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 5(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.

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.

William Jarrett
Name of the Holding Company Director and Official
Chairman
Title of the Holding Company Director and Official

I certify 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
March 31, 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

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RSDS ID
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Public reporting burden for this information collection is estimated to vary from 1.3 to 101 hours per response, with an average of 5.25 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.
KINGSTREE BANCSHARES, M.H.C.
Kingstree, SC
Year Ended December 31, 2014

Kingstree Bancshares, M.H.C.
101 E. Mill Street, Kingstree, SC 29556
Incorporated in South Carolina

100% owned

Kingstree Federal Savings and Loan Association
101 E. Mill Street, Kingstree, SC 29556
Incorporated in South Carolina
Item 2b: Domestic Branch Listing

Name of the branch
Kingstree Federal Savings & Loan Association

Date the branch opened
1926

Street address
101 E. Mill Street, Kingstree, SC 29556

Applicable branch service type
Full service
Report Item 3: Securities holders  
(1)(a)(b)(c) and (2)(a)(b)(c)

<table>
<thead>
<tr>
<th>Current securities holders with ownership, control or holdings of 5% or more with power to vote as year ending December 31, 2012</th>
<th>Securities holders not listed in 3(1)(a) through 3(1)(c) that had ownership, control or holdings of 5% or more with power to voted during the year ending December 31, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)(a) Name</td>
<td>(1)(b) Country or Citizenship or Incorporation</td>
</tr>
<tr>
<td>None</td>
<td>None</td>
</tr>
</tbody>
</table>

N/A
<table>
<thead>
<tr>
<th>(1) Name, City, State, Country</th>
<th>(2) Principal occupation if other than with holding company</th>
<th>(3)(a) Title &amp; position with holding company</th>
<th>(3)(b) Title &amp; position with subsidiaries (includes sub-name)</th>
<th>(3)(c) Title &amp; position with other businesses (include names of other businesses)</th>
<th>(4)(a) % of voting shares in holding company</th>
<th>(4)(b) % of voting shares in subsidiaries (including names of subsidiaries)</th>
<th>(4)(c) List of names of other companies (inc partnerships) if 25% of voting securities are held</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rupert B. Matthews, III Kingstree, SC, USA</td>
<td>President</td>
<td>President</td>
<td>n/a</td>
<td>none</td>
<td>none</td>
<td>none</td>
<td>none</td>
</tr>
<tr>
<td>William Jarrett Kingstree, SC, USA</td>
<td>Retired</td>
<td>Board chairman</td>
<td>Board chairman</td>
<td>n/a</td>
<td>none</td>
<td>none</td>
<td>none</td>
</tr>
<tr>
<td>Davis T. Fenters, III Kingstree, SC, USA</td>
<td>Manager - automobile dealer</td>
<td>Vice chairman</td>
<td>Vice chairman</td>
<td>Manager</td>
<td>Longstreet Chevrolet</td>
<td>Longstreet Chevrolet</td>
<td>Kingstree Insurance</td>
</tr>
<tr>
<td>E. Winslow Welch Kingstree, SC, USA</td>
<td>Owner - insurance agency</td>
<td>Treasurer</td>
<td>Treasurer</td>
<td>Owner - Kingstree Insurance</td>
<td>none</td>
<td>none</td>
<td>Kingstree Insurance</td>
</tr>
<tr>
<td>Kenneth R. Kellahan Kingstree, SC, USA</td>
<td>Entrepreneur</td>
<td>Director</td>
<td>Director</td>
<td>self-employed</td>
<td>none</td>
<td>none</td>
<td>none</td>
</tr>
<tr>
<td>Jeffrey Lawrimore Hemingway, SC, USA</td>
<td>Chief Financial Officer</td>
<td>Director</td>
<td>Director</td>
<td>Chief Financial Officer Farmers Telephone Co</td>
<td>none</td>
<td>none</td>
<td>none</td>
</tr>
<tr>
<td>William M. O'Bryan, Jr. Kingstree, SC, USA</td>
<td>Attorney</td>
<td>Secretary to the Board</td>
<td>Secretary to the Board</td>
<td>O'Bryan and O'Bryan</td>
<td>none</td>
<td>none</td>
<td>O'Bryan and O'Bryan</td>
</tr>
</tbody>
</table>
Kingstree Bancshares, M.H.C.

Consolidated Balance Sheet
December 31, 2014

**Assets**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 466,597</td>
</tr>
<tr>
<td>Interest-bearing deposits in depository institutions</td>
<td>5,211,604</td>
</tr>
<tr>
<td>Investments:</td>
<td></td>
</tr>
<tr>
<td>Available for sale, at lower of cost or market</td>
<td>1,221,826</td>
</tr>
<tr>
<td>Held to maturity</td>
<td>5,345,914</td>
</tr>
<tr>
<td>Land</td>
<td>282,423</td>
</tr>
<tr>
<td>Loans receivable, net</td>
<td>19,104,431</td>
</tr>
<tr>
<td>Other real estate owned</td>
<td>223,000</td>
</tr>
<tr>
<td>Premises and equipment, net</td>
<td>142,975</td>
</tr>
<tr>
<td>Deferred income tax benefits</td>
<td>43,272</td>
</tr>
<tr>
<td>Other assets</td>
<td>1,308,245</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$ 33,350,287</strong></td>
</tr>
</tbody>
</table>

