

Board of Governors of the Federal Reserve System



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)); sections 8(a) and 13(a) of the International Banking Act (12 U.S.C. §§ 3106(a) and 3108(a)); sections 11(a)(1), 25, and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611a); and sections 113, 165, 312, 618, and 809 of the Dodd-Frank Act (12 U.S.C. §§ 5361, 5365, 5412, 1850a(c)(1), and 5468(b)(1)). 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, top-tier savings and loan holding companies, and U.S. intermediate 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. If the holding company is an ESOP/ESOT formed as a corporation or is an LLC, see the General Instructions for the authorized individual who must sign the report.

I, Jerry L. Ocheltree

Name of the Holding Company Director and Official

President, Chief Executive Officer 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]
 Signature of Holding Company Director and Official

03/30/2017

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. _____

Date of Report (top-tier holding company's fiscal year-end):

December 31, 2016

Month / Day / Year

N/A

Reporter's Legal Entity Identifier (LEI) (20-Character LEI Code)

Reporter's Name, Street, and Mailing Address

Carolina Trust BancShares, Inc.

Legal Title of Holding Company

PO Box 308

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

Lincolnton

NC

28093

City

State

Zip Code

901 East Main Street, Lincolnton, NC 28092

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

Edwin Laws

EVP & CFO

Name

Title

704-735-3729

Area Code / Phone Number / Extension

704-735-1258

Area Code / FAX Number

elaws@carolinatrust.com

E-mail Address

www.carolinatrust.com

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

Is confidential treatment requested for any portion of this report submission?

0=No
 1=Yes 0

In accordance with the General Instructions for this report (check only one),

- 1. a letter justifying this request is being provided along with the report
- 2. a letter justifying this request has been provided separately

NOTE: Information for which confidential treatment is being requested must be provided separately and labeled as "confidential."

For Use By Tiered Holding Companies

Top-tiered holding companies must list the names, mailing address, and physical locations of each of their subsidiary holding companies below.

N/A

Legal Title of Subsidiary Holding Company

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

City State Zip Code

Physical Location (if different from mailing address)

Legal Title of Subsidiary Holding Company

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

City State Zip Code

Physical Location (if different from mailing address)

Legal Title of Subsidiary Holding Company

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

City State Zip Code

Physical Location (if different from mailing address)

Legal Title of Subsidiary Holding Company

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

City State Zip Code

Physical Location (if different from mailing address)

Legal Title of Subsidiary Holding Company

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

City State Zip Code

Physical Location (if different from mailing address)

Legal Title of Subsidiary Holding Company

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

City State Zip Code

Physical Location (if different from mailing address)

Legal Title of Subsidiary Holding Company

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

City State Zip Code

Physical Location (if different from mailing address)

Legal Title of Subsidiary Holding Company

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

City State Zip Code

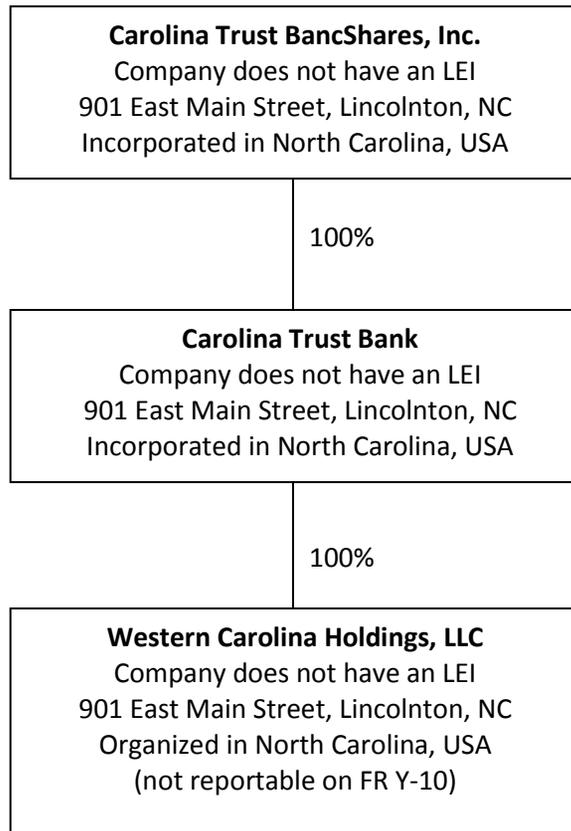
Physical Location (if different from mailing address)

Carolina Trust BancShares, Inc.
Form FR Y-6
Annual Report of Holding Companies
For the Year Ended December 31, 2016

Report Item 1: Annual Report to Shareholders

The company is registered with the Securities and Exchange Commission (the "SEC") and files the annual report as part of the Form 10-K that is filed with the SEC.

