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 (21 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, JB Schwiers
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

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 2929833
C.I.

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

December 31, 2016
Month / Day / Year

NA

Reporters 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

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.
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

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

- Full service branch: 1901 Assembly St
  Columbia, SC 29201

- Full service branch: 1055 St Matthews Rd
  Orangeburg, SC 29115
Report Item 3: Insiders
Form FR Y-6  
GrandSouth Bancorporation, Inc.  
December 31, 2016

**Report Item 3: Securities Holders**

<table>
<thead>
<tr>
<th>Name</th>
<th>City, State</th>
<th>Percentage of Voting Shares in Bank Holding Company</th>
<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, United States</td>
<td>936,296 - 22.3% Common Stock</td>
<td>Ronald R. Earnest</td>
<td>Simpsonville, SC, United States</td>
<td>78,153 - 1.7% Common Stock</td>
</tr>
<tr>
<td>John B. Garrett</td>
<td>Greenville, SC, United States</td>
<td>442,885 - 0.9% Common Stock</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Illhan Creek Master</td>
<td>Salt Lake City, UT, United States</td>
<td>416,867 - 9.3% Common Stock</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1) Names &amp; Address (City, State, Country)</td>
<td>(2) Principal Occupation if other than with Bank Holding Company</td>
<td>(3)(a) Title &amp; Position with Bank Holding Company</td>
<td>(3)(b) Title &amp; Position with Subsidiaries (include names of subsidiaries)</td>
<td>(4)(c) Title &amp; Position with Other Businesses (include names of other businesses)</td>
<td>(4)(a) Percentage of Voting Shares in Bank Holding Company</td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>---------------------------------------------------------------</td>
<td>-------------------------------------------------</td>
<td>-------------------------------------------------</td>
<td>-------------------------------------------------</td>
<td>-------------------------------------------------</td>
</tr>
<tr>
<td>S. Blanton Phillips, Simpsonville, SC</td>
<td>CEO, SB Phillips Company, Inc.</td>
<td>Director</td>
<td>Director</td>
<td>Owner and Chief Executive Officer</td>
<td>17,374 - 0.4% Common Stock</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>GrandSouth Bank</td>
<td>BPS, Inc.</td>
<td>0 - 0.0% Options on Common Stock</td>
</tr>
<tr>
<td>Harold E. Garrett, Fountain Inn, SC</td>
<td>Owner, Garrett's Discount</td>
<td>Director</td>
<td>Director</td>
<td>Owner, Garrett's Discount</td>
<td>173,256 - 3.9% Common Stock</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>GrandSouth Bank</td>
<td>Golf Cars</td>
<td>0 - 0.0% Options on Common Stock</td>
</tr>
<tr>
<td>Mason Y. Garrett, Pelzer, SC</td>
<td>N/A</td>
<td>Director, Chairman, &amp; CEO</td>
<td>Director &amp; Chairman</td>
<td>N/A</td>
<td>999,386 - 22.3% Common Stock</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>GrandSouth Bank</td>
<td>N/A</td>
<td>65,040 - 1.5% Options on Common Stock</td>
</tr>
<tr>
<td>Michael L. Gault, Fountain Inn, SC</td>
<td>Owner, Gault Service Center</td>
<td>Director</td>
<td>Director</td>
<td>Owner, Gault Service Center</td>
<td>69,931 - 1.5% Common Stock</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>GrandSouth Bank</td>
<td>N/A</td>
<td>0 - 0.0% Options on Common Stock</td>
</tr>
<tr>
<td>Bailey O. Gross, Jr., Simpsonville, SC</td>
<td>Attorney, Simpsonville, SC</td>
<td>Director</td>
<td>Director &amp; Secretary</td>
<td>Attorney, Simpsonville, SC</td>
<td>30,745 - 0.7% Common Stock</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>GrandSouth Bank</td>
<td>N/A</td>
<td>0 - 0.0% Options on Common Stock</td>
</tr>
<tr>
<td>S. Hunter Howard, Columbia, SC</td>
<td>N/A</td>
<td>Director, Vice Chairman</td>
<td>Director</td>
<td>N/A</td>
<td>39,437 - 0.8% Common Stock</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>GrandSouth Bank</td>
<td>N/A</td>
<td>0 - 0.0% Options on Common Stock</td>
</tr>
<tr>
<td>J. Calhoun Pruitt, Anderson, SC</td>
<td>Attorney, Anderson, SC</td>
<td>Director</td>
<td>Director</td>
<td>Attorney, Pruitt &amp; Pruitt</td>
<td>5,167 - 0.1% Common Stock</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>GrandSouth Bank</td>
<td>N/A</td>
<td>5,500 - 0.1% Options on Common Stock</td>
</tr>
<tr>
<td>John B. Garrett, Greenville, SC</td>
<td>N/A</td>
<td>Chief Financial Officer</td>
<td>Chief Financial Officer</td>
<td>N/A</td>
<td>442,885 - 9.9% Common Stock</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>GrandSouth Bank</td>
<td>N/A</td>
<td>30,420 - 0.7% Options on Common Stock</td>
</tr>
<tr>
<td>James B. Schwiers, Greenville, SC</td>
<td>N/A</td>
<td>Chief Executive Officer</td>
<td>Chief Operations Officer</td>
<td>N/A</td>
<td>22,764 - 0.5% Common Stock</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>N/A</td>
<td>8,000 - 0.2% Options on Common Stock</td>
</tr>
</tbody>
</table>
Results: A list of branches for your holding company: GRANDSOUTH BANKCORPORATION (3939831) of GREENVILLE, SC.
The data are as of 12/31/2016. Data reflect information that was received and processed through 07/06/2017.

