Board of Governors of the Federal Reserve System

REVISED
Rec'd 4-28-2016

RECEIVED
APR 28 2016
By D. Jones

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)); 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)) and section 10(c)(2)(H) of the Home Owners' Loan Act. 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 and top-tier savings and loan 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.

I, JOHN H. MUSE
Name of the Holding Company Director and Official

Chairman of the Board
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.

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 Holding Company Director and Official

04/14/2016
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 1997862
C.I.

Date of Report (top-tier holding company's fiscal year-end):
December 31, 2015
Month / Day / Year

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

Reporter's Name, Street, and Mailing Address
Farmers State Bancshares, Inc.
Legal Title of Holding Company

100 Main Street / P. O. Box 9
(Mailing Address of the Holding Company) Street / P.O. Box

Mountain City	TN	37683
City	State	Zip Code

N/A
Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

Thomas G. Neaves	Senior Vice President
Name	Title

423-727-8121 206
Area Code / Phone Number / Extension

423-727-8134
Area Code / FAX Number

tgneaves@fsbankmctn.com
E-mail Address

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

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

Public reporting burden for this information collection is estimated to vary from 1.3 to 101 hours per response, with an average of 5.25 hours per response, including time to gather and maintain data in the required form and to review instructions and complete the information collection. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551, and to the Office of Management and Budget, Paperwork Reduction Project (7100-0297), Washington, DC 20503.

Farmers State Bancshares,Inc.

Farmers State Bank

100 Main Street
Mountain City, TN 37683

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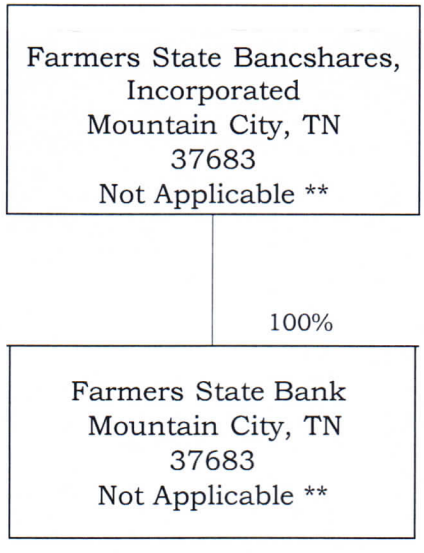
Fiscal Year Ending December 31, 2015



NOTE: Both Entities are incorporated in Tennessee
**** Neither the Bancshares nor the Bank have a LEI**

Results: A list of branches for your depository institution: FARMERS STATE BANK (ID_RSSD: 105530).
This depository institution is held by FARMERS STATE BANCSHARES, INC. (1997862) of MOUNTAIN CITY, TN.
The data are as of 12/31/2015. Data reflects information that was received and processed through 04/05/2016.

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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	12/31/2015	Full Service (Head Office)	105530	FARMERS STATE BANK	100 WEST MAIN STREET	MOUNTAIN CITY	TN	37683	JOHNSON	UNITED STATES	8613	0	FARMERS STATE BANK	105530	
OK	12/31/2015	Full Service	298638	BUTLER BRANCH	130 MAIN STREET	BUTLER	TN	37640	JOHNSON	UNITED STATES	230172	2	FARMERS STATE BANK	105530	
OK	12/31/2015	Full Service	297033	HIGHWAY 421 BRANCH	889 SOUTH SHADY STREET	MOUNTAIN CITY	TN	37683	JOHNSON	UNITED STATES	230171	1	FARMERS STATE BANK	105530	

Farmers State Bancshares, Inc.
Shareholders Owning 5.00% or more of BHC Shares
December 31, 2015

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Name and Address	Country of Citizenship	Shares of BHC Owned	
		Number	Percentage
John Howard Muse Mountain City, TN. 37683, USA	U. S. A.	3,128	5.93%

FARMERS STATE BANCSHARES, INC

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EXHIBIT "C"

DIRECTORS AND OFFICERS

December 31, 2015

Name and Address	Principal Occupation	Farmers State Bancshares,Inc	Position With Farmers State Bank	Other Business	Number of Shares and Percentage of Voting Securities Owned Or Controlled: Farmers State Bancshares,Inc Shares	Farmers State Bancshares,Inc Percent	Other Business if More than 25 Percent Held: Shares	Other Business if More than 25 Percent Held: Percent
Dr. Sam B. Adams, Jr. Mountain City TN 37683 United States	Owner Adams Pharmacy	Director	Vice Chairman of the Board and Director	Adams Pharmacy - Owner Pharmacist	900	1.70%	None	100.00%
William P. McGuire Mountain City TN 37683 United States	Retired	Director	Director	Cunningham & McGuire/ Partner	466	0.88%	None	50.00%
John Howard Muse Mountain City TN 37683 United States	Banking	Director/Chairman & President	President & CEO/Director and Chairman of the Board	None	3,128	5.93%	None	None
James W Vincill Mountain City TN 37683 United States	Retired	Director	Director	None	175	0.33%	None	None
Dorothy Shupe Mountain City TN 37683 United States	Banking	Director/Secretary to Board of Directors	Director & Senior Vice President	None	825	1.56%	None	None
Daniel Cullop Mountain City TN 37683 United States	Funeral Home Owner	Director	Director	Owner of Mountain City Funeral Home	50	.095%	None	100.00%