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), 802, 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.

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.

James R. Clarkson
Name of the Holding Company Director and Official
President/CEO & 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
03/13/2015
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: 2805575
C.I.

Date of Report (top-tier holding company’s fiscal year-end):
December 31, 2014
Month / Day / Year
N/A
Reporter’s Legal Entity Identifier (LEI) (20-Character LEI Code)

HCSB Financial Corporation
Legal Title of Holding Company

3540 Ralph Ellis Blvd
(Mailing Address of the Holding Company) Street / P.O. Box
Loris SC 29569
City State Zip Code

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:
Edward L. Loehr, Jr. SVP/CFO
Name Title
843-716-6407
Area Code / Phone Number / Extension
843-716-6213
Area Code / FAX Number
eloerl@horrycountystatebank.com
E-mail Address
www.hcsbaccess.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:
☐ No

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."
Report Item 1: The Company’s annual report will be mailed to the Federal Reserve Bank as soon as it is completed.

Report Item 2a: The Company owns 100% of the shares of common stock in Horry County State Bank and HCSB Financial Trust I. The company owns no interest in any other company.

Report Item 2b: No corrections.

Report Item 3: The company has no shareholders, of record, that directly or indirectly owns, controls or holds with power to vote 5 percent or more of any class of voting securities of the company, nor was there any such shareholder during the fiscal year ended December 31, 2014.

Report Item 4: A list of the company’s principal shareholders and executive officers is enclosed herewith.
Results: A list of branches for your depository institution: HORRY COUNTY STATE BANK (ID: 1162530). This depository institution is held by HCSF BANKING CORPORATION (3805375) of Loris, SC. The data are as of 12/31/2014. Data reflects information that was received and processed through 01/07/2015.

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 this information first became valid in the Effective Date column.
- **Close**: If a branch listed will be sold or closed, enter 'Close' in the Data Action 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.

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_RSSO columns are for reference only. Verification of these values is not required.

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<th>City</th>
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<th>Zip Code</th>
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