

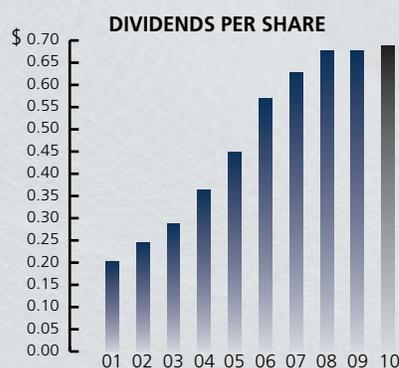
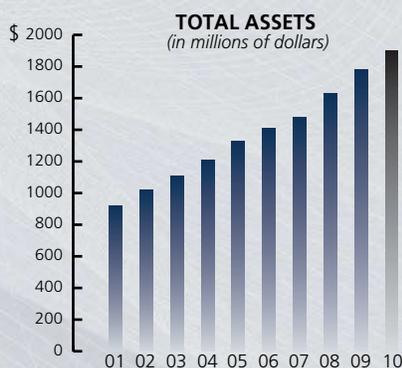
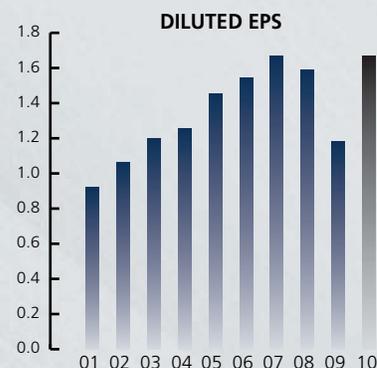
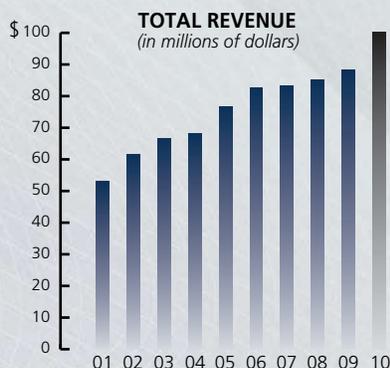
S. Y. BANCORP, INC.
2010 SUMMARY ANNUAL REPORT

2010 Financial Highlights

“The Company’s revenues and net income for 2010 both increased significantly, reflecting growth in our core banking services as well as higher investment management and trust income...”

	2010	2009	Change
FOR THE YEAR			
Net income	\$ 22,953	\$ 16,308	40.7 %
Cash dividends declared	9,448	9,238	2.3
PER COMMON SHARE			
Net income per share, basic	\$ 1.68	\$ 1.20	40.0 %
Net income per share, diluted	1.67	1.19	40.3
Cash dividends declared	0.69	0.68	1.5
Book value at year end	12.37	11.29	9.6
Market price at year end	24.55	21.35	15.0
AVERAGES FOR THE YEAR			
Total assets	\$ 1,847,452	\$ 1,717,474	7.6 %
Loans	1,469,116	1,391,644	5.6
Deposits	1,454,239	1,331,936	9.2
Stockholders’ equity	163,572	150,721	8.5
AT YEAR-END			
Total assets	\$ 1,902,945	\$ 1,791,479	6.2 %
Loans	1,508,425	1,435,462	5.1
Deposits	1,493,468	1,418,184	5.3
Stockholders’ equity	169,861	153,614	10.6
RATIOS			
Return on average assets	1.24 %	0.95 %	29 bp
Return on average stockholders’ equity	14.03	10.82	321
Efficiency	56.01	58.70	(269)

bp = basis point = 1/100 of a percent



Note: Per share information has been adjusted as necessary for stock splits and stock dividends.



David P. Heintzman
Chairman and
Chief Executive Officer

“All in all, last year reflected another solid performance for S.Y. Bancorp and Stock Yards Bank & Trust Company, one that demonstrated the Company’s resiliency in light of ongoing economic pressures.”

TO OUR STOCKHOLDERS

A careful and measured approach to running our business – underscoring a conservative philosophy that has guided us for more than a century – continued to pay off for S.Y. Bancorp and its stockholders in 2010. With the recent recession still weighing on the economy, many banks have endured a brutal couple of years that have translated into significant loan portfolio problems, stagnant growth and even balance sheet contraction. These challenges, in turn, have led to widespread losses across the industry, often coupled with significant dividend cuts, and have forced many financial institutions to seek dilutive new capital or restrictive government assistance. Plagued by loan problems and diminished capital ratios, some banks now find their options limited when it comes to growing their businesses. While we certainly have been affected by these same challenges, I am pleased to tell you that we have been able to absorb our problems while remaining profitable and focused on growing our footprint.