Report Item 2a: Organization Chart



Report Item 2b: Domestic Branch Listing

Results: A list of branches for your holding company: **CAROLINA TRUST BANCSHARES, INC. (4986595)** of **LINCOLNTON, NC**.
The data are as of **12/31/2016**. Data reflects information that was received and processed through **01/10/2017**.

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)	2966614	CAROLINA TRUST BANK	901 E. MAIN STREET	LINCOLNTON	NC	28092	LINCOLN	UNITED STATES	301128	0	CAROLINA TRUST BANK	2966614	
OK		Full Service	3679649	TRIANGLE BRANCH	1293 N HIGHWAY 16	DENVER	NC	28037	LINCOLN	UNITED STATES	432083	3	CAROLINA TRUST BANK	2966614	
OK		Full Service	4990408	FOREST CITY BRANCH	142 N WATKINS DRIVE	FOREST CITY	NC	28043	RUTHERFORD	UNITED STATES	Not Required	Not Required	CAROLINA TRUST BANK	2966614	
OK		Full Service	3275283	GASTONIA BRANCH	534 S. NEW HOPE ROAD	GASTONIA	NC	28054	GASTON	UNITED STATES	422953	5	CAROLINA TRUST BANK	2966614	
OK		Full Service	4990417	HICKORY BRANCH	1430 2ND STREET NE	HICKORY	NC	28601	CATAWBA	UNITED STATES	Not Required	Not Required	CAROLINA TRUST BANK	2966614	
OK		Full Service	4990426	LAKE LURE BRANCH	103 ARCADE STREET	LAKE LURE	NC	28746	RUTHERFORD	UNITED STATES	Not Required	Not Required	CAROLINA TRUST BANK	2966614	
OK		Full Service	4441704	BOGER CITY BRANCH	2740 EAST MAIN STREET	LINCOLNTON	NC	28092	LINCOLN	UNITED STATES	467621	4	CAROLINA TRUST BANK	2966614	
OK		Full Service	3140831	LINCOLNTON BRANCH	799 WEST HIGHWAY 27	LINCOLNTON	NC	28092	LINCOLN	UNITED STATES	365620	1	CAROLINA TRUST BANK	2966614	
OK		Full Service	3679630	VALE BRANCH	9584 W NC 10 HIGHWAY	VALE	NC	28168	CATAWBA	UNITED STATES	208533	2	CAROLINA TRUST BANK	2966614	

Carolina Trust BancShares, Inc.
Form FR Y-6
Annual Report of Holding Companies
For the Year Ended December 31, 2016

Report Item 3: Securities Holders

(1) Securities holders of record that directly or indirectly own, control, or hold with power to vote 5 percent or more of any class of voting securities as of December 31, 2016.

and

Persons, entities, or persons acting in concert (including families*), that hold options, warrants, or other securities or rights that can be converted into or exercised for voting securities, which in their aggregate, and including voting securities currently held, would exceed 5 percent of any such class of voting securities:

Name, city, and state/country	Country of citizenship (if an individual) or country of incorporation (if a company)	Number of securities and percentage of each class of voting securities owned, controlled, or held with power to vote (listing separately the number of options warrants or other securities or rights) or, in the case of a partnership, the proportionate interest
Pullco Financial Partners, LLC Atlanta, GA USA	USA	403,802 9%
The Banc Funds Company, LLC Chicago, IL USA	USA	373,964 8%
Wellington Management Group LLP Boston, MA 02210	USA	268,214 6%

*Note: Family includes a person's father, mother, stepfather, stepmother, brother, sister, stepbrother, stepsister, son, daughter, stepson, stepdaughter, grandparent, grandson, granddaughter, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, the spouse of any of the foregoing, and the person's spouse.

(2) Securities holders not listed in Report Item 3 section (1) above that owned or controlled 5 percent or more of any class of voting securities in the holding company during the fiscal year for which the report is being filed. In addition, list each person or entity, or person acting in concert (including families) that held options, warrants or other securities that could have been converted into or exercised for voting securities, which, in the aggregate, and including voting securities held, would have equaled or exceeded 5 percent of any such class of voting securities.

No securities holders met these criteria.

Carolina Trust BancShares, Inc.
Form FR Y-6
Annual Report of Holding Companies
For the Year Ended December 31, 2016

Report Item 4: Insiders

List each principal securities holder, director, trustee, partner, executive officer, or other person exercising similar functions of the holding company, regardless of title or compensation, as of the fiscal year end.

