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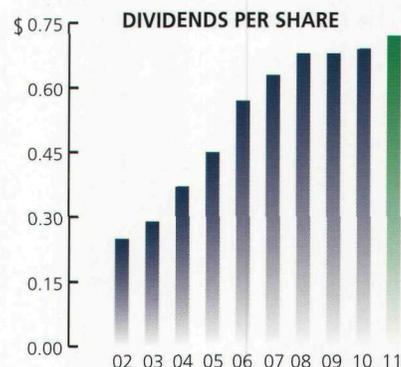
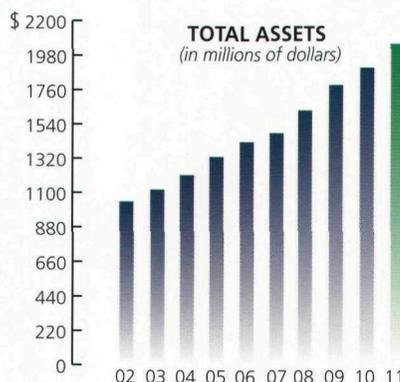
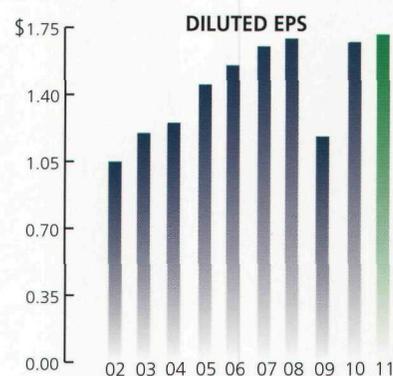
**S. Y. BANCORP, INC.**  
2011 SUMMARY ANNUAL REPORT

# 2011 Financial Highlights

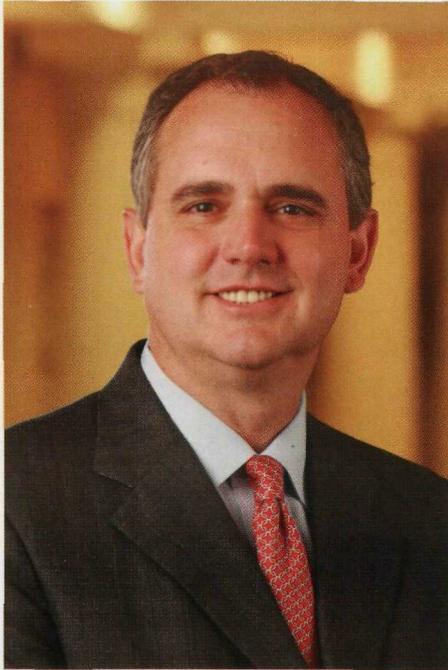
“Net income for 2011 increased almost 3% to \$23,604,000 or \$1.71 per diluted share from \$22,953,000 or \$1.67 per diluted share in 2010. Total assets increased 8% during 2011, reaching more than \$2 billion at year’s end – another milestone for our company.”

	2011	2010	Change
<b>FOR THE YEAR</b>			
Net income	\$ 23,604	\$ 22,953	2.8 %
Cash dividends declared	9,930	9,448	5.1
<b>PER COMMON SHARE</b>			
Net income per share, basic	\$ 1.71	\$ 1.68	1.8 %
Net income per share, diluted	1.71	1.67	2.4
Cash dividends declared	0.72	0.69	4.3
Book value at year end	13.58	12.37	9.8
Market price at year end	20.53	24.55	(16.4)
<b>AVERAGES FOR THE YEAR</b>			
Total assets	\$ 1,959,609	\$ 1,847,452	6.1 %
Loans	1,529,556	1,469,116	4.1
Deposits	1,549,708	1,454,239	6.6
Stockholders’ equity	179,638	163,572	9.8
<b>AT YEAR END</b>			
Total assets	\$ 2,053,097	\$ 1,902,945	7.9 %
Loans	1,544,845	1,508,425	2.4
Deposits	1,617,739	1,493,468	8.3
Stockholders’ equity	187,686	169,861	10.5
<b>RATIOS</b>			
Return on avg. assets	1.20 %	1.24 %	(4) bp
Return on avg. stockholders’ equity	13.14	14.03	(89)
Efficiency	56.47	56.01	46

