

MAR 16 2016

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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.

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

Kingstree Bancshares, M.H.C.

Legal Title of Holding Company

101 E. Mill Street

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

Kingstree

SC

City

State

Zip Code

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

Frances C. Garber

Accountant

Name

Title

843-355-5428

Area Code / Phone Number / Extension

843-355-7515

Area Code / FAX Number

frankieg@kingstreefederal.com

E-mail Address

none

Address (URL) for the Holding Company's web page

I, William Jarrett

Name of the Holding Company Director and Official

Chairman

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.

William H. Jarrett
Signature of Holding Company Director and Official

March 10, 2016

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.

3834729

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.

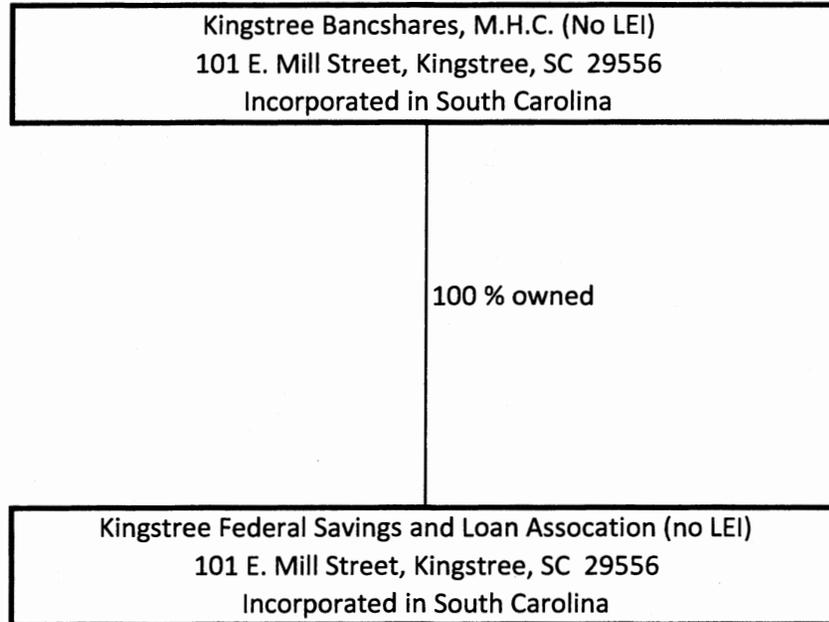
The information for which confidential treatment is sought is being submitted separately labeled "Confidential."

No

KINGSTREE BANCSHARES, M.H.C.

Kingstree, SC

Year Ended December 31, 2015



KINGSTREE BANCSHARES, M.H.C.

Kingstree, SC

Year Ended December 31, 2015

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

Form FR Y-6
 Kingstree Bancshares, M.H.C.
 Year Ended December 31, 2015

Report Item 3: Securities holders
 (1)(a)(b)(c) and (2)(a)(b)(c)

Current securities holders with ownership, control or holdings of 5% or more with power to vote as year ending December 31, 2015			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, 2015		
(1)(a) Name City, State, Country	(1)(b) Country or Citizenship or Incorporation	(1)(c) Number & % of each class of voting securities	(2)(a) Name City, State, Country	(2)(b) Country or Citizenship or Incorporation	(2)(c) Number & % of each class of voting securities
Not applicable			None		

Form FR Y-6
Kingstree Bancshares, M.H.C.
Year Ended December 31, 2015

Report Item 4: Insiders
(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)

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

Kingstree Bancshares, M.H.C.

Consolidated Balance Sheet December 31, 2015

Assets

Cash and cash equivalents	\$ 388,839
Interest-bearing deposits in depository institutions	4,662,491
Investments:	
Available for sale, at lower of cost or market	5,611,960
Land	282,423
Loans receivable, net	20,835,633
Other real estate owned	223,000
Premises and equipment, net	125,990
Deferred income tax benefits	39,913
Other assets	<u>1,347,148</u>
 Total assets	 <u><u>\$ 33,517,397</u></u>

Liabilities and stockholders' equity

Liabilities:

Deposits	\$ 28,219,866
Advances from borrowers for taxes and insurance	31,655
Other liabilities	<u>86,491</u>

Total liabilities 28,338,012

Equity:

Retained earnings	<u>5,179,385</u>
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Total liabilities and stockholders' equity \$ 33,517,397

Kingstree Bancshares, M.H.C.

Consolidated Statement of Income For the Year Ended December 31, 2015

Interest income:	
Interest and fees on loans	\$ 1,001,942
Interest and dividends on investments	201,751
Other	-
Total interest income	<u>1,203,693</u>
Interest expense:	
Savings deposits	32,318
Time deposits	<u>273,504</u>
Total interest expense	<u>305,822</u>
Net interest income	897,871
Provision for loan losses	<u>14,538</u>
Net interest income after provision for loan losses	<u>883,333</u>
Non-interest income:	
Income on bank owned life insurance	36,413
Gain on sale of other real estate owned	4,310
Other	<u>30,699</u>
	<u>71,422</u>
Non-interest expenses:	
Salaries and employee benefits	451,623
Occupancy	31,376
Advertising	19,792
Data processing service bureau	75,493
Furniture, fixtures and equipment	13,808
Management fees	876
Other	230,023
Expenses on other real estate owned	6,404
Loss on investments	-
	<u>829,395</u>
Income (loss) before income taxes	125,360
(Provision) benefit for income taxes	<u>(19,312)</u>
Net income	<u>\$ 106,048</u>

Kingstree Bancshares, M.H.C.

**Consolidated Statement of Comprehensive Income
For the Year Ended December 31, 2015**

Net income	\$	106,048
Other comprehensive income, net of tax:		
Unrealized losses arising during the period, net of tax		<u>85,720</u>
Comprehensive income (loss)	\$	<u><u>191,768</u></u>

Kingstree Bancshares, M.H.C.

Consolidated Statement of Cash Flows For the Year Ended December 31, 2015

Operating Activities

Net income	\$ 106,048
Adjustments to reconcile net income to net cash provided by operating activities:	
(Gain)/loss on sale of investments, available for sale	(4,210)
Amortization of deferred loan fees	(6,583)
Discount accretion and premium amortization on investments and mortgage backed securities	31,736
Income on bank owned life insurance	(36,413)
Provision for loan losses	14,538
Depreciation	16,985
Changes in prepaid expenses and other assets	(2,490)
(Decrease) increase in income taxes payable and deferred	23,968
Changes in accrued expenses and other liabilities	(10,906)
Net cash provided (used) by operating activities	<u>132,673</u>

Investing Activities

Net decrease(increase) in loans and principal payments	(1,739,157)
(Increase) decrease of interest bearing deposits	549,113
Purchase of other investments, held to maturity	(558,331)
Sales and paydowns on other investments	<u>1,572,305</u>
Net cash provided (used) by investing activities	<u>(176,070)</u>

Financing Activities

Net increase (decrease) in deposit accounts	(25,993)
Increase (decrease) in advances held for taxes and insurance	<u>(8,368)</u>
Net cash provided (used) by financing activities	<u>(34,361)</u>

Net increase (decrease) in cash and cash equivalents (77,758)

Cash and cash equivalents at beginning of the year 466,597

Cash and cash equivalents at end of year \$ 388,839

Supplemental Disclosures on Cash Flow Information

Cash paid (received) during the year for:

Interest	\$ 307,207
Taxes	(4,656)