

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)); 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.

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)

I, **William Y. Carroll, Jr.**

Name of the Holding Company Director and Official

President & CEO, SmartFinancial, Inc.

Title of the Holding Company Director and Official

Reporter's Name, Street, and Mailing Address

SmartFinancial, Inc.

Legal Title of Holding Company

5401 Kingston Pike, Suite 600

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

Knoxville

TN

37919

City

State

Zip Code

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.

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:

Felicia Barbee

Controller

Name

Title

423-385-3220

Area Code / Phone Number / Extension

Area Code / FAX Number

fbarbee@smartbank.com

E-mail Address

www.smartbank.com

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

William Y. Carroll, Jr.
 Signature of Holding Company Director and Official

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.

1131497

Does the reporter request confidential treatment for any portion of this submission?

Yes Please identify the report items to which this request applies:

Item 4

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

Form FR Y-6

SmartFinancial, Inc.

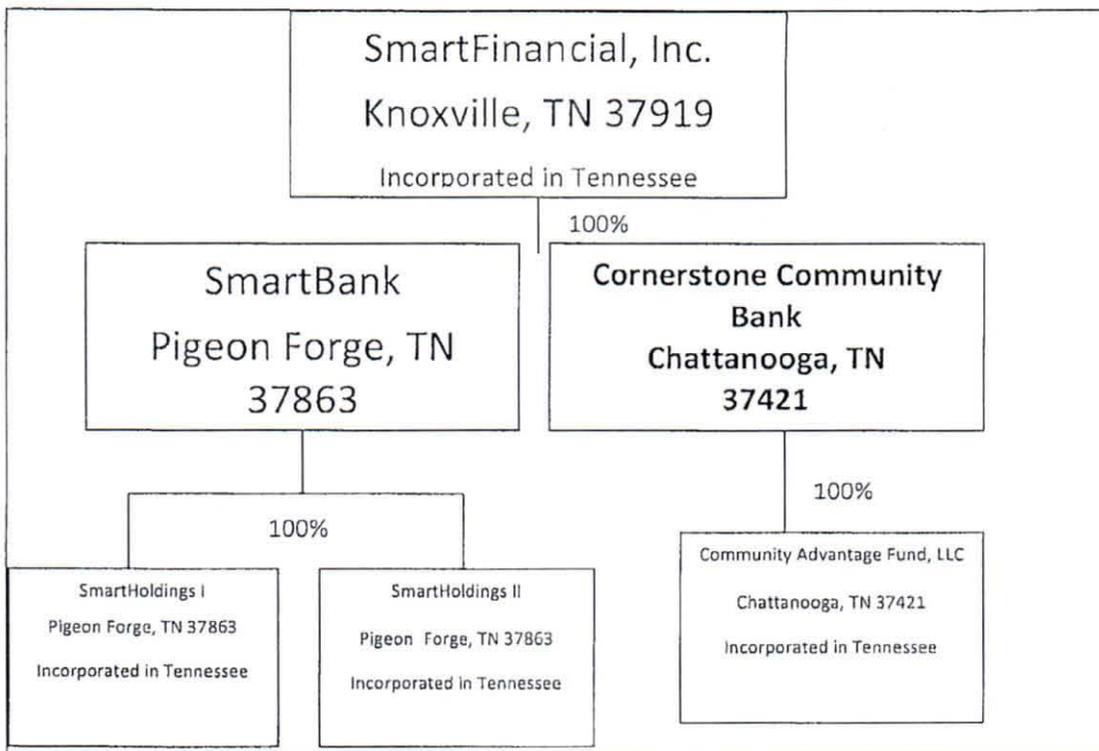
Knoxville, TN

Fiscal Year Ending December 31, 2015

Report Item 1: The bank holding company is a public company and therefore submits an annual report Form 10-K that can be located on www.sec.gov under SmartFinancial, Inc. – stock symbol SMBK.

Report Item 2a:

1. Organization Chart: **LEI: N/A.**



Report Item 2b: Submitted via email to FRB on 5/4/2016, and via electronic submission to TDFI on 5/4/16.

Report Item 3: See Exhibit A.

Report Item 4: See Confidential Exhibit B. Confidential treatment sought for the following:

- Item 4(3)(c) – Title & Position with Other Businesses
- Item 4(4)(c) – Companies of which 25% or more of Voting Securities Held

Result: A list of branches for your depository institution: SMART BANK (ID: 5550 - 3532641).
 This depository institution is held by SMART FINANCIAL INC (1131497) of KNOXVILLE, TN.
 The data are as of 03/31/2016. Data reflects information that was received and processed through 01/05/2016.

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, paper 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.

