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 6(e) 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.

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 officer of the top-tier holding company. In the event that the top-tier holding company does not have an individual who is a senior officer 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.

Jeffrey N. Hooper EVP/CFO
First South Bancorp, Inc.
Legal Title of Holding Company

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

R3SD ID
C.I.

Date of Report (top-tier holding company's fiscal year-end):
December 31, 2017

Month / Day / Year
254900YY34KGK5B12L42
Reporter's Legal Entity Identifier (LEI) (20-Character LEI Code)
Reporter's Name, Street, and Mailing Address

First South Bancorp, Inc.
PO Box 1928
Spartanburg, SC 29604

City State Zip Code
1450 John B White Sr. Blvd, Spartanburg, SC 29306

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:
Jeffrey N. Hooper EVP/CFO

Name Title
864-573-4452

Area Code / Phone Number / Extension
864-587-2781

Area Code / FAX Number
jhooper@firstsouthbancorp.com
E-mail Address

www.firstsouthbancorp.com
Address (URL) for the Holding Company's web page

Is confidential treatment requested for any portion of this report submission? ☐ No ☑ 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 "confidential.

03/2018
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.

<table>
<thead>
<tr>
<th>Legal Title of Subsidiary Holding Company</th>
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<tbody>
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Physical Location (if different from mailing address)
1. The Bank Holding company prepares an annual report for its securities holders Will be sent under separate cover.

2a Organizational Chart

```
First South Bancorp, Inc.
Spartanburg, S.C.
254900YY34KGKGBI2L42
Incorporated in SC

100% First South Bank
Spartanburg, S.C.
(No LEI)
Incorporated in SC

100% FSBS Capital Trust I
Spartanburg, S.C.
(No LEI)
Incorporated in SC
```

2.b Domestic Branch Listing

Attached.
Results: A list of branches for your depository institution: FIRST SOUTH BANK (ID_RSSO: 2491291).
This depository institution is held by FIRST SOUTH BANCORP, INC. (2817314) of SPARTANBURG, SC.
The date is as of 12/31/2017. Data reflects information that was received and processed through 01/04/2018.

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 hard copy format or via the FR Y-10 Online application - https://yl0online.federalreserve.gov.

<table>
<thead>
<tr>
<th>Data Action</th>
<th>Effective Date</th>
<th>Branch Service Type</th>
<th>Branch ID_RSSO*</th>
<th>Branch Name</th>
<th>Street Address</th>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
<th>County</th>
<th>Country</th>
<th>FDIC UNINUM*</th>
<th>Office Number*</th>
<th>Head Office</th>
<th>Head Office ID_RSSO*</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>OK</td>
<td>12/31/2017</td>
<td>Full Service</td>
<td>2491291</td>
<td>FIRST SOUTH BANK</td>
<td>1450 JOHN B WHITE BR BLVD</td>
<td>SPARTANBURG</td>
<td>SC</td>
<td>29306</td>
<td>SPARTANBURG</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>Not Required</td>
<td>FIRST SOUTH BANK</td>
<td>2491291</td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>12/31/2017</td>
<td>Full Service</td>
<td>3283457</td>
<td>BLUFFTON BRANCH</td>
<td>7 ASLEY WAY</td>
<td>BLUFFTON</td>
<td>SC</td>
<td>29910</td>
<td>BEAUFORT</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>Not Required</td>
<td>FIRST SOUTH BANK</td>
<td>2491291</td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>12/31/2017</td>
<td>Full Service</td>
<td>3809400</td>
<td>GREENVILLE BRANCH</td>
<td>1068 NORTH CHURCH STREET</td>
<td>GREENVILLE</td>
<td>SC</td>
<td>29601</td>
<td>GREENVILLE</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>Not Required</td>
<td>FIRST SOUTH BANK</td>
<td>2491291</td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>12/31/2017</td>
<td>Full Service</td>
<td>2509443</td>
<td>SPARTANBURG OFFICE</td>
<td>1035 FERNWOOD-GLendale ROAD</td>
<td>SPARTANBURG</td>
<td>SC</td>
<td>29307</td>
<td>SPARTANBURG</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>Not Required</td>
<td>FIRST SOUTH BANK</td>
<td>2491291</td>
<td></td>
</tr>
</tbody>
</table>
Item 3: Securities holders