(1)	(2)	(3)			(4)		
Name, City, and State	Principal Occupation, if other than with the holding company	Title or Position			Percentage of each class of voting securities owned, controlled, or held with the power to vote (including options, warrants, or other securities or rights that can be converted into or exercised for voting securities) in:		
		(a)	(b)	(c)	(a)	(b)	(c)
		Title/Position with Holding Company	Title/Position with all Direct and Indirect Subsidiaries	Title/Position with any Other Company in which the Person is a Director, Trustee, Partner, or Executive Officer	The Holding Company	Direct and Indirect Subsidiaries (including the name of the Subsidiary(s) of the Holding Company	Any Other Company**, if 25 percent or more of its outstanding voting securities or proportionate interest in a partnership are held. List the Name of the Company and the Percentage of voting securities owned, controlled, or held with the power to vote
Bryan E. Beal Lincolnton, NC	Executive in Manufacturing -Carolina Mills	Director	Director	President and CEO, Carolina Mills, Inc.	less than 1%	N/A	N/A
Scott C. Davis Lincolnton, NC	Executive in Manufacturing -Gaston Electronics -Gaston County Dyeing Machine Company	Director	Director	President, Gaston Electronics President, Gaston County Dyeing Machine Company Director, Stanley Real Estate Director, HM Craig Metal Supply Company Director, Craig Realty Member, AC&B Investment, LLC	1%	N/A	AC&B Investment, LLC 50%
Edwin E. Laws Statesville, NC	N/A	EVP and CFO	EVP and CFO	N/A	less than 1%	N/A	N/A
Jerry L. Ocheltree Hickory, NC	N/A	CEO, President and Director	CEO, President and Director	N/A	1%	N/A	N/A
Richard M. Rager Gastonia, NC	N/A	N/A	EVP and Chief Credit Officer	DeArmond and DeArmond, LLC	less than 1%	N/A	DeArmond and DeArmond, LLC 50%

Carolina Trust BancShares, Inc.
Form FR Y-6
Annual Report of Holding Companies
For the Year Ended December 31, 2016

(1)	(2)	(3)			(4)		
Name, City, and State	Principal Occupation, if other than with the holding company	Title or Position			Percentage of each class of voting securities owned, controlled, or held with the power to vote (including options, warrants, or other securities or rights that can be converted into or exercised for voting securities) in:		
		(a)	(b)	(c)	(a)	(b)	(c)
		Title/Position with Holding Company	Title/Position with all Direct and Indirect Subsidiaries	Title/Position with any Other Company in which the Person is a Director, Trustee, Partner, or Executive Officer	The Holding Company	Direct and Indirect Subsidiaries (including the name of the Subsidiary(s)) of the Holding Company	Any Other Company**, if 25 percent or more of its outstanding voting securities or proportionate interest in a partnership are held. List the Name of the Company and the Percentage of voting securities owned, controlled, or held with the power to vote
Johnathan L. Rhyne, Jr. Gastonia, NC	Attorney	Chairman and Director	Chairman and Director	Partner/Member, The Jonas Law Firm, P.L.L.C. Director of Carolina Mills, Inc.	3%	N/A	Jonas Law Firm, P.L.L.C. 25% ownership interest for voting purposes and 40% ownership of net revenues
Frederick P. Spach, Jr. Gastonia, NC	Executive in Manufacturing -Carolina Brush	Director	Director	President and CEO, Carolina Brush Company	less than 1%	N/A	N/A
Ralph N. Strayhorn III Charlotte, NC	Executive in Bank Consulting -Cape Point Advisory Partners, LLC	Director	Director	Director, Golden L.E.A.F. Foundation, Inc. Managing Partner, Cape Point Advisory Partners, LLC Managing Member, Cullinan Holdings, LLC	less than 1%	N/A	Cape Point Advisory Partners, LLC 51% Cullinan Holdings, LLC 33%
Jim R. Watson Lincolnton, NC	Executive in Education Consulting and Professor -WSSR Consulting -Silo Investors -UNC Charlotte	Director	Director	Associate Professor, College of Education, UNC-Charlotte; President, WSSR Consulting Group, LLC; Managing Partner, Silo Investors, LLC	1%	N/A	WSSR Consulting Group, LLC – 100% Silo Investors, LLC 50%

**Note: Company means any corporation, partnership, trust (business or otherwise), association, joint venture, pool-syndicate, sole proprietorship, unincorporated organization, or any other form of business entity not specifically listed herein. However for purposes of this report, the term does not include:

1. An insured depository institution

Carolina Trust BancShares, Inc.
Form FR Y-6
Annual Report of Holding Companies
For the Year Ended December 31, 2016

2. A corporation the majority of the shares of which are owned by the United States or by any state.