Notes:

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://yt10online.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)	3532641	SMART BANK	2430 TEASERS LANE, SUITE 205	PIGEM FORGE	TN	37863	SEVIER	UNITED STATES	452366	0	SMART BANK	3532641	
ok		Full Service	4464881	JUSTIN BRANCH	4005 COMMONS DRIVE EAST	DESTIN	FL	32541	DALWALDIA	UNITED STATES	Not Required	Not Required	SMART BANK	3532641	
ok		Full Service	4559861	PENSACOLA DOWNTOWN BRANCH	201 NORTH PALMFOX STREET	PENSACOLA	FL	32502	ESCAMBIA	UNITED STATES	Not Required	Not Required	SMART BANK	3532641	
Change	2/26/2016	Full Service	7398591	MILLER PLAZA BRANCH	R35 GEORGIA AVENUE	CHATTANOOGA	TN	37407	HAMILTON	UNITED STATES	Not Required	Not Required	SMART BANK	3532641	
ok		Full Service	777131	EAST RIDGE BRANCH	4154 RINGOLD ROAD	CHATTANOOGA	TN	37412	HAMILTON	UNITED STATES	Not Required	Not Required	SMART BANK	3532641	
ok		Full Service	3743461	GUNBARREL BRANCH	2280 GUNBARREL ROAD	CHATTANOOGA	TN	37421	HAMILTON	UNITED STATES	Not Required	Not Required	SMART BANK	3532641	
ok		Full Service	3792621	GATLINBURG OFFICE	570 EAST PARKWAY	GATLINBURG	TN	37738	SEVIER	UNITED STATES	479010	2	SMART BANK	3532641	
ok		Full Service	3744581	HIXSON BRANCH	5319 HIGHWAY 153	HIXSON	TN	37931	HAMILTON	UNITED STATES	Not Required	Not Required	SMART BANK	3532641	
ok		Full Service	4872881	BEARDEN BRANCH	5601 KINGSTON PIKE, SUITE 600	KNOXVILLE	TN	37913	RNOX	UNITED STATES	Not Required	Not Required	SMART BANK	3532641	
ok		Full Service	4382456	CEDAR BLUFF BRANCH	202 ADVANTAGE PLACE	RNOXVILLE	TN	37912	RNOX	UNITED STATES	Not Required	Not Required	SMART BANK	3532641	
ok		Full Service	3275966	DOLEWARTH BRANCH	8956 OLD LET HIGHWAY	DOLEWARTH	TN	37363	HAMILTON	UNITED STATES	Not Required	Not Required	SMART BANK	3532641	
ok		Full Service	3603934	SEVIERVILLE BRANCH	1011 PARKWAY	SEVIERVILLE	TN	37862	SEVIER	UNITED STATES	479019	1	SMART BANK	3532641	

Results: A list of branches for your depository institution: CORNERSTONE COMMUNITY BANK (ID: RSSD: 2398536). This depository institution is held by SMARTFINANCIAL, INC. (1131407) of KNOXVILLE, TN. The data are as of 12/31/2015. Data reflects information that was received and processed through 01/11/2016.

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.

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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, Inactive, 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 UNIFORM, Office Number, and ID_RSSD columns are for reference only. Verification of these values is not required.

Date Action	Effective Date	Branch ID_RSSD*	Branch Name	Postal Name	Street Address	City	State	Zip Code	County	Country	FDIC UNIFORM*	Office Number*	Head Office	Head Office ID_RSSD*	Comments
OK		2398536	CORNERSTONE COMMUNITY BANK	815 GEORGIA AVENUE	CHATTANOOGA	TN	37402	HAMILTON	UNITED STATES		32612	0	CORNERSTONE COMMUNITY BANK	2398536	
OK		777133	EAST RIDGE BRANCH	4314 RINGSBOLD ROAD	CHATTANOOGA	TN	37412	HAMILTON	UNITED STATES		234652	6	CORNERSTONE COMMUNITY BANK	2398536	
OK		3742465	GUNBARREL BRANCH	2286 GUNBARREL ROAD	CHATTANOOGA	TN	37421	HAMILTON	UNITED STATES		234651	3	CORNERSTONE COMMUNITY BANK	2398536	
OK		37445183	HIXSON BRANCH	5319 HIGHWAY 153	HIXSON	TN	37383	HAMILTON	UNITED STATES		479869	13	CORNERSTONE COMMUNITY BANK	2398536	
OK		3775966	DOLETAH BRANCH	8966 OLD LEE HIGHWAY	DOLETAH	TN	37363	HAMILTON	UNITED STATES		430185	7	CORNERSTONE COMMUNITY BANK	2398536	

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Exhibit A

Form FR Y-6
SmartFinancial, Inc.
Fiscal Year Ending December 31, 2015
Report Item 3: Securities holders

<u>(1)(a)(b)(c)</u>		
Current securities holders with ownership, control or holdings of 5% or more with power to vote as of fiscal year ending 12-31-2015		
(1)(a) Name City, State, Country	(1)(b) Country of Citizenship or Incorporation	(1)(c) Number and Percentage of Each Class of Voting Securities
Bancfunds Co., LLC 20 North Wacker Drive Suite 3300 Chicago IL 60606 USA	USA	312,353 - Common Stock - 5.38%
Carroll Family Group Knoxville, TN USA	USA	347,632 - Common Stock (including options)- 5.90%
Ogle Family Group Gatlingburg, TN USA	USA	513,827 - Common Stock (including options)- 8.79%
U.S. Department of the Treasury, Small Business Lending Fund	USA	12,000 – Senior Perpetual Noncumulative Preferred Stock

(2)(a)(b)(c)

NONE

Public Exhibit B

Insiders	(2) Principal Occupation if other than with Bank Holding Company	(3)(a) Title & Position with Bank Holding Company	(3)(b) Title & Position with Subsidiaries	(3)(c) Title & Position with Other Businesses	(4)(a) Percentage of Common Stock Held in Bank Holding Company (including options)	(4)(b) Percentage of Voting Shares in Subsidiary	(4)(c) Companies of which 25% or more of Voting Securities held
Carroll Family Group							
William Y. Carroll, Sr. or Clara C. Carroll (Knoxville, TN)	N/A	N/A	N/A	N/A	incl below	None	N/A
Brian L. and/or Candra S. Carroll (Hendersonville, TN)	Real Estate (both)	N/A	N/A	Various	0.26%	None	Various
Patsy P. Carroll (Maryville, TN)	Retired	N/A	N/A	N/A	0.03%	None	N/A
Robert L. Carroll (Maryville, TN)	Retired	N/A	N/A	N/A	0.03%	None	N/A
William Y. Carroll, Sr. (Knoxville, TN)	N/A	Director	Director/Vice Chairman	General Partner, WPCC Development Properties	3.27%	None	WPCC Development Properties (25%)
William Y. and Jill J. Carroll (Knoxville, TN)	N/A	N/A	N/A	N/A	incl below	None	N/A
William Y. Carroll, Jr. (Knoxville, TN)	N/A	Director & President/CEO	Director & President CEO (SmartBank)	Board Member, Federal Reserve Bank of Atlanta - Nashville Branch	2.31%	None	N/A
CARROLL FAMILY TOTAL					5.90%		

Public Exhibit B

Insiders	(2) Principal Occupation if other than with Bank Holding Company	(3)(a) Title & Position with Bank Holding Company	(3)(b) Title & Position with Subsidiaries	(3)(c) Title & Position with Other Businesses	(4)(a) Percentage of Common Stock Held in Bank Holding Company (including options)	(4)(b) Percentage of Voting Shares in Subsidiary	(4)(c) Companies of which 25% or more of Voting Securities held
Ogle Family Group							
David A. Ogle (Gatlinburg, TN)	Property Manager	Director	Director (SmartBank)	President, Five Oaks/Ogle, Inc.; Member, Celebrity Entertainment, LLC; President, Oaktenn, Inc.; Partner, Ogle Land General Partnership; President, Five Oaks Development Group East, LP; President, Five Oaks Development Group, Inc.; Limited Partner, FI Sevier; Member, Bearskin Partners, LLC - (see also Confidential Exhibit B)	4.41%	None	Five Oaks/Ogle, Inc. (100%) - (see also Confidential Exhibit B)
W. Boyd Lonas Limited Partnership (Knoxville, TN)	N/A	N/A	N/A	N/A	0.86%	None	N/A
James D. Ogle (Sevierville, TN)	Developer	N/A	N/A	Various	2.79%	None	Various
Sara Ogle Valentine (Sevierville, TN)	Developer	N/A	N/A	Various	0.72%	None	Various
OGLE FAMILY TOTAL					8.8%		
W. Miller Welborn (Lookout Mtn, TN)	Manager	Director / Chairman	Director (SmartBank)	President, Welborn & Associates, Inc.; Member, Welborn Properties, LLC; Member, Foresight Holdings, LLC	1.12%	None	Welborn & Associates, Inc. (100%); Welborn Properites, LLC (50%); Foresight Holdings, LLC (25 1/2 %)
Keith Whaley (Pigeon Forge, TN)	Optometrist	Director	Director (SmartBank)	Owner, Whaley Family Eye Care; Partner, Tennessee Homemade Wines, LLC	1.31%	None	Whaley Eye Care (100%); Tennessee Homemade Wines, LLC (50%)
Ted Miller (Kodak, TN)	Business Manager	Director	Director (SmartBank)	Vice Chair, Dollywood Foundation USA (501 (c)(3) Non-Profit)- (see also Confidential Exhibit B)	2.15%	None	See Confidential Exhibit B

Public Exhibit B

Insiders	(2) Principal Occupation if other than with Bank Holding Company	(3)(a) Title & Position with Bank Holding Company	(3)(b) Title & Position with Subsidiaries	(3)(c) Title & Position with Other Businesses	(4)(a) Percentage of Common Stock Held in Bank Holding Company (including options)	(4)(b) Percentage of Voting Shares in Subsidiary	(4)(c) Companies of which 25% or more of Voting Securities held
<u>Geoffrey Wolpert</u> (Gatlinburg, TN)	Restaurant Owner	Director	Director (SmartBank)	Owner/Chief Manager, Park Grill, LLC; Owner/President, Steaks Sophisticated, Inc. - (see also Confidential Exhibit B)	3.31%	None	Park Grill, LLC (100%); Steaks Sophisticated, Inc. (100%) - (see also Confidential Exhibit B)
<u>Vic Barrett</u> (Destin, FL)	Manager	Director	Director (SmartBank)	Limited Partner, The Track-Pigeon Forge, Ltd.; Vice President, Recreation Investments of Florida, Inc.; President, Resort Recreation Center, Inc.; President, White Point Aviation, Inc.; Limited Partner, TGS Management Services, Ltd.; Limited Partner, TPF Management Services, Ltd.; Vice President, RMV Florida Venture, Inc.; Limited Partner, RCM Management Services, Ltd.; Registered Agent, Thrill Tech, Inc.; Board Member, Gatlinburg Airport Authority; Member/Manager, SOTA Arcade Partners, LLC; Member/Manager, TBO, LLC; Member/Manager/President, Bear Country Adventures, LLC; Member/Manager, TMB-1, LLC - (see also Confidential Exhibit B)	2.94%	None	Recreation Investments of Tennessee, Inc. (33.33%) - (see also Confidential Exhibit B)

Public Exhibit B

Insiders	(2) Principal Occupation if other than with Bank Holding Company	(3)(a) Title & Position with Bank Holding Company	(3)(b) Title & Position with Subsidiaries	(3)(c) Title & Position with Other Businesses	(4)(a) Percentage of Common Stock Held in Bank Holding Company (including options)	(4)(b) Percentage of Voting Shares in Subsidiary	(4)(c) Companies of which 25% or more of Voting Securities held
<u>Doyce Payne</u> (Chattanooga, TN)	Retired	Director	Director (SmartBank)	N/A	0.86%	None	N/A
<u>Frank McDonald</u> (Chattanooga, TN)	President, FMA Architects, PLLC	Director	Director (SmartBank)	Owner, Frank McDonald Architects; Owner, Ketners Mill Foundation	0.19%	None	Frank McDonald Architects (100%); Ketners Mill Foundation (100%)
<u>Monique Berke</u> (Chattanooga, TN)	VP, Business Transformation, CBL	Director	Director (SmartBank)	N/A	0.05%	None	N/A
<u>Greg L. Davis</u> (Sevierville, TN)	Banker	N/A	Executive Vice President/ Chief Lending Officer	See Confidential Exhibit B	0.84%	None	See Confidential Exhibit B
<u>N. Frank Hughes</u> (Lookout Mtn, GA)	Banker	Executive Vice President, Investment Relations	N/A	N/A	1.30%	None	N/A
<u>Gary W. Petty, Jr.</u> (Ringgold, GA)	Banker	Executive Vice President, Chief Risk Officer	N/A	N/A	0.29%	None	N/A
<u>John Coxwell</u> (Hixson, TN)	Banker	Executive Vice President, Chief Operations Officer	Executive Vice President, Chief Operations Officer	N/A	0.33%	None	N/A

Public Exhibit B

Insiders	(2) Principal Occupation if other than with Bank Holding Company	(3)(a) Title & Position with Bank Holding Company	(3)(b) Title & Position with Subsidiaries	(3)(c) Title & Position with Other Businesses	(4)(a) Percentage of Common Stock Held in Bank Holding Company (including options)	(4)(b) Percentage of Voting Shares in Subsidiary	(4)(c) Companies of which 25% or more of Voting Securities held
<u>C. Bryan Johnson</u> (Knoxville, TN)	Banker	Executive Vice President, Chief Financial Officer	Executive Vice President, Chief Financial Officer	N/A	0.09%	None	N/A
<u>Rhett Jordan</u> (Knoxville, TN)	Banker	Executive Vice President, Chief Credit Officer	Executive Vice President, Chief Credit Officer	N/A	0.0%	None	N/A