

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.

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

December 31, 2017

Month / Day / Year

N/A

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

Reporter's Name, Street, and Mailing Address

I, Gwen M. Thompson

Clover Community Bankshares, Inc.

Name of the Holding Company Director and Official

Legal Title of Holding Company

President & CEO

PO Box 69

Title of the Holding Company Director and Official

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

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.

Clover SC 29710

City State Zip Code

124 N. Main Street, Clover, SC 29710

Physical Location (if different from mailing address)

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.

Person to whom questions about this report should be directed:

Lori M Hudson Sr. VP / Controller

Name Title

803-222-8604

Area Code / Phone Number / Extension

803-222-6754

Area Code / FAX Number

lhudson@clovercommunitybank.com

E-mail Address

www.clovercommunitybank.com

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

Gwen M. Thompson
 Signature of Holding Company Director and Official

03/22/2018

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. _____

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.

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)

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City State Zip Code

Physical Location (if different from mailing address)

Results: A list of branches for your holding company: CLOVER COMMUNITY BANKSHARES, INC. (2684338) of CLOVER, SC.
 The data are 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 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.

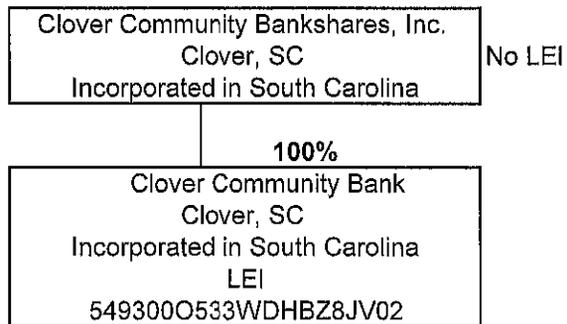
Data Action	Effective Date	Branch Service Type	Branch ID_RSSD*	Popular Name	Street Address	City	State	Zip Code	County	Country	FDIC UNINUM*	Office Number*	Head Office	Head Office ID_RSSD*	Comments
OK		Full Service (Head Office)	81429	CLOVER COMMUNITY BANK	124 NORTH MAIN	CLOVER	SC	29710	YORK	UNITED STATES	Not Required	Not Required	CLOVER COMMUNITY BANK	81429	
OK		Full Service	3156878	LAKE WYLYE BRANCH	5196 CHARLOTTE HWY	CLOVER	SC	29710	YORK	UNITED STATES	Not Required	Not Required	CLOVER COMMUNITY BANK	81429	

Form FR Y-6
Clover Community Bankshares, Inc.
Clover, SC
Fiscal Year ending December 31, 2017

Report Item:

- 1: Three copies of the annual report to shareholders are enclosed with this report. .
Three copies of our annual audited financial statements will be sent when complete.

2a: Organizational Chart



**Clover Community Bankshares, Inc. And Subsidiary
Consolidated Balance Sheet**

Dear Shareholder:

I am pleased to report to you the Bank's numbers for 2017. The balance sheet remained nearly the same from year-end 2016 to 2017 reflecting \$127.8 million in assets. Although we closed over \$24 million in loans during 2017, payments and payoffs kept the outstanding balance flat with loans ending at \$72 million. This was a slight increase of \$302,021 over 2016. Loan loss reserve remained unchanged at \$1.3 million.

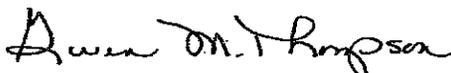
Deposits grew by \$1.2 million or 1.07% over 2016. Other liabilities decreased by \$1.5 million due to payments on the holding company debt along with short term borrowed funds that were repaid. The debt is the replacement of TARP money. The balance is less than \$500,000 and will be paid off in 2018.

With net income of over \$1 million, stockholders' equity increased by \$842,233 or 6.68% over 2016. Income was slightly less than last year due to the effect of year-end tax reform. An unexpected tax expense of approximately \$230,000 had to be recorded as a result. With less income, the earnings per share and book value per share both decreased. Earnings per share decreased from \$1.24 to \$1.04 and book value increased from \$12.90 to \$13.76.

We consider 2017 another successful year. We mentioned in the last shareholder letter that you would receive an increased dividend (\$.30 per share) based on our thirty years of service and were very proud to mail those checks in December.

We appreciate your continued support and welcome any comments or questions. I may be reached at 803-222-2879 or gthompson@clovercommunitybank.com.