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

**“Fortunately, even in these tumultuous times, some things have remained solid and steady, like the performance of your company.”**

## **To Our Stockholders**

It seems the pace of change in all things economic and geopolitical has sped out of control during the past year. We’ve learned that our world is more interconnected than ever before, and we now give serious consideration to the ebb and flow of commerce on the other side of the world. We worry about the weather overseas and how it will affect international energy supplies. We have newfound concern for supply chain disruptions at multinational corporations and their impact on our own imports and exports. The world seems substantially more complex than ever before, with growing uncertainty and unpredictability.

For sure, the past several years have been a wild ride for banks and other financial institutions. While growing up, I heard many stories from my grandparents about experiences from the Great Depression, and I realize that we will have similar tales to pass along to coming generations regarding the “Great Recession.” We’ll have to concede that the real estate bubble of the early 21st century was more damaging than most could have predicted, and when real estate enters into the kind of freefall it did after peaking in 2007, no one is immune. And there’s plenty of blame to go around, including a share for the government, the banking industry, Wall Street and even consumers.

Fortunately, even in these tumultuous times, some things have remained solid and steady, like the performance of your company. Earnings for 2011 were strong on a relative basis, reaching a record level despite the economic headwinds we continued to face and which clearly have limited our upside growth potential over the past few years. Net income for 2011 increased almost 3% to \$23,604,000 or \$1.71 per diluted share from \$22,953,000 or \$1.67 per diluted share in 2010. Total assets increased 8% during 2011, reaching more than \$2 billion at year’s end – another milestone for our company.

Wavering economic news throughout 2011, along with continued political wrangling on how to reign in deficit spending both here and abroad, provided fertile ground for a topsy-turvy stock market last year – especially for financial stocks. In this environment, our track record for steady, stable and prudent growth did not translate into favorable returns to our stockholders during 2011 as it has in years past. During 2011,

“After we initiated cash dividends, we have never once reduced these payments and, in fact, against the backdrop of one of the worst times in history for the banking industry, our Board has increased the dividend four times over the past five years, with the most recent increase occurring in February 2012.”

our stock price declined 16%, but this compared with an almost 25% drop in KBW Bank Index, a widely followed benchmark for bank stock performance. While we obviously are concerned about our stock performance, our focus always has been fixed on long-term performance, and we believe that most of our stockholders, sharing that sentiment, have invested with us for the long haul.

That said, we also know with certainty that current income is important to our stockholders, and in this regard we are pleased that our company has remained steadfast in the payment of dividends – without cuts, suspensions or other disruptions that have characterized so many other financial institutions since the onset of the Great Recession. After we initiated cash dividends, we have never once reduced these payments and, in fact, against the backdrop of one of the worst times in history for the banking industry, our Board has increased the dividend four times over the past five years, with the most recent increase occurring in February 2012.

We are gratified to know that the investment community continues to take note of our company's steady progress through difficult times. Again in 2011, S.Y. Bancorp was named to a list of the top 200 community banks in the country, as published by U.S Banker magazine, once again landing in the top 20 of this distinguished group. Recognition of our company also came from KBW, a leading investment bank specializing in the financial services sector, which named S.Y. Bancorp to its Bank Honor Roll for the eighth

consecutive year. Lastly, Sandler O'Neill + Partners, another prestigious firm specializing in financial stocks, added our company to its Bank and Thrift Sm-All Stars list for 2011. Tributes of this nature – from professionals who specialize in the banking industry – affirm the strategies we have carefully developed and consistently pursued to grow our business prudently, and with careful consideration given to minimizing the risk we take in doing so.