The Company’s revenues and net income for 2010 both increased significantly, reflecting growth in our core banking services as well as higher investment management and trust income, resulting in net income matching our pre-recession record set in 2007. Our diversified operating footprint, spanning three fundamentally strong markets in Louisville, Indianapolis and Cincinnati, has provided a strong platform for ongoing loan and deposit growth. Lastly, our capital position continued to improve in 2010 as a result of internally generated profits. All in all, last year reflected another solid performance for S.Y. Bancorp and Stock Yards Bank & Trust Company, one that demonstrated the Company’s resiliency in light of ongoing economic pressures.

FINANCIAL RESULTS

Net income for 2010 totaled \$22.9 million or \$1.67 per diluted share, up 41% from \$16.3 million or \$1.19 per diluted share for 2009. With earnings rising 26% through the first three quarters of the year, our Board of Directors voted in November to increase the Company’s quarterly cash dividend 6% to \$0.18 per common share, effective with the first payment made in 2011. We are pleased that our strong financial performance enabled us to increase our cash dividend once again and share our prosperity directly with stockholders. This was the first dividend increase since 2007, and with an indicated annual rate of \$0.72 per share for 2011, it should push our cash returns to stockholders approximately 26% ahead of those just five years ago.

Along with increased dividends, our earnings for 2010 continued to drive strong total returns for stockholders. Illustrating this, a stockholder investing \$10,000 in S.Y. Bancorp at the end of 2005 would have enjoyed a total return of almost 18% over the last five years, with investment worth \$11,773 at the end of 2010. Note this five-year period encompassed one of the worst downturns in the stock market since the Great Depression. Alternatively, if that same person had

“From the broadest point of view, our success in 2010 continued to reflect our strong community bank presence in Louisville, coupled with our growing presence in Indianapolis and Cincinnati.”

invested \$10,000 in an index of NASDAQ-listed bank stocks at December 31, 2005, the ending investment would have fallen to \$6,127, representing a decline of almost 39%.

Our higher earnings for 2010 demonstrated two fundamental and complementary strengths in our business. First, consistent loan growth over the past year, coupled with an improved net interest margin, provided a substantial increase in net interest income for 2010. Second, higher non-interest income reflected significant growth in investment management and trust income, which comprised 39% of total non-interest income for 2010 versus 37% for 2009. This improved income from our investment management and trust division, along with rebounding brokerage and mortgage operations, contributed to an overall 13% increase in total revenue for the year.

These revenue gains more than offset the impact of cost pressures in several areas. With the continuation of challenging economic conditions – even if not officially recessionary – our credit costs, principally in the form of the provision for loan losses, remained at an elevated level. The provision did, however, decline from 2009, when we experienced an unusual charge-off of a fraudulent loan. I think it is important to note that non-performing loans represented only 1.28% of total loans outstanding at December 31, 2010, while non-performing assets, which include non-performing loans, other real estate owned and repossessed assets, were only 1.30% of total assets at year’s end. At current levels, these barometers of asset quality, while higher than our average for the past five years, still have continued to trend significantly below those of a representative peer group of publically traded banks according to a leading industry data service.

Our company’s total assets advanced 6% to \$1.9 billion in 2010. This growth reflected a 5% increase in our loan portfolio, which rose to \$1.5 billion, and a commensurate increase in total deposits, which also

increased to \$1.5 billion. At a time when many banks find few opportunities for organic expansion, our balance sheet growth during 2010 continued to build a higher level of interest-earning assets that will fuel growth in coming years.

CONTINUED CAPITAL STRENGTH

At the end of 2010, our total risk-based capital ratio rose to 13.9% from 13.6% at the end of 2009. This increase reflected a strong year of earnings to support ongoing growth on our balance sheet, as stockholders’ equity increased 11% for the year. For Stock Yards Bank & Trust, our capital remained significantly in excess of what regulators require to be considered well-capitalized – the highest capital rating for financial institutions.

ACCOLADES

It also is notable that returns on average equity and assets strengthened in 2010, rising to 14.03% and 1.24%, respectively, up from 10.82% and 0.95%, respectively, for 2009. These dramatically higher returns for 2010 move us closer to historic, pre-recession levels and will contribute to our ongoing status as one of the top performing community banks in the county. One measure of this performance is the annual ranking of the country’s top 200 community banks and thrifts with total assets of less than \$2 billion, which is published by U.S. Banker magazine. In 2010, S.Y. Bancorp continued to move up in those standings, rising two spots to seventeenth in the nation.

Additional recognition of the Company’s performance recently came from KBW, a leading full-service investment bank specializing in the financial services sector, which again named S.Y. Bancorp to its Bank Honor Roll – a distinction we have consistently achieved since 2004. This year’s honor roll included only 40 U.S. banking institutions, each recognized for successfully navigating the financial crisis and generating a superior 10-year track record.

