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Approval expires December 31, 2015  
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MAR 21 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.

I, Richard N. Burch

Name of the Holding Company Director and Official

CFO

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

03/21/2014

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

C.I.

3637238

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

December 31, 2013

Month / Day / Year

Reporter's Name, Street, and Mailing Address

South Atlantic Bancshares, Inc

Legal Title of Holding Company

P.O. Box 70130

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

Myrtle Beach SC 29572

City State Zip Code

630 2th Avenue North, Myrtle Beach, SC 29577

Physical location (if different from mailing address)

Person to whom questions about this report should be directed:

Richard N. Burch

CFO

Name

Title

843-839-4412

Area Code / Phone Number / Extension

843-839-0980

Area Code / FAX Number

dburch@southatlanticbank.com

E-mail Address

www.southatlanticbank.com

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

Does the reporter request confidential treatment for any portion of this submission?

Yes Please identify the report items to which this request applies:

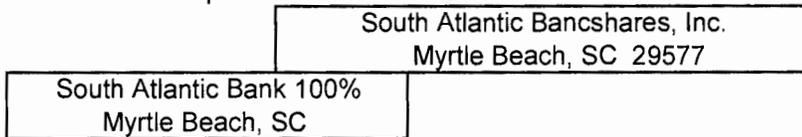
In accordance with the instructions on pages GEN-2 and 3, a letter justifying the request is being provided.

The information for which confidential treatment is sought is being submitted separately labeled "Confidential."

No

Form FR Y-6  
South Atlantic Bancshares, Inc.  
Myrtle Beach, SC 29577  
Fiscal Year Ending December 31, 2013

2 Organization Chart  
Incorporated in the State of South Carolina



Results: A list of branches for your depository institution: SOUTH ATLANTIC BANK (ID\_RSSD: 3637247).  
 This depository institution is held by SOUTH ATLANTIC BANCSHARES, INC. (3637238) of MYRTLE BEACH, SC.  
 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) | 3637247         | SOUTH ATLANTIC BANK   | 630 29TH AVENUE NORTH       | MYRTLE BEACH   | SC    | 29577    | HORRY      | UNITED STATES | 463026       | 0              | SOUTH ATLANTIC BANK | 3637247              |          |
| OK          |                | Full Service               | 4553205         | GEORGETOWN BRANCH     | 1187 NORTH FRASIER STREET   | GEORGETOWN     | SC    | 29440    | GEORGETOWN | UNITED STATES | Not Required | Not Required   | SOUTH ATLANTIC BANK | 3637247              |          |
| OK          |                | Full Service               | 4099712         | MURRELLS INLET BRANCH | 11019 TOURNAMENT BOULEVARD  | MURRELLS INLET | SC    | 29576    | HORRY      | UNITED STATES | 4847D2       | 1              | SOUTH ATLANTIC BANK | 3637247              |          |
| OK          |                | Full Service               | 4418760         | PAWLEYS ISLAND BRANCH | 10593 OCEAN HIGHWAY, UNIT B | PAWLEYS ISLAND | SC    | 29585    | GEORGETOWN | UNITED STATES | 531855       | 2              | SOUTH ATLANTIC BANK | 3637247              |          |

Form FR Y-6  
South Atlantic Bancshares, Inc.  
Myrtle Beach, SC 29577  
Fiscal Year Ending December 31, 2013

3 (1) a, b, c                      Shareholders

| <u>Name &amp; Address</u> | <u>Country</u> | <u>Number &amp; % of Ownership</u> |
|---------------------------|----------------|------------------------------------|
| None                      | USA            |                                    |

3 (2) a, b, c  
Shareholders not listed in 3 (1)