Does this mean we haven't taken some lumps along the way? Of course not, and as I mentioned earlier, no one in this industry has escaped without at least some fallout from the real estate bubble. Our credit quality metrics, while still significantly better than industry statistics for banks of our size, clearly don't compare favorably with historical levels. Accordingly, we intend to maintain a cautious stance toward credit risk until there are convincing signs of a meaningful economic recovery.

Since we have not become entangled in some of the thorny issues that confront many banks today, we have been able instead to maintain a clear focus on the market dynamics, long-term strategies and growth-drivers that have contributed to our steady, consistent performance through the years. We have successfully transported our community banking model, one that merges an extensive retail branch network with service-oriented lending focused on business owners and affluent individuals, from our hometown of Louisville to Indianapolis and Cincinnati, and we are pleased

by the way these new markets are developing for us. We are fortunate to have strong capital base that allows us to fulfill our corporate mission, pursue these types of new opportunities, all while providing safety and security for our depositors.

Importantly, each of our markets has proven to be more resilient and stable compared with many other areas of the country, which has contributed to our ability to avoid the out-sized losses, capital problems, dividend cuts and government intervention that you hear so much about today. Of course, our conservative credit culture also has played a key role in our track record for consistent results through up-and-down markets.

At the same time, the balance and diversity in our business additionally support our steady performance. Our investment management and trust department, with \$1.7 billion of assets under management at year's end, represents a distinctive advantage for us in the community bank arena and continues to drive a high level of non-interest income to complement the revenue stream we receive from banking and lending activities. This department continues to rank in the top 100 of bank-owned trust departments, based on revenues, and contributed 20% of our net income this past year.

So how does our future look?

Because we have seen some signs of an improving economy, especially in Louisville, our confidence in a recovery is growing. However, we are still not out of the woods, as the real estate market is still stalled and many businesses continue to struggle. Clearly, it will take time for a strengthening environment to gain traction and become truly sustainable, so until that time comes, we intend to remain in a conservative posture regarding potential risk in our portfolio and our efforts to maintain strong credit quality.

As a side note, I recently completed my first year on the Board of Directors of the Louisville Branch of the Federal Reserve Bank of St. Louis. Two bankers serve on this Board, and I am honored to have been one of those selected. This appointment has broadened my views of the economy and the knowledge gained has benefited me at the Bank.

Also, I would like to take this opportunity to recognize the long service of James E. Carrico, who, after having reached the mandatory retirement age of 70, will retire from our Board of Directors at the 2012 annual meeting of stockholders in April. A director since 1978, Jim brought an experienced, practical and constructive perspective to our board, and we have benefited from his untiring support and wise advice through the years. Well done, Jim!

In closing, and on behalf of our Directors and employees, I would like to thank you for your ongoing commitment to our company as a stockholder. We acknowledge the trust you have placed in management and this Company. In that regard, we believe there are several considerations that support your confidence in S.Y. Bancorp. First, we have a time-proven track record, delivered with straight-forward financial reporting. Our cash dividend has remained consistent and is growing, and still we have a strong capital position to fuel growth and provide stability. We have a diversified business model with new business opportunities, the ability to continue to leverage our investment management and trust business, and an expanding presence in new markets. In summary, I believe we are positioned for sustainable, profitable growth, and I look forward to updating you throughout 2012 on how these fundamentals play out to benefit our stockholders.

