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.

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, Louis Prichard
CEO

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

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.

Date of Report (top-tier holding company’s fiscal year-end):

December 31, 2013

Report's Name, Street, and Mailing Address

Kentucky Bancshares, Inc.

PO Box 157

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

Paris KY 40362-0157

Cty State Zip Code

339 Main Street

Physical location (if different from mailing address)

Person to whom questions about this report should be directed:

Gregory J Dawson

CFO

Name Title

859-988-1303

Area Code / Phone Number / Extension

859-988-1603

Area Code / FAX Number

greg.dawson@kybank.com

E-mail Address

kybank.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, N.W., Washington, DC 20551, and to the Office of Management and Budget, Paperwork Reduction Project (7100-0297), Washington, DC 20503.
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.

<table>
<thead>
<tr>
<th>Legal Title of Subsidiary Holding Company</th>
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<tbody>
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Physical location (if different from mailing address)

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Physical location (if different from mailing address)
Report Item 1: Annual Report to Shareholders – SEC Company

Report Item 2: Organization Chart

Kentucky Bancshares, Inc.
339 Main Street
Paris, KY 40361
Incorporated in Kentucky

Kentucky Bank
339 Main Street
Paris, KY 40361
100% owned by Parent
Incorporated in Kentucky

Kentucky Bancshares Statutory Trust I
339 Main Street
100% owned by Parent
Incorporated in Kentucky

KB Special Assets Unit, LLC
339 Main Street
Paris, KY 40361
100% owned by Kentucky Bank (Managing)
Incorporated in Kentucky

Report Item 2b: Domestic Branch Listing

Submitted via email on 3/25/14.
Report Item 3: Shareholders

PART 1

a. Buckner Woodford
   Paris, Kentucky
b. U.S. Citizen
c. 205,973 shares - 7.6%

PART 2 - Not applicable

Report Item 4: Insiders

1. B. Proctor Caudill
   Morehead, Kentucky
2. Special Projects Manager of Kentucky Bank
3. a. Director of Kentucky Bancshares, Inc.
   b. Special Projects Manager & Director of Kentucky Bank
   c. Director, Treasurer - Frontier Housing
4. a. 128,260 shares - 4.7%
   b. none
   c. none

1. Henry Hinkle
   Paris, Kentucky
2. CEO/Treasurer of Hinkle Holding Company, LLC
3. a. Director of Kentucky Bancshares, Inc.
   b. Director of Kentucky Bank
   c. Member – Hinkle Environmental Services, LLC
      Partner - Easy Buck Drilling Co.
      CEO/Treasurer - Hinkle Holding Company, LLC
      Sr Vice President – Hinkle Contracting Company, LLC
4. a.. 42,110 shares - 1.5%
   b. none
   c. none
1. Theodore Kuster  
   Paris, Kentucky  
2. Farmer and Thoroughbred Breeder  
3. a. Director of Kentucky Bancshares, Inc.  
   b. Director of Kentucky Bank  
   c. Farm Manager - Hillside Stock Place, LLC  
   Owner – Shawhan Place, LLC  
   Director, Vice Chairman – Paris Bourbon County Library Board  
   Trustee, Transylvania Presbyty, Presbyterian Church, USA  
4. a. 10,690 shares - 0.4%  
   b. none  
   c. none

1. Betty Long  
   Lexington, Kentucky  
2. Retired  
3. a. Director of Kentucky Bancshares, Inc.  
   b. Director of Kentucky Bank  
   c. none  
4. a. 2,213 shares - 0.1%  
   b. none  
   c. none

1. Ted McClain  
   Paris, Kentucky  
2. Insurance Agent  
3. a. Director of Kentucky Bancshares, Inc.  
   b. Director of Kentucky Bank  
   c. Secretary/Treasurer Hopewell Company, Inc.  
4. a. 2,588 shares - 0.1%  
   b. none  
   c. Hopewell Company, Inc. - 40%
1. Louis Prichard  
   Paris, Kentucky  
2. N/A  
3. a. President & CEO, and Director of Kentucky Bancshares, Inc.  
b. President & CEO, and Director of Kentucky Bank  
c. Director, President – Paris Bourbon County YMCA  
4. a. 7,984 shares - 0.3%  
b. none  
c. none  

1. Edwin Saunier  
   Winchester, Kentucky  
2. President, Saunier Moving & Storage, Inc.  
3. a. Director of Kentucky Bancshares, Inc.  
b. Director of Kentucky Bank  
c. President – Saunier Moving & Storage, Inc.  
4. a. 1,000 shares - 0.0%  
b. none  
c. Saunier Moving & Storage, Inc. - 100%  
   Ecton Movers, Inc. - 50%  

1. Robert G. Thompson  
   Paris, Kentucky  
2. Farmer & thoroughbred breeder  
3. a. Director of Kentucky Bancshares, Inc.  
b. Director of Kentucky Bank  
c. Owner - Snow Hill Farm  
4. a. 5,900 shares - 0.2%  
b. none  
c. none
1. Woodford Van Meter  
   Lexington, Kentucky  
2. University of Kentucky, Professor of Ophthalmology  
3. a. Director of Kentucky Bancshares, Inc.  
b. Director of Kentucky Bank  
c. Director – JB Speed Museum  
   Director – Historic Paris Bourbon County  
   Director – The Nature Conservancy  
4. a. 32,679 shares - 1.2%  
b. none  
c. none  

1. Buckner Woodford  
   Paris, Kentucky  
2. Retired  
3. a. Chairman of Kentucky Bancshares, Inc  
b. Chairman of Kentucky Bank  
c. Treasurer – Kentucky Historical Society Foundation  
   Chair – Bluegrass Community Foundation  
4. a. 205,973 shares - 7.6%  
b. none  
c. Ashland Bourbon County, LLC – 100%  

1. Gregory J. Dawson  
   Paris, Kentucky  
2. N/A  
3. a. Chief Financial Officer & Secretary of Kentucky Bancshares, Inc.  
b. Senior Vice President, Chief Financial Officer of Kentucky Bank  
c. none  
4. a. 7,095 shares - 0.3%  
b. none  
c. none
Results: A list of branches for your depository institution: KENTUCKY BANK (ID_RSSID: 373115).
This depository institution is held by KENTUCKY BANKSHARES, INC. (107083) of PARIS, KY.
The data are as of 12/31/2013. Data reflects information that was received and processed through 01/07/2014.

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 hard copy format or via the FR Y-10 Online application - https://y10online.federalreserve.gov.

* FDIC UNNUM, Office Number, and ID_RSSID columns are for reference only. Verification of these values is not required.

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<th>Zip Code</th>
<th>County</th>
<th>Country</th>
<th>FDIC UNNUM*</th>
<th>Office Number*</th>
<th>Head Office</th>
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