report Item 2b Branch Listing: Attached

Report Item 3 Securities Holders:

3.1 Individuals / Companies

<table>
<thead>
<tr>
<th>Name, City, State, Country</th>
<th>(1) (a)</th>
<th>(1) (b)</th>
<th>(1) (c)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Name</td>
<td>Country of Citizenship or Incorporation</td>
<td>Number &amp; Percentage of Each Class of Voting Securities</td>
</tr>
<tr>
<td>Edwards Family Trust</td>
<td>USA</td>
<td>30,244</td>
<td>7.73%</td>
</tr>
<tr>
<td>Sacramento, CA USA</td>
<td></td>
<td></td>
<td>Common Stock</td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td>30,244</td>
<td>7.73%</td>
</tr>
</tbody>
</table>

3.2 Owned more than 5% during the year, but not at December 31, 2016: NONE

Report Item 4 Insiders: Attached
## Report Item 2b: Domestic Branches

<table>
<thead>
<tr>
<th>Listing</th>
<th>Effective Date</th>
<th>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>
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</thead>
<tbody>
<tr>
<td>ok</td>
<td></td>
<td>Service (Head)</td>
<td>947628</td>
<td>COMMUNITY BANK</td>
<td>15960 KING'S HIGHWAY</td>
<td>MONTROSS</td>
<td>VA</td>
<td>22520</td>
<td>WESTMORELAND</td>
<td>UNITED STATES</td>
</tr>
<tr>
<td>ok</td>
<td></td>
<td>Full Service</td>
<td>2702296</td>
<td>COUNTY BRANCH</td>
<td>175 KINGS HIGHWAY</td>
<td>FREDERICKSBURG</td>
<td>VA</td>
<td>22405</td>
<td>STAFFORD</td>
<td>UNITED STATES</td>
</tr>
<tr>
<td>ok</td>
<td></td>
<td>Full Service</td>
<td>4257688</td>
<td>DAHLGREN BRANCH</td>
<td>5082 JAMES MADISON PARKWAY</td>
<td>KING GEORGE</td>
<td>VA</td>
<td>22485</td>
<td>KING GEORGE</td>
<td>UNITED STATES</td>
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<tr>
<td>ok</td>
<td></td>
<td>Full Service</td>
<td>2948928</td>
<td>KING GEORGE BRANCH</td>
<td>8065 KINGS HIGHWAY</td>
<td>KING GEORGE</td>
<td>VA</td>
<td>22485</td>
<td>KING GEORGE</td>
<td>UNITED STATES</td>
</tr>
<tr>
<td>ok</td>
<td></td>
<td>Full Service</td>
<td>1716803</td>
<td>WARSAW BRANCH</td>
<td>4593 RICHMOND ROAD</td>
<td>WARSAW</td>
<td>VA</td>
<td>22572</td>
<td>RICHMOND</td>
<td>UNITED STATES</td>
</tr>
<tr>
<td>Name, City, State, Country</td>
<td>Principal occupation if other than with Bank Holding Company</td>
<td>Title &amp; Position with Banking Holding Company</td>
<td>Title &amp; Position with Subsidiaries (include names of business)</td>
<td>Title &amp; Position with other Businesses (Include names of other businesses)</td>
<td>Percentage of Voting Shares in Bank Holding Company</td>
<td>Percentage of Voting Shares in Subsidiaries (Include names of subsidiaries)</td>
<td>List name of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies &amp; percentage of voting securities held)</td>
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<td></td>
</tr>
<tr>
<td>Robert K Bailey, III King George, VA USA</td>
<td>N/A</td>
<td>President &amp; CEO</td>
<td>President &amp; CEO Peoples Community Bank PCB Financial Services, Inc Courtney Properties, Inc</td>
<td>N/A</td>
<td>0.55%</td>
<td>0.00% Peoples Community Bank PCB Financial Services, Inc Courtney Properties, Inc</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zirkle Blakey, III Richmond, VA USA</td>
<td>N/A</td>
<td>Secretary</td>
<td>CFO/ EVP/Secretary Peoples Community Bank PCB Financial Services, Inc Courtney Properties, Inc</td>
<td>N/A</td>
<td>0.00%</td>
<td>0.00% Peoples Community Bank PCB Financial Services, Inc Courtney Properties, Inc</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>William C Herbert, II Warsaw, VA USA</td>
<td>Property Rental Company Owner</td>
<td>Director</td>
<td>Director Peoples Community Bank PCB Financial Services, Inc Courtney Properties, Inc</td>
<td>President T.S.H. INC</td>
<td>0.33%</td>
<td>0.00% Peoples Community Bank PCB Financial Services, Inc Courtney Properties, Inc</td>
<td>T.S.H., Inc - 50%</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Michael A O’Malley Fredericksburg, VA USA</td>
<td>Financial Advisor Hallberg &amp; O’Malley Financial Group</td>
<td>Director</td>
<td>Director Peoples Community Bank PCB Financial Services, Inc Courtney Properties, Inc</td>
<td>Associate Hallberg &amp; O’Malley Financial Group</td>
<td>0.10%</td>
<td>0.00% Peoples Community Bank PCB Financial Services, Inc Courtney Properties, Inc</td>
<td>Hallberg &amp; O’Malley Financial 100%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>George R Sisson, III Hague, VA USA</td>
<td>Insurance Agent Peoples Ins Agency of Montross Inc</td>
<td>Director &amp; Chairman</td>
<td>Director &amp; Chairman Peoples Community Bank PCB Financial Services, Inc Courtney Properties, Inc</td>
<td>President Peoples Ins Agency of Montross Inc</td>
<td>0.99%</td>
<td>0.00% Peoples Community Bank PCB Financial Services, Inc Courtney Properties, Inc</td>
<td>Peoples Ins Agency of Montross 100%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Margaret B. Ransone Kinsale, VA USA</td>
<td>Salesperson / Delegate</td>
<td>Director</td>
<td>Director Peoples Community Bank PCB Financial Services, Inc Courtney Properties, Inc</td>
<td>Partner/Owner: Bonums Oyster Company Bevans Oyster Company Bevans Properties, LLC Delegate, Virginia House of Delegates</td>
<td>0.05%</td>
<td>0.00% Peoples Community Bank PCB Financial Services, Inc Courtney Properties, Inc</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Linwood E Wadsworth MT Holly, VA USA</td>
<td>Retired</td>
<td>Director</td>
<td>Director Peoples Community Bank PCB Financial Services, Inc Courtney Properties, Inc</td>
<td>N/A</td>
<td>1.05%</td>
<td>0.00% Peoples Community Bank PCB Financial Services, Inc Courtney Properties, Inc</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>James W Wilkerson Colonial Beach, VA USA</td>
<td>Restaurant Owner/Farmer</td>
<td>Director</td>
<td>Director Peoples Community Bank PCB Financial Services, Inc Courtney Properties, Inc</td>
<td>President Herbert Wilkerson &amp; Son Inc</td>
<td>4.86%</td>
<td>0.00% Peoples Community Bank PCB Financial Services, Inc Courtney Properties, Inc</td>
<td>Herbert Wilkerson &amp; Son Inc 100%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>