**David P. Heintzman**  
Chairman and  
Chief Executive Officer

# S.Y. BANCORP, INC.

## Selected Consolidated Financial Data

As of and for the year ended December 31,

(Dollars in thousands, except per share data)

	2011	2010	2009	2008	2007
<b>INCOME STATEMENT</b>					
Net interest income	\$ 70,732	\$ 66,879	\$ 58,675	\$ 56,858	\$ 53,691
Provision for Loan Losses	12,600	11,469	12,775	4,050	3,525
Non-interest income	33,244	33,739	30,036	28,243	30,253
Non-interest expenses	59,581	57,131	52,695	49,319	46,452
Net income	23,604	22,953	16,308	21,676	24,052
<b>PER SHARE</b>					
Basic EPS	\$ 1.71	\$ 1.68	\$ 1.20	\$ 1.61	\$ 1.70
Diluted EPS	1.71	1.67	1.19	1.59	1.67
Cash dividends declared	0.72	0.69	0.68	0.68	0.63
Book value	13.58	12.37	11.29	10.72	9.78
Market value	20.53	24.55	21.35	27.50	23.94
<b>BALANCE SHEET</b>					
Total loans	\$ 1,544,845	\$ 1,508,425	\$ 1,435,462	\$ 1,349,637	\$ 1,201,938
Allowance for loan losses	29,745	25,543	20,000	15,381	13,450
Total assets	2,053,097	1,902,945	1,791,479	1,628,763	1,482,219
Total deposits	1,617,739	1,493,468	1,418,184	1,270,925	1,106,707
Stockholders' equity	187,686	169,861	153,614	144,500	133,024
<b>AVERAGE BALANCE SHEET</b>					
Total loans	\$ 1,529,556	\$ 1,469,116	\$ 1,391,644	\$ 1,295,711	\$ 1,159,101
Total assets	1,959,609	1,847,452	1,717,474	1,567,967	1,413,614
Total deposits	1,549,708	1,454,239	1,331,936	1,216,833	1,081,483
Stockholders' equity	179,638	163,572	150,721	136,112	139,357
<b>EARNINGS PERFORMANCE</b>					
Return on average assets	1.20%	1.24%	0.95%	1.38%	1.70%
Return on average equity	13.14	14.03	10.82	15.93	17.26
Net interest margin, full tax equivalent	3.99	3.99	3.74	3.99	4.25
<b>KEY RATIOS</b>					
Non-performing loans to total loans	1.51%	1.28%	0.84%	0.35%	0.28%
Non-performing assets to total assets	1.51	1.30	0.77	0.39	0.49
Net loan charge-offs to total assets	0.55	0.40	0.59	0.16	0.20
Allowance for loan losses to avg. loans	1.94	1.74	1.44	1.19	1.16
Avg. stockholders' equity to avg. assets	9.17	8.85	8.78	8.68	9.86
Tier 1 risk-based capital	12.77	12.06	11.66	11.90	9.82
Total risk-based capital	14.63	13.93	13.55	13.67	10.82
Leverage	10.53	10.31	10.16	10.62	9.21

## 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

### 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

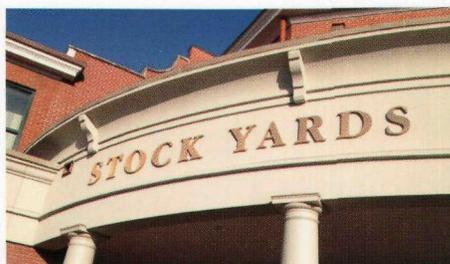
Executive Vice President  
Retail Banking Group

### Philip S. Poindexter

Executive Vice President  
Chief Credit Officer

### T. Clay Stinnett

Executive Vice President  
Chief Strategic Officer



### LOUISVILLE - Corporate Center

1048 East Main Street (502) 582-2571  
Louisville, Kentucky 40206

### INDIANAPOLIS - Regional Center

136 East Market Street (317) 238-2800  
Indianapolis, Indiana 46204

### CINCINNATI - Regional Center

101 West Fourth Street (513) 824-6100  
Cincinnati, Ohio 45202

*The Bourbon Stock Exchange Building, located at 1048 E. Main Street, was built adjacent to our original corporate headquarters in 1916. Stock Yards Bank purchased the building in 1997 and our Operations Group occupied the building for many years.*

*In 2011, we began an extensive remodel - expansion project to repurpose this grand building to be the new home of our Executive Corporate Center and Commercial Banking and Business Banking Groups.*

