Board of Governors of the Federal Reserve System

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. §§ 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.

I, D. Kenneth Greer
Name of the Holding Company Director and Official

President / Director
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

3-16-18
Date of Signature

For holding companies not registered with the SEC–
Indicate status of Annual Report to Shareholders:

- [x] 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. _____

Date of Report (top-tier holding company's fiscal year-end):
12/31/2017
Month / Day / Year

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

Reporter's Name, Street, and Mailing Address

Mount Vernon Bankshares, Inc.
Legal Title of Holding Company

P O Box 909
(Mailing Address of the Holding Company) Street / P.O. Box

Mt Vernon	Texas	75457
City	State	Zip Code

101 West Main Street
Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

D. Kenneth Greer	President / Director
Name	Title

903-537-2201
Area Code / Phone Number / Extension

903-537-4232
Area Code / FAX Number

dkgreer1@mt-vernon.com
E-mail Address

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

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."

Public reporting burden for this information collection is estimated to vary from 1.3 to 101 hours per response, with an average of 5.50 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, NW, Washington, DC 20551, and to the Office of Management and Budget, Paperwork Reduction Project (7100-0297), Washington, DC 20503.

FORM FR Y-6
MOUNT VERNON BANKSHARES, INC.
MT. VERNON, TEXAS
FISCAL YEAR ENDING DECEMBER 31, 2017

REPORT ITEM 1: ANNUAL REPORT TO SHAREHOLDERS
MOUNT VERNON BANKSHARES, INC. PREPARES AN ANNUAL REPORT FOR ITS SHAREHOLDERS. TWO COPIES ARE ENCLOSED.

REPORT ITEM 2a: ORGANIZATIONAL CHART
SEE ATTACHED EXHIBIT
HOLDING COMPANY OWNS 100% OF BANK

REPORT ITEM 2b: OFFICE/BRANCH VERIFICATION
SENT TO FRB CONTACT VIA EMAIL 3/14/18

REPORT ITEM 3: - SECURITIES HOLDERS
(1)(a) (1)(b) (1)(c) (2)

CURRENT SHAREHOLDERS WITH OWNERSHIP, CONTROL OF HOLDINGS OF 5% OR MORE WITH POWER TO VOTE AS OF 12-31-17

(1)(a) NAME & ADDRESS (City, State, Country)
PAT B. LINDLEY
MT. VERNON, TX 75457

(1)(b) COUNTRY OF CITIZENSHIP OR INCORPORATION
USA

(1)(c) NUMBER & PERCENTAGE OF EACH CLASS OF VOTING SECURITIES
18,655 – 7.38% OF COMMON STOCK

(1)(a) NAME & ADDRESS (City, State, Country)
CHARLES L. & PEGGY S. LOWRY LIVING TRUST
CHARLES L. LOWRY, TRUSTEE
PEGGY S. LOWRY, TRUSTEE
MT. VERNON, TX 75457

(1)(b) COUNTRY OF CITIZENSHIP OR INCORPORATION
USA

(1)(c) NUMBER & PERCENTAGE OF EACH CLASS OF VOTING SECURITIES
48,800 – 19.31% OF COMMON STOCK

(1)(a) NAME & ADDRESS (City, State, Country)
LEONARD LOWRY
ROCKWALL, TX 75087

(1)(b) COUNTRY OF CITIZENSHIP OR INCORPORATION
USA

(1)(c) NUMBER & PERCENTAGE OF EACH CLASS OF VOTING SECURITIES
14,175 – 5.61% OF COMMON STOCK

REPORT ITEM #4: - INSIDERS
SEE ATTACHED

REPORT ITEM #1

MOUNT VERNON BANKSHARES, INC
PARENT COMPANY ONLY

STATEMENT OF CONDITION

December 31, 2017

(IN THOUSANDS OF DOLLARS)

	2016	2017
ASSETS		
Cash on Hand	827	1,133
Investment in Bank Stock	19,811	21,720
Taxes/Dividends Receivable	830	1,101
TOTAL ASSETS	21,468	23,954
LIABILITIES & STOCKHOLDERS EQUITY		
Accounts Payable	0	8
Dividends/Distibutions Payable	830	1,101
TOTAL LIABILITIES	830	1,109
Common Stock	218	218
Treasury Stock	(6,334)	(6,362)
Paid in Capital	3,939	3,939
Urealized Appr/Depr AFS Securities (FAS 115)	(1,312)	(246)
Retained Earnings - Prior Year	22,273	22,580
Retained Earnings - Current Year	1,853	2,717
TOTAL SHAREHOLDERS EQUITY	20,638	22,845
TOTAL LIABILITIES & STOCKHOLDERS EQUITY	21,468	23,954
Shares issued $.50 Par	435,305	435,305
Shares Repurchased	182,381	182,609
Shares Outstanding	252,924	252,696
Book Value	86.78	91.38
1.4 X Book Value	121.50	127.93

