Report 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, Bruce W. Elder
Name of the Holding Company Director and Official
President, CEO and 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

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: 2521509
C.I.

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
Reporter's Legal Entity Identifier (LEI) (20-Character LEI Code)

Reporter's Name, Street, and Mailing Address
First South Bancorp, Inc.

Legal Title of Holding Company
1311 Carolina Avenue / P.O. Box 2047
(Mailing Address of the Holding Company) Street / P.O. Box
Washington, DC 20551, 20551

City
State
Zip Code

Same

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:
William L. Wall
SVP/Secretary

Name
Title

252-940-5017
Area Code / Phone Number / Extension

252-940-1268
Area Code / Fax Number

bill.wall@firstsouthnc.com
E-mail Address

www.firstsouthnc.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

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 (1100-0297), Washington, DC 20503.
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ANNUAL REPORT OF HOLDING COMPANIES - FR Y-6

Report Item 1: Annual Report to Shareholders

First South Bancorp, Inc. is registered with the Securities and Exchange Commission, and its Annual Report to Shareholders is not required to be included with the FR Y-6 report.

Report Item 2a: Organization Chart

Organization chart indicating the Reporter and its interest in all entities:

The organization chart includes full legal names, legal addresses, intercompany ownership and control relationship, percentage ownership by each direct holder, and state of incorporation of each entity.

Holding Company:
First South Bancorp, Inc.
1311 Carolina Avenue
Washington, NC 27889
Federal Tax ID: 56-1999749
State of Incorporation: Virginia
Legal Entity Identifier: No LEI

Holding Company interest in all entities:
First South Bank
1311 Carolina Avenue
Washington, NC 27889
Federal Tax ID: 56-0266599
100% ownership by First South Bancorp, Inc.
State of Incorporation: North Carolina
Legal Entity Identifier: No LEI

First South Leasing, LLC
220 Creekside Drive
Washington, NC 27889
Federal Tax ID: 56-2266858
100% ownership by First South Bank - Managing Member
State of Incorporation: North Carolina
Legal Entity Identifier: No LEI

First South Investments, Inc.
1105 North Market Street, Suite 1219A
Wilmington, DE 19801
Federal Tax ID: 47-4893962
100% ownership by First South Bank
State of Incorporation: Delaware
Legal Entity Identifier: No LEI

First South Preferred Trust I
1311 Carolina Avenue
Washington, NC 27889
Federal Tax ID: 20-6043482
100% ownership by First South Bancorp, Inc.
State of Incorporation: North Carolina
Legal Entity Identifier: No LEI

