

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, Jerold L Rexroad

Name of the Holding Company Director and Official

Chief Executive Officer

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
3/24/2017
 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

NONE

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

Reporter's Name, Street, and Mailing Address

Carolina Financial Corporation

Legal Title of Holding Company

PO Box 22467

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

Charleston SC 29413-2467
 City State Zip Code

288 Meeting Street Charleston SC 29401

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

Angel Coker Financial Analyst

Name Title

843-973-6912

Area Code / Phone Number / Extension

843-723-5446

Area Code / FAX Number

acoker@haveanicebank.com

E-mail Address

N/A

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

Is confidential treatment requested for any portion of this report submission? 0=No 1=Yes

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.

NONE					
Legal Title of Subsidiary Holding Company			Legal Title of Subsidiary Holding Company		
(Mailing Address of the Subsidiary Holding Company) Street / P.O. Box			(Mailing Address of the Subsidiary Holding Company) Street / P.O. Box		
City	State	Zip Code	City	State	Zip Code
Physical Location (if different from mailing address)			Physical Location (if different from mailing address)		
Legal Title of Subsidiary Holding Company			Legal Title of Subsidiary Holding Company		
(Mailing Address of the Subsidiary Holding Company) Street / P.O. Box			(Mailing Address of the Subsidiary Holding Company) Street / P.O. Box		
City	State	Zip Code	City	State	Zip Code
Physical Location (if different from mailing address)			Physical Location (if different from mailing address)		
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Physical Location (if different from mailing address)			Physical Location (if different from mailing address)		
Legal Title of Subsidiary Holding Company			Legal Title of Subsidiary Holding Company		
(Mailing Address of the Subsidiary Holding Company) Street / P.O. Box			(Mailing Address of the Subsidiary Holding Company) Street / P.O. Box		
City	State	Zip Code	City	State	Zip Code
Physical Location (if different from mailing address)			Physical Location (if different from mailing address)		

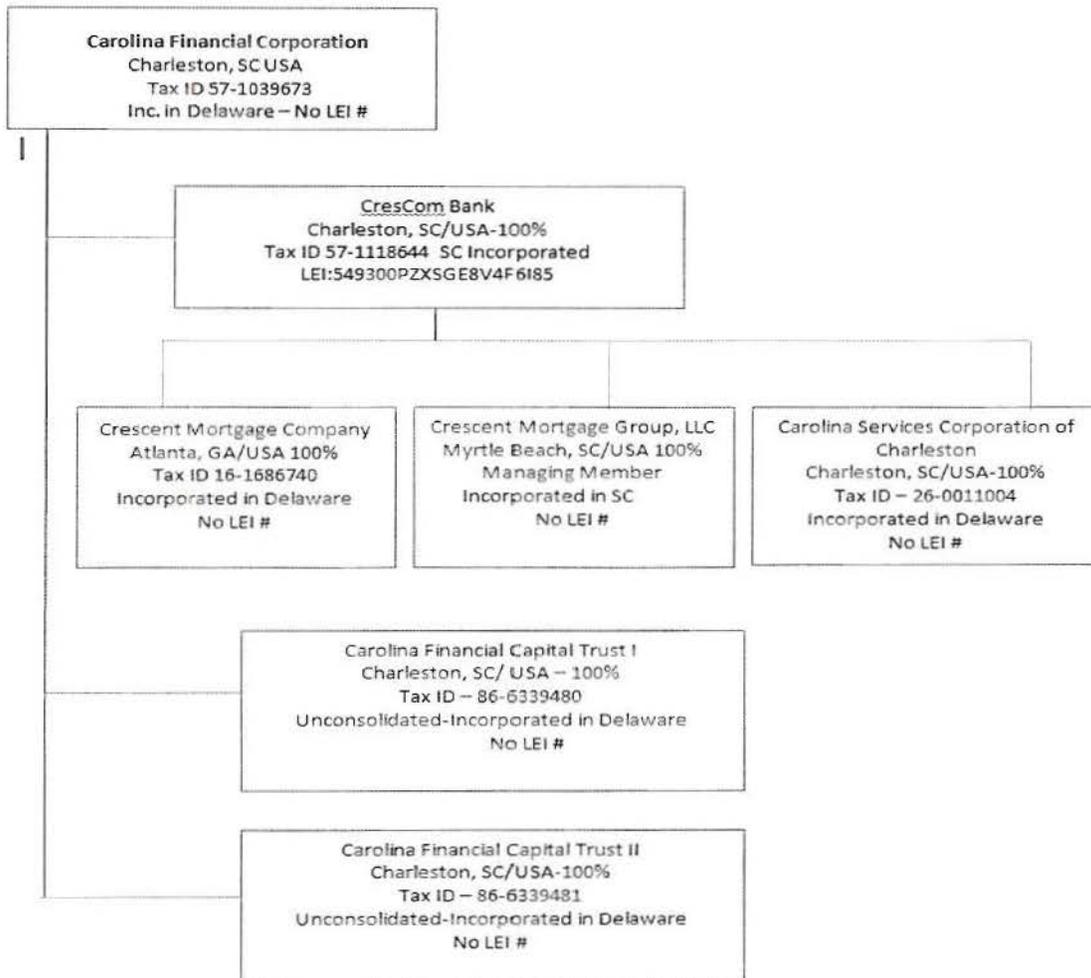
Carolina Financial Corporation
Charleston, South Carolina
Fiscal Year Ending December 31, 2016