*Calculation of adjusted book value does not include unrealized Appr/Dppr AFS(FASB 115)

MOUNT VERNON BANKSHARES, INC.
PARENT COMPANY ONLY
STATEMENT OF EARNINGS

December 31, 2017

	2016	2017
INCOME		
Income from Sudsidiary First National Bank of Mount Vernon	1,867,857.57	2,741,715.94
TOTAL INCOME	1,867,857.57	2,741,715.94
EXPENSES		
Franchise Tax Expense	2,303.00	4,388.08
Legal & Professional	12,070.50	20,478.75
Miscellaneous Fees	0.00	0.00
TOTAL EXPENSE	14,373.50	24,866.83
INCOME BEFORE TAXES	1,853,484.07	2,716,849.11
TAXES/DISTRIBUTIONS	209,781.60	707,521.46
NET INCOME	1,643,702.47	2,009,327.65
Shares Outstanding	252,924	252,696
After Distribution Earnings Per Share	6.50	7.95
Earnings Per Share	7.33	10.75

MOUNT VERNON BANKSHARES, INC

PARENT COMPANY ONLY

STATEMENT OF SHAREHOLDERS EQUITY

December 31, 2017

	COMMON STOCK	PAID IN CAPITAL	RETAINED EARNINGS	TREASURY STOCK	TOTAL SHAREHOLDERS EQUITY
BEGINNING BAL	217,652.50	3,938,903.79	24,126,571.91	(6,333,540.26)	21,949,587.94
NET INCOME			2,716,849.11		2,716,849.11
TREASURY STOCK TRANSACTIONS				(28,143.60)	(28,143.60)
DISTRIBUTIONS/DIVIDENDS			(1,546,472.18)		(1,546,472.18)
BALANCE	217,652.50	3,938,903.79	25,296,948.84	(6,361,683.86)	23,091,821.27

Unrealized Depreciation Available for Sale Securities	(246,413.16)
Total Shareholders Equity	22,845,408.11

FIRST NATIONAL BANK OF MOUNT VERNON

STATEMENT OF CONDITION

December 31, 2017

(IN THOUSANDS OF DOLLARS)

ASSETS		2016		2017
Cash and Due from Banks		3,116		7,517
U. S. Treasuries & Govt. Agencies		0		0
Mortgage-Backed Securities		70,137		55,600
Municipal Securities		51,059		49,108
Unrealized Appr/Depr AFS Securities (FASB 115)		(1,312)		(246)
Fed Funds Sold		1,131		6,180
All Other Securities		1,397		1,560
Loans (Excluding Unearned Interest)	76,021		86,955	
Less: Reserve for Loan Losses	(674)		(833)	
Loans, Net		75,347		86,122
Bank Premises, Furniture & Fixtures		1,638		1,600
All Other Assets		1,567		1,483
TOTAL ASSETS		204,080		208,924
LIABILITIES				
Demand Deposits		59,594		44,171
NOW Accounts		20,320		27,879
Super NOW Accounts		1,938		2,068
Savings Accounts		11,037		13,410
Certificates of Deposits		45,845		38,601
Money Market Accounts		18,580		19,329
Time Open Deposits		8,456		7,506
Total Deposits		165,770		152,965
Total Other Borrowings		17,537		33,000
Other Liabilities		962		1,240
TOTAL LIABILITIES		184,269		187,205
EQUITY CAPITAL				
Common Stock - 88,000 Shares Authorized		220		220
Surplus		460		460
Undivided Profits		20,297		21,140
Other Reserves		146		146
TOTAL EQUITY CAPITAL		21,123		21,966
Unrealized Appr/Depr AFS Securities		(1,312)		(246)
TOTAL LIABILITIES & EQUITY CAPITAL		204,080		208,924

FIRST NATIONAL BANK OF MT VERNON

STATEMENT OF EARNINGS

December 31, 2017

	2016	2017
Interest Income	6,486,301	6,973,481
Interest Expense	1,340,529	1,323,073
INTEREST MARGIN	5,145,772	5,650,408
Income - Service Charges	454,739	468,761
Income - Commissions & Fees	58,814	51,190
Income - Other	33,319	228,395
NON - INTEREST INCOME	546,872	748,346
Salaries & Employees Benefits	2,193,155	2,005,124
Occupancy Expense	390,081	367,905
Provision for Loan Losses	0	220,000
Other Operating Expenses	1,241,549	1,063,959
NON - INTEREST EXPENSE	3,824,785	3,656,988
Net After Expenses	1,867,859	2,741,766
Security Gains (Losses)	0	(50)
NET AFTER GAINS (LOSSES)	1,867,859	2,741,716
Income Taxes/Distributions	209,784	707,529
NET INCOME	1,658,075	2,034,187