**Liabilities and stockholders' equity**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities:</td>
<td></td>
</tr>
<tr>
<td>Deposits</td>
<td>$ 28,245,859</td>
</tr>
<tr>
<td>Advances from borrowers for taxes and insurance</td>
<td>40,023</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>76,788</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>28,362,670</strong></td>
</tr>
<tr>
<td>Equity:</td>
<td></td>
</tr>
<tr>
<td>Retained earnings</td>
<td>4,987,617</td>
</tr>
<tr>
<td><strong>Total liabilities and stockholders' equity</strong></td>
<td><strong>$ 33,350,287</strong></td>
</tr>
</tbody>
</table>
Kingstree Bancshares, M.H.C.

Consolidated Statement of Income
For the Year Ended December 31, 2014

Interest income:
- Interest and fees on loans $ 983,120
- Interest and dividends on investments 229,742
- Other 4,198
  **Total interest income** 1,217,060

Interest expense:
- Savings deposits 30,275
- Time deposits 299,390
  **Total interest expense** 329,665

Net interest income 887,395

Provision for loan losses 14,029

**Net interest income after provision for loan losses** 873,366

Non-interest income:
- Income on bank owned life insurance 37,535
- Gain on sale of other real estate owned -
- Other 11,907
  **Non-interest income** 49,442

Non-interest expenses:
- Salaries and employee benefits 383,127
- Occupancy 57,299
- Advertising 13,993
- Data processing service bureau 80,576
- Furniture, fixtures and equipment 15,231
- Other 235,140
- Expenses on other real estate owned 5,944
  **Loss on investments** -
  **Non-interest expenses** 791,310

Income (loss) before income taxes 131,498

(Provision) benefit for income taxes (5,289)

**Net income** $ 126,209
Kingstree Bancshares, M.H.C.

Consolidated Statement of Comprehensive Income  
For the Year Ended December 31, 2014

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>$126,209</td>
</tr>
<tr>
<td>Other comprehensive income, net of tax:</td>
<td>-</td>
</tr>
<tr>
<td>Unrealized losses arising during the period, net of tax</td>
<td>-</td>
</tr>
<tr>
<td>Comprehensive income (loss)</td>
<td>$126,209</td>
</tr>
</tbody>
</table>
Kingstree Bancshares, M.H.C.

Consolidated Statement of Changes in
Stockholders' Equity
For the Year Ended December 31, 2014

<table>
<thead>
<tr>
<th></th>
<th>Retained Earnings</th>
<th>Unrealized Gain/(Loss)</th>
<th>Total Retained Earnings</th>
<th>Total Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at December 31, 2013</td>
<td>$ 4,862,882</td>
<td>$(1,480)</td>
<td>$ 4,861,402</td>
<td>$ 4,861,402</td>
</tr>
<tr>
<td>Net income</td>
<td>126,209</td>
<td></td>
<td>126,209</td>
<td>126,209</td>
</tr>
<tr>
<td>Change in valuation allowance for</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>net unrealized gain (loss) on</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>investments</td>
<td>6</td>
<td></td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Balance at March 31, 2012</td>
<td>$ 4,989,091</td>
<td>$(1,474)</td>
<td>$ 4,987,617</td>
<td>$ 4,987,617</td>
</tr>
</tbody>
</table>
Kingstree Bancshares, M.H.C.

Consolidated Statement of Cash Flows
For the Year Ended December 31, 2014

Operating Activities

Net income $126,209

Adjustments to reconcile net income to net cash provided by operating activities:

- Loss on sale of investments, available for sale (1,222)
- Amortization of deferred loan fees (5,408)
- Discount accretion and premium amortization on investments and mortgage backed securities 18,370
- Income on bank owned life insurance (37,535)
- Provision for loan losses 14,029
- Depreciation 16,569
- Changes in prepaid expenses and other assets 3,693
- (Decrease) increase in income taxes payable and deferred (13,343)
- Changes in accrued expenses and other liabilities (6,292)

Net cash provided (used) by operating activities $115,076

Investing Activities

Net decrease (increase) in loans and principal payments 274,545
(Increase) decrease of interest bearing deposits 442,333
Acquisition of other real estate owned (223,000)
(Sale) purchase of Federal Home Loan Bank stock (34,300)
Purchase of interest bearing deposits (996,494)
Purchase of other investments, held to maturity (690,913)
Sales and paydowns on other investments 87,649
Sales of other investments, available for sale 214,218
Calls of investment securities 299,650
Purchase of land investment (48,018)
Purchases of premises and equipment (24,656)

Net cash provided (used) by investing activities (698,986)

Financing Activities

Net increase (decrease) in deposit accounts 800,323
Increase (decrease) in advances held for taxes and insurance (2,311)

Net cash provided (used) by financing activities 798,012

Net increase (decrease) in cash and cash equivalents 214,096

Cash and cash equivalents at beginning of quarter 252,501

Cash and cash equivalents at end of quarter $466,597

Supplemental Disclosures on Cash Flow Information

Cash paid (received) during the year for:

- Interest $325,056
- Taxes 37,728