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. Jane Fraebel |
| Name of the Holding Company Director and Official |
| Treasurer & Director |
| 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: [Signature]

Date of Signature: [10-26-15]

Date of Report (top-tier holding company's fiscal year-end):
August 31, 2015

Month / Day / Year

None

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

Report's Name, Street, and Mailing Address
Bluegrass Bancshares, Inc.

Legal Title of Holding Company

101 East High Street
Lexington KY 40507

City State Zip Code

Physical Location (if different from mailing address)

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

www.bankofthebluegrass.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.
BLUEGRASS BANCSHARES, INC.
Lexington KY
Incorporated in Kentucky

BLUEGRASS BANCSHARES CAPITAL TRUST I
Lexington KY
31 Shares
100%
Incorporated in Delaware

BANK OF THE BLUEGRASS & TRUST CO.
Lexington KY
40,000 Shares
100%
Incorporated in Kentucky

BLUEGRASS BANCSHARES CAPITAL TRUST II
Lexington KY
93 Shares
100%
Incorporated in Delaware
Results: A list of branches for your depository institution: BANK OF THE BLUEGRASS AND TRUST CO. (RL_KSSD: 1006513).
This depository institution is held by BLUEGRASS BANCSHARES, INC. (1244801) of LEXINGTON, KY.
The data are as of 09/30/2015. Data reflects information that was received and processed through 10/06/2015.

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 date of closure 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 UNIUM, Office Number, and ID_KSSD columns are for reference only. Verification of these values is not required.

<table>
<thead>
<tr>
<th>Data Action</th>
<th>Effective Date</th>
<th>Branch Service Type</th>
<th>Branch ID_KSSD*</th>
<th>Popular Name</th>
<th>Street Address</th>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
<th>County</th>
<th>Country</th>
<th>FDIC UNIUM*</th>
<th>Office Number*</th>
<th>Head Office</th>
<th>Head Office ID_KSSD*</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>OK</td>
<td></td>
<td>Full Service (Head Office)</td>
<td>1006513</td>
<td>BANK OF THE BLUEGRASS AND TRUST CO.</td>
<td>801 EAST HIGH STREET</td>
<td>LEXINGTON</td>
<td>KY</td>
<td>40507-0797</td>
<td>FAYETTE</td>
<td>UNITED STATES</td>
<td>14629</td>
<td>0</td>
<td>BANK OF THE BLUEGRASS AND TRUST CO.</td>
<td>3005513</td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td></td>
<td>Full Service</td>
<td>32900384</td>
<td>SOUTHLAND BRANCH</td>
<td>215 SOUTHLAND DRIVE</td>
<td>LEXINGTON</td>
<td>KY</td>
<td>40503</td>
<td>FAYETTE</td>
<td>UNITED STATES</td>
<td>429704</td>
<td>1</td>
<td>BANK OF THE BLUEGRASS AND TRUST CO.</td>
<td>1006513</td>
<td></td>
</tr>
</tbody>
</table>
3.1) SECURITIES HOLDERS WITH OVER 5% OF VOTING STOCK

Elizabeth D Jett Trust Under Agreement
Charles H Jett, III Dated 1-7-99
GST Exempt Trust
Lexington KY
2,470 Shares, 9.62%

Elizabeth D Jett Trust Under Agreement
Charles H Jett, III Dated 1-7-99
GST Non-Exempt Trust
Lexington KY
2,827 Shares, 11.01%

Charles H. Jett, Jr., Irrevocable Trust
for the Benefit of Charles H. Jett, III
Under will dated December 21, 1966
8,669.5 Shares, 33.75%

