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, Ronald K. Earnest
Name of the Holding Company Director and Official
President
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

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

Report: Legal Entity Identifier (LEI) (20-Character LEI Code)

Report: Name, Street, and Mailing Address

GrandSouth Bancorporation

Legal Title of Holding Company

PO Box 6548

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

Greenville SC 29606

City State Zip Code

381 Halton Rd., Greenville, SC 29607

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

JB Garrett
CFO

Name Title

864-527-7170
Area Code / Phone Number / Extension

864-527-7120
Area Code / Fax Number

jb.garrett@grandsouth.com
E-mail Address

www.grandsouth.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

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 29229833
C.I.
Report Item

1: The BHC does not prepare form 10K with the SEC. Enclosed are two copies of the company's audited financial statements.

2a: Organizational Chart

GrandSouth Bancorporation
(No LEI)
Physical Address: 381 Halton Road
Greenville, SC 29607

Mailing Address: P. O. Box 6548
Greenville, SC 29606

Incorporated in South Carolina

GrandSouth Capital Trust 1
(No LEI)
381 Halton Road
Greenville, SC
Incorporated in Delaware

100%

GrandSouth Bank
(No LEI)
381 Halton Road
Greenville, SC 29607
Incorporated in South Carolina

100%

2b: Domestic branches

Main Office: 381 Halton Road
Greenville, SC 29607

Full service branch: 325 South Main Street
Fountain Inn, SC 29644

Full service branch: 1601 North Fant Street
Anderson, SC 29621

Full service branch: 501 West Wade Hampton Blvd.
Greer, SC 29650
Form FR Y-6  
GrandSouth Bancorporation, Inc.  
December 31, 2015

Report Item 3: Securities holders

Current Shareholders with ownership, control or holdings of 5% or more with power to vote as of 12/31/2015

<table>
<thead>
<tr>
<th>Name</th>
<th>City, State</th>
<th>Percentage of Voting Shares in Bank Holding Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mason Y. Garrett</td>
<td>Belton, SC</td>
<td>971,396 - 27.6% Common Stock</td>
</tr>
<tr>
<td></td>
<td>United States</td>
<td>50,040 - 1.4% Options on Common Stock</td>
</tr>
<tr>
<td></td>
<td>Citizen</td>
<td></td>
</tr>
<tr>
<td>Ronald K. Earnest</td>
<td>Simpsonville, SC</td>
<td>209,471 - 5.9% Common Stock</td>
</tr>
<tr>
<td></td>
<td>United States</td>
<td>15,000 - 0.4% Options on Common Stock</td>
</tr>
<tr>
<td></td>
<td>Citizen</td>
<td></td>
</tr>
</tbody>
</table>

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.

None
<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>Principal Occupation</th>
<th>Title &amp; Position</th>
<th>Voting Shares in Bank Holding Company</th>
<th>Percentage of Voting Shares in Bank Holding Company</th>
<th>List Names of Other Companies (Include Partnerships)</th>
</tr>
</thead>
<tbody>
<tr>
<td>S. Blanton Phillips</td>
<td>Simpsonville, SC</td>
<td>CEO, SB Phillips Company, Inc.</td>
<td>Director</td>
<td>Owner and Chief Executive Officer</td>
<td>17,374 - 0.5% Common Stock 0 - 0.0% Options on Common Stock</td>
<td>N/A</td>
</tr>
<tr>
<td>Ronald K. Earnest</td>
<td>Simpsonville, SC</td>
<td>N/A</td>
<td>Director, President, &amp; COO</td>
<td>N/A</td>
<td>209,471 - 5.5% Common Stock 15,000 - 0.4% Options on Common Stock</td>
<td>N/A</td>
</tr>
<tr>
<td>Harold E. Garrett</td>
<td>Fountain Inn, SC</td>
<td>Owner, Garrett's Discount</td>
<td>Director</td>
<td>Owner, Garrett's Discount</td>
<td>150,754 - 4.3% Common Stock 0 - 0.0% Options on Common Stock</td>
<td>N/A Garrett's Discount Golf Cars (100%)</td>
</tr>
<tr>
<td>Mason Y. Garrett</td>
<td>Pelzer, SC</td>
<td>N/A</td>
<td>Director, Chairman, &amp; CEO</td>
<td>N/A</td>
<td>571,396 - 27.6% Common Stock 50,040 - 1.4% Options on Common Stock</td>
<td>N/A</td>
</tr>
<tr>
<td>Michael L. Gault</td>
<td>Fountain Inn, SC</td>
<td>Owner, Gault Service Center</td>
<td>Director</td>
<td>Owner, Gault Service Center</td>
<td>88,031 - 2.0% Common Stock 0 - 0.0% Options on Common Stock</td>
<td>N/A Gault Service Center (100%) Upstate Investors (25%)</td>
</tr>
<tr>
<td>Betty O. Gross</td>
<td>Simpsonville, SC</td>
<td>Attorney, Simpsonville, SC</td>
<td>Director</td>
<td>Attorney, Simpsonville, SC</td>
<td>30,745 - 0.9% Common Stock 0 - 0.0% Options on Common Stock</td>
<td>N/A Betty O Gross, Attorney at Law (100%)</td>
</tr>
<tr>
<td>S. Hunter Howard</td>
<td>Columbia, SC</td>
<td>Of counsel, Scott and Company, LLC</td>
<td>Director</td>
<td>President and CEO, SC</td>
<td>38,437 - 1.1% Common Stock 0 - 0.0% Options on Common Stock</td>
<td>N/A Curtis Group (30%)</td>
</tr>
<tr>
<td>J. Calhoun Pruitt</td>
<td>Anderson, SC</td>
<td>Attorney, Anderson, SC</td>
<td>Director</td>
<td>Attorney, Pruitt &amp; Pruitt</td>
<td>1,000 - 0.0% Common Stock 5,590 - 0.2% Options on Common Stock</td>
<td>N/A Pruitt &amp; Pruitt, Attorneys (100%) Palmetto Executive Suites, LLC (50%) Palmetto Development Partners (50%)</td>
</tr>
<tr>
<td>John B. Garrett</td>
<td>Greenville, SC</td>
<td>N/A</td>
<td>Chief Financial Officer</td>
<td>N/A</td>
<td>126,367 - 3.6% Common Stock 30,710 - 0.9% Options on Common Stock</td>
<td>N/A</td>
</tr>
<tr>
<td>James B. Schwers</td>
<td>Greenville, SC</td>
<td>N/A</td>
<td>Chief Operations Officer</td>
<td>N/A</td>
<td>16,597 - 0.5% Common Stock 0 - 0.0% Options on Common Stock</td>
<td>N/A</td>
</tr>
</tbody>
</table>