Report Item

1: Annual Report to the Shareholders

The bank holding company prepares an annual report for its shareholders.

2a: Organization Chart



Results: A list of branches for your depository institution: CRESCOM BANK (ID_RSSD: 3013823).
This depository institution is held by CAROLINA FINANCIAL CORPORATION (2507790) of CHARLESTON, SC.
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)	3013823	CRESCOM BANK	288 MEETING STREET	CHARLESTON	SC	29401	CHARLESTON	UNITED STATES	358444	0	CRESCOM BANK	3013823	
OK		Full Service	2635862	CHADBOURN BRANCH	111 STRAWBERRY BOULEVARD	CHADBOURN	NC	28431	COLUMBUS	UNITED STATES	Not Required	Not Required	CRESCOM BANK	3013823	
OK		Full Service	3402883	ELIZABETHTOWN BRANCH	306 S POPLAR STREET	ELIZABETHTOWN	NC	28337	BLADEN	UNITED STATES	Not Required	Not Required	CRESCOM BANK	3013823	
OK		Full Service	3604520	SUNSET BEACH BRANCH	7290-17 BEACH DRIVE SW	OCEAN ISLE BEACH	NC	28469	BRUNSWICK	UNITED STATES	Not Required	Not Required	CRESCOM BANK	3013823	
OK		Full Service	3680337	SHALLOTTE SMITH AVENUE BRANCH	200 SMITH AVENUE	SHALLOTTE	NC	28470	BRUNSWICK	UNITED STATES	Not Required	Not Required	CRESCOM BANK	3013823	
OK		Full Service	3549069	SOUTHPORT SUPPLY ROAD BRANCH	4945 SOUTHPORT-SUPPLY ROAD	SOUTHPORT	NC	28461	BRUNSWICK	UNITED STATES	Not Required	Not Required	CRESCOM BANK	3013823	
OK		Full Service	2963042	HOLDEN BEACH BRANCH	3178 HOLDEN BEACH RD SW	SUPPLY	NC	28462	BRUNSWICK	UNITED STATES	Not Required	Not Required	CRESCOM BANK	3013823	
OK		Full Service	2635853	TABOR CITY BRANCH	105 HICKMAN RD	TABOR CITY	NC	28463	COLUMBUS	UNITED STATES	Not Required	Not Required	CRESCOM BANK	3013823	
OK		Full Service	4414409	WHITEVILLE BRANCH	110 NORTH J.K. POWELL BLVD	WHITEVILLE	NC	28472	COLUMBUS	UNITED STATES	Not Required	Not Required	CRESCOM BANK	3013823	
OK		Full Service	4987127	WILMINGTON BRANCH	4710 OLEANDER DRIVE	WILMINGTON	NC	28403	BRUNSWICK	UNITED STATES	Not Required	Not Required	CRESCOM BANK	3013823	
OK		Full Service	5084603	WILMINGTON DOWNTOWN BRANCH	115 NORTH 3RD STREET	WILMINGTON	NC	28401	NEW HANOVER	UNITED STATES	Not Required	Not Required	CRESCOM BANK	3013823	
OK		Full Service	3724080	CAYCE BRANCH	1201 KNOX ABBOT DRIVE	CAYCE	SC	29033	LEXINGTON	UNITED STATES	Not Required	Not Required	CRESCOM BANK	3013823	
OK		Full Service	3443309	JAMES ISLAND BRANCH	430 FOLLY ROAD	CHARLESTON	SC	29412	CHARLESTON	UNITED STATES	437787	8	CRESCOM BANK	3013823	