FIRST NATIONAL BANK OF MOUNT VERNON

RECONCILIATION OF EQUITY CAPITAL

December 31, 2017

COMMON STOCK	220,000
SURPLUS	460,000
UNDIVIDED PROFITS	20,442,731
INCOME	2,741,716
DIVIDEND TO MT VERNON BANKSHARES	(1,898,480)
UNREALIZED APPR/DEPR ON AFS SEC	(246,413)
TOTAL EQUITY	21,719,554

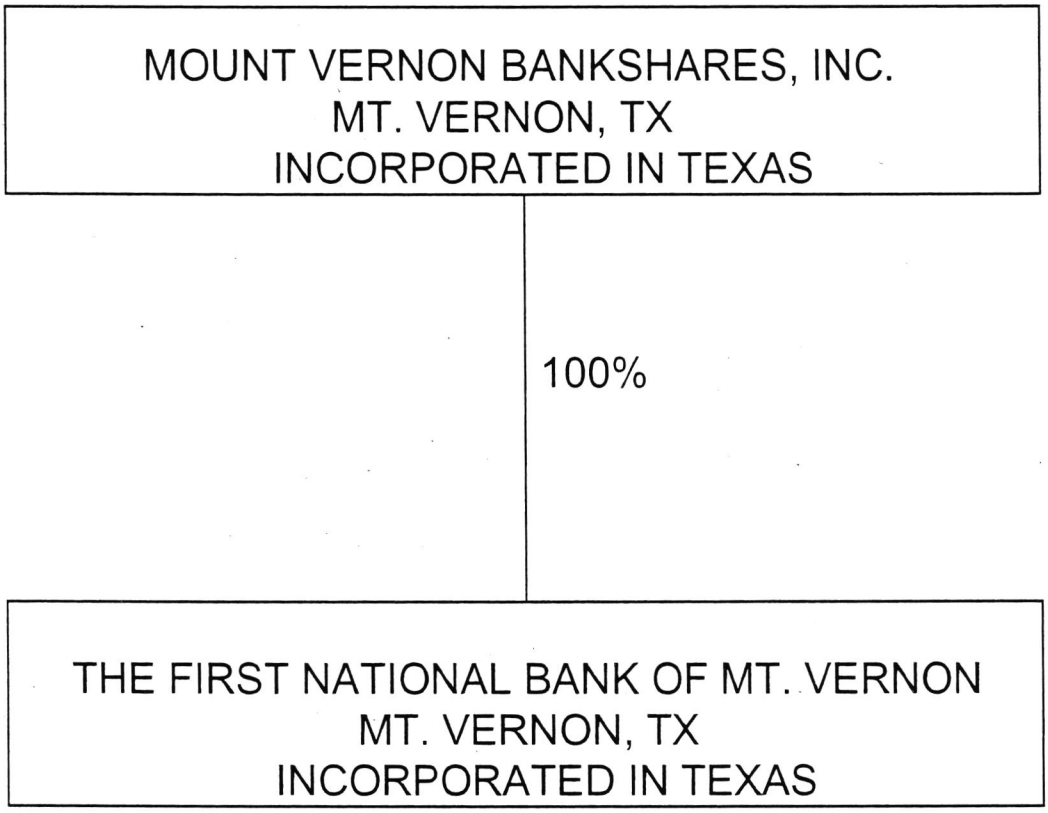
RESERVE FOR LOAN LOSSES

BALANCE AS OF DECEMBER 31, 2016	674,277
RECOVERIES CREDITED TO ALLOWANCE	24,953
PROVISION CREDIT TO ALLOWANCE	220,000
LOSSES CHARGED TO ALLOWANCE	(86,068)
BALANCE AS OF DECEMBER 31, 2017	833,162
NET RECOVERIES (LOSSES)	(61,114)

MOUNT VERNON BANKSHARES, INC.
2018 CASH FLOW PROJECTION

	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	SUMMARY
BEGINNING BALANCE	1,133,355	1,112,721	1,084,388	1,148,855	1,135,521	1,127,188	1,206,855	1,198,521	1,190,188	1,269,855	1,261,521	1,253,188	1,133,355
TAXES	0	0	0	0	0	0	0	0	0	0	0	0	0
LEGAL & MISC EXPENSE	(4,800)	(20,000)	(15,200)	0	0	0	0	0	0	0	0	0	(40,000)
ACCOUNT PAYABLE	(7,500)												(7,500)
FRANCHISE TAX				(5,000)									(5,000)
DIVIDENDS UPSTREAMED										DIVIDENDS RECEIVED IN JAN		878,205	878,205
DIVIDENDS UPSTREAMED		$1.00X 88,000	88,000		$1.00X 88,000	88,000		$1.00X 88,000	88,000		$1.00X 88,000	88,000	352,000
STOCK REPURCHASE	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(100,000)
	1,112,721	1,084,388	1,148,855	1,135,521	1,127,188	1,206,855	1,198,521	1,190,188	1,269,855	1,261,521	1,253,188	2,211,060	2,211,060
										LESS DIVIDENDS PAID IN JAN		878,205	
												1,332,855	