Also, Stock Yards Bank & Trust Company recently was

named as one of the Best Places to Work in Kentucky. This was the second straight year the Bank has won that distinction in the large company category. We are very proud of this recognition, taking it as a reflection of our ongoing focus to create a work environment that responds to the needs and interests of our employees on all levels – from personal growth to professional development. In return, we believe our company and you as stockholders benefit from a highly skilled and exceptionally motivated workforce that this focus engenders – associates that help us continue to transform everyday banking into an extraordinary experience for our customers.

GROWTH ENGINES

From the broadest point of view, our success in 2010 continued to reflect our strong community bank presence in Louisville, coupled with our growing presence in Indianapolis and Cincinnati. We are very pleased to have established firm and longstanding bonds with customers in our home market of Louisville, based on an unparalleled commitment to service excellence, and we are gratified by our increasing visibility, acceptance and success in our newer markets, which continue to validate our business model. In 2011, we will extend our reach further with the addition of at least one new office in Indianapolis and will consider other expansion opportunities as they arise.

Our newer markets in Indianapolis and Cincinnati, which have increasingly contributed to our growth, helped us increase our loan portfolio and provided core funding to support that growth in the form of new deposits. Fortunately, each of these markets has proven to be more stable in terms of residential and commercial real estate market

trends and has not sustained the significant and well publicized losses in property values that many other overheated markets have endured.

We continue to consider opportunities to expand our business, in market and out of market, but only so long as they make sense in terms of risks and synergy with our existing markets. There is much news today of banks buying banks in distressed situations, and in many instances, these transactions can be attractive. We are alert to these opportunities, but we also know that a careful and measured approach to growth has helped us avoid many of the pitfalls others have encountered. So suffice it to say, we remain confident in our own business model as a means of expansion at appropriate times, and we will be careful to expand only when a deal offers compelling benefits to our current footprint.

That said, we anticipate that upheaval in the banking arena will continue to encourage talented bankers with exceptional ties to our primary markets to consider other employers. In the area of personnel acquisition, which can be as important as bricks-and-mortar expansion, we expect to remain the employer of choice for these seasoned bankers and to fully support them with the broad range of products and services on which we have staked our reputation.

Another bright spot in our operations is our investment management and trust department, which continued to benefit in 2010 from both an expanding client base and a rebounding stock market. The capabilities and expertise offered by this department, with total assets under management of almost \$1.7 billion, provide a clear and substantial competitive advantage

against other community banks and ranks us as one of the largest independent trust companies in Kentucky.

CONCLUSION

As we begin another year, no one can predict where this economy is going or what we may confront in the months ahead. Still, we believe the progress we achieved during 2010 against the backdrop of challenging business conditions speaks to the fundamental strength of the Company, and thus provides us with confidence as we move forward with well-proven strategies for growth. The continued success of our business model, one that packages the sophisticated capabilities of a large regional bank within a customer-focused community bank, is grounded by vision for excellence in service that has endured for more than a century. We believe this approach to community banking continues to set us apart in a crowded marketplace, as evidenced by our ongoing growth and the loyalty of our customers.

On behalf of our Directors and employees, thank you for your continued interest and support.

David P. Heintzman
Chairman and Chief Executive Officer

S.Y. BANCORP, INC.

Selected Consolidated Financial Data

(Dollars in thousands, except per share data)

	As of and for the year ended December 31,				
	2010	2009	2008	2007	2006
INCOME STATEMENT					
Net interest income	\$ 66,879	\$ 58,675	\$ 56,858	\$ 53,691	\$ 53,875
Provision for loan losses	11,469	12,775	4,050	3,525	2,100
Non-interest income	33,739	30,036	28,243	30,253	28,693
Non-interest expenses	57,131	52,695	49,319	46,452	46,610
Net income	22,953	16,308	21,676	24,052	22,896
PER SHARE					
Basic EPS	\$ 1.68	\$ 1.20	\$ 1.61	\$ 1.70	\$ 1.58
Diluted EPS	1.67	1.19	1.59	1.67	1.55
Cash dividends declared	0.69	0.68	0.68	0.63	0.57
Book value	12.37	11.29	10.72	9.78	9.54
Market value	24.55	21.35	27.50	23.94	28.00
BALANCE SHEET					
Total loans	\$ 1,508,425	\$ 1,435,462	\$ 1,349,637	\$ 1,201,938	\$ 1,148,954
Allowance for loan losses	25,543	20,000	15,381	13,450	12,203
Total assets	1,902,945	1,791,479	1,628,763	1,482,219	1,426,321
Total deposits	1,493,468	1,418,184	1,270,925	1,106,707	1,103,242
Stockholders' equity	169,861	153,614	144,500	133,024	137,444
AVERAGE BALANCE SHEET					
Total loans	\$ 1,469,116	\$ 1,391,644	\$ 1,295,711	\$ 1,159,101	\$ 1,093,844
Total assets	1,847,452	1,717,474	1,567,967	1,413,614	1,353,651
Total deposits	1,454,239	1,331,936	1,216,833	1,081,483	1,061,481
Stockholders' equity	163,572	150,721	136,112	139,357	131,971
EARNINGS PERFORMANCE					
Return on average assets	1.24 %	0.95 %	1.38 %	1.70 %	1.69 %
Return on average equity	14.03	10.82	15.93	17.26	17.35
Net interest margin, fully tax equivalent	3.93	3.68	3.93	4.16	4.36
KEY RATIOS					
Non-performing loans to total loans	1.28 %	0.84 %	0.35 %	0.28 %	0.59 %
Non-performing assets to total assets	1.30	0.77	0.39	0.49	0.65
Net loan charge-offs to average loans	0.40	0.59	0.16	0.20	0.18
Allowance for loan losses to average loans	1.74	1.44	1.19	1.16	1.12
Average stockholders' equity to average assets	8.85	8.78	8.68	9.86	9.75
Tier I risk-based capital	12.06	11.66	11.90	9.82	10.81
Total risk-based capital	13.93	13.55	13.67	10.82	11.77
Leverage	10.31	10.16	10.62	9.21	10.18