OK		Full Service	3121522	ORLEANS ROAD BRANCH	884 ORLEANS ROAD	CHARLESTON	SC	29407	CHARLESTON	UNITED STATES	359821	6	CRESCOM BANK	3013823	
OK		Full Service	3466399	16TH AVENUE BRANCH	1230 16TH AVENUE	CONWAY	SC	29526	HORRY	UNITED STATES	Not Required	Not Required	CRESCOM BANK	3013823	
OK		Full Service	3443318	CONWAY BRANCH	2069 EAST HIGHWAY 501	CONWAY	SC	29526	HORRY	UNITED STATES	442400	2	CRESCOM BANK	3013823	
OK		Full Service	4897776	GREENVILLE BRANCH	3695 EAST NORTH STREET	GREENVILLE	SC	29615	GREENVILLE	UNITED STATES	Not Required	Not Required	CRESCOM BANK	3013823	
OK		Full Service	344423	HEATH SPRINGS BRANCH	202 NORTH MAIN STREET	HEATH SPRINGS	SC	29058	LANCASTER	UNITED STATES	Not Required	Not Required	CRESCOM BANK	3013823	
OK		Full Service	3812017	LITTLE RIVER BRANCH	1180 HIGHWAY 17	LITTLE RIVER	SC	29566	HORRY	UNITED STATES	Not Required	Not Required	CRESCOM BANK	3013823	
OK		Full Service	3284155	MT PLEASANT BRANCH	1492 STUART ENGALS BOULEVARD	MOUNT PLEASANT	SC	29464	CHARLESTON	UNITED STATES	290545	5	CRESCOM BANK	3013823	
OK		Full Service	3443336	GARDEN CITY BRANCH	2636 HIGHWAY 17 SOUTH	MURRELLS INLET	SC	29576	HORRY	UNITED STATES	453837	3	CRESCOM BANK	3013823	
OK		Full Service	4366843	MYRTLE BEACH BRANCH	991 38TH AVENUE	MYRTLE BEACH	SC	29577	HORRY	UNITED STATES	57094	4	CRESCOM BANK	3013823	
OK		Full Service	4731197	SOCASSEE BRANCH	4506 SOCASSEE BLVD	MYRTLE BEACH	SC	29588	HORRY	UNITED STATES	Not Required	Not Required	CRESCOM BANK	3013823	
OK		Full Service	3678183	NORTH CHARLESTON BRANCH	8485 DORCHESTER ROAD	NORTH CHARLESTON	SC	29420	DORCHESTER	UNITED STATES	465916	9	CRESCOM BANK	3013823	
OK		Full Service	3284119	MAIN STREET BR	700 MAIN STREET	NORTH MYRTLE BEACH	SC	29582	HORRY	UNITED STATES	418456	1	CRESCOM BANK	3013823	
OK		Full Service	4566205	LITCHFIELD/PAWLEYS ISLAND BRANCH	13021 OCEAN HIGHWAY	PAWLEYS ISLAND	SC	29585	GEORGETOWN	UNITED STATES	Not Required	Not Required	CRESCOM BANK	3013823	
OK		Full Service	4156688	SAINT GEORGE BRANCH	5561 WEST MEMORIAL BLVD	SAINT GEORGE	SC	29477	DORCHESTER	UNITED STATES	284678	11	CRESCOM BANK	3013823	
OK		Full Service	4731209	CANE BAY BRANCH	1724 STATE RD SUITE 4C	SUMMERVILLE	SC	29483	BERKELEY	UNITED STATES	Not Required	Not Required	CRESCOM BANK	3013823	
OK		Full Service	3284164	SUMMERVILLE BRANCH	200 NORTH CEDAR STREET	SUMMERVILLE	SC	29483	DORCHESTER	UNITED STATES	366074	7	CRESCOM BANK	3013823	
OK		Full Service	3452365	CAYCE BRANCH	2023 SUNSET BOULEVARD	WEST COLUMBIA	SC	29169	LEXINGTON	UNITED STATES	Not Required	Not Required	CRESCOM BANK	3013823	

