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MAR 31 2014

Board of Governors of the Federal Reserve System

FRB RICHMOND



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.

This report form is to be filed by all top-tier bank holding companies and top-tier savings and loan 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.

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

December 31, 2013

Month / Day / Year

I, Stephen R. Talbert

Reporter's Name, Street, and Mailing Address

Bank of the Carolinas Corporation

Name of the Holding Company Director and Official

Legal Title of Holding Company

Vice-Chairman/President

P.O. Box 129

Title of the Holding Company Director and Official

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

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.

Mocksville NC 27028
City State Zip Code

135 Boxwood Village Drive

Physical location (if different from mailing address)

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.

Person to whom questions about this report should be directed:

Megan Patton SVP/CFO
Name Title

336-940-4433
Area Code / Phone Number / Extension

336-940-4499
Area Code / FAX Number

megan.patton@bankofthecarolinas.com
E-mail Address

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

Stephen R. Talbert

Signature of Holding Company Director and Official

3-28-14

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

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RSSD ID 3447398
C.I.

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 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."
[X] No

Bank of the Christmas Corporation
135 Burnwood Village Drive
Mocksville, NC 27021
USA
Incorporated in North Carolina

Bank of the Christmas
135 Burnwood Village Drive
Mocksville, NC 27021
USA
100% owned by Bank of the Christmas Corporation
Incorporated in North Carolina

Bank of the Christmas Trust I
135 Burnwood Village Drive
Mocksville, NC 27021
USA
100% owned by Bank of the Christmas Corporation
Incorporated in Delaware

Results: A list of branches for your depository institution: BANK OF THE CAROLINAS (ID_RSSD: 2750699).
 This depository institution is held by BANK OF THE CAROLINAS CORPORATION (3447398) of MOCKSVILLE, NC.
 The data are as of 12/31/2013. Data reflects information that was received and processed through 01/07/2014.

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)	2750699	BANK OF THE CAROLINAS	135 BOXWOOD VILLAGE DR	MOCKSVILLE	NC	27028	DAVIE	UNITED STATES	61966	0	BANK OF THE CAROLINAS	2750699	
OK		Full Service	2891677	ADVANCE OFFICE	352 NC HIGHWAY 801 SOUTH	ADVANCE	NC	27006	DAVIE	UNITED STATES	290848	1	BANK OF THE CAROLINAS	2750699	
OK		Full Service	3285835	ASHEBORO BRANCH	1107 S CHURCH STREET	ASHEBORO	NC	27203	RANDOLPH	UNITED STATES	364492	5	BANK OF THE CAROLINAS	2750699	
OK		Full Service	3726208	CONCORD BRANCH	660 PENNY LANE	CONCORD	NC	28025	CABARRUS	UNITED STATES	465407	11	BANK OF THE CAROLINAS	2750699	
OK		Full Service	3180800	HARRISBURG BRANCH	4350 MAIN ST	HARRISBURG	NC	28075	CABARRUS	UNITED STATES	419517	7	BANK OF THE CAROLINAS	2750699	
OK		Full Service	320276	LANDIS BRANCH	107 SOUTH CENTRAL AVE	LANDIS	NC	28088	ROWAN	UNITED STATES	45200	4	BANK OF THE CAROLINAS	2750699	
OK		Full Service	3292084	LEXINGTON BRANCH	119 W CENTER ST	LEXINGTON	NC	27292	DAVIDSON	UNITED STATES	432079	8	BANK OF THE CAROLINAS	2750699	
OK		Full Service	3561472	WINSTON SALEM BRANCH	3288 SILAS CREEK PARKWAY	WINSTON SALEM	NC	27103	FORSYTH	UNITED STATES	460564	10	BANK OF THE CAROLINAS	2750699	

Form FR Y-6
Bank of the Carolinas Corporation
Fiscal Year Ending December 31, 2013

Report Item 3: Shareholders
(1)(a)(b)(c) and (2)(a)(b)(c)

Current Shareholders with ownership, control or holdings of 5% or more with power to vote as of fiscal year ending 12-31-2013			Shareholders not listed in 3(1)(c) that had ownership, control of holdings of 5% or more with power to vote during the fiscal year ending 12-31-2013		
(1)(a) Name & Address (City, State, Country)	(1)(b) Country of Citizenship or Incorporation	(1)(c) Number and Percentage of Each Class of Voting Securities	(2)(a) Name & Address (City, State, Country)	(2)(b) Country of Citizenship or Incorporation	(2)(c) Number and Percentage of Each Class of Voting Securities
Wellington Management Company, LLP Boston, MA	USA	225,240 5.78%	None	N/A	N/A
US Treasury Washington, DC	USA	475,204 10.87%			

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Report Item 4: Insiders

(1), (2), (3)(a)(b)(c) and (4)(a)(b)(c)

(1) Name & Address (City, State, Country)	(2) Principal Occupation if other than with Bank Holding Company	(3)(a) Title and Position with Bank Holding Company	(3)(b) Title and 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)
Francis W. Slate - Mocksville, NC	Mayor, Mocksville, NC	Chairman	Bank of the Carolinas - Chairman		1.10%	None	None
Stephen R. Talbert - Landis, NC		Vice Chairman & President/CEO	Bank of the Carolinas - Vice Chairman & President/CEO		1.02%	None	None
Jerry W. Anderson - Mocksville, NC	Partner, Anderson Aggregates	Director	Bank of the Carolinas - Director		1.04%	None	Anderson Aggregates, LLC - 49%
Alan M. Bailey - Advance, NC	Private Investor	Director	Bank of the Carolinas - Director		1.51%	None	None
John A. Drye - Salisbury, NC	Partner, Carolina Insurance Agency	Director	Bank of the Carolinas - Director		0.62%	None	Central Carolina Insurance Agency, Inc. - 25.27%
John W. Googe - Winston-Salem, NC	President/CEO, Flex-Pay Business Services	Director	Bank of the Carolinas - Director		0.91%	None	Flex-Pay Business Services - 57%
George E. Jordan - Lexington, NC		COO	Bank of the Carolinas - COO		0.32%	Nonw	None
Henry H. Land - Kannapolis, NC	Retired	Director	Bank of the Carolinas - Director		0.48%	None	None
Grady L. McClamrock, Jr. - Mocksville, NC	Attorney	Director	Bank of the Carolinas - Director		1.45%	None	Mocksville Motors, Inc - 100%; Grady L. McClamrock, Jr., JD, PA - 100%; Ayrshire Properties - 50%

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Fiscal Year Ending December 31, 2013

Report Item 4: Insiders - continued
(1), (2), (3)(a)(b)(c) and (4)(a)(b)(c)

(1) Name & Address (City, State, Country)	(2) Principal Occupation if other than with Bank Holding Company Country of Citizenship or Incorporation	(3)(a) Title and Position with Bank Holding Company	(3)(b) Title and 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)
Megan W. Patton - Clemmons, NC		CFO	Bank of the Carolinas - CFO		0.03%	None	None
Lynne Scott Safrit - Kannapolis, NC	President, Castle & Cooke Inc.	Director	Bank of the Carolinas - Director		0.39%	None	None