Note: Per share information has been adjusted as necessary for stock splits and stock dividends.

DIRECTORS

David H. Brooks

Retired; Former Chairman and Chief Executive Officer, S.Y. Bancorp, Inc. and Stock Yards Bank & Trust Company

James E. Carrico

Retired; Former Managing Director, Wells Fargo Insurance Services

Charles R. Edinger, III

President,
J. Edinger & Son, Inc.

David P. Heintzman

Chairman and Chief Executive Officer, S.Y. Bancorp, Inc. and Stock Yards Bank & Trust Company

Carl G. Herde

Vice President of Finance and Chief Financial Officer, Baptist Healthcare System, Inc.

James A. Hillebrand

President,
S.Y. Bancorp, Inc. and Stock Yards Bank & Trust Company

Richard A. Lechleiter

Executive Vice President and Chief Financial Officer, Kindred Healthcare, Inc.

Bruce P. Madison

Chief Executive Officer, Plumbers Supply Company, Inc.

Richard Northern

Partner,
Wyatt, Tarrant & Combs LLP - Louisville

Nicholas X. Simon

President and Chief Executive Officer, Publishers Printing Company

Norman Tasman

President,
Tasman Industries, Inc.
and Tasman Hide Processing, Inc.

Kathy C. Thompson

Senior Executive Vice President, S.Y. Bancorp, Inc. and Stock Yards Bank & Trust Company

EXECUTIVE OFFICERS

David P. Heintzman

Chairman and Chief Executive Officer

James A. Hillebrand

President

Kathy C. Thompson

Senior Executive Vice President
Wealth Management Group

Nancy B. Davis

Executive Vice President
Chief Financial Officer

William M. Dishman, III

Executive Vice President
Chief Risk Officer

Gregory A. Hoeck

Executive Vice President
Retail Banking Group

Philip S. Poindexter

Executive Vice President
Chief Credit Officer

T. Clay Stinnett

Executive Vice President
Chief Strategic Officer

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Cincinnati, Ohio 45202
(513) 824-6100

S. Y. BANCORP, INC.

STOCKHOLDER INFORMATION

Common Stock

S.Y. Bancorp, Inc.'s common stock trades on the NASDAQ Global Select Market under the symbol SYBT.

Trust Preferred Securities

S.Y. Bancorp, Inc.'s trust preferred securities trade on the NASDAQ Global Select Market under the symbol SYBT.P.

Forms 10-K And 10-Q

S.Y. Bancorp, Inc.'s annual report on Form 10-K and quarterly reports on Form 10-Q, as filed with the Securities and Exchange Commission, can be found at www.syb.com (see "Investor Relations") or by writing or calling Nancy B. Davis, Executive Vice President, S.Y. Bancorp, Inc., nancy.davis@syb.com, (502) 625-9176.

Transfer Agent

The transfer agent for the common stock of S.Y. Bancorp, Inc. is:

Registrar and Transfer Company
10 Commerce Drive
Cranford, NJ 07016-3572
(800) 368-5948

Automatic Dividend Reinvestment Service

The Company's automatic dividend reinvestment service enables stockholders to reinvest cash dividends in additional shares of S.Y. Bancorp, Inc. stock. For additional information, contact the Transfer Agent.

Mailing And Street Addresses

The mailing address for S.Y. Bancorp, Inc. is P.O. Box 32890, Louisville, Kentucky 40232-2890. The street address is 1040 E. Main Street, Louisville, Kentucky 40206.

Internet Address

The Internet address for S.Y. Bancorp, Inc. is www.syb.com. Stockholders can find share prices, trading volume, insider trading information, and other pertinent information (see "Investor Relations").