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, remove 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.

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.

* FDD UNIUM, Office Number, and ID RSSD columns are for reference only. Verification of these values is not required.

<table>
<thead>
<tr>
<th>Data Action</th>
<th>Effective Date</th>
<th>Branch Service Type</th>
<th>Branch ID</th>
<th>Branch Name</th>
<th>Popular Name</th>
<th>Street Address</th>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
<th>County</th>
<th>Country</th>
<th>FID UNIUM*</th>
<th>Office Number*</th>
<th>Head Office</th>
<th>Head Office FL RSSD</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>OK</td>
<td></td>
<td>Full Service (Head Office)</td>
<td>2115041</td>
<td>GRANDSOUTH BANK</td>
<td>GRANDSOUTH BANK</td>
<td>881 HALTON ROAD</td>
<td>GREENVILLE</td>
<td>SC</td>
<td>29603</td>
<td>GREENVILLE</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>Not Required</td>
<td>GRANDSOUTH BANK</td>
<td>2728965</td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td></td>
<td>Full Service</td>
<td>3078443</td>
<td>ANDERSON BRANCH</td>
<td>325 S MAIN STREET</td>
<td>ANDERSON</td>
<td>SC</td>
<td>29624</td>
<td>ANDERSON</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>Not Required</td>
<td>GRANDSOUTH BANK</td>
<td>2728965</td>
<td></td>
<td></td>
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<tr>
<td>OK</td>
<td></td>
<td>Full Service</td>
<td>5001068</td>
<td>COLUMBIA BRANCH</td>
<td>1590 ASSEMBLY STREET, SUITE 100</td>
<td>COLUMBIA</td>
<td>SC</td>
<td>29503</td>
<td>COLUMBIA</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>Not Required</td>
<td>GRANDSOUTH BANK</td>
<td>2728965</td>
<td></td>
<td></td>
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<tr>
<td>OK</td>
<td></td>
<td>Full Service</td>
<td>3203159</td>
<td>FOUNTAIN HIN BRANCH</td>
<td>335 SOUTH MAIN STREET</td>
<td>FOUNTAIN HIN</td>
<td>SC</td>
<td>29645</td>
<td>FOUNTAIN HIN</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>Not Required</td>
<td>GRANDSOUTH BANK</td>
<td>2728965</td>
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<tr>
<td>OK</td>
<td></td>
<td>Full Service</td>
<td>4921451</td>
<td>GREEN BRANCH</td>
<td>501 WEST WADE HAMPTON BOULEVARD</td>
<td>GREEN</td>
<td>SC</td>
<td>29650</td>
<td>GREENVILLE</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>Not Required</td>
<td>GRANDSOUTH BANK</td>
<td>2728965</td>
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<td></td>
</tr>
<tr>
<td>OK</td>
<td></td>
<td>Full Service</td>
<td>5044710</td>
<td>ORANGEBURG BRANCH</td>
<td>1055 ST MATTHEWS ROAD</td>
<td>ORANGEBURG</td>
<td>SC</td>
<td>29115</td>
<td>ORANGEBURG</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>Not Required</td>
<td>GRANDSOUTH BANK</td>
<td>2728965</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>