Thomas F. Bloemer Residual Trust
Lexington KY
US Citizen
1,663 Shares, 6.47%

3.2) Not Applicable
<table>
<thead>
<tr>
<th>Names</th>
<th>Principal Occupation</th>
<th>Title &amp; Position</th>
<th>City, State</th>
<th>Occupation</th>
<th>Title &amp; Position</th>
<th>Percentage Voting Shares</th>
<th>Percentage Voting Shares</th>
<th>List names of other companies if 25% or more of voting securities are held</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mark R. Herren</td>
<td>N/A</td>
<td>CEO &amp; Director</td>
<td>Lexington, KY USA</td>
<td>Bank Holding Co.</td>
<td>CEO &amp; Director</td>
<td>N/A</td>
<td>0.16%</td>
<td>Lemark Investments LLC 50%</td>
</tr>
<tr>
<td>Bill Allen</td>
<td>N/A</td>
<td>Secretary &amp; Director</td>
<td>Lexington, KY USA</td>
<td>Bank Holding Co.</td>
<td>President &amp; Director</td>
<td>N/A</td>
<td>0.32%</td>
<td></td>
</tr>
<tr>
<td>Jane Fraebel</td>
<td>N/A</td>
<td>Treasurer &amp; Director</td>
<td>Lexington, KY USA</td>
<td>Bank Holding Co.</td>
<td>CFO &amp; Director</td>
<td>N/A</td>
<td>0.33%</td>
<td></td>
</tr>
<tr>
<td>Ellen Louise Jett Mills</td>
<td>N/A</td>
<td>President &amp; Director</td>
<td>Lexington, KY USA</td>
<td>Bank Holding Co.</td>
<td>Secretary of the Board, EVP &amp; Director</td>
<td>N/A</td>
<td>2.86%</td>
<td></td>
</tr>
<tr>
<td>Name</td>
<td>Title Company Officer</td>
<td>Director</td>
<td>Director</td>
<td>Owner</td>
<td>%</td>
<td>N/A</td>
<td>Company</td>
<td></td>
</tr>
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<td></td>
</tr>
<tr>
<td>M. Monroe Jett</td>
<td></td>
<td>Director</td>
<td>Bank of the Bluegrass &amp; Trust Co.</td>
<td>Owner</td>
<td>2.64%</td>
<td>N/A</td>
<td>Jett Title 100%</td>
<td></td>
</tr>
<tr>
<td>Lexington, KY USA</td>
<td></td>
<td></td>
<td></td>
<td>Jett Title</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clifford W. Allen III</td>
<td>Manager Industrial</td>
<td>Director</td>
<td>Bank of the Bluegrass &amp; Trust Co.</td>
<td>VP</td>
<td>0.53%</td>
<td>N/A</td>
<td>LexAir Inc. 42%</td>
<td></td>
</tr>
<tr>
<td>Lexington, KY USA</td>
<td></td>
<td></td>
<td></td>
<td>LexAir Inc.</td>
<td></td>
<td></td>
<td>Pneu-Draulics 33% Allen Family Properties 33.3%</td>
<td></td>
</tr>
<tr>
<td>B. F. Buckley, IV</td>
<td>Retired Insurance Agent</td>
<td>Director</td>
<td>Bank of the Bluegrass &amp; Trust Co.</td>
<td>Retired</td>
<td>0.97%</td>
<td>N/A</td>
<td>Security Trust Building, LLC 50% Sallee/Buckley Properties 50%</td>
<td></td>
</tr>
<tr>
<td>Lexington, KY USA</td>
<td></td>
<td></td>
<td></td>
<td>VP NeaceLukens Insurance</td>
<td></td>
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<tr>
<td>Jeffrey S. Gale</td>
<td>Property Management</td>
<td>Director</td>
<td>Bank of the Bluegrass &amp; Trust Co.</td>
<td>Owner</td>
<td>0.21%</td>
<td>N/A</td>
<td>Gale Property Management 95% Skylight Mortgage Co. 25%</td>
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</tr>
<tr>
<td>Lexington, KY USA</td>
<td></td>
<td></td>
<td></td>
<td>Gale Property Management</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lisa Higgins-Hord</td>
<td>Community Affairs</td>
<td>Director</td>
<td>Director</td>
<td>Director of Community Relations</td>
<td>0.04%</td>
<td>N/A</td>
<td></td>
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<tr>
<td>Lexington, KY USA</td>
<td></td>
<td></td>
<td>Bank of the Bluegrass &amp; Trust Co.</td>
<td>University of Kentucky</td>
<td></td>
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<tr>
<td>Name</td>
<td>Title</td>
<td>Relationship</td>
<td>Percentage</td>
<td>Notes</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>William C. Little</td>
<td>VP of Finance</td>
<td>Director</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Lexington, KY USA</td>
<td></td>
<td>Bank of the Bluegrass &amp; Trust Co.</td>
<td>Retired VP of Finance LexMark</td>
<td>0.49%</td>
<td>N/A</td>
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</tr>
<tr>
<td>Marc A. Mathews</td>
<td>Treasurer, CFO</td>
<td>Director</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Lexington, KY USA</td>
<td></td>
<td>Bank of the Bluegrass &amp; Trust Co.</td>
<td>Controller Transylvania University</td>
<td>0.36%</td>
<td>N/A</td>
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</tr>
<tr>
<td>Dr. John C. Thompson</td>
<td>Northern KY University</td>
<td>Director</td>
<td></td>
<td>Professor Northern Kentucky University</td>
<td>0.39%</td>
<td>N/A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lexington, KY USA</td>
<td></td>
<td>Bank of the Bluegrass &amp; Trust Co.</td>
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</tr>
</tbody>
</table>

Notes: Friends Properties 50%