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.

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, John L. Hutto
Name of the Holding Company Director and Official
President & CEO
Title of the Holding Company Director and Official
at test 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 251, 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

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. 1137426

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.

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

N/A

Report’s Legal Entity Identifier (LEI) (20-Character LEI Code)

Report’s Name, Street, and Mailing Address
FMB of S.C. Bancshares, Inc.

Legal/Title of Holding Company
8624 Old State Road / P.O. Box 68
(Mailing Address of the Holding Company) Street / P.O. Box

Holly Hill SC 29059-0068
City State Zip Code

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:
William H. Sohm, Jr. CFO - Compliance

Name Title

803-496-1428
Area Code / Phone Number / Extension

803-496-3964
Area Code / FAX Number

hsohl@fmbsc.com
E-mail Address

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

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 the 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:  **Annual Report to Shareholders**

The holding company prepares an annual report for its shareholders. Two copies of our "2015 Annual Report" are enclosed.

Report Item 2a:  **Organization Chart**

| FMB of S.C. Bancshares, Inc.  
| Holly Hill, South Carolina/USA  
| Incorporated in South Carolina  
| no LEI |

100% owned

| Farmers and Merchants Bank of South Carolina  
| Holly Hill, South Carolina/USA  
| Incorporated in South Carolina  
| no LEI |

Report Item 2b:  **Domestic Branch Listing**

Domestic branch listing submitted via email to the Federal Reserve Bank on 3/7/2016.

Report Item 3:  **Securities holders**

(1) Current securities holders with ownership, control, or holdings of 5% or more with power to vote as of fiscal year ending 12/31/2015:

None

(2) Securities holders not listed in section 3(1) above that had ownership, control, or holdings of 5% or more with power to vote during the fiscal year ending 12/31/2015:

None
Branch: A list of branches for your holding company. M.B. SANCHEZ, INC. (1137416)

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

Reconciliation and Verification Steps
1. In the Data Action column of each branch row, enter one or more of the actions specified below.

    - OK: If the branch information is correct, enter 'OK' in the Data Action column.
    - Change: If the branch listed was never owned by this depository institution, enter 'Chnge' in the Data Action column and the opening or acquisition date in the Effective Date column.
    - Delet: If the branch listed was sold or closed, enter 'Del' in the Data Action column and the sale or closure date in the Effective Date column.
    - OK: If the branch information is correct, enter 'OK' in the Data Action column.

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 'Chnge' in the Data Action column and the date when the information was corrected in the Effective Date column.

Delete: If a branch listed was never owned by this depository institution, enter 'Del' in the Data Action column and the date when this institution first became valid 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 in landscape, and/or legal sized paper.

Submission Procedure
When you are finished, send a saved copy to your FRS contact. See the detailed instructions on this site for more information.

Note:
To satisfy the FR Y-10 reporting requirement, you must also submit FR Y-10 Domestic Branch Schedule for each branch with a Data Action column. Change, Close, or Add.

The FR Y-10 report may be submitted in a hardcopy format or via the FR Y-10 Online application at https://y10online.federalreserve.gov.

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

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<th>Power Address</th>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
<th>FDIC UNINUM</th>
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Report Item 4: Insiders

Principal securities holders, directors, trustees, partners, executive officers, or persons exercising similar functions of the holding company, regardless of title or compensation, showing the following:
(1) Name, city and state/country;
(2) Principal occupation, if other than with the holding company;
(3) Title or position with:
   (a) the holding company;
   (b) all direct and indirect subsidiaries of the holding company; and
   (c) any other company in which the person is a director, trustee, partner, or executive officer; and
(4) Percentage of each class of voting securities owned, controlled, or held with power to vote in:
   (a) the holding company;
   (b) direct and indirect subsidiaries of the holding company; and
   (c) any other company, if 25 percent or more of its outstanding voting securities or proportionate interest in a partnership are held. (Include the name of the company and the percentage of voting securities owned, controlled, or held with power to vote.)

