

S Y BANCORP INC
Form DEF 14A
March 21, 2007
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ☒ x

Filed by a Party other than the Registrant ☐ o

Check the appropriate box:

- ☐ o Preliminary Proxy Statement
☐ o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
☒ x Definitive Proxy Statement
☐ o Definitive Additional Materials
☐ o Soliciting Material Pursuant to §240.14a-12

S. Y. Bancorp. Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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| (4) | Date Filed: |

S.Y. Bancorp, Inc.

1040 East Main Street
Louisville, Kentucky 40206
502.582.2571

March 21, 2007

Dear Shareholder:

We cordially invite you to attend the 2007 Annual Meeting of Shareholders of S.Y. Bancorp, Inc., which will be held at 10:00 a.m., Eastern Time, on Wednesday, April 25, 2007, at The Olmsted, 3701 Frankfort Avenue, Louisville, Kentucky 40207. The Olmsted is located on the campus of the Masonic Widows and Orphans Home.

The enclosed Notice and Proxy Statement contain complete information about matters to be considered at the Annual Meeting, at which we will also review S.Y. Bancorp's business and operations. Only shareholders and their proxies are entitled to vote at the Annual Meeting.

We hope you will attend the meeting. Your vote is important. Whether or not you plan to attend, we urge you to complete, sign and return the enclosed proxy card, so that your shares will be represented and voted at the Annual Meeting.

Sincerely yours,

/s/ David P. Heintzman

David P. Heintzman

Chairman, President, and Chief Executive Officer

S.Y. Bancorp, Inc.

1040 East Main Street
Louisville, Kentucky 40206

NOTICE OF THE

2007 ANNUAL MEETING OF SHAREHOLDERS

March 21, 2007

To our Shareholders:

The Annual Meeting of Shareholders of S.Y. Bancorp, Inc., a Kentucky corporation, will be held on Wednesday, April 25, 2007 at 10:00 a.m., Eastern Time, at The Olmsted, 3701 Frankfort Avenue, Louisville, Kentucky 40207 for the following purposes:

- (1) To approve the action of the Board of Directors fixing the number of directors at twelve;
- (2) To elect three Directors; and
- (3) To transact such other business as may properly come before the meeting.

The record date for the determination of the shareholders entitled to vote at the meeting or at any adjournment thereof is the close of business on March 9, 2007.

We hope you will be represented at the meeting. Please sign and return the enclosed proxy card in the accompanying envelope as promptly as possible, whether or not you expect to be present in person. Your vote is important. The Board of Directors of Bancorp appreciates the cooperation of shareholders in directing proxies to vote at the meeting.

By Order of the Board of Directors

/s/ David P. Heintzman

David P. Heintzman
Chairman, President and Chief Executive Officer

**WE URGE SHAREHOLDERS TO MARK, SIGN AND RETURN
PROMPTLY THE ACCOMPANYING PROXY CARD**

S.Y. Bancorp, Inc.

1040 East Main Street
Louisville, Kentucky 40206

PROXY STATEMENT FOR THE 2007 ANNUAL MEETING OF SHAREHOLDERS

About the Annual Meeting

Why have I received these materials?

We are mailing the accompanying proxy to shareholders on or about March 23, 2007. The proxy is solicited by the Board of Directors of S.Y. Bancorp, Inc. (referred to throughout this Proxy Statement as "S.Y. Bancorp" or "we" or "our") in connection with our Annual Meeting of Shareholders that will take place on Wednesday, April 25, 2007. We cordially invite you to attend the Annual Meeting and request you to vote on the proposals described in this Proxy Statement.

What am I voting on?

- Approving the action of the Board of Directors fixing the number of directors at twelve.
- Electing three directors.

Where can I find more information about these voting matters?

- Information about nominees for reelection is contained in ITEM 1.

What is the relationship of S.Y. Bancorp and Stock Yards Bank & Trust Company?

S.Y. Bancorp is the holding company for Stock Yards Bank & Trust Company (referred to throughout this Proxy Statement as "the Bank"). S.Y. Bancorp owns 100% of Stock Yards Bank & Trust Company. Because S.Y. Bancorp has no operations of its own, its business and that of Stock Yards Bank & Trust Company are essentially the same.

Who is entitled to vote at the Annual Meeting?

Holders of record of common stock ("Common Stock") of S.Y. Bancorp as of the close of business on March 9, 2007 will be entitled to vote at the Annual Meeting. On March 9, 2007, there were 14,368,212 shares of Common Stock outstanding and entitled to vote, each of which is entitled to one vote except that cumulative voting applies in the election of directors.

