

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

Filing Date: **2013-01-23** | Period of Report: **2012-01-23**  
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FILER

**KENTUCKY BANCSHARES INC /KY/**

CIK: **1000232** | IRS No.: **610993464** | State of Incorporation: **KY** | Fiscal Year End: **1231**  
Type: **8-K** | Act: **34** | File No.: **000-52598** | Film No.: **13542292**  
SIC: **6022** State commercial banks

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PARIS KY 40362-0157  
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 23, 2013

KENTUCKY BANCSHARES, INC.

(Exact Name of Registrant as specified in Charter)

Kentucky (State or other jurisdiction of incorporation)	000-52598 (Commission File Number)	61-0993464 (IRS Employer Identification No.)
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P.O. Box 157, Paris, Kentucky (Address of principal executive offices)	40362-0157 (Zip code)
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(859) 987-1795  
(Registrant's telephone number, including area code)

N/A  
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to  
simultaneously satisfy the filing obligation of the registrant under  
any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act

(17CFR230.425)

\_\_\_ Soliciting material pursuant to Rule 14a-12 under the Exchange Act  
(17 CFR 240.14a-12)

\_\_\_ Pre-commencement communications pursuant to Rule 14d-2(b) under the  
Exchange Act (17 CFR 240.14d-2(b))

\_\_\_ Pre-commencement communications pursuant to Rule 13e-4(c) under the  
Exchange Act (17 CFR 240.13e-4(c))

INFORMATION TO BE INCLUDED IN THE REPORT

Item 2.02. Results of Operations and Financial Condition

The Registrant expects to mail to its shareholders the Registrants quarterly financial information for the fourth quarter of 2012 on or about January 30, 2013. A copy of this mailing is attached as Exhibit 99.1.

The information in this Form 8-K and Exhibit 99.1 attached hereto shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference.

Item 9.01. Financial Statements and Exhibits

Exhibit 99.1 - Release dated January 23, 2013 of quarterly financial information as of December 31, 2012.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

KENTUCKY BANCSHARES, INC.

Date: January 23, 2013

By /s/ Gregory J. Dawson\_\_\_  
Gregory J. Dawson  
Chief Financial Officer

Exhibit 99.1

January 23, 2013

Quarterly Report  
Fourth Quarter 2012

We are pleased to report for the year ended December 31, 2012, your company had record earnings of \$7.0 million. This represents a 23.2% increase over the year ended December 31, 2011 total of \$ 5.7 million. For the fourth quarter 2012, net income is \$1.9 million. When compared to the same period in 2011, earnings are up 55.6% over the \$1.2 million figure. Additionally, I am pleased to announce that our earnings for the year increased from \$2.09 per share on a fully diluted basis to \$2.59, which is a 23.9% increase.

We are also pleased to announce that total assets reached a record high at December 31, 2012 of \$701 million compared to \$659 million for 2011. This represents a 6.3% increase.

The state of the national and local economies is improving, but there is still a bit of uncertainty facing the country. While Congress did, temporarily, avoid the so called fiscal cliff, there are many government expenditure issues that have yet to be resolved. As it relates to your bank, we have seen a slight increase in commercial loan activity. Additionally, unemployment rates are dropping in virtually all the markets in which we operate. Our refinancing of residential real estate mortgages has been extremely strong. This has not only contributed financially, but has also allowed us to establish stronger relationships with our existing customers and with new customers who have come to us from other financial institutions.

We want to take this opportunity to thank William M. Arvin, who is retiring after sixteen years as a director of your company. He has served on our Compensation, Audit, Wealth Management, Loan, and Strategic Planning Committees. His leadership and contributions have been significant in helping us grow in a profitable manner.

Clark Nyberg, Director of our Wealth Management Department, will be retiring as of March 31, 2013. Under his management that area has experienced healthy growth. We thank him for his service and wish him nothing but success in his future endeavors.

In December, Jim Elliott joined our team to assume the position of Director of the Wealth Management Department upon Clark's retirement. Jim was formerly with BB&T in Lexington and has managed Private Banking, as well as Retail Banking areas during his career. His long time experience assisting clients and customers in the management of their assets will be helpful to our Kentucky Bank clients also. He and Clark are working together to ensure that our customers are well taken care of during this transition period.

