

COPY

RECEIVED

Board of Governors of the Federal Reserve System

MAR 23 2015



Annual Report of Holding Company ~~FRS~~ **FRB RICHMOND**

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.

This report form is to be filed by all top-tier bank holding companies and top-tier savings and loan 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.

I, Harold T Keen

Name of the Holding Company Director and Official
CEO

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 of Holding Company Director and Official

03/17/2015

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 416674 2155276
C.I. _____

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

December 31, 2014

Month / Day / Year

N/A

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

Reporter's Name, Street, and Mailing Address

KS Bancorp, Inc

Legal Title of Holding Company

PO Box 661

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

Smithfield NC 27577
City State Zip Code

1031 N Brightleaf Blvd.

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

Helen Pollock Treasurer

Name Title

919 938 2694

Area Code / Phone Number / Extension

9199382660

Area Code / FAX Number

hpollock@ksbankinc.com

E-mail Address

www.ksbankinc.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

REPORT ITEM #1

KS BANCORP, INC., IS NOT REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION;
THEREFORE, WE WILL BE SUBMITTING COPIES OF OUR ANNUAL REPORT UNDER SEPARATE
COVER WHEN IT HAS BEEN COMPLETED.

REPORT ITEM #2a
ORGANIZATION CHART

EXHIBIT #1 ORGANIZATION CHART

COMPANIES REPORTABLE ON THE FR Y-10 AND THUS REPORTABLE ON FR Y-6:

1. None
2. None
3. None
4. None
5. None
6. None
7. None

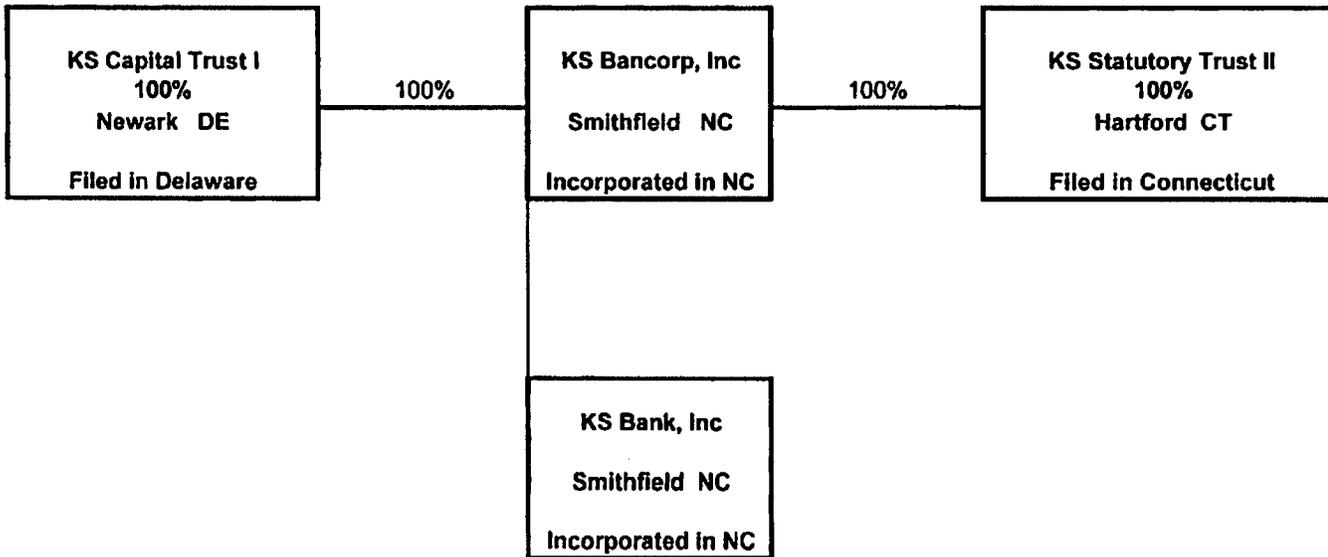
ADDITIONAL COMPANIES REPORTABLE ON THE FR Y-6:

None

COMPANIES NOT REPORTABLE ON THE FR Y-6 ORGANIZATION CHART:

1. None
2. None
3. None
4. None
5. None
6. None
7. None
8. None
9. None
10. None

Exhibit #1
Organization Chart



Ks Bancorp, Inc, owns 100% of outstanding stock of KS Bank, Inc.

Results: A list of branches for your depository institution: KS BANK, INC. (ID_RSSD: 416674).

Report Item 2B

This depository institution is held by KS BANCORP, INC. (2155276) of SMITHFIELD, NC.

The data are as of 12/31/2014. Data reflects information that was received and processed through 01/07/2015.