How do I vote my shares?

If you are a record shareholder of Common Stock (that is, if you hold Common Stock in your own name in S.Y. Bancorp's stock records maintained by our transfer agent, Stock Yards Bank & Trust Company), you may complete and sign the accompanying proxy card and return it to S.Y. Bancorp or deliver it in person. Shares will be voted as you instruct. If you return your proxy card and do not mark your voting instructions on your signed card, David Heintzman and Kathy Thompson as proxies named on the proxy card, will vote FOR the election of the three director nominees.

Street name shareholders of Common Stock (that is, shareholders who hold Common Stock through a broker or other nominee) who wish to vote at the Annual Meeting will need to obtain a proxy form from the institution that holds their shares and to follow the voting instructions on such form.

If you are a participant in the Stock Yards Bank & Trust Company 401(k) and Employee Stock Ownership Plan, are still employed by the Bank and have a Bank email address, you will receive an electronic version of the proxy card for the shares that you own through that savings plan. If you are a participant no longer employed by the Bank or for another reason do not have a Bank email address, you will receive a paper version of the proxy card via postal mail. In either case, that proxy card will serve as a voting instruction card for the trustee of the plan. If you own

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shares through the plan and do not vote, the plan trustees will vote the plan shares in the same proportion as shares for which instructions were received under the plan.

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Can I change my vote after I return my proxy card?

Yes. After you have submitted a proxy, you may change your vote at any time before the proxy is exercised by submitting a notice of revocation to the Secretary of S.Y. Bancorp or a replacement proxy bearing a later date. Or you may attend the annual meeting, revoke your proxy and vote in person. In each event, the later submitted vote will be recorded and the earlier vote revoked. Your attendance at the Annual Meeting will not revoke your proxy unless you provide written notice of revocation.

What constitutes a quorum for purposes of the Annual Meeting?

The presence at the Annual Meeting in person or by proxy of the holders of a majority of the voting power of all outstanding shares of Common Stock entitled to vote shall constitute a quorum for the transaction of business. Proxies marked as abstaining (including proxies containing broker non-votes) on any matter to be acted upon by shareholders will be treated as present at the meeting for purposes of determining a quorum but will not be counted as votes cast on such matters.

What vote is required to approve each item?

The proposal to fix the number of directors at twelve and any other item to be voted upon at the Annual Meeting will pass if votes cast in its favor exceed votes cast against it.

Directors will be elected by a plurality of the total votes cast at the Annual Meeting. Assuming three directors are to be elected, a plurality means that the three nominees receiving the highest number of votes will be deemed elected.

Who counts the votes?

Judges appointed for the meeting will tabulate votes cast in person or by proxy at the Annual Meeting. These judges are independent inspectors who certify the results of the voting and will also determine whether a quorum is present at the meeting.

How are abstentions and broker non-votes treated?

A shareholder entitled to vote for the election of directors may withhold authority to vote for all nominees for directors or may withhold authority to vote for certain nominees for directors. A shareholder may also abstain from voting on the proposal to fix the number of directors. The judges will treat votes withheld from the election of any nominee for director and abstentions from any other proposal as shares that are present and entitled to vote for purposes of determining the presence of a quorum, but will not be counted in the number of votes cast for or against any matter. If a broker does not receive voting instructions from the beneficial owner of shares on a particular matter and indicates on the proxy that it does not have discretionary authority to vote on that matter, the judges will treat these shares as present at the meeting for purposes of determining a quorum but will not be counted as votes cast on the matter.

What information do I need to attend the Annual Meeting?

We do not use tickets for admission to the Annual Meeting. If you are voting in person, we may ask for photo identification.

How does the Board recommend that I vote my shares?

The Board recommends a vote FOR the Directors' proposal to fix the number of directors at twelve and FOR each of the nominees for Director set forth in this document.

With respect to any other matter that properly comes before the Annual Meeting, the proxy holders will vote as recommended by the Board of Directors or, if no recommendation is given, in their own discretion in the best interests of S.Y. Bancorp. At the date this Proxy Statement went to press, the Board of Directors had no knowledge of any business other than that described herein that would be presented for consideration at the Annual Meeting.

Who will bear the expense of soliciting proxies?

S.Y. Bancorp will bear the cost of soliciting proxies in the form enclosed. In addition to the solicitation by mail, proxies may be solicited personally or by telephone, facsimile or electronic transmission by our employees. We reimburse brokers holding Common Stock in their names or in the names of their nominees for their expenses in sending proxy materials to the beneficial owners of such Common Stock.