NA

**Form FR Y-6**  
**South Atlantic Bancshares, Inc.**  
**December 31, 2013**

**Report Item 4: Directors and Officers**

| (1)<br>Name and Address                      | (2)<br>Principal Occupation | (3)(a)<br>Title and Position with<br>the Bank Holding<br>Company | (3)(b)<br>Title and Position with<br>Subsidiary<br>(South Atlantic Bank) | (3)(c)<br>Title and Position with<br>Other Businesses | (4)(a)<br>Percentage of<br>Voting Shares in<br>Bank Holding Co. | (4)(b)<br>Percentage of<br>Voting Shares in<br>Subsidiary | (4)(c)<br>Names of<br>Companies if 25%<br>Voting Shares Held                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                     |
|----------------------------------------------|-----------------------------|------------------------------------------------------------------|--------------------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| James Carson Benton, Jr.<br>Myrtle Beach, SC | Construction                | Director                                                         | Director                                                                 | Owner & Operator<br>CL Benton & Sons, Inc.            | 2.32%                                                           | None                                                      | C L Benton & Sons, Inc.<br>Triple B, LLC<br>GUMBO, Inc.<br>Coastal Transit Systems, Inc.<br>B4 Mining, LLC<br>RCEE Corporation<br>Spademan, Inc.                                                                                                                                                                                                                                   | 45.00%<br>100.00%<br>33.33%<br>50.00%<br>25.00%<br>25.00%<br>50.00%                                                                                 |
| Thomas C. Brittain<br>Myrtle Beach, SC       | Attorney                    | Director                                                         | Director                                                                 | Partner - Law Firm<br>Brittain Law Firm, PA           | 0.91%                                                           | None                                                      | The Brittain Law Firm, PA<br>Palmetto Pines, LLC<br>The Legal Bees                                                                                                                                                                                                                                                                                                                 | 55.00%<br>33.33%<br>55.00%                                                                                                                          |
| Richard N. Burch<br>Myrtle Beach, SC         | Banker                      | EVP, CFO & Secretary<br>Director                                 | EVP & CFO, Secretary<br>Director                                         |                                                       | 0.91%                                                           | None                                                      | None                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                     |
| Tony K. Cox<br>North Myrtle Beach, SC        | Real Estate Broker          | Director                                                         | Director                                                                 | Chief Real Estate Officer<br>Burroughs & Chapin, Inc. | 1.29%                                                           | None                                                      | Constant Velocity, LLC<br>Cox Land Holdings, LLC<br>C&S Powerwash, LLC<br>BJT-Seviere, LLC<br>Allsbrook Investment, LLC<br>PARC Associates                                                                                                                                                                                                                                         | 100.00%<br>100.00%<br>50.00%<br>33.33%<br>50.00%<br>50.00%                                                                                          |
| Miles M. Herring<br>Murrells Inlet, SC       | Restaurant Owner            | Director                                                         | Director                                                                 | Owner/Operator<br>Krispy Kreme Doughnuts              | 1.64%                                                           | None                                                      | New Hanover Doughnut Company, Inc.<br>January 28th, LLC<br>Herring Enterprises, LLC<br>546 Properties, LLC<br>Herring Investments, LLC<br>Wachesaw Properties, LLC<br>Cypress Creek Investments, LLC<br>MMH Properties, LLC<br>MMH Management Group<br>NMB Doughnuts, LLC<br>Kate's Great<br>RMB Ventures, LLC<br>Lowcountry Doughnuts, Inc.<br>Herring Lowcountry Properties, LLC | 100.00%<br>100.00%<br>100.00%<br>100.00%<br>100.00%<br>100.00%<br>100.00%<br>100.00%<br>100.00%<br>50.00%<br>33.33%<br>50.00%<br>100.00%<br>100.00% |

Form FR Y-6  
 South Atlantic Bancshares, Inc.  
 December 31, 2013

Report Item 4: Directors and Officers

| (1)<br>Name and Address                  | (2)<br>Principal Occupation | (3)(a)<br>Title and Position with<br>the Bank Holding<br>Company | (3)(b)<br>Title and Position with<br>Subsidiary<br>(South Atlantic Bank) | (3)(c)<br>Title and Position with<br>Other Businesses | (4)(a)<br>Percentage of<br>Voting Shares in<br>Bank Holding Co. | (4)(b)<br>Percentage of<br>Voting Shares in<br>Subsidiary | (4)(c)<br>Names of<br>Companies if 25%<br>Voting Shares Held                                                                                                                       |                                                                    |
|------------------------------------------|-----------------------------|------------------------------------------------------------------|--------------------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| Martha S. Lewis<br>Conway, SC            | Physical Therapist          | Director                                                         | Director                                                                 | Senior Therapist<br>Georgetown Hospital Systems       | 0.27                                                            | None                                                      | Lewis & Cobb, LLC (aka Inspiration Properties)                                                                                                                                     | 50.00%                                                             |
| R. Scott Plyler<br>Murrells Inlet, SC    | Banker                      | President, Director                                              | President, Director                                                      |                                                       | 0.96%                                                           | None                                                      | None                                                                                                                                                                               |                                                                    |
| Albert A Springs, IV<br>Myrtle Beach, SC | Insurance                   | Director                                                         | Director                                                                 | Partner Manager<br>H B Springs Company, Inc.          | 1.24%                                                           | None                                                      | H B Springs Co<br>Springs & Davenport<br>Springs Properties, Inc.<br>Royal Oak, LLC<br>Springs Brothers Partnership<br>Angler Investments, LLC<br>JDS3, LLC<br>Catfish Slough, LLC | 33.33%<br>25.00%<br>33.33%<br>33.33%<br>33.33%<br>25.00%<br>33.33% |
| Jack L. Springs, Jr.<br>Myrtle Beach, SC | Real Estate                 | Director                                                         | Director                                                                 | Partner<br>Century 21 Barefoot Realty                 | 1.00%                                                           | None                                                      | BFR Kings Hwy, LLC<br>Jack L Springs Jr LLC<br>J & E Designs, LLC<br>Waccamaw Water Hunt Club, LLC<br>Tony's Holding Company, LLC                                                  | 50.00%<br>100.00%<br>50.00%<br>25.00%<br>33.33%                    |
| Zeb M Thomas, Jr.<br>Myrtle Beach, SC    | Hotellier                   | Director                                                         | Director                                                                 | Vice President<br>Dayton House, Inc.                  | 1.49%                                                           | None                                                      | Dayton House, Inc.<br>Thomas Family General Partnership<br>Thomas Family/Arrowhead, Inc.<br>Channel Land Appreciation Fund, LLC                                                    | 25.00%<br>25.00%<br>25.00%<br>50.00%                               |
| K Wayne Wicker<br>Myrtle Beach, SC       | Banker                      | CEO, Chairman, Director                                          | CEO, Chairman, Director                                                  |                                                       | 1.09%                                                           | None                                                      | Waccamaw Water Hunt Club, LLC                                                                                                                                                      | 25.00%                                                             |