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 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	FDIC UNINUM*	Office Number*	Head Office	Head Office ID_RSSD*	Comments
ok		Full Service (Head Office)	416674	KS BANK, INC.	1031 N. BRIGHTLEAF BLVD	SMITHFIELD	NC	27577	JOHNSTON	UNITED STATES	42605	0	KS BANK, INC.		416674
ok		Full Service	3540114	CLAYTON BRANCH	11591 US HIGHWAY 70 WEST	CLAYTON	NC	27520	JOHNSTON	UNITED STATES	360352	6	KS BANK, INC.		416674
ok		Full Service	3921629	FOUR OAKS BRANCH	106 WEST WELLONS STREET	FOUR OAKS	NC	27524	JOHNSTON	UNITED STATES	480397	9	KS BANK, INC.		416674
ok		Full Service	3540123	GARNER BRANCH	920 7TH AVENUE	GARNER	NC	27529	WAKE	UNITED STATES	277080	5	KS BANK, INC.		416674
ok		Full Service	3679368	GOLDSBORO BRANCH	1601 WAYNE MEMORIAL DR	GOLDSBORO	NC	27534	WAYNE	UNITED STATES	277078	3	KS BANK, INC.		416674
ok		Full Service	3540132	KENLY BRANCH	200 NORTH CHURCH STREET	KENLY	NC	27542	JOHNSTON	UNITED STATES	277079	4	KS BANK, INC.		416674
ok		Full Service	2441241	SELMA BRANCH	115 WEST ANDERSON STREET	SELMA	NC	27576	JOHNSTON	UNITED STATES	277077	1	KS BANK, INC.		416674
ok		Full Service	3679340	SMITHFIELD BRANCH	1031 N BRIGHTLEAF BLVD	SMITHFIELD	NC	27577	JOHNSTON	UNITED STATES	429683	7	KS BANK, INC.		416674
ok		Full Service	3679359	WENDELL BRANCH	2850 WENDELL BLVD	WENDELL	NC	27591	WAKE	UNITED STATES	462772	8	KS BANK, INC.		416674
ok		Full Service	2441250	WILSON BRANCH	101 SOUTHWEST WARD BOULEVARD	WILSON	NC	27893	WILSON	UNITED STATES	267626	2	KS BANK, INC.		416674

REPORT ITEM #3
SECURITIES HOLDERS

1. See Exhibit #2
 - (a) See Enclosure
 - (b) See Enclosure
 - (c) See Enclosure
2. None
 - (a) None
 - (b) None
 - (c) None

EXHIBIT #2

Security Ownership of 5% or Greater Stockholders

Harold T Keen				
Four Oaks, North Carolina 27524	USA	122,355 Shares	9.34%	

REPORT ITEM #4

INSIDERS

1. See Exhibit #3
2. See Exhibit #3
3. See Exhibit #3
 - (a) All are either directors or executive officers with the BHC
 - (b) See Exhibit #3
 - (c) See Exhibit #3
4. See Exhibit #3
 - (a) See Exhibit #3
 - (b) See Exhibit #3
 - (c) See Exhibit #3

Exhibit #3

SECURITY OWNERSHIP OF BOARD OF DIRECTORS AND EXECUTIVE OFFICERS

NAME,CITY,STATE,COUNTRY (1)	PRINCIPAL OCCUPATION, if other than with BHC (2)	TITLE & POSITION WITH BANK HOLDING CO (3a)	TITLE & POSITION WITH BANK (3b)	TITLE OR POSITION WITH OTHER BUSINESSES (3c)	**		NAME OF COMPANIES IF > 25% OF VOTING SECURITIES (4c)
					PERCENTAGE OF VOTING SHARES IN BANK HOLDING CO (4a)	PERCENTAGE OF VOTING SHARES IN BANK (4b)	
Lisa H Brogdon Clayton, NC USA	Owner Children's Therapy Corp	Director	Director	President/Owner Carolina Children's Therapy	< 1%	N/A	Carolina Children's Therapy 100%
Eugene D Jackson Smithfield, NC USA	CPA	Director	Director	Partner Dees, Jackson, Jackson & Assn	< 1%	N/A	Dees, Jackson, Jackson & Asso 33.33%
B Kenneth Jones, II Princeton NC USA	Car Dealership	Director	Director	Partner/President Deacon Jones Auto Park	< 1%	N/A	Deacon Jones Auto Park 34%
Harold T Keen Four Oaks NC USA	N/A	KS Bank CEO/Director	KS Bank CEO/Director	N/A	9.34%	N/A	N/A
H. Geoffrey Kokiko Goldsboro, NC USA	N/A	KS Bank Sr Vice President	KS Bank Sr Vice President	N/A	< 1%	N/A	N/A
James C Parker Goldsboro NC USA	CPA	Director	Director	Partner Parker & Parker, PA CPA	1.07%	N/A	Parker & Parker, PA, CPA 50%
Deborah A Pattison Raleigh NC USA	N/A	KS Bank Sr Vice President	KS Bank Sr Vice President	N/A	< 1%	N/A	N/A
Sidney E Sauls Angier, NC USA	Insurance Agent	Director	Director	N/A	< 1%	N/A	N/A
R Edward Scott, JR Kenly NC USA	Business Owner	Director	Director	President Ralph E Scott, Jr Farms, Inc SpringHill Outfitters, LLC	1.33%	N/A	Ralph E Scott, Jr Farms Inc 100% Springhill Outfitters, LLC 75%
Regina J Smith Kenly NC USA	N/A	KS Bank CFO	KS Bank CFO	N/A	< 1%	N/A	N/A
Timothy N Taylor Rocky Mount NC USA	N/A	KS Bank Sr Vice President	KS Bank Sr Vice President	N/A	< 1%	N/A	N/A
Gordon C Woodruff Smithfield NC USA	Attorney	Director	Director	Partner Woodruff & Fortner	< 1%	N/A	Woodruff & Fortner 50%
Earl W Worley, Jr. Princeton NC USA	N/A	KS Bank COO/Director	KS Bank COO/Director	N/A	1.50%	N/A	N/A

* Does not exceed one percent of Common Stock.

**Based upon a total of 1,309,501 shares of common stock outstanding as of the Record Date.