

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
BancKentucky, Inc.		61-1333639	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
Marla Geib	270-753-5626	mgeib@themurraybank.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and Zip code of contact	
P O Box 1300		Murray KY 42071	
8 Date of action		9 Classification and description	
April 26, 2011		5% Common Stock Dividend	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On March 15, 2011, the BancKentucky Board of Directors declared a 5% stock dividend to shareholders on record as of April 11, 2011, with an issue date of April 26, 2011

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ 27,328 shares were issued on April 26, 2011. Effect on securities is 95.238% of old basis.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ Cost of original shares purchased now constitutes the total carrying amount of original shares plus additional shares received. The new carrying amount per share is computed by dividing the total shares into the carrying amount of the original shares.

For example: Cost of 100 shares originally purchased = \$2,500 (\$25 / share)

Cost of 5% dividend or 5 shares	=	0
New # of shares is 105 with cost	=	\$2,500
Cost of \$2,500 / 105 shares held	=	\$23.8095 new cost basis / share or 95.238% of \$25 original cost per share

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ 6045B

18 Can any resulting loss be recognized? ▶ No

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ _____

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ Marla Geib Date ▶ 1-10-12

Print your name ▶ Marla Geib Title ▶ _____

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.