

COPY

RECEIVED

FR Y-6  
OMB Number 7100-0297  
Approval expires September 30, 2018  
Page 1 of 2

MAR 29 2016

Board of Governors of the Federal Reserve System



**FRB RICHMOND**  
**Annual Report of Holding Companies—FR Y-6**

**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.

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.

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, Sandra F. Tilton

Name of the Holding Company Director and Official

Senior Vice President 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

3/24/16  
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 3299140  
C.I. \_\_\_\_\_

**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)

Reporter's Name, Street, and Mailing Address

Palmetto Heritage Bancshares, Inc.

Legal Title of Holding Company

P O Box 3788, 10919 Ocean Highway

(Mailing Address of the Holding Company) Street / P.O. Box

Pawleys Island SC 29585

City State Zip Code

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

Sandra F Tilton Senior Vice President

Name Title

843-237-7776

Area Code / Phone Number / Extension

843-237-7710

Area Code / FAX Number

stilton@palmettoheritagebank.com

E-mail Address

www.palmettoheritagebank.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

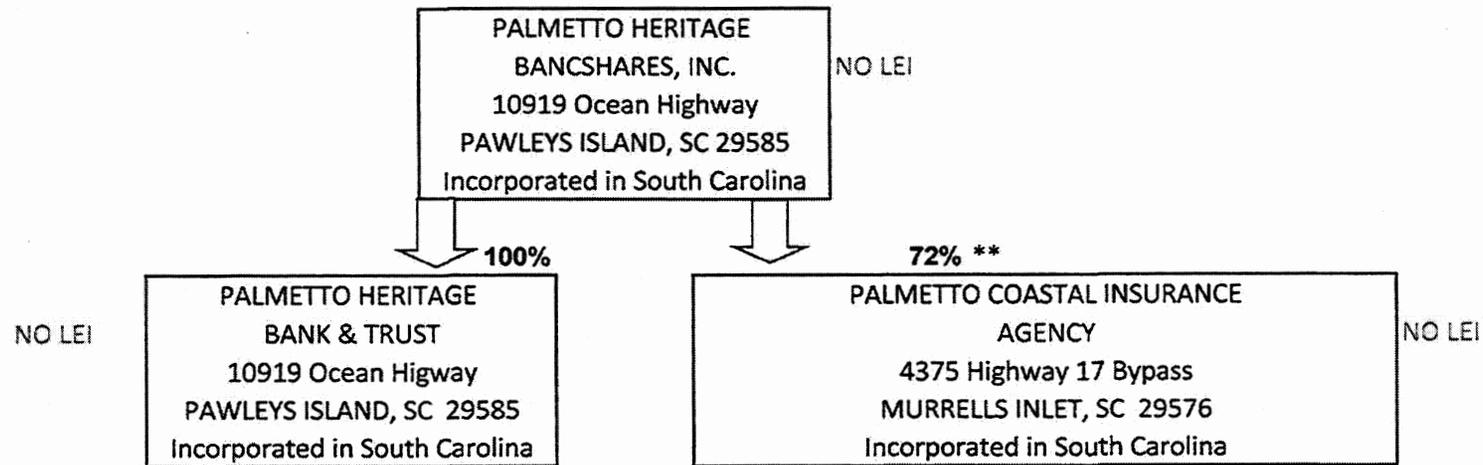
**FORM FR Y-6**  
**PALMETTO HERITAGE BANCSHARES, INC.**  
**PAWLEYS ISLAND, SC**  
**Fiscal Year Ending December 31, 2015**  
**Report Item 2a Organizational Chart**

Report Item 2a

1. The bank holding company will prepare an annual report for its shareholders to be mailed by March 31, 2016.

A 2015 Annual Report will be submitted upon receipt from printer in March 2016.

2. Organizational Chart



\*\* 28% OWNED BY PRESIDENT OF PALMETTO COASTAL INSURANCE AGENCY INC., CHARLES ROBERT LOWE

**FORM FR Y-6**  
**PALMETTO HERITAGE BANCSHARES, INC**  
**FISCAL YEAR ENDING DECEMBER 31, 2015**

**Report Item 3: Shareholders**

**(1)(a)(b)(c) and (2)(a)(b)(c)**

Current Shareholders with ownership, control or holdings of 5% or more with power to vote as of fiscal year ending 12-31-2015			Shareholders not listed in 3(1)(a) through 3(1)(c) that had ownership, control or holdings of 5% or more with power to vote during the fiscal year ending 12/31/2015		
(1)(a) Name & Address (City, State, Country)	(1)(b) Country of Citizenship or Incorporation	(1)(c) Number and Percentage of Each Class of Voting Securities	(2)(a) Name & Address (City, State, Country)	(2)(b) Country of Citizenship or Incorporation	(2)(c) Number and Percentage of Each Class of Voting Securities
Palmetto Heritage Ban USA Trustee U/W for Elizabeth Lowe (deceased) Pawleys Island, SC		11,718 5.34% Common Stock	<b>NONE</b>		
Robert G. Lowe Ft. Myers, FL	USA	21,845 9.95% Common Stock			
Palmetto Heritage Bank, Trustee Robert G. Lowe IRA		10,706 4.87%			
E. Kendall Roy Hilton Head, SC	USA	16,774 7.64% Common Stock			
Linda B. Roy Hilton Head, SC	USA	19,308 8.79% Common Stock			
Thomas J. Wolf Garden City, SC	USA	16,292 7.42% Common Stock			
C. Ronald Christmas Georgetown, SC	USA	17,371 7.91% Common Stock			
<p>* Chairman Robert G. Lowe has shares he holds in his IRA account in the Trust Department of the Bank. This along with his deceased wife's trust (Elizabeth Lowe) are shares held on his behalf and that he votes.</p>					