Sincerely,



Gwen M. Thompson
President and Chief Executive Officer

	December 31,	
	2017	2016
Assets:		
Cash & Due from Banks	\$ 2,819,761	\$ 3,199,793
Interest Earning Deposits in Banks	6,583,754	5,149,075
Federal Fed Funds Sold	679,628	0
Total Cash & Cash Equivalents	<u>10,083,143</u>	<u>8,348,868</u>
Investment in Securities	39,264,532	40,134,970
Total Loans	72,018,998	71,626,977
Loan Loss Reserve	<u>(1,352,371)</u>	<u>(1,313,421)</u>
Net Loans	<u>70,666,627</u>	<u>70,313,556</u>
Premises, Furniture & Equipment, Net	1,925,050	2,061,116
Other Real Estate Owned	1,217,705	1,325,998
Other Assets, Net	4,713,526	5,148,373
Total Assets	<u>\$ 127,870,383</u>	<u>\$ 127,332,881</u>
Liabilities		
Deposits	\$ 112,812,458	\$ 111,615,435
Other Liabilities	1,614,788	3,116,542
Total Liabilities	<u>\$ 114,427,246</u>	<u>\$ 114,731,977</u>
Shareholders' Equity	<u>\$ 13,443,137</u>	<u>\$ 12,600,904</u>
Total Liabilities & Shareholders' Equity	<u>\$ 127,870,383</u>	<u>\$ 127,332,881</u>

**Clover Community Bankshares, Inc. & Subsidiary
Consolidated Income Statement**

	December 31,	
	2017	2016
Interest Income	\$ 5,365,919	\$ 5,016,614
Interest Expense	201,888	194,739
Provision for Loan Losses	0	0
Net Interest Income after Provision for Loan Losses	<u>5,164,031</u>	<u>4,821,875</u>
Non Interest Income	1,253,673	1,242,822
Non Interest Expense	4,841,091	4,467,857
Net Income Before Taxes	1,576,613	1,596,840
Income Taxes	563,501	382,263
Net Income	<u>\$ 1,013,112</u>	<u>\$ 1,214,577</u>
Earnings Per Share	\$ 1.04	\$ 1.24
Book Value Per Share	\$ 13.76	\$ 12.90

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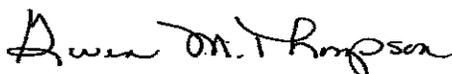
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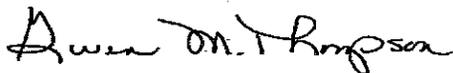
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Form FR Y-6
Clover Community Bankshares, Inc.
Fiscal Year Ending December 31, 2017

Report Item 3: Shareholders

(1)(a)(b)(c) and (2)(a)(b)(c)

Current Shareholders with ownership , controlling or holdings of 5% or more with power to vote as of fiscal year ending 12-31-2017

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 12-31-2017

(1)(a) Name & Address (City, State & Country)	(1)(b) Country of Citizenship or Incorporation	(1)(c) Number and Percentage of Each Class of Voting Securities
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(2)(a) Name & Address (City, State & Country)	(2)(b) Country of Citizenship	(2)(c) Number and Percentage of Each Class of Voting Securities
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CEDE & CO New York, NY USA	USA	67,575 - 6.9172% Common Stock
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NONE

Form FR Y-6
Clover Community Bankshares, Inc.
Fiscal Year Ending December 31, 2017

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

(1) Names & Address (City, State, Country)	(2) Principal Occupation if Other than with Bank Holding Company	(3)(a) Title & Position with Bank Holding Company	(3)(b) Title & Position with Subsidiaries (include names of subsidiaries)	(3)(c) Title & Position with Other Businesses (include name s of other businesses	(4)(a) Percentage of Voting Shares in Bank Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries (include names of subsidiaries	(4)(c) List names of other companies (includes partnerships) If 25% or more of voting securities are held(list names of companies and percentage of voting securities held)
Gerald L. Bolin Gastonia, NC, USA	Banking	Executive VP, COO	Executive VP & COO Clover Community Bank	None	0.0289%	None	None
Paul N. Basha Fort Mill, SC, USA	Electric Coop	Director	Director - Clover Community Bank	President & CEO York Electric Co-op	0.0289%	None	None
Rose B. Cummings Lake Wylie, SC, USA	Communications	Director	Director - Clover Community Bank	Owner Cummings Communications RBC Utilities	0.0329%	None	Cummings Communications - 100% RBC Utilities Inc. - 55%
David A. Cyphers Clover, SC, USA	Insurance Agent	Director	Director - Clover Community Bank	VP Sifford Stine Insurance Agency	1.6604%	None	Sifford Stine Insurance Agency - 50%
Lori M. Hudson York, SC USA	Banking	Sr Vice Pres	Sr. VP & Controller Clover Community Bank	None	None	None	None
William D. Jackson Clover, SC, USA	Retired	Director	Director - Clover Community Bank	None	0.2334%	None	None
Ronald W. Montgomery Sr. York, SC, USA	Real Estate Developer	Director	Director - Clover Community Bank	Owner, LWMO, LLC, Pinewood of LW, LLC & Allison Creek Partners	1.6414%	None	LWMO, LLC - 100% Pinewood of LW LLC - 100% Allison Creek Partners - 100%
James H. Owen Jr. Clover, SC, USA	Retired Attorney	Chairman	Director - Clover Community Bank	Hanford, Niemiec and Freeman, Of Counsel	1.2039%	None	None
Gwen M. Thompson Smyrna, SC, USA	Banking	President-CEO Director	President-CEO Director - Clover Community Bank	None	0.1555%	None	None
James C. Young Clover, SC, USA	Retired	Director	Director - Clover Community Bank	Consultant	0.0926%	None	None

5.077900%