<table>
<thead>
<tr>
<th>(1)(a)Name &amp; Address</th>
<th>1 (b)Country of Citizenship or Incorporation</th>
<th>(1)(c) Number and Percentage of Each Calls of Voting Securities of Shares Owned</th>
</tr>
</thead>
<tbody>
<tr>
<td>EJF Sidecar Fund, LLC Arlington, Va</td>
<td>USA</td>
<td>2,910,720 8.93% (D)</td>
</tr>
<tr>
<td>Strategic Value Investors, LP Beachwood, OH</td>
<td>USA</td>
<td>2,910,720 8.93% (D)</td>
</tr>
<tr>
<td>TFO USA New York, NY</td>
<td>USA</td>
<td>2,910,720 8.93% (D)</td>
</tr>
<tr>
<td>Cloister Capital Berwyn, PA</td>
<td>USA</td>
<td>1,666,666 5.11% (D)</td>
</tr>
</tbody>
</table>

Shares Outstanding as of 12/31/17: 32,596,867

<table>
<thead>
<tr>
<th>(2)(a)Name &amp; Address</th>
<th>2 (b)Country of Citizenship or Incorporation</th>
<th>(2)(c) Number and Percentage of Each Calls of Voting Securities of Shares Owned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roger A.F. Habisreutinger Spartanburg SC</td>
<td>USA</td>
<td>367,068 14.05% (D)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,488,538</td>
</tr>
<tr>
<td>Chandrakant V. Shanbhag Spartanburg, S.C</td>
<td>USA</td>
<td>1,191,612 11.24% (D)</td>
</tr>
<tr>
<td>Barry L. Slider Spartanburg, S.C</td>
<td>USA</td>
<td>389,316 7.22% (D)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>764,950</td>
</tr>
<tr>
<td>Donald Edward Willis, Sr Cowpens SC</td>
<td>USA</td>
<td>1,501,800 14.17% (D)</td>
</tr>
</tbody>
</table>
## Principal Shareholders, Directors, & Officers

**First South Bancorp, Inc**  
Spartanburg, S.C.

**Fiscal Year Ending December 31, 2017**

### Item 4: Insiders

<table>
<thead>
<tr>
<th>Name &amp; Address</th>
<th>Position in other Companies</th>
<th>Holding Co Title</th>
<th>Subsidiary Title</th>
<th>Principal Occupation</th>
<th>No. of Shares Owned</th>
<th>% of BHC Shares</th>
<th>% of Sub Shares</th>
<th>Other Companies</th>
</tr>
</thead>
</table>
| Roger A.F. Habreutinger  
Spartanburg, SC | President/ Champion Investment Corporation Inc  
Director & Chairman | Director & Chairman  
(First South Bank) | Champion Investment Corporation Inc  
President/Chairman | 367,068  
1,121,479 | 4.57% (D) | N/A | N/A |
| Chandrakant V. Shanbhag  
Spartanburg, SC | President  
DC Motor & Controls | Director | DC Motor & Controls  
President | 1,191,612 | 3.66% (D) | N/A | DC Motor & Controls 100% |
| Barry L. Slider  
Spartanburg, SC | N/A | Director & Vice Chairman | Director & Vice Chairman/CEO  
(First South Bank) | N/A | 2.35% (D) | N/A | N/A |
| David G. White  
Spartanburg, SC | President  
David G. White PA  
Attorney at Law | Director | Director  
(First South Bank) | 185,364  
1,800 | 0.57% (D) | N/A | David G. White, P.A. 90% |
| James H. Ratchford  
York, SC | N/A | Director | Director  
(First South Bank) | 314,550 | 0.96% (D) | N/A | N/A |
| David L. Rinz  
Six Mile SC | CEO Clarkson Industrial  
Director | Director  
(First South Bank) | CEO Clarkson Industrial  
President | 115,575 | 0.35% (D) | N/A | Clarkson Industrial 49% |
| Frank R. Callison  
Spartanburg, S.C | N/A | Executive Vice President | Executive Vice President/CCO  
(First South Bank) | N/A | 0.32% (D) | N/A | N/A |
| Jeffrey N. Hooper  
Spartanburg SC | N/A | Executive Vice President | Executive Vice President/CFO  
(First South Bank) | N/A | 0.00% (D) | N/A | N/A |
| EJF Sidecar Fund, LLC  
Arlington, Va | N/A | N/A | N/A | Investment Fund | 2,910,720 | 3.93% (D) | N/A |
| Strategic Value Investors, LP  
Beachwood, OH | N/A | N/A | N/A | Investment Fund | 2,910,720 | 8.93% (D) | N/A |
| TFO USA  
New York, NY | N/A | N/A | N/A | Investment Fund | 2,910,720 | 8.93% (D) | N/A |
| Cloister Capital  
Berwyn, PA | N/A | N/A | N/A | Investment Fund | 1,666,666 | 5.11% (D) | N/A |

### Shares Outstanding as of 12/31/17 (Common and Preferred)

| Shares | 32,586,867 |

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**Directors & Officers**