

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, Renny B. Eadie, III, President & Chairman

Reporter's Name, Street, and Mailing Address

PSB BancGroup, Inc.

Legal Title of Bank Holding Company

PO Box 2199

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

Lake City FL 32056

City State Zip Code

350 SW Main Boulevard, Lake City, FL 32025

Physical location (if different from mailing address)

Name of the Bank Holding Company Director and Official

PSB BancGroup, Inc.

Title of the Bank Holding Company Director and Official

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.

Person to whom questions about this report should be directed:

Christopher H. Dampier Acting President-Bank

Name Title

386-754-0002

Area Code / Phone Number / Extension

386-754-0919

Area Code / FAX Number

cdampier@psb.biz

E-mail Address

none

Address (URL) for the Bank 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.

Signature of Bank Holding Company Director and Official

03/15/2012

Date of Signature

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

For Federal Reserve Bank Use Only

RSSD ID 2650324
C.I. _____

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 Use By Tiered Bank Holding Companies

Top-tiered bank holding companies must list the names, mailing address, and physical locations of each of their subsidiary bank holding companies below.

Legal Title of Subsidiary Bank Holding Company

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

City State Zip Code

Physical location (if different from mailing address)

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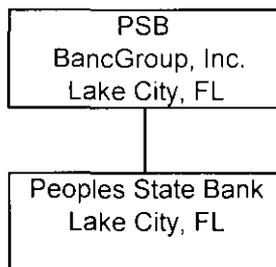
PSB BancGroup, Inc.
Lake City, Florida
Fiscal Year Ending December 31, 2011

Report Item

1 Annual report to shareholders, and proxy information, enclosed.

2 a) Organizational Chart.

PSB BancGroup owns 100%
of Peoples State Bank.



There are no other affiliates or subsidiaries of PSB BancGroup other than Peoples State Bank.

b) Domestic Branches

✓ Peoples State Bank has two banking facilities, a Main Office and a single branch.
Main Office - 350 SW Main Blvd, Lake City, FL 32025
West Office Branch - 3882 West US Highway 90, Lake City, FL 32055

3 Shareholders information enclosed.

4 Directors and officers information enclosed.

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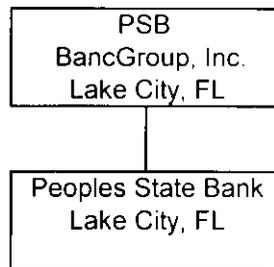
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3 Shareholders information enclosed.

4 Directors and officers information enclosed.

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Report Item 3: Shareholders

(1)(a) (1)(b) (1)(c)

Current Shareholders with Ownership, control or holdings of 5% or more with power to vote as of 12/31/11

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 12-31-11

(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	(2)(a) Name & Address (City, State, Country)	(2)(b) Country of Citizenship or Incorporation	(2)(c) Number and Percentage of Each Class of Voting Securities
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Figures represent actual shares held and unexercised warrants for common stock of PSB BancGroup, Inc.

✓ Renny B. Eadie, III Lake City, FL	USA	29,100 Held			
		4,769 Warrants			
		16,665 Preferred Stock Conversion			
		<u>50,534</u> Total			
	7.99%				
New Robert M. Eadie Lake City, FL <i>Confirmed</i>	USA	22,900 Held			
		5,100 Warrants			
		8,334 Preferred Stock Conversion			
		<u>36,334</u> Total			
	5.82%				
✓ Garland Kirby Lake City, FL	USA	31,201 Held			
		15,789 Warrants			
		8,334 Preferred Stock Conversion			
		<u>55,324</u> Total			
	8.71%				
New Alfred W. Torrans Lake City, FL <i>Confirmed</i>	USA	19,000 Held			
		8,100 Warrants			
		10,500 Preferred Stock Conversion			
		<u>37,600</u> Total			
	5.97%				

Warrants expire on December 9, 2012.

Preferred stock may not be converted prior to November 2, 2013.

Percentage of Item 2 based on shares o/s as of December 31, 2011, adjusted for new shares issued to the individual shareholder.

Report Item 4: Directors and Officers of PSB Bancgroup, Inc.

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(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 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)(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)
✓ Renny B. Eadie, III Lake City, FL	Owner (50%) Columbia Ready Mix	Pres & Chairman Director	Chairman & Director Peoples State Bank	Owner Owner	✱ 4.76%	N/A	50% Columbia Block, Inc. 50% Lake City Industries, Inc. 100% Columbia RMC Inc. 50% Columbia Ready Mix Concrete, Inc.
✓ Thomas M. Riherd II Lake Butler, FL ***Resigned from all positions 1/20/2012***	President/CEO/CFO Peoples State Bank	Sr VP/CFO Corp Secr.	President/CEO/CFO Peoples State Bank	N/A	3.73%	N/A	33% Lyon King, LLC
✓ John W. Burns, III Lake City, FL	Insurance Agent	Director	None	Agent State Farm Insurance	2.67%	N/A	100% State Farm Insurance Agency
✓ Robert M. Eadie Lake City, FL	Owner Building Materials Co	Director	None	Owner Lake City Industries, Inc	3.75%	N/A	50% Lake City Industries, Inc. 50% Columbia Ready Mix Concrete, Inc.
✓ Shilpa U. Mhatre Lake City, FL	Office Manager Medical Practice	Director	None	Office Manager Psychiatric Assoc of Lake City	3.20%	N/A	N/A
✓ Andrew T. Moore Lake City, FL	Owner Automobile Dealership	Director	None	Owner Rountree Moore Motors, LLLP	2.74%	N/A	100% Rountree Moore Ford, LLLP 100% Rountree Moore Motors, LLLP 100% Rountree Moore Chevrolet, Cadillac, Nissan LLLP 100% RM Automotive of Lake City 100% Moore Family Mgt., LLC

✱ Does not include warrants (CW)