The financial year of 2012 has been a nice improvement over 2011. A major factor, along with our refinancing activities and improved loan growth, has been our ability to manage our balance sheet and cost of funds so as to positively impact our net interest margin. To build on the financial success of 2012, we will pursue future growth and expansion opportunities as they arise. We believe the strength of Kentucky Bank provides a great foundation for either strategic acquisitions or organic growth.

We will continue to do everything possible to meet future challenges so that we can accomplish what is in the long term best interest of our shareholders, customers, and employees.

As always, we appreciate your support.

/s/Louis Prichard  
Louis Prichard  
President, CEO

## UNAUDITED

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 CONSOLIDATED BALANCE SHEET

	12/31/2012	12/31/2011	Percentage Change
<s>	<c>	<c>	<c>
<b>Assets</b>			
Cash & Due From Banks	\$ 31,579,930	\$ 17,128,480	84.4%
Securities	192,780,473	180,419,376	6.9
Loans Held for Sale	485,845	625,400	-22.3
Loans	429,975,099	411,866,439	4.4
Reserve for Loan Losses	6,047,343	5,841,719	3.5
Net Loans	423,927,756	406,024,720	4.4
Federal Funds Sold	184,000	528,000	-65.2
Other Assets	52,052,306	54,727,485	-4.9
Total Assets	\$ 701,010,310	\$ 659,453,461	6.3%
<b>Liabilities &amp; Stockholders' Equity</b>			
<b>Deposits</b>			
Demand	\$ 144,574,752	\$ 130,998,872	10.4%
Savings & Interest Checking	256,588,854	209,326,962	22.6
Certificates of Deposit	189,260,978	202,598,045	-6.6
Total Deposits	590,424,584	542,923,879	8.7
Repurchase Agreements	3,815,384	3,223,526	18.4
Other Borrowed Funds	25,165,932	38,843,229	-35.2
Other Liabilities	7,595,750	5,509,726	37.9
Total Liabilities	627,001,650	590,500,360	6.2
Stockholders' Equity	74,008,660	68,953,101	7.3
Total Liabilities & Stockholders' Equity	\$ 701,010,310	\$ 659,453,461	6.3%

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## CONSOLIDATED INCOME STATEMENT

	Twelve Months Ending			Three Months Ending		
	12/31/2012	12/31/2011	Percentage Change	12/31/2012	12/31/2011	Percentage Change
<s>	<c>	<c>	<c>	<c>	<c>	<c>
Interest Income	\$ 28,232,911	\$ 29,889,329	-5.5%	\$ 6,812,257	\$ 7,284,595	-6.5%
Interest Expense	3,715,640	5,565,428	-33.2	841,655	1,161,756	-27.6
Net Interest Income	24,517,271	24,323,901	0.8	5,970,602	6,122,839	-2.5
Loan Loss Provision	2,050,000	2,450,000	-16.3	450,000	550,000	-18.2
Net Interest Income After Provision	22,467,271	21,873,901	2.7	5,520,602	5,572,839	-0.9
Other Income	11,869,972	9,347,106	27.0	3,803,686	2,855,676	33.2
Other Expenses	25,686,008	24,614,718	4.4	6,903,030	7,061,165	-2.2
Income Before Taxes	8,651,235	6,606,289	31.0	2,421,258	1,367,350	77.1
Income Taxes	1,643,673	919,415	78.8	507,678	137,782	268.5
Net Income	\$ 7,007,562	\$ 5,686,874	23.2%	\$ 1,913,580	\$ 1,229,568	55.6%
<b>Net Change in Unrealized Gain (loss)</b>						
on Securities	513,513	5,021,922	-89.8	(1,005,965)	310,609	-423.9
Comprehensive Income	\$ 7,521,075	\$ 10,708,796	-29.8%	\$ 907,615	\$ 1,540,177	-41.1%

## Selected Ratios

Return on Average Assets	1.03%	0.87%	1.11%	0.77%
Return on Average Equity	9.70	8.74	10.31	7.12
Earnings Per Share	\$ 2.59	\$ 2.09	\$ 0.71	\$ 0.44
Earnings Per Share - assuming di	2.59	2.09	0.71	0.44
Cash Dividends Per Share	0.92	0.88	0.23	0.22
Book Value Per Share	27.21	25.38		

&lt;/TABLE&gt;

Market Price	High	Low	Close
Fourth Quarter '12	\$21.10	\$17.96	\$18.50
Third Quarter '12	\$23.00	\$20.27	\$21.10

