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Approval expires September 30, 2018  
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JUL 5 2017

Board of Governors of the Federal Reserve System



Annual Report of Holding Companies—FR Y-6

FRB RICHMOND

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.

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

1. Tim C. Thompson  
Name of the Holding Company Director and Official  
President

Commercial Bank Shares, Inc.

Legal Title of Holding Company

P.O. Box 127

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

Honea Path SC 29654  
City State Zip Code

4 Church Street

Physical Location (if different from mailing address)

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.

Person to whom questions about this report should be directed:

Tim C Thompson President

Name Title

864-369-7326

Area Code / Phone Number / Extension

864-369-6805

Area Code / FAX Number

tthompson@thecommercialbanksc.com

E-mail Address

www.thecommercialbanksc.com

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

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.

Tim C. Thompson  
Signature of Holding Company Director and Official

6/30/17  
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 1248742  
C.I. \_\_\_\_\_

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."

**Twelve Months Ending December 31, 2016**

<b>ASSETS</b>	<b>2016</b>	<b>2015</b>
Cash & Due From Banks	6,832,015	7,009,494
Cash Items in Process	0	0
Federal Funds Sold	16,337,414	14,142,458
Securities - HTM Municipal	218,054	234,361
Investment - FHLB	155,300	145,400
CBB Financial Corp Stock	58,520	58,520
Securities - AFS US Corporate	1,250,000	1,750,000
Valuation Allowance	<u>-21,215</u>	<u>-11,945</u>
	1,228,785	1,738,055
Securities - AFS US Agency	62,520,862	65,282,655
Valuation Allowance	<u>-1,240,160</u>	<u>47,870</u>
	61,280,702	65,330,525
Securities - AFS Municipal	24,490,754	20,436,499
Valuation Allowance	<u>-163,416</u>	<u>763,542</u>
	24,327,338	21,200,041
Gross Loans	62,574,091	59,140,980
Less Loan Loss Reserve	<u>923,465</u>	<u>892,394</u>
Net Loans	61,650,626	58,248,586
Premise & Equipment - Net	3,185,994	3,327,344
Other Assets	1,508,235	1,569,473
<b>TOTAL ASSETS</b>	<u><u>\$176,782,983</u></u>	<u><u>\$173,004,257</u></u>
<b>LIABILITIES</b>		
Deposits: Non-Interest Bearing	32,875,944	31,581,477
Deposits: Interest Bearing	<u>119,177,007</u>	<u>115,704,696</u>
Total Deposits	152,052,951	147,286,173
Accrued Taxes & Expenses	12,387	0
Deferred Taxes Payable	0	34,377
Other Liabilities	<u>519,648</u>	<u>445,656</u>
<b>TOTAL LIABILITIES</b>	<u>152,584,985</u>	<u>147,766,206</u>
<b>STOCKHOLDERS EQUITY</b>		
Capital Stock	3,559,920	3,559,920
Treasury Stock at Cost	0	0
Surplus	1,465,808	1,465,808
Undivided Profits	20,535,794	19,447,234
Net Unrealized Gain/Loss AFS	<u>-1,363,525</u>	<u>765,089</u>
<b>TOTAL STOCKHOLDER EQUITY</b>	<u>24,197,997</u>	<u>25,238,051</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>\$176,782,983</u></u>	<u><u>\$173,004,257</u></u>

