

FR Y-6
OMB Number 7100-0297
Approval expires December 31, 2014
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Board of Governors of the Federal Reserve System



Annual Report of Bank 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)); 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 (12 C.F.R. § 211.13(c)); and Section 225.5(b) of Regulation Y (12 C.F.R. § 225.5(b)). 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 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). 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 Bank Holding Companies* must be signed by one director of the top-tier bank holding company. This individual should also be a senior official of the top-tier bank holding company. In the event that the top-tier bank 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.

Date of Report (top-tier bank holding company's fiscal year-end):
December 31, 2011
Month / Day / Year

I, Lee A. Scroggins, Jr.
Name of the Bank Holding Company Director and Official
President
Title of the Bank Holding Company Director and Official

Reporter's Name, Street, and Mailing Address
CBS Financial Corporation
Legal Title of Bank Holding Company
3016 Atlanta Road
(Mailing Address of the Bank Holding Company) Street / P.O. Box
Smyrna GA 30080
City State Zip Code

attest that the *Annual Report of Bank Holding Companies* (including the supporting attachments) for this report date have 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.

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:
Mary P. Tinsley CFO
Name Title
678-385-7501
Area Code / Phone Number / Extension
678-385-7970
Area Code / FAX Number
mtinsley@cbsouth.com
E-mail Address

[Signature]
Signature of Bank Holding Company Director and Official
March 30, 2012
Date of Signature

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

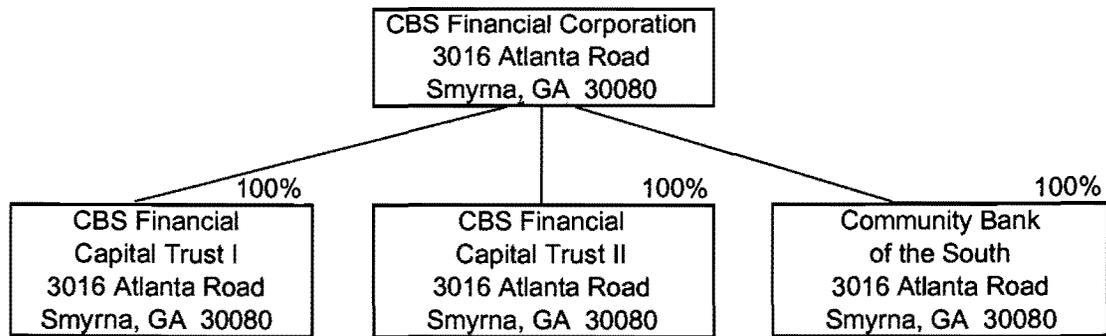
For bank holding companies not registered with the SEC—
Indicate status of Annual Report to Shareholders:
 is included with the FR Y-6 report
 will be sent under separate cover
 is not prepared

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

For Federal Reserve Bank Use Only
RSSD ID 3219764
C.I. _____

Form FRY-6
Report Item 2

CBS Financial Corporation
Smyrna, GA
Quarter Ending December 31, 2011



Results: A list of branches for your BHC: **CBS FINANCIAL CORPORATION (3219764) of SMYRNA, GA.**
 The data are as of **06/30/2012**. Data reflects information that was received and processed through 07/05/2012.

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
		Full Service (Head Office)	2837200	COMMUNITY BANK OF THE SOUTH	3016 ATLANTA ROAD	SMYRNA	GA	30080	COBB	UNITED STATES	73860	0	COMMUNITY BANK OF THE SOUTH	2837200	
		Full Service	3223659	CANTON HIGHWAY BRANCH OFFICE	3324 CANTON HIGHWAY	MARIETTA	GA	30066	COBB	UNITED STATES	423489	1	COMMUNITY BANK OF THE SOUTH	2837200	
		Full Service	3050613	DALLAS HIGHWAY OFFICE	3596 DALLAS HIGHWAY	MARIETTA	GA	30064	COBB	UNITED STATES	430600	2	COMMUNITY BANK OF THE SOUTH	2837200	
		Full Service	3359044	JOHNSON FERRY ROAD BRANCH	3140 JOHNSON FERRY ROAD	MARIETTA	GA	30062	COBB	UNITED STATES	442521	3	COMMUNITY BANK OF THE SOUTH	2837200	

Form FR Y-6

CBS FINANCIAL CORPORATION

Fiscal Year Ending December 31, 2011

Report Item 3 : Securities Holders

(1)(a)(b)© and (2)(a)(b)©

Current Shareholders with Ownership, control or holdings of 5% or more
with power to vote as of fiscal year ending 12-31-2011