(1) E. Ward Avinger, Jr.
   Holly Hill, South Carolina/USA
(2) President - Avinger Funeral Home, Inc.
(3) (a) Director
    (b) Director (Farmers & Merchants Bank of SC)
    (c) President - Avinger Funeral Home, Inc.
(4) (a) 0.27%
    (b) N/A (Not Applicable)
    (c) Avinger Funeral Home, Inc. - 100%

(1) J. Witte Bull
   Holly Hill, South Carolina/USA
(2) Retired
(3) (a) Director
    (b) Director (Farmers & Merchants Bank of SC)
    (c) N/A (Not Applicable)
(4) (a) 0.78%
    (b) N/A (Not Applicable)
    (c) N/A (Not Applicable)
Report Item 4: Insiders (continued)

(1) John H. Clarke, Jr.
    St. Stephen, South Carolina/USA
(2) President - Oliver-Clarke Furniture Company, Inc.
(3) (a) Director & Vice President
    (b) Director (Farmers & Merchants Bank of SC)
    (c) President - Oliver-Clarke Furniture Company, Inc.
(4) (a) 0.23%
    (b) N/A (Not Applicable)
    (c) Oliver-Clarke Furniture Company, Inc. - 50%

(1) William S. Helmly
    Moncks Corner, South Carolina/USA
(2) President & COO - Home Telecom
(3) (a) Director
    (b) Director (Farmers & Merchants Bank of SC)
    (c) President & COO - Home Telecom
(4) (a) 0.05%
    (b) N/A (Not Applicable)
    (c) N/A (Not Applicable)

(1) R.M. Holcombe
    Moncks Corner, South Carolina/USA
(2) Senior Vice President - Farmers & Merchants Bank of South Carolina
(3) (a) Director & Treasurer
    (b) Director & Senior Vice President (Farmers & Merchants Bank of SC)
    (c) N/A (Not Applicable)
(4) (a) 1.43%
    (b) N/A (Not Applicable)
    (c) N/A (Not Applicable)

(1) John L. Hutto
    Holly Hill, South Carolina/USA
(2) CEO - Farmers & Merchants Bank of South Carolina
(3) (a) Director & President & CEO
    (b) Director & CEO (Farmers & Merchants Bank of SC)
    (c) N/A (Not Applicable)
(4) (a) 2.46%
    (b) N/A (Not Applicable)
    (c) N/A (Not Applicable)
Insiders (continued)

(1) R. Barry Hutto
   Holly Hill, South Carolina/USA
   (a) Farmer
   (b) Director
   (c) N/A (Not Applicable)
   (a) 0.42%
   (b) N/A (Not Applicable)
   (c) N/A (Not Applicable)

(1) Thomas O. Hutto
   Holly Hill, South Carolina/USA
   (2) President - Farmers & Merchants Bank of South Carolina
   (a) Director
   (b) Director & President (Farmers & Merchants Bank of SC)
   (c) N/A (Not Applicable)
   (a) 0.23%
   (b) N/A (Not Applicable)
   (c) N/A (Not Applicable)

(1) Robert F. McCurry
   Holly Hill, South Carolina/USA
   (2) Retired
   (3) (a) Director & Chairman of the Board
       (b) Director & Chairman of the Board (Farmers & Merchants Bank of SC)
       (c) N/A (Not Applicable)
       (a) 0.40%
       (b) N/A (Not Applicable)
       (c) N/A (Not Applicable)

(1) James H. Rozier, Jr.
   Moncks Corner, South Carolina/USA
   (2) Consultant
   (3) (a) Director
       (b) Director (Farmers & Merchants Bank of SC)
       (c) N/A (Not Applicable)
       (a) 0.23%
       (b) N/A (Not Applicable)
       (c) N/A (Not Applicable)
Report Item 4: Insiders (continued)

(1) Joseph C. Shuler, Jr.
   Holly Hill, South Carolina/USA
   (a) Director & Secretary
   (b) Director & Senior Vice President (Farmers & Merchants Bank of South Carolina)
   (c) N/A (Not Applicable)
   (a) 0.52%
   (b) N/A (Not Applicable)
   (c) N/A (Not Applicable)

(1) William H. Sohm, Jr.
   Holly Hill, South Carolina/USA
   (a) Director
   (b) Director & CFO - Compliance (Farmers & Merchants Bank of South Carolina)
   (c) N/A (Not Applicable)
   (a) 0.54%
   (b) N/A (Not Applicable)
   (c) N/A (Not Applicable)

(1) Lawrence L. Weathers
   Bowman, South Carolina/USA
   (a) Director
   (b) Director (Farmers & Merchants Bank of SC)
   (c) Vice President - Weathers Farms, Inc.
      President - Weathers Trucking, Inc.
      Partner - Weathers Dairy, LLC
      Partner - Circle W Farms
   (a) 0.11%
   (b) N/A (Not Applicable)
   (c) Weathers Farms, Inc. - 50%
      Weathers Trucking, Inc. - 50%

(1) F. Eugene Williams
   Pinopolis, South Carolina/USA
   Retired
   (a) Director
   (b) Director (Farmers & Merchants Bank of SC)
   (c) N/A (Not Applicable)
   (a) 0.27%
   (b) N/A (Not Applicable)
   (c) N/A (Not Applicable)