DTFS, Inc.
1311 Carolina Avenue
Washington, NC 27889
Federal Tax ID: 46-1471615
100% ownership by First South Bank
State of Incorporation: North Carolina
Legal Entity Identifier: No LEI
**Data Action Effective Date** | **Branch Service Type** | **Branch Service ID** | ** Popular Name** | **Street Address** | **City** | **State** | **ZIP** | **Data Action** | **Comments**
--- | --- | --- | --- | --- | --- | --- | --- | --- | ---
OK | Full Service | 883874 | FIRST SOUTH BANK | 1351 CAROLINA AVE | WASHINGTON | DC | 20001 | OK | Not Required
OK | Full Service | 367064 | BURLINGTON BRANCH | 47360 N HIGHWAY 27 | BURLINGTON | NC | 27215 | OK | Not Required
OK | Full Service | 299896 | CROCKETT BRANCH | 2999 HIGHWAY 27 SOUTH | GREENWICH | NC | 27834 | OK | Not Required
OK | Full Service | 395270 | DURHAM BRANCH | 4225 UNIVERSITY DRIVE | DURHAM | NC | 27707 | OK | Not Required
OK | Full Service | 244827 | ELIZABETH CITY BRANCH | 506 E FRINGSHILL STREET | ELIZABETH CITY | NC | 27934 | OK | Not Required
OK | Full Service | 5373 | ELIZABOTHON OFFICE | 100 WEST ROAD ST | ELIZABOTHON | NC | 27834 | OK | Not Required
OK | Full Service | 280650 | EXECUTIVE PLACE BRANCH | 705 EXECUTIVE PLACE | FAYETTEVILLE | NC | 28301 | OK | Not Required
OK | Full Service | 629064 | FAYETTEVILLE BRANCH | 241 GREEN STREET | FAYETTEVILLE | NC | 28301 | OK | Not Required
OK | Full Service | 284127 | FAYETTEVILLE BOND OFFICE | 3900 CASHWELL DR | GOLDSPRING | NC | 27530 | OK | Not Required
OK | Full Service | 385179 | GRANTSBORO BRANCH | 13560 N HIGHWAY 55, SUITE 11 | GRANTSBORO | NC | 28534 | OK | Not Required
OK | Full Service | 246127 | LAGUNA BRANCH | 300 EAST 3RD STREET | GREENVILLE | NC | 27858 | OK | Not Required
OK | Full Service | 235408 | FLETCHER ROAD BRANCH | 907 EAST FIRETOVER ROAD | GREENVILLE | NC | 27858 | OK | Not Required
OK | Full Service | 364812 | GREENVILLE BULLOARD BRANCH | 1770 SOUTH GREENVILLE BOULEVARD | GREENVILLE | NC | 27858 | OK | Not Required
OK | Full Service | 367065 | HOPE MILLS BRANCH | 1605 NORTH MAIN STREET | HOPE MILLS | NC | 28348 | OK | Not Required
OK | Full Service | 488262 | KENANSVILLE OFFICE | 104 ULMSTON ST | KENANSVILLE | NC | 27581 | OK | Not Required
OK | Full Service | 472103 | KILL DEVIL HILLS BRANCH | 3305 NORTH CRISTIAN HAYWARD | MILL DEVIL HILLS | NC | 27959 | OK | Not Required
OK | Full Service | 239230 | KINSTON AVENUE OFFICE | 1900 WEST LEON AVENUE | KINSTON | NC | 28508 | OK | Not Required
OK | Full Service | 243904 | KITTY HAWK BRANCH | 4800 NORTH CRISTIAN HAYWARD | KITTY HAWK | NC | 27949 | OK | Not Required
OK | Full Service | 483159 | KITTitech OFFICE | 4340 FAYETTEVILLE ROAD | LUMBERTON | NC | 28358 | OK | Not Required
OK | Full Service | 249287 | MOREHEAD CITY BRANCH | 4931 ARENDELL STREET | MOREHEAD CITY | NC | 28557 | OK | Not Required
OK | Full Service | 546724 | MOUNT AIRY OFFICE | 213 N CHESTNUT STREET | MOUNT AIRY | NC | 27030 | OK | Not Required
OK | Full Service | 244656 | NCC BERN BRANCH | 1725 GLENBURN ROAD | NEW BERN | NC | 28582 | OK | Not Required
OK | Full Service | 299843 | SOUTH FORTY BRANCH | 412 SOUTH FORTY STREET | NEW BERN | NC | 28562 | OK | Not Required
OK | Full Service | 377249 | RAILEY BRANCH | 4488 W YORKS ROAD, SUITE 155 | RALEIGH | NC | 27609 | OK | Not Required
OK | Full Service | 228038 | BAVENUE ROAD BRANCH | 1318 BAVENUE ROAD | ROCKY MOUNT | NC | 27804 | OK | Not Required
OK | Full Service | 288044 | SUNSET AVENUE BRANCH | 2905 SUNSET AVE | ROXBY MOUNT | NC | 27804 | OK | Not Required
OK | Full Service | 288046 | Pтяжик OFFICE | 1040 FORD STREET | RALEIGH | NC | 27610 | OK | Not Required
OK | Full Service | 603132 | WALLACE BRANCH | 117 E SOUTHERN RD | WALLACE | NC | 28686 | OK | Not Required
OK | Full Service | 313081 | JOHN SMALL OFFICE | 120 JOHN SMALL AVENUE | WASHINGTON | NC | 27889 | OK | Not Required
OK | Full Service | 244656 | WASHINGTON BRANCH | 1800 NORTH MARKET STREET | WASHINGTON | NC | 27889 | OK | Not Required
OK | Full Service | 493261 | WILLIAMSON BRANCH | 1080 BENTLEY AVENUE SUITE 136 | WILLIAMSON | NC | 27892 | OK | Not Required
OK | Full Service | 452231 | WILSON BRANCH | 1424 MILITARY CUTTOFF ROAD | WILMINGTON | NC | 28401 | OK | Not Required
OK | Full Service | 235026 | WILSON BRANCH | 5600 SAFARI ROAD WEST | WILSON | NC | 27893 | OK | Not Required

**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 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.

**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 your e-mail.
Report Item 2b: Domestic Branch Listing

Submitted early via email on March 10, 2016

Report Item 3: Securities Holders

(1) Shareholders that directly or indirectly own, control, or hold power to vote five percent of any class of voting securities of First South Bancorp, Inc.:

(a) Name, city and state/country:
   Name: None
   City and State: N/A
   Country: N/A

(b) Country of citizenship: N/A

(c) Number of securities and percentage of voting class owned:
   Number of shares owned: N/A
   Percentage of voting class: N/A

(2) Shareholders not listed in Section 3(1) above that own or control five percent or more of any class of voting securities of First South Bancorp, Inc.: None

List each person or entity that held options, warrants or other securities or rights that could have been converted into or exercised for voting securities, which, in their aggregate, and including voting securities held, would have equaled or exceeded five percent of any such class of voting securities: None
<table>
<thead>
<tr>
<th>Name, Address and Principal Occupation</th>
<th>Directors</th>
<th>Title or Position with First South Bancorp</th>
<th>Title or Position with First South Bank</th>
<th>Title or Position with First South Leasing</th>
<th>Title or Position with DTFS, Inc.</th>
<th>Title or Position with First South Investments</th>
<th>Shares of Common Stock Owned, Controlled or Held with Power to Vote in Voting Securities</th>
<th>Percentage of Voting Securities</th>
<th>Percentage of Outstanding Shares (1)(2)</th>
<th>Percentage Ownership of Subsidiaries (3)</th>
<th>Names of Other Companies if 25% or More of Voting Securities are Held</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lindsey A. Crisp</td>
<td>Director</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>4,250</td>
<td>0.04%</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Washington, NC (USA)</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Linley H. Gibbs, Jr.</td>
<td>Director</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>154,794</td>
<td>1.63%</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Washington, NC (USA)</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Steve L. Griffin</td>
<td>Director</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>625</td>
<td>0.01%</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>Washington, NC (USA)</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Frederick H. Holscher</td>
<td>Director and Chairman</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>115,915</td>
<td>1.22%</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Frederick H. Howdy</td>
<td>Director</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>203,000</td>
<td>2.14%</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
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</tr>
<tr>
<td>L. Steven Lee</td>
<td>Director</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>33,900</td>
<td>0.36%</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
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<td></td>
</tr>
<tr>
<td>Charles E. Parker, Jr.</td>
<td>Director</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>157,440</td>
<td>1.66%</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
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<td>New Bern, NC (USA)</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Marshall T. Singleton</td>
<td>Director and Vice Chairman</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>261,072</td>
<td>2.76%</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>Retired</td>
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<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

(1) Includes all securities which are voting securities that are entitled to share in voting for the election of directors of the reporting company. (2) Includes all securities which are voting securities that are entitled to share in voting for the election of directors of the reporting company. (3) Includes all securities which are voting securities that are entitled to share in voting for the election of directors of the reporting company.
<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Number of Shares</th>
<th>Percentage</th>
<th>Total Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bruce W. Elder</td>
<td>Director, President and CEO</td>
<td></td>
<td>40,476</td>
<td>0.43%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>N/A</td>
</tr>
<tr>
<td>Executive Officers</td>
<td></td>
<td></td>
<td></td>
<td>N/A</td>
</tr>
<tr>
<td>Scott C. McLean</td>
<td>Executive Vice President and CFO</td>
<td>9,208</td>
<td>0.10%</td>
<td>N/A</td>
</tr>
<tr>
<td>William L. Wall</td>
<td>Secretary, Senior Vice President and Secretary</td>
<td>91,521</td>
<td>0.96%</td>
<td>N/A</td>
</tr>
<tr>
<td>Kristie W. Nixon</td>
<td>Treasurer and Assistant Secretary</td>
<td>2,728</td>
<td>0.03%</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Gray, Warren and Roberson, Inc. (60% owner)</td>
</tr>
<tr>
<td>Total Directors and Executive Officers</td>
<td></td>
<td>103,457</td>
<td>1.09%</td>
<td>N/A</td>
</tr>
<tr>
<td>Total Directors and Executive Officers as a group (12 persons)</td>
<td></td>
<td>1,076,538</td>
<td>11.32%</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Footnotes for Report Items 3 and 4:

(1) For Directors, percentage of class based on number of shares of Common Stock outstanding as of December 31, 2015: 9,489,222

(2) For the President and Executive Officers who are not Directors, percentage of class based on 9,489,222 shares of Common Stock outstanding as of December 31, 2015, plus 12,550 stock option and restricted shares vested and exercisable within 60 days of December 31, 2015: 9,502,072

(3) No Director or Executive Officer has any ownership in subsidiaries, as all subsidiaries are 100% owned by First South Bancorp, Inc. or First South Bank pursuant to the Organization Chart listed in Report Item 2a above.