*Commercial Bank Shares, Inc.*

**Consolidated Balance Sheets and Income Statements**

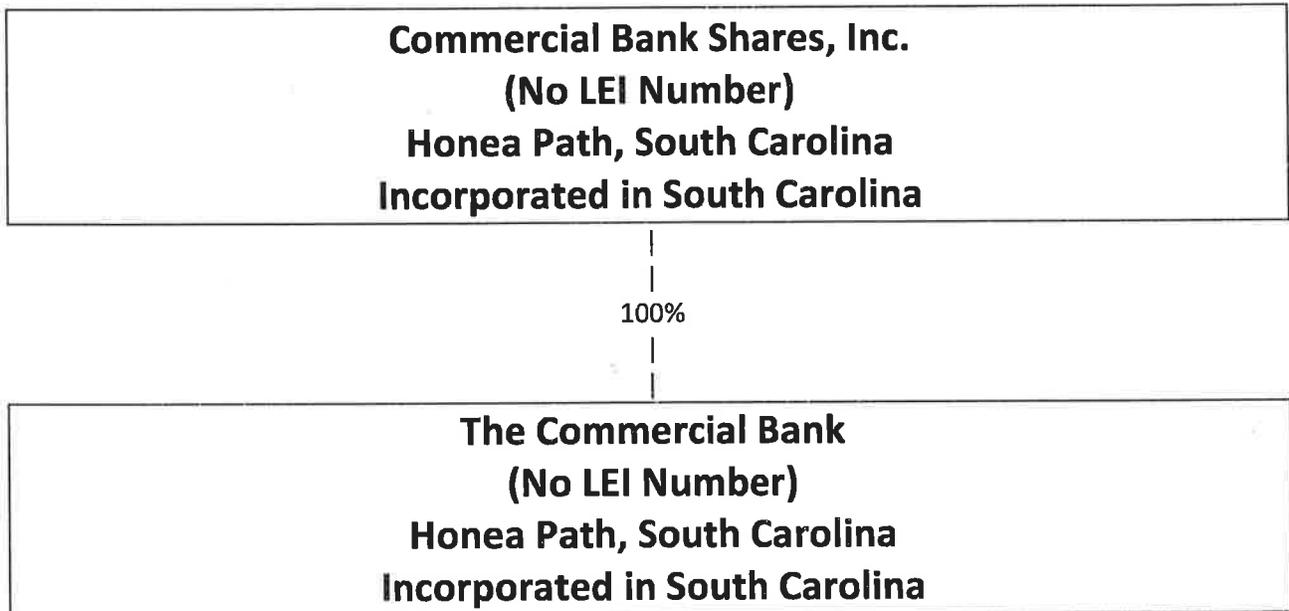
**TWELVE MONTHS ENDING DECEMBER 31, 2016**

<b>INCOME &amp; EXPENSES</b>	<b>2016</b>	<b>2015</b>
Interest Income:		
Loans - Including Fees	3,077,300	3,253,163
Investment Securities	2,150,800	2,044,938
Federal Funds Sold	<u>129,254</u>	<u>62,816</u>
Total Interest Income	5,357,354	5,360,917
Interest Expense:		
Deposits	<u>474,793</u>	<u>481,827</u>
Net Interest Income	4,882,561	4,879,090
Provision for Loan Losses	<u>155,100</u>	<u>92,100</u>
Net Interest Income Less Provision	4,727,461	4,786,990
Non-Interest Income:		
Service & NSF Charges	836,693	801,302
Other Commission & Fees	18,664	11,252
Securities Gains/Losses	93,709	10,896
Other Income	<u>50,300</u>	<u>53,509</u>
Total Non-Interest Income	999,366	876,959
Non-Interest Expense:		
Salaries & Employee Benefits	2,023,429	1,981,051
Occupancy Expense	286,084	302,345
Depreciation & Equipment Expense	94,739	94,380
Other Expense	<u>1,247,689</u>	<u>1,239,021</u>
Total Non-Interest Expense	3,651,941	3,616,797
Extraordinary Expense	0	0
<b>INCOME BEFORE INCOME TAXES</b>	2,074,886	2,047,152
State Income Tax Provision	<u>88,952</u>	<u>88,171</u>
<b>TOTAL INCOME TAXES</b>	<u>88,952</u>	<u>88,171</u>
<b>NET INCOME</b>	<u>1,985,934</u>	<u>\$1,958,981</u>
<b>INCOME PER SHARE</b>	<u>5.58</u>	<u>\$5.50</u>
<b>AVERAGE SHARES OUTSTANDING</b>	355,992	355,992

**Form Fr Y-6**

**Commercial Bank Shares, Inc.  
Honea Path, South Carolina  
Fiscal Year Ending December 31, 2016**

2a: Organizational Chart



Results: A list of branches for your depository institution: COMMERCIAL BANK, THE (ID\_RSSD: 349129).  
 This depository institution is held by COMMERCIAL BANK SHARES INC (1248742) of HONEA PATH, SC.  
 The data are as of 12:31:2015. Data reflects information that was received and processed through 01/05/2015.

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.

Notes:

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)	349129	COMMERCIAL BANK, THE	4 CHURCH STREET	HONEA PATH	SC	29554	ANDERSON	UNITED STATES	9156	0	COMMERCIAL BANK, THE	349129	
OK		Full Service	3925131	BELTON BRANCH	710 ANDERSON STREET	BELTON	SC	29627	ANDERSON	UNITED STATES	493367	7	COMMERCIAL BANK, THE	349129	
OK		Full Service	468824	DONALDS BRANCH	MAIN ST	DONALDS	SC	29638	ABBEVILLE	UNITED STATES	231851	1	COMMERCIAL BANK, THE	349129	
OK		Full Service	470621	DUE WEST BRANCH	105 MAIN STREET	DUE WEST	SC	29638	ABBEVILLE	UNITED STATES	231852	2	COMMERCIAL BANK, THE	349129	
OK		Full Service	3286340	PIEDMONT BRANCH	8016 AUGUSTA ROAD	PIEDMONT	SC	28673	GREENVILLE	UNITED STATES	420299	5	COMMERCIAL BANK, THE	349129	

