

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):

August 31, 2018

Month / Day / Year

None

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

Reporter's Name, Street, and Mailing Address

I, Jane Fraebel

Name of the Holding Company Director and Official

Treasurer & Director

Title of the Holding Company Director and Official

Bluegrass Bancshares, Inc.

Legal Title of Holding Company

101 East High St

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

Lexington

KY

40507

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:

Jane Fraebel

Treasurer

Name

Title

859-233-8917

Area Code / Phone Number / Extension

859-233-8917

Area Code / FAX Number

jfraebel@bankofthebluegrass.com

E-mail Address

Signature of Holding Company Director and Official

Date of Signature

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

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

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 Federal Reserve Bank Use Only

RSSD ID _____
 C.I. _____

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.

Not applicable

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)

Legal Title of Subsidiary Holding Company

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

City State Zip Code

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Legal Title of Subsidiary Holding Company

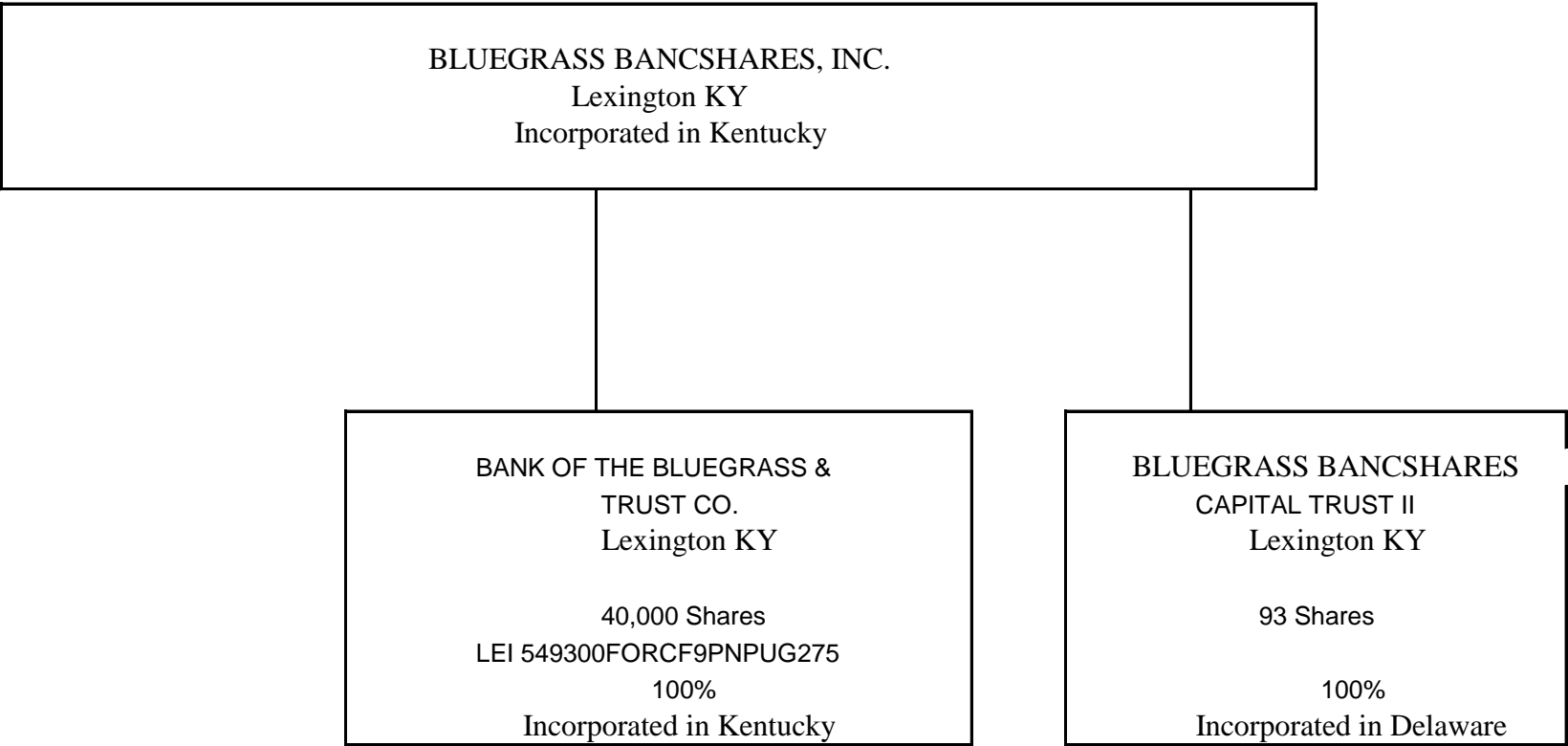
(Mailing Address of the Subsidiary Holding Company) Street / P.O. Box

