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.

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, Steve Nivens
Name of the Holding Company Director and Official
Executive Vice President, Secretary
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.

Date of Report (top-tier holding company's fiscal year-end):
December 31, 2015
Month / Day / Year

No LEI
Reporter's Legal Entity Identifier (LEI) (20-Character LEI Code)

Reporters Name, Street, and Mailing Address
Congaree Bancshares, Inc.

Legal Title of Holding Company
PO Box 3018

(Mailing Address of the Holding Company) Street / P.O. Box
West Columbia SC 29171

City State Zip Code

1219 Knox Abbott Drive, Cayce, SC 29033
Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:
Charlie T. Lovering, Jr. CFO
Name Title

803-794-2265
Area Code / Phone Number / Extension

803-404-5251
Area Code / FAX Number

charlielovering@congareeestatebank.com
E-mail Address

N/A

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

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 34455551
C.I.

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.

12/2015
Report Item
1: a. The Form 10-K is filed with the SEC.
b. No annual report being produced. Company being acquired by Carolina Financial Corp

2: a. Organization Chart

```
<table>
<thead>
<tr>
<th>“no LEI”</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Congaree Bancshares, Inc.</td>
<td>Cayce, South Carolina</td>
</tr>
<tr>
<td>Cayce, South Carolina</td>
<td>Incorporated in South Carolina</td>
</tr>
</tbody>
</table>

Owns 100% of bank

<table>
<thead>
<tr>
<th>“no LEI”</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Congaree State Bank</td>
<td>West Columbia, South Carolina</td>
</tr>
<tr>
<td>West Columbia, South Carolina</td>
<td>Incorporated in South Carolina</td>
</tr>
</tbody>
</table>
```

b. Domestic Branch Listing
   Submitted via email on 3/23/2016

Securities Holders
3.1 None
3.2 None
### Results: A list of branches for your depository institution:

CONGAREE STATE BANK (ID_RSSD: 3452365).

This depository institution is held by CONGAREE BANCSHARES, INC. (ID_RSSD: 3465561) of CAYCE, SC.

The data are as of 12/31/2015. Data reflects information that was received and processed through 01/07/2016.

### Reconiliation 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, include 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](https://y10online.federalreserve.gov).

* FDIC UNINUM, Office Number, and ID_RSSD columns are for reference only. Verification of these values is not required.

<table>
<thead>
<tr>
<th>Data Action</th>
<th>Effective Date</th>
<th>Branch Service Type</th>
<th>Branch ID_RSSD</th>
<th>Popular Name</th>
<th>Street Address</th>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
<th>County</th>
<th>Country</th>
<th>FDIC UNINUM</th>
<th>Office Number</th>
<th>Head Office</th>
<th>Head Office ID_RSSD</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>OK</td>
<td></td>
<td>Full Service (Head Office)</td>
<td>3452365</td>
<td>CONGAREE STATE BANK</td>
<td>2023 SUNSET BOULEVARD</td>
<td>WEST COLUMBIA</td>
<td>SC</td>
<td>29169</td>
<td>LEXINGTON</td>
<td>UNITED STATES</td>
<td>440685</td>
<td>0</td>
<td>CONGAREE STATE BANK</td>
<td>3452365</td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td></td>
<td>Full Service</td>
<td>3724080</td>
<td>CAYCE BRANCH</td>
<td>1201 KNOX ABBOT DRIVE</td>
<td>CAYCE</td>
<td>SC</td>
<td>29033</td>
<td>LEXINGTON</td>
<td>UNITED STATES</td>
<td>479640</td>
<td>0</td>
<td>CONGAREE STATE BANK</td>
<td>3452365</td>
<td></td>
</tr>
</tbody>
</table>
## Report Item 4: Directors and Officers

### Table

<table>
<thead>
<tr>
<th>Names &amp; Address</th>
<th>Principal Occupation</th>
<th>Title &amp; Position</th>
<th>Title &amp; Position</th>
<th>Title &amp; Position</th>
<th>Percentage of Voting Shares in Bank Holding Company</th>
<th>Percentage of Voting Shares in Subsidiaries</th>
<th>List names of other companies if 25% or more of voting securities are held</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thomas Hal Derrick</td>
<td>Retired</td>
<td>Director</td>
<td>N/A</td>
<td>Retired</td>
<td>1.30%</td>
<td>none</td>
<td>none</td>
</tr>
<tr>
<td>Flat Rock, NC USA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charlie T. Lovering, Jr</td>
<td>N/A</td>
<td>EVP &amp; CFO</td>
<td>EVP &amp; CFO Congaree State Bank</td>
<td>N/A</td>
<td>2.61%</td>
<td>none</td>
<td>none</td>
</tr>
<tr>
<td>Columbia, SC USA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stephen P. Nivens</td>
<td>N/A</td>
<td>Director</td>
<td>EVP &amp; Chief Business Development Officer</td>
<td>N/A</td>
<td>4.69%</td>
<td>none</td>
<td>none</td>
</tr>
<tr>
<td>West Columbia, SC USA</td>
<td></td>
<td>EVP &amp; Chief Business Development Officer</td>
<td>Congaree State, Secretary</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Name</td>
<td>Title</td>
<td>Position</td>
<td>Owner</td>
<td>Percentage</td>
<td>Position</td>
<td>Percentage</td>
<td>Ownership</td>
</tr>
<tr>
<td>-----------------------</td>
<td>------------------</td>
<td>------------</td>
<td>-------------</td>
<td>------------</td>
<td>----------------</td>
<td>------------</td>
<td>-------------</td>
</tr>
<tr>
<td>Kevin Reeley</td>
<td>Body Shop Director</td>
<td>N/A</td>
<td>President</td>
<td>0.65%</td>
<td>Reeleys Body Shop</td>
<td>61.50%</td>
<td>Reeleys Body Shop Inc.</td>
</tr>
<tr>
<td>E. Daniel Scott</td>
<td>Attorney</td>
<td>Director &amp; Chairman</td>
<td>Senior Partner</td>
<td>1.40%</td>
<td>Setzler &amp; Scott</td>
<td>50%</td>
<td>Setzler &amp; Scott</td>
</tr>
<tr>
<td>Nitin C. Shah</td>
<td>Hotel Owner</td>
<td>Director</td>
<td>President &amp; Owner</td>
<td>1.78%</td>
<td>Airport Clarion Inn</td>
<td>100%</td>
<td>Satya LLC</td>
</tr>
<tr>
<td>Dr. J. Larry Stroud</td>
<td>Pharmacy</td>
<td>Director</td>
<td>Owner</td>
<td>1.30%</td>
<td>Triangle Pharmacy</td>
<td>100%</td>
<td>Triangle Pharmacy</td>
</tr>
<tr>
<td>Ronald F. Johnson, Sr.</td>
<td>Insurance</td>
<td>Director</td>
<td>Owner</td>
<td>1.35%</td>
<td>Johnson &amp; Associates, Inc.</td>
<td>100%</td>
<td>Johnson &amp; Associates Insurai</td>
</tr>
<tr>
<td>John D. Thompson</td>
<td>Retired</td>
<td>Director &amp; Vice Chairman</td>
<td>Retired</td>
<td>4.64%</td>
<td>none</td>
<td>none</td>
<td></td>
</tr>
<tr>
<td>Charles A. Kirby</td>
<td>N/A</td>
<td>Director, President &amp; CEO</td>
<td>Director, President &amp; CEO</td>
<td>0.61%</td>
<td>none</td>
<td>none</td>
<td>Congaree State Bank</td>
</tr>
</tbody>
</table>