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.

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. 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.

Signature of Holding Company Director and Official
March 10, 2016

Date of Report (top-tier holding company’s fiscal year-end):
December 31, 2015

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.
3 8 3 4 7 2 9

Does the reporter request confidential treatment for any portion of this submission?

☐ Yes Please identify the report items to which this request applies:
☐ No

☐ 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.”

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.
Item 2b: Domestic Branch Listing

<table>
<thead>
<tr>
<th>Name of the branch</th>
<th>Kingtree Federal Savings &amp; Loan Association</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date the branch opened</td>
<td>1926</td>
</tr>
<tr>
<td>Street address</td>
<td>101 E. Mill Street, Kingtree, SC 29556</td>
</tr>
<tr>
<td>Applicable branch service type</td>
<td>Full service</td>
</tr>
</tbody>
</table>
Report Item 3: Securities holders
(1)(a)(b)(c) and (2)(a)(b)(c)

<table>
<thead>
<tr>
<th>(1)(a)</th>
<th>(1)(b)</th>
<th>(1)(c)</th>
<th>(2)(a)</th>
<th>(2)(b)</th>
<th>(2)(c)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Country or Citizenship or Incorporation</td>
<td>Number &amp; % of each class of voting securities</td>
<td>Name</td>
<td>Country or Citizenship</td>
<td>Number &amp; % of each class of voting securities</td>
</tr>
<tr>
<td>City, State, Country</td>
<td></td>
<td></td>
<td>City, State, Country</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

None
Report Item 4: Insiders
(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)

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

Consolidated Balance Sheet
December 31, 2015

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

<table>
<thead>
<tr>
<th>Liabilities and stockholders' equity</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities:</td>
<td></td>
</tr>
<tr>
<td>Deposits</td>
<td>$ 28,219,866</td>
</tr>
<tr>
<td>Advances from borrowers for taxes and insurance</td>
<td>31,655</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>86,491</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>28,338,012</td>
</tr>
</tbody>
</table>

| Equity:                                     |       |
| Retained earnings                           | 5,179,385 |
| 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  1,203,693

Interest expense:
  Savings deposits  32,318
  Time deposits  273,504
  Total interest expense  305,822

Net interest income  897,871

Provision for loan losses  14,538

Net interest income after provision for loan losses  883,333

Non-interest income:
  Income on bank owned life insurance  36,413
  Gain on sale of other real estate owned  4,310
  Other  30,699
  Total  71,422

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  -
  Total  829,395

Income (loss) before income taxes  125,360

(Provision) benefit for income taxes  (19,312)

Net income  $ 106,048
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 $ 85,720

Comprehensive income (loss) $ 191,768
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 132,673

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 1,572,305
Net cash provided (used) by investing activities (176,070)

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

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)