(1)(a) <u>Name & Address</u>	(1)(b) <u>Country of Citizenship or Incorporation</u>	(1) © <u>All Common Stock</u> <u># of Shares</u> <u>% of Total</u>		<u>Warrants</u> <u>Available</u>	<u>Total</u> <u>% if Warrants</u> <u>Exercised</u>
Charles P & Diane P Jones Marietta, GA	USA	120,833	5.03%	0	5.03%
Tom M. and Betty A. Phillips Marietta, GA	USA	237,500	9.89%	0	9.89%
James C. and Sarah W. Wallace Atlanta, GA	USA	154,166	6.42%	0	6.42%
James T. Willoughby Marietta, GA	USA	209,166	8.71%	0	8.71%
Total Shares Issued & Outstanding		2,400,913			

Item 3 (2)

N/A - There were no shareholders in this category during 2011

FORM FRY-6
CBS Financial Corporation
Fiscal Year Ending December 31, 2011

Report Item 4: Insiders

(1), (2), (3)(a)(b)©, and (4)(a)(b)©

(1) Name & Address City, St, Country	(2) Principal Occupation if other than with Bank Holding Company	(3)(a) Title & Position with Bank Holding Company	(3)(b) Title & Position with Subsidiary, Community Bank of the South	(3)© Title & Position with Other Businesses (include names 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)© 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).
R. Randall Bentley, Sr. Marietta, GA	Attorney	Director	same as 3a	Co-Owner - Bentley, Bentley and Bentley	1.74%	N/A	Bentley, Bentley & Bentley - 33.33%
Jack W. Corn Marietta, GA	Retired	Director	same as 3a	N/A	2.48%	N/A	N/A
Sylvia D. Hamby Acworth, GA	N/A	EVP - COO & SLO	same as 3a	N/A	0.23%	N/A	N/A
Guy F. Hill, Jr. Marietta, GA	General Manager Aviation Services	Director	same as 3a	President - Hill Aircraft	4.24%	N/A	Catalina Leasing, LLC - 51% Catalina Companies, LLC-100% Hotel Whiskey, LLC - 50%
Charles J. Jones and Diane P. Jones Marietta, GA	Real Estate Investments	Director & Chairman	same as 3a	Owner - Charleston Inv. Owner - Charles J. Jones, Inc Owner - CT, LP (Apts)	5.03% (joint)	N/A	Charleston Investments-50% Charles J. Jones, Inc. - 50% CT, LP - 40%
Jay Y. McClure Atlanta, GA	Attorney Real Estate & Airplane Investments	Director & Secretary	same as 3a	Co-Owner - McClure & Kornheiser, LLC Owner Owner Co-Owner	2.78%	N/A	McClure & Kornheiser, LLC - 50% Electra Jr., LLC - 100% Aerobear Aviation, LLC-100% Hogjowl Airfield, LLC-33.3%
Tom M. and Betty A. Phillips; Marietta, GA	Oil Resale	Director	same as 3a	Owner - Phillips Oil	9.89%	N/A	N/A
Autice Milburn Poston, Atlanta, GA	Home Builder	Director	same as 3a	Vice President - Traton Corp.	3.11%	N/A	Traton Corporation - 50%
James C. Pitts, DDS Smyrna, GA	Dentist	pending application	Director w/Bank	Dentist	1.25%	N/A	N/A
Lee A. Scroggins, Jr. Atlanta, GA	N/A	Director & President & CEO	same as 3a	N/A	2.66%	N/A	N/A
Mary P. Tinsley Smyrna, GA	N/A	EVP & CFO	same as 3a	N/A	0.13%	N/A	N/A
James C. Wallace Atlanta, GA	Oil Resale Real Estate Investor	Director	same as 3a	President - Wallace Oil Co. Treasurer-Wallace Ent.	6.42%	N/A	Wallace Oil Company - 75% Wallace Enterprises - 59%
James T. Willoughby Marietta, GA	Real Estate Developer	Director	same as 3a	Partner-Willoughby & Sewell Development Co. Partner - Brookstone Walk Partner - Brookstone Invest.	8.71%	N/A	Willoughby & Sewell Development Co. - 50% Brookstone Walk Ptnrs-50% Brookstone Inv. - 37.5%

CBS Financial Corporation
Statement of Condition (Unaudited)
as of December 31, 2011

