

Board of Governors of the Federal Reserve System



Annual Report of Holding Companies — FR Y-6

FRB RICHMOND

COPY

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)

I, James R. Clarkson

Name of the Holding Company Director and Official

President/CEO & 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.

Reporter's Name, Street, and Mailing Address

HCSB Financial Corporation

Legal Title of Holding Company

3640 Ralph Ellis Blvd

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

Loris SC 29569

City State Zip Code

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.

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

Edward L. Loehr, Jr. SVP/CFO

Name Title

843-716-6407

Area Code / Phone Number / Extension

843-716-6213

Area Code / FAX Number

eloehr@horrycountystatebank.com

E-mail Address

www.hcsbaccess.com

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

X *James R. Clarkson*
Signature of Holding Company Director and Official

3/21/16

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: 2805375
C.I. _____

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

**HCSB FINANCIAL CORPORATION
3640 RALPH ELLIS BOULEVARD
LORIS, SC 29569**

FISCAL YEAR ENDING DECEMBER 31, 2015

Report Item 1: The Company's annual report will be mailed to the Federal Reserve Bank as soon as it is completed.

Report Item 2a: The Company owns 100% of the shares of common stock in Horry County State Bank and HCSB Financial Trust I. The company owns no interest in any other company.

Report Item 2b: No corrections.

Report Item 3: The company has no shareholders, of record, that directly or indirectly owns, controls or holds with power to vote 5 percent or more of any class of voting securities of the company, nor was there any such shareholder during the fiscal year ended December 31, 2015.

Report Item 4: A list of the company's principal shareholders and executive officers is enclosed herewith.

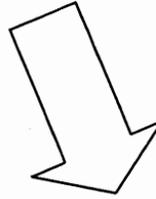
Form FR Y-6

**HCSB Financial Corporation
Loris, South Carolina
Fiscal Year Ending December 31, 2015**

Report Item

2a: Organizational Chart

HCSB Financial Corporation
(Owns 100% of Horry County State Bank)
(No LEI)
Loris, SC
Incorporated in South Carolina



<p>Horry County State Bank (No LEI) Loris, SC Incorporated in South Carolina</p>	<p>HCSB Financial Trust I (No LEI) Loris, SC Incorporated in Delaware</p>
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Results: A list of branches for your depository institution: Horry County State Bank (ID_RSSD: 1162530).
 This depository institution is held by HCSB Financial Corporation (2805375) of Loris, 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	12/31/2015	Full Service (Head Office)	1162530	HORRY COUNTY STATE BANK	5009 BROAD STREET	LORIS	SC	29569	HORRY	UNITED STATES	38852	0	HORRY COUNTY STATE BANK	1162530	
OK	12/31/2015	Full Service	2698102	CONWAY BRANCH	1627-A CHURCH ST	CONWAY	SC	29526	HORRY	UNITED STATES	261188	5	HORRY COUNTY STATE BANK	1162530	
OK	12/31/2015	Full Service	3727867	DOWNTOWN CONWAY BRANCH	1300 2ND AVENUE	CONWAY	SC	29526	HORRY	UNITED STATES	480293	15	HORRY COUNTY STATE BANK	1162530	
OK	12/31/2015	Full Service	2611080	GREEN SEA OFFICE	5264 HWY 9	GREEN SEA	SC	29545	HORRY	UNITED STATES	261184	1	HORRY COUNTY STATE BANK	1162530	
OK	12/31/2015	Full Service	2696863	LITTLE RIVER BRANCH	3187 HIGHWAY 9 EAST	LITTLE RIVER	SC	29566	HORRY	UNITED STATES	261186	3	HORRY COUNTY STATE BANK	1162530	
OK	12/31/2015	Full Service	3282535	TABOR CITY BRANCH	3210 HIGHWAY 701 N	LORIS	SC	29569	HORRY	UNITED STATES	261187	4	HORRY COUNTY STATE BANK	1162530	
OK	12/31/2015	Full Service	3282870	MYRTLE BEACH BRANCH	1701 NORTH OAK STREET	MYRTLE BEACH	SC	29577	HORRY	UNITED STATES	419064	9	HORRY COUNTY STATE BANK	1162530	
OK	12/31/2015	Full Service	3677010	OCEAN DRIVE BRANCH	617 HIGHWAY 17 SOUTH	NORTH MYRTLE BEACH	SC	29582	HORRY	UNITED STATES	464967	12	HORRY COUNTY STATE BANK	1162530	

HCSB FINANCIAL CORPORATION

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December 31, 2015

Report Item 4: Insiders							
(1) (2) (3)(a)(b) (c) and (4)(a)(b)(c)							
(1) Names & Addresses (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 (include names of subsidiaries)	(3)(c) Title & Position with Other Businesses (include names of other businesses)	(4)(a) Percentage and Number of Voting Shares in Bank Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries (include names of subsidiaries)	(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)
Michael S. Addy Myrtle Beach, SC	Retailer, Addy's Harbor Dodge, Inc.	Director & Chairman	Director & Chairman (Horry County State Bank)	President (Addy's Harbor Dodge, Inc.)	1.14% 43,727 shares	None	None
Johnny C. Allen Conway, SC	None	Director	Director (Horry County State Bank)	None	0.33% 12,463 shares	None	None
D. Singleton Bailey Loris, SC	Retailer, Loris Drug Store, Inc.	Director, Secretary & Vice Chairman	Director, Secretary & Vice Chairman (Horry County State Bank)	President (Loris Drug Store, Inc.)	1.42% 54,504 shares	None	Loris Drug Store, Inc. (100%)
Clay D. Brittain, III Myrtle Beach, SC	Attorney, Thompson & Brittain, P.A.	Director	Director (Horry County State Bank)	Attorney (Thomas & Brittain, P.A.)	0.38% 14,326 shares	None	None
Glenn R. Bullard Loris, SC	None	Senior Executive Vice President	Senior Executive Vice President (Horry County State Bank)	None	0.20% 7,707 shares	None	None
James R. Clarkson Loris, SC	None	Director & President/Chief Executive Officer	Director & President/ Chief Executive Officer (Horry County State Bank)	None	0.91% 34,753 shares	None	None
Tommie W. Grainger Conway, SC	None	Director	Director (Horry County State Bank)	None	0.23% 8,667 shares	None	None
Edward L. Loehr, Jr. Loris, SC	None	Senior Vice President	Senior Vice President (Horry County State Bank)	None	0.00% 0 shares	None	None
Gwyn G. McCutchen Loris, SC	Dentist	Director	Director (Horry County State Bank)	Owner, (Gwyn G. McCutchen, D.D.S.)	1.09% 41,625 shares	None	Gwyn G. McCutchen, D.D.S. (100%)