**REPORT ITEM 3.1: SHAREHOLDERS**

**CURRENT SHAREHOLDERS WITH OWNERSHIP, CONTROL OR HOLDINGS OF 5% OR MORE  
WITH POWER TO VOTE AS OF 12/31/16 (COMMON STOCK ISSUED ONLY) AT FISCAL YEAR END**

<b>NAME AND ADDRESS</b>	<b>COUNTRY OF CITIZENSHIP</b>	<b>NUMBER</b>	<b>PERCENTAGES</b>
TRUSTEES OF COMMERCIAL BANK SHARES KSOP PLAN HONEA PATH, SC	USA	24,216	6.80%

**REPORT ITEM 3.2: SHAREHOLDERS**

**CURRENT SHAREHOLDERS WITH OWNERSHIP, CONTROL OR HOLDINGS OF 5% OR MORE  
WITH POWER TO VOTE AS OF 12/31/16 (COMMON STOCK ISSUED ONLY) DURING YEAR BUT NOT AT YEAR END**

<b>NAME AND ADDRESS</b>	<b>COUNTRY OF CITIZENSHIP</b>	<b>NUMBER</b>	<b>PERCENTAGES</b>
N/A			

## UNDIVIDED PROFITS

<b>BALANCE AT 12/31/15</b>	\$ 20,212,322.31
LESS DISTRIBUTIONS PAID TO SHAREHOLDERS	(897,373.84)
REVERSE ENTRY UNREAL. LOSS/GAIN FOR 12/31/15	(765,089.20)
UNREALIZED LOSS/GAIN FOR 12/31/16	(1,363,525.12)
NET INCOME THROUGH 12/31/16	<u>1,985,933.64</u>
	<u><u>\$19,172,267.79</u></u>

REPORT ITEM 4: DIRECTORS AND OFFICERS (12/31/16)

(1) NAME & ADDRESS	(2) PRINCIPAL OCCUPATION IF OTHER THAN WITH BANK HOLDING COMPANY	(3)(a) TITLE & POSITION WITH BANK HOLDING COMPANY	(3)(b) TITLE & POSITION WITH SUBSIDIARIES	(3)(c) TITLE & POSITION WITH OTHER BUSINESSES	(4)(a) PERCENTAGE OF VOTING SHARES IN BANK HOLDING COMPANY	(4)(b) PERCENTAGE OF VOTING SHARES IN Subsidiaries	LIST NAMES OF OTHER COMPANIES IF 25% OR MORE OF VOTING SECURITIES ARE HELD
ROBERT S. CLARKE DUE WEST, SC USA	COMPUTER SERVICE ERSKINE COLLEGE	DIRECTOR	DIRECTOR The Commercial Bank	N/A	0.39%	None	N/A
COLEMAN C. GARY BELTON, SC USA	OWNER/OPERATOR INNOVATIVE LEASING LOGISTICS, INC.	DIRECTOR	DIRECTOR The Commercial Bank	PRESIDENT INNOVATIVE LEASING LOGISTICS, INC.	0.04%	None	CUJO LIMITED, LLC-50% INNOVATIVE LEASING LOGISTICS, INC-100%
WILLIAM G. HALL HONEA PATH, SC USA	RETIRED BANKING	DIRECTOR CHAIRMAN	DIRECTOR CHAIRMAN The Commercial Bank	N/A	0.30%	None	N/A
T. A. LANGSTON HONEA PATH, SC USA	OWNER/OPERATOR LANGSTON R/E	DIRECTOR	DIRECTOR The Commercial Bank	PRESIDENT LANGSTON R/E	4.99%	None	LANGSTON REAL ESTATE-100% MAPLE MANOR. INC.-50%
T.E. MARTIN HONEA PATH, SC USA	CO-OWNER HONEA PATH ANIMAL HOSPITAL	DIRECTOR	DIRECTOR The Commercial Bank	N/A	0.74%	None	HONEA PATH ANIMAL HOSPITAL-100%
A. CLAUDE THOMPSON HONEA PATH, SC USA	RETIRED C THOMPSON AUTO	DIRECTOR	DIRECTOR The Commercial Bank	N/A	0.34%	None	N/A
TIM C. THOMPSON HONEA PATH, SC USA	N/A	PRESIDENT DIRECTOR	PRESIDENT DIRECTOR The Commercial Bank	N/A	0.01%	None	N/A