Is there any information that I should know about future annual meetings?

Any shareholder who intends to present a proposal at the 2008 Annual Meeting of Shareholders (the "2008 Annual Meeting") must deliver the proposal to the Corporate Secretary at 1040 East Main Street, Louisville, Kentucky 40206 not later than November 23, 2007, if the proposal is submitted for inclusion in our proxy materials for that meeting pursuant to Rule 14a-8 under the Securities Exchange Act of 1934. In addition, S.Y. Bancorp's Bylaws impose certain advance notice requirements on a shareholder nominating a director or submitting a proposal to an Annual Meeting. Such notice must be submitted to the secretary of S.Y. Bancorp no later than January 23, 2008. The notice must contain information prescribed by the Bylaws, copies of which are available from the secretary. These requirements apply even if the shareholder does not desire to have his or her nomination or proposal included in S.Y. Bancorp's proxy statement.

ITEM 1. ELECTION OF DIRECTORS

Directors Proposal to Fix the Number of Directors and to Elect Directors

The articles of incorporation and bylaws of S.Y. Bancorp provide that the Board of Directors be composed of nine to twenty-five members. Each year the Board of Directors recommends the number for the coming year and presents a resolution to be adopted by the shareholders at the Annual Meeting. The Board of Directors has recommended that the number of directors constituting the Board be fixed at twelve for the ensuing year, subject to approval by shareholders at the Annual Meeting. If the three individuals nominated are elected, there will be ten individuals serving on the Board following the date of the 2007 Annual Meeting. The Board of Directors may appoint individuals to fill vacancies. Our Board of Directors has determined that Messrs. Carrico, Edinger, Herde, Madison, Simon and Tasman and Dr. Taylor satisfy the independence requirements of the NASDAQ. As a recently retired Chairman and CEO, Mr. Brooks does not satisfy these requirements nor do Mr. Heintzman and Ms. Thompson who are employees of the Bank.

Our Board of Directors consists of three classes, as nearly equal in size as possible. Each class generally serves a three-year term. Messrs. Brooks and Simon, and Ms. Thompson are nominees for reelection for a three-year term.

Information with Respect to Nominees and Continuing Directors

The following table sets forth information as to persons who serve as our Directors.

<u>Name, Age, and Year Individual Became Director (1)</u>	<u>Principal Occupation; Certain Directorships (2)(3)</u>	<u>S.Y. Bancorp Common Stock Beneficially Owned at January 1, 2007</u>	<u>Amount(4)(5)</u> <u>% of</u> <u>Class</u>
<u>Nominees to Serve a Three-Year -Term Expiring 2010</u>			
David H. Brooks Age 64 Director since 1985	Retired; Former Chairman and Chief Executive Officer, S.Y. Bancorp, Inc. and Stock Yards Bank & Trust Company (7)	176,565 (8)	1.21%
Nicholas X. Simon Age 48 Director since 2002	President and CEO, Publishers Printing Company LLC	39,844 (9)	(6)
Kathy C. Thompson Age 45 Director since 1994	Senior Executive Vice President, S.Y. Bancorp, Inc. and Stock Yards Bank & Trust Company(10)	130,381 (11)	(6)
<u>Continuing Directors -Term Expiring 2009</u>			
James E. Carrico Age 65 Director since 1978	Managing Director Kentucky, Wells Fargo Insurance Services of Kentucky, Inc.	49,399(12)	(6)
Carl G. Herde Age 46 Director since 2005	Vice President and Chief Financial Officer, Baptist Healthcare System, Inc.	5,195(13)	(6)
Bruce P. Madison Age 56 Director since 1989	President and CEO Plumbers Supply Company, Inc.	50,971(14)	(6)
Robert L. Taylor Age 67 Director since 2003	Professor of Management and Dean Emeritus, College of Business, University of Louisville	6,984(15)	(6)
<u>Continuing Directors-Term Expiring 2008</u>			
Charles R. Edinger, III Age 57 Director since 1984	President, J. Edinger & Son, Inc.	274,099(16)	1.87%
David P. Heintzman Age 47 Director since 1992	Chairman, President and Chief Executive Officer, S.Y. Bancorp, Inc. and Stock Yards Bank & Trust Company(17)	276,557(18)	1.88%
		275,910(19)	1.88%

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Norman Tasman
Age 55
Director since 1995