Assets	CBS Financial Corporation	Community Bank of the South	CBS Financial Consolidated
Cash and Due Froms	\$ 149,179	\$ 7,394,455	\$ 7,394,455
Fed Funds Sold		9,450,000	9,450,000
Interest-bearing Deposits in Banks		35,078,000	35,078,000
Securities AFS, at fair value		26,421,618	26,421,618
Federal Home Loan Bank Stock		1,233,900	1,233,900
Loans, Net		254,071,021	254,071,021
Fixed Assets		8,709,527	8,709,527
Other Real Estate		17,750,848	17,750,848
Accrued Interest Receivable		1,089,049	1,089,049
Investment in Bank	24,536,315		
Restricted Equity Securities (TPS)	279,000	0	279,000
Other Assets	46,396	178,530	224,926
Total Assets	\$ 25,010,890	\$ 361,376,948	\$ 361,702,344
Liabilities & Stockholders Equity			
<u>Liabilities:</u>			
Deposits:			
Non-interest bearing demand	\$ -	\$ 34,283,921	\$ 34,134,742
Interest Bearing		296,861,481	296,861,481
Total Deposits		331,145,402	330,996,223
FHLB Advances		5,000,000	5,000,000
Accrued Interest Payable	754,825	230,496	985,321
Other Liabilities	5,000	464,724	469,724
Jr. Sub Debt (TPS)	9,279,000	-	9,279,000
Other / Notes Payable	0	-	11
Total Liabilities:	10,038,825	336,840,622	346,730,279
<u>Capital/Shareholders' Equity:</u>			
Common Stock	12,004,565	11,839,440	12,004,565
Surplus	11,815,943	19,451,893	11,815,943
Less: Treasury Stock	(90,000)		(90,000)
Retained Earnings	(10,322,448)	(8,673,946)	(10,322,448)
(YTD Distributions Paid)			0
YTD Earnings	796,187	1,151,121	796,187
Unrealized Gain/Loss on Securities	767,818	767,818	767,818
Shareholders Equity	14,972,065	24,536,326	14,972,065
Total Liabilities & Capital	\$ 25,010,890	\$ 361,376,948	\$ 361,702,344
Book Value Per Share			
2,400,913 Shares Outstanding as of 12/31/2011			\$ 6.24
Prior Year as of 12/31/10			\$ 5.70

CBS Financial Corporation
Income Statement (Unaudited)
YTD thru December 31, 2011

Income:	CBS Financial Corporation	Community Bank of the South	CBS Financial Consolidated
Interest Income:			
CBS Capital Trusts Dividends	\$ 9,646	\$ -	\$ 9,646
Interest and Fees on Loans	-	16,139,912	16,139,912
Interest on Securities & Other	-	833,310	833,310
Interest on Fed Funds & Short-Term Inv.	-	342,427	342,427
Total Dividend and Interest Income	<u>9,646</u>	<u>17,315,649</u>	<u>17,325,295</u>
Interest Expense:			
Interest on Deposits	-	4,281,628	4,281,628
Other Interest Expense	320,995	215,257	536,252
Total Interest Expense	<u>320,995</u>	<u>4,496,885</u>	<u>4,817,880</u>
Net Interest Income	(311,349)	12,818,764	12,507,415
Less: Provision for Loan Loss (1)	-	2,734,500	2,734,500
Net Interest Income after Provision for Loan Losses	(311,349)	10,084,264	9,772,915
Other Operating Income:			
Service charges on deposits	-	385,558	385,558
Other Income	-	542,295	542,295
Total Other Income	<u>-</u>	<u>927,853</u>	<u>927,853</u>
Extraordinary Income - Sale on Assets	-	0	0
Expenses:			
Salaries and Benefits	-	3,882,411	3,882,411
Occupancy and equipment	-	822,256	822,256
FDIC Insurance Expense	-	871,468	871,468
Other Real Estate/Loan Workout Exp	-	682,717	682,717
Data Processing	-	499,710	499,710
Loss on the Sale of ORE	-	2,186,307	2,186,307
Legal & Collections	-	198,117	198,117
Audit, Tax & Accounting	-	77,420	77,420
Other operating expenses	43,585	640,590	684,175
Total Other Expenses	<u>43,585</u>	<u>9,860,996</u>	<u>9,904,581</u>
Net Earnings (Loss)	<u>\$ (354,934)</u>	<u>\$ 1,151,121</u>	<u>\$ 796,187</u>