City State Zip Code

Physical Location (if different from mailing address)

REPORT ITEMS:

1. Annual reports to shareholders-Enclosed/Audited Financials separate attachment
- 2a. Organizational Chart-Enclosed
- 2b. Branch Listing-Enclosed
- 3(1). Securities Holders-Enclosed
- 3(2). Other 5% shareholders during the year-Enclosed
4. Insiders-Enclosed



LEI is N/A, unless noted

Results: A list of branches for your depository institution: **BANK OF THE BLUEGRASS AND TRUST CO. (ID_RSSD: 1006513)**.

This depository institution is held by **BLUEGRASS BANCSHARES, INC. (1244801)** of **LEXINGTON, KY**.

The data are as of **09/30/2018**. Data reflects information that was received and processed through **10/03/2018**.

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 |
|--------------------|-----------------------|----------------------------|------------------------|-------------------------------------|-----------------------|-------------|--------------|-----------------|---------------|----------------|
| | | Full Service (Head Office) | 1006513 | BANK OF THE BLUEGRASS AND TRUST CO. | 101 EAST HIGH STREET | LEXINGTON | KY | 40507-4990 | FAYETTE | UNITED STATES |
| | | Full Service | 3290389 | SOUTHLAND BRANCH | 215 SOUTHLAND DRIVE | LEXINGTON | KY | 40503 | FAYETTE | UNITED STATES |

| FDIC UNINUM* | Office Number* | Head Office | Head Office ID_RSSD* | Comments |
|---------------------|-----------------------|-------------------------------------|-----------------------------|-----------------|
| Not Required | Not Required | BANK OF THE BLUEGRASS AND TRUST CO. | 1006513 | OK |
| Not Required | Not Required | BANK OF THE BLUEGRASS AND TRUST CO. | 1006513 | OK |

3.1) SHARE HOLDERS WITH OVER 5% OF VOTING STOCK

Charles H. Jett, Jr., Irrevocable Trust
for the Benefit of Charles H. Jett, III
Under will dated December 21, 1966
Trustee: Bank of the Bluegrass Trust Department
8,669.5 Shares, 33.20%

3.2) SHARES CHANGED OVER 5% IN PRIOR YEAR

Upon the death of Elizabeth D. Jett, these 2 Trusts were divided into 6 new Trusts for her heirs: M. Monroe Jett, Ellen Jett Mills and David D Jett, II. Each separate Trust now holds less than 5%.

Elizabeth D Jett Trust Under Agreement
Charles H Jett, III Dated 1-7-99
GST Exempt Trust
Trustee: Bank of the Bluegrass Trust Department
Advisors: M Monroe Jett & Ellen Jett Mills
Lexington KY
2,470 Shares, 9.46%

Elizabeth D Jett Trust Under Agreement
Charles H Jett, III Dated 1-7-99
GST Non-Exempt Trust
Trustee: Bank of the Bluegrass Trust Department
Advisors: M Monroe Jett & Ellen Jett Mills
Lexington KY
2,827 Shares, 10.82%