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

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- (1) Ages listed are as of December 31, 2006.
- (2) Except as otherwise noted, each director and nominee has been engaged in his or her chief occupation for five years or more.
- (3) No director or nominee holds any directorship in a company with a class of securities registered pursuant to Section 12 of the Securities Exchange Act of 1934 or subject to the requirements of Section 15(d) of such act or any company registered as an investment company under the Investment Company Act of 1940.
- (4) This column includes, where noted, shares in which members of the nominee's or director's immediate family have a beneficial interest. The column does not, however, include the interest of certain of the listed nominees or directors in shares held by other non-dependent family members in their own right. In each case, the principal disclaims beneficial ownership of any such shares, and declares that the listing in this Proxy Statement should not be construed as an admission that the principal is the beneficial owner of any such securities.
- (5) May include shares subject to outstanding stock options that are currently exercisable or may become exercisable within the following 60 days.
- (6) Less than one percent of outstanding S.Y. Bancorp Common Stock.
- (7) Mr. Brooks served as Chairman and Chief Executive Officer of Bancorp and the Bank from 1993 until his retirement in 2005. He remains on the Board of Directors
- (8) Includes 62,265 shares subject to stock option held under S.Y. Bancorp's Stock Incentive Plan(s); 52,867 shares owned by Mr. Brooks' wife; and 1,184 shares held in his Directors' Deferred Compensation Plan.
- (9) Includes 840 shares subject to stock options held under S.Y. Bancorp's Stock Incentive Plan(s) and 29,505 shares held by Publishers Printing Company, LLC and 3,409 shares held in Mr. Simon's Directors' Deferred Compensation Plan.
- (10) Ms. Thompson joined the Bank in June 1992 and was appointed Senior Executive Vice President in January, 2005.
- (11) Includes 77,070 shares subject to stock options held under S.Y. Bancorp's Stock Incentive Plan(s) and 9,430 shares held in Ms. Thompson's ESOP and 401(k) account.
- (12) Includes 420 shares subject to stock options issued under S.Y. Bancorp's Stock Incentive Plan(s).
- (13) Includes 210 shares subject to stock options issued under S.Y. Bancorp's stock incentive plan(s) and 1,885 shares held in Mr. Herde's Directors' Deferred Compensation Plan.
- (14) Includes 420 shares subject to stock options held under S.Y. Bancorp's Stock Incentive Plan(s); 1,850 shares owned by Mr. Madison's wife, and 24,584 shares held in Mr. Madison's Directors' Deferred Compensation Plan.
- (15) Includes 1,680 shares subject to stock options held under S.Y. Bancorp's Stock Incentive Plan(s) and 3,204 shares held in Dr. Taylor's Directors' Deferred Compensation Plan.
- (16) Includes 420 shares subject to stock options held under S.Y. Bancorp's Stock Incentive Plan(s); 50,620 shares owned by Mr. Edinger's wife; 153,845 shares owned by a family partnership for which Mr. Edinger shares

voting control and derives approximately 9% economic benefit; and 4,592 shares held in Mr. Edinger's Directors Deferred Compensation Plan.

(17) Mr. Heintzman was appointed President of Bancorp and the Bank in January 1993, and he assumed the additional titles of Chairman and Chief Executive Officer in January 2005. He has been with the Bank since 1985.

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(18) Includes 180,285 shares subject to stock options held under S.Y. Bancorp's Stock Incentive Plan(s); 4,479 shares owned by Mr. Heintzman's wife; 3,454 shares held by Mr. Heintzman as custodian for his minor daughter; and 16,782 shares held in Mr. Heintzman's ESOP and 401(k) account.

(19) Includes 420 shares subject to stock options held under S.Y. Bancorp's Stock Incentive Plan(s); 193,200 shares owned by Mr. Tasman's mother for which Mr. Tasman shares voting control but from which he derives no economic benefit; 59,599 shares held jointly by Mr. Tasman and his wife; 4,685 shares held as custodian for their son and 17,006 shares held in Mr. Tasman's Director Deferred Compensation Plan.

Mr. Heintzman and Ms. Thompson are among S.Y. Bancorp's executive officers. S.Y. Bancorp's executive officers serve at the pleasure of S.Y. Bancorp's Board of Directors, and there are no arrangements or understandings regarding their selection or appointment as officers of S.Y. Bancorp.

**THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE PROPOSAL TO FIX
THE NUMBER OF DIRECTORS AT TWELVE**

**THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF
Messrs. Brooks, Simon and Ms. Thompson**

CORPORATE GOVERNANCE AND RELATED MATTERS

BOARD OF DIRECTORS MEETINGS AND COMMITTEES

During 2006, the Board of Directors of S.Y. Bancorp held thirteen regularly scheduled and special meetings. All directors of S.Y. Bancorp are also directors