FORM FR Y-6  
PALMETTO HERITAGE BANCSHARES INC.  
FISCAL YEAR ENDING DECEMBER 31, 2015

Report Item 4: Insiders

(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)

(1) Names & Address (City, State, Country)	(2) Principal Occupation if other than with Bank Holding company	(3)(a) Title & Position with Bank Holding Company	(3)(b) Title & Position with Subsidiaries	(3)(c) Title & Position with other Businesses	(4)(a) Percentage of Voting Shares in Bank Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries	(4)(c) List names of other companies If 25% or more of voting securities are held
C. Ronald Christmas Georgetown, SC USA	N/A	Director Vice Chairman & CEO	Director Vice Chairman & CEO Palmetto Heritage Bank & Trust	N/A	7.91%	N/A	N/A
Charles R. Lowe Murrells Inlet, SC USA	N/A	N/A	President Palmetto Coastal Insurance Agency Inc	N/A	1.18%	28% Palmetto Coastal Insurance Agency	N/A
Trust U/W Elizabeth A. Lowe Pawleys Island, SC USA	Shares in Trust	* Shareholder	N/A	N/A	5.34%	N/A	N/A
Robert G. Lowe Ft Myers, FL USA	Retired	Director	N/A	N/A	** 20.16%	N/A	N/A
Sue Draper Lowe Ft Myers, FL USA	Retired	Director	N/A	N/A	.1138%	N/A	N/A
Debra P Lowman Bluffton, SC	Real Estate Marketing	Director	N/A	Marketing Rep	.6586%	N/A	N/A
E. Kendall Roy Hilton Head, SC USA	Retired	Director Chairman of the Board	N/A	E. Kendall Roy, LLC Hilton Head, SC Owner	7.64%	N/A	E. Kendall Roy, LLC 100%

Linda B. Roy Hilton Head, SC USA	Retired	*** Shareholder	N/A	N/A	8.79%	N/A	N/A	
Sandra F. Tilton Georgetown, SC USA	N/A	SVP & Secretary	Senior Vice President Secretary Palmetto Heritage Bank & Trust	N/A	2.08%	N/A	N/A	
Thomas J. Wolf Garden City, SC USA	Franchise Owner	**** Shareholder	N/A	Owner McDonalds Franchise Ashland, KY & Huntington, WV	7.42%	N/A	Fifth Ave Broadcasting TJ Wolf Inc Abilene Corp Odessa Corp Carolina Corp E-Jay Enterprises Savannah Corp Memphis Corp Natchez Corp	100% 100% 100% 100% 100% 100% 100% 100%

\* Voted by Robert G. Lowe, spouse to Elizabeth Lowe, deceased

\*\* Includes Voting Rights in Trust

\*\*\* Voted with Husband, E Kendall Roy

\*\*\*\* As an initial shareholder Mr. Wolf will Vote with Mr. Lowe,  
Dr. Roy and Mr. Christmas on items of importance with Bancshares

**Results:** A list of branches for your depository institution: PALMETTO HERITAGE BANK & TRUST (ID\_RSSD: 3299168). This depository institution is held by PALMETTO HERITAGE BANCSHARES, INC. (3299140) of PAWLEYS ISLAND, SC. 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.
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, put 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>.

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

Data Action	Effective Date	Branch Service Type	Branch ID_RSSD*	Popular Name	Street Address	City	State	Zip Code	County	Country	FDIC UNINUM*	Office Number*	Head Office	Head Office ID_RSSD*	Comments
OK		Full Service (Head Office)	3299168	PALMETTO HERITAGE BANK & TRUST	10919 OCEAN HIGHWAY	PAWLEYS ISLAND	SC	29585	GEORGETOWN	UNITED STATES	428856	0	PALMETTO HERITAGE BANK & TRUST	3299168	
OK		Full Service	3797271	MOUNT PLEASANT BRANCH	3102 HIGHWAY 17 N	MOUNT PLEASANT	SC	29466	CHARLESTON	UNITED STATES	478319	1	PALMETTO HERITAGE BANK & TRUST	3299168	
OK		Full Service	4118985	MURRELLS INLET BRANCH	4375 HIGHWAY 17	MURRELLS INLET	SC	29576	GEORGETOWN	UNITED STATES	506050	2	PALMETTO HERITAGE BANK & TRUST	3299168	