Report Item: 2a



NO ENTITY IN OUR ORGANIZATION HAS A LEI

FORM FR Y-6
MOUNT VERNON BANKSHARES, INC.
DECEMBER 31, 2017

REPORT ITEM 4: INSIDERS
(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 First National Bank of Mount Vernon	(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 & % of voting securities held
Frankie Cooper Mt. Vernon TX USA	N/A	Advisory Director	Exec. Vice President Advisory Director	N/A	.41%	N/A	N/A
Michael Edwards Mt. Vernon TX USA	Retailer	Director Vice President	Director	Edwards Properties Owner Mike Edwards Farm Owner Flying E Enterprises Owner Central Park Owner	4.76%	N/A	Edwards Properties 100% Mike Edwards Farm 100% Flying E Enterprises 100% Central Park 100%
D. Kenneth Greer Mt. Vernon TX USA	N/A	President Director	President Director	N/A	1.25%	N/A	N/A

FORM FR Y-6
MOUNT VERNON BANKSHARES, INC.
DECEMBER 31, 2017

REPORT ITEM 4: INSIDERS
(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 First National Bank of Mount Vernon	(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 & % of voting securities held
Angela Hunnicutt Winfield, TX USA	N/A	Secretary	Sr. Vice President & Cashier	N/A	None	N/A	N/A
Mark Hymer Mt. Vernon, TX USA	N/A	Treasurer	Sr. Vice President & CFO	N/A	None	N/A	N/A
Pat B. Lindley Mt. Vernon TX USA	Rancher	Director	Director	Lindley Farms Owner Lindley Oil Company Owner	7.38%	N/A	Lindley Farms 100% Lindley Oil Co. 100%
Lowry Living Trust Charles L. Lowry, Trustee Peggy S. Lowry, Trustee Mt. Vernon TX USA	N/A	N/A	N/A	N/A	N/A	N/A	N/A

FORM FR Y-6
MOUNT VERNON BANKSHARES, INC.
DECEMBER 31, 2017

REPORT ITEM 4: INSIDERS
(1) (2) (3)(a)(b)(c) and (4)(a)(b)(c)
Page 3

(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 First National Bank of Mount Vernon	(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 & % of voting securities held
Charles L. Lowry Mt. Vernon TX USA	Investments	Director Vice President	Director	Charles & Peggy Lowry Investment Partnership, LP Partner Charles & Peggy Lowry Energy Partnership, LP Partner Charles & Peggy Lowry Real Estate Partnership, LP Partner	19.31%*	N/A	Charles & Peggy Lowry Investment Partnership, LP 99% Charles & Peggy Lowry Energy Partnership, LP 99% Charles & Peggy Lowry Real Estate Partnership, LP 99%

*The amount of shares in Item 4(4)(a) is from the Lowry Living Trust

Peggy S. Lowry Mt. Vernon TX USA	None	None	None	Charles & Peggy Lowry Investment Partnership, LP Partner Charles & Peggy Lowry Energy Partnership, LP Partner	19.31%*	N/A	Charles & Peggy Lowry Investment Partnership, LP 99% Charles & Peggy Lowry Energy Partnership, LP

				Charles & Peggy Lowry Real Estate Partnership, LP Partner			99% Charles & Peggy Lowry Real Estate Partnership, LP 99%

*The amount of shares in Item 4(4)(a) is from the Lowry Living Trust

Stan Lowry Mt. Vernon TX USA	Attorney	Director	Director	Boyle & Lowry LLP Partner	2.69%	N/A	N/A
Lanny Ramsay Mt. Vernon TX USA	Attorney	Director	Director	Ramsay Law Office Owner Ramsay Properties President Ramsay Farm Owner County Seat Owner	1.49%	N/A	Ramsay Law Office 100% Ramsay Properties 100% Ramsay Farm 100% County Seat 100%
John C. Rutherford Dallas TX USA	Attorney	Advisory Director	Advisory Director	Shareholder Winstead Attorneys	4.21%	N/A	N/A
Larry Scott Mt. Vernon TX USA	Retailer	Director	Director	Tom Scott Lumber Vice President	1.28%	N/A	Tom Scott Lumber Yard 40%