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Fiscal Year Ending December 31, 2016

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

Current Shareholders with ownership, control or holdings of 5% or more with power to vote as of fiscal year ending 12-31-2016			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		
(1)(a) Names & Address	(1)(b) Country of Citizenship or Incorporation	(1)(c) Number and Percentage of Each Class of Voting Securities	(2)(a) Name & Address	(2)(b) Country of Citizenship or Incorporation	(2)(c) Number and Percentage of Each Class of Voting Securities
None			None		

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

(1) Names & Address	(2) Principal Occupation if other than with Carolina Financial Corporation	(3)(a) Title & Position with Carolina Financial Corporation	(3)(b) Title & Position with Subsidiaries	(3)(c) Title & Position with other Businesses	(4)(a) Percentage of Voting Shares in Carolina Financial Corporation	(4)(b) Percentage of Voting Shares in Subsidiaries	4(c) List names of other Companies (Includes partnerships) if 25% or more of voting securities are held
W. Scott Brandon Myrtle Beach, SC / USA	President The Brandon Agency	Director	Director - CresCom Bank Vice Chairman - CresCom Bank	President The Brandon Agency	1.17%	N/A	Brandon Holdings LLC (100%) Brandon Advertising Inc. (100%) Brandon Investments LLC (100%) Fuel Interactive LLC (100%) Interactive Frontiers Group, LLC (100%) Juel-P Corporation (37.5%) Hospitality App Development LLC (50%) Intellistrand LLC(100%) Merit Transport LLC (50%) Highway 90 LLC (50%)
Robert G. Clawson, Jr. Charleston, SC / USA	Member Clawson and Staubes, LLC	Director	Director - CresCom Bank Director - Crescent Mortgage Company	Member Clawson and Staubes, LLC	1.05%	N/A	None
Jeffery L. Deal, MD Charleston, SC / USA	Retired	Director	Director - CresCom Bank	Retired	0.42%	N/A	Family Investments LLC (100%) UVAS LLC (50%)
G Manly Eubank Johns Island, SC / USA	Chairman Palmetto Ford, Inc.	Director/Chairman	Director - CresCom Bank	Chairman Palmetto Ford, Inc.	1.63%	N/A	None
William A Gehman III Myrtle Beach, SC / USA	N/A	Chief Financial Officer Executive Vice President	Chief Financial Officer - CresCom Bank Executive Vice President - CresCom Bank Chief Financial Officer - Crescent Mortgage Company Executive Vice President - Crescent Mortgage Company Chief Financial Officer - Carolina Services Corporation Executive Vice President - Carolina Services Corporation	N/A	0.42%	N/A	Keystone South, Inc (50%)
Daniel H Isaac Jr Myrtle Beach SC/USA	President/Treasurer A&I Corporation President/Treasurer Alisco Inc	Director	Director - CresCom Bank	President/Treasurer A&I Corporation President/Treasurer Alisco Inc	0.35%	N/A	A&I Corporation (50%) Alisco Inc (50%) Alford and Isaac Properties (50%) German Imports LLC (45%) Lebanese Exports LLC (45%) Your Basic LLC (33.3%) Parkway Office Plaza (33.3%) POP Plus LLC (33.3%) POP3 LLC (25%) Myrtle Beach Vacation Rentals INC (33%) Vacation Myrtel Beach (33%) Realty One Vacations (33%) Bluewater Management (25%) RDI LLC (50%) Electric Services of SC LLC (25%) ESSC Properties LLC (25%)
Michael P. Leddy Isle of Palms, SC / USA	Retired	Director	Director - Crescent Mortgage Company	Retired	0.64%	N/A	2 Mac LLC (80%)
Robert M. Moise Charleston, SC / USA	Partner WebsterRogers, LLP	Director	Director - CresCom Bank	Partner WebsterRogers, LLP	0.96%	N/A	Edisto Nest, LLC (50%) Pitt Street Investments, LLC (100%)
David L. Morrow Myrtle Beach, SC / USA	N/A	Director Executive Vice President	Director - CresCom Bank Chief Executive Officer - CresCom Bank President - CresCom Bank	N/A	1.38%	N/A	None

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

(1) Names & Address	(2) Principal Occupation if other than with Carolina Financial Corporation	(3)(a) Title & Position with Carolina Financial Corporation	(3)(b) Title & Position with Subsidiaries	(3)(c) Title & Position with other Businesses	(4)(a) Percentage of Voting Shares in Carolina Financial Corporation	(4)(b) Percentage of Voting Shares in Subsidiaries	4(c) List names of other Companies (Includes partnerships) if 25% or more of voting securities are held
Thompson E. Penney Charleston, SC / USA	Chief Executive Officer LS3P Associates LTD	Director	Director - CresCom Bank	Chief Executive Officer LS3P Associates LTD		0.21% N/A	LS3P Associates LTD (28.8%) Column Capital, LLC (30%) LS3P Associates PLLC (26%)
Jerold L. Rexroad Conway, SC / USA	N/A	Director President Chief Executive Officer	Chief Executive Officer - Crescent Mortgage Company Chairman - Crescent Mortgage Company Senior Executive Vice President - CresCom Bank Chief Administrative Officer - CresCom Bank Chairman - Carolina Services Corporation	N/A		2.84% N/A	Properties 4Rent, LLC (100%) Ashford Properties, LLC (100%) Shelter Investments, LLC (50%) - not active
Claudius Watts IV Charleston, SC/ USA	Member Partner & Managing Director The Carlyle Group	Director	Director - CresCom Bank	N/A		0.48% N/A	Claudius Watts IV Revocable Trust (100%) Pinnacle Power Holdings, LLC (100%) Pinnacle Group Holdings, LLC (100%) Pinnacle Plantation, LLC (100%) CEW IV, LLC (100%) PG Preservation, LLC (100%) Watts Family Foundation (100%) Private Wealth Systems, Inc (30%) Pinnacle Aviation, LLC (100%) CommScope Inc (32%)