Form FR Y-6
Bluegrass Bancshares Inc.
Fiscal Year Ending 8-31-2018

Report Item 4: Insiders

| 1 Names | 2 Principal Occupation | 3.a Title & Position | 3.b Title & Position | 3.c Title & Position | 4.a Percentage Voting Shares Holding Company | 4.b Percentage Voting Shares Subsidiaries | 4.c List names of other companies if 25% or more of voting securities are held |
|---|---------------------------|-------------------------|---|-------------------------|---|---|--|
| City, State | if other than w/ | w/ Bank Holding | w/ subsidiary | w/ other | | | |
| Country | Bank Holding Co. | Company | (name of sub) | Businesses | Company | Subsidiaries | securities are held |
| Mark R. Herren Lexington, KY USA | N/A | CEO & Director | CEO & Director Bank of the Bluegrass & Trust Co. | N/A | 0.16% | N/A | Larmark Investments LLC 50% |
| Bill Allen Lexington, KY USA | N/A | Secretary & Director | President & Director Bank of the Bluegrass & Trust Co. | N/A | 0.31% | N/A | N/A |
| Jane Fraebel Lexington, KY USA | N/A | Treasurer & Director | CFO & Director Bank of the Bluegrass & Trust Co. | N/A | 0.31% | N/A | N/A |
| Ellen Louise Jett Mills Lexington, KY USA | N/A | President & Director | Secretary of the Board, EVP & Director Bank of the Bluegrass & Trust Co. | N/A | 4.44% | N/A | N/A |
| M. Monroe Jett | Title Company Officer | Director | Director | Owner | 4.02% | N/A | Jett Title 100% |

| | | | | | | | |
|-----------------------|---------------------------|----------|--------------------------------------|---------------------------------------|-------|-----|---|
| Lexington, KY USA | | | Bank of the Bluegrass & Trust Co. | Jett Title | | | |
| Clifford W. Allen III | Manager Industrial | Director | Director | VP | 0.62% | N/A | LexAir Inc. 42% |
| Lexington, KY USA | Distribution | | Bank of the Bluegrass & Trust Co. | LexAir Inc. | | | Pneu-Draulics 33% Allen Family Properties 33.3% |
| B. F. Buckley, IV | Retired Insurance Agent | Director | Director | Retired | 1.24% | N/A | |
| Lexington, KY USA | | | Bank of the Bluegrass & Trust Co. | VP NeaceLukens Insurance | | | Security Trust Building, LLC 50% Sallee/Buckley Properties 50% |
| Jeffrey S. Gale | Property | Director | Director | Owner | 0.47% | N/A | Gale Property Management 95% |
| Lexington, KY USA | Management | | Bank of the Bluegrass & Trust Co. | Gale Property Management | | | Skylight Mortgage Co. 25% |
| Lisa Higgins-Hord | Community | Director | Director | Director of Community Relations | 0.04% | N/A | N/A |
| Lexington, KY USA | Affairs | | Bank of the Bluegrass & Trust Co. | University of Kentucky | | | |
| William C. Little | Retired Financial Officer | Director | Director | Retired VP | 0.68% | N/A | |
| Lexington, KY USA | | | Bank of the Bluegrass & Trust Co. | of Finance LexMark | | | |

| | | | | | | | |
|---|---------------------------|----------|--|---|--------|-----|---------------------------|
| Marc A. Mathews Lexington, KY USA | Treasurer, CFO | Director | Director Bank of the Bluegrass & Trust Co. | Controller Transylvania University | 0.35% | N/A | Friends Properties 50% |
| Dr. John C. Thompson Lexington, KY USA | Professor | Director | Director Bank of the Bluegrass & Trust Co. | Professor Northern Kentucky University | 0.57% | N/A | N/A |
| Charles H. Jett, Jr., Irrevocable Trust for the Benefit of Charles H. Jett, III Under will dated December 21, 1966 Lexington KY USA | Principal Security Holder | N/A | N/A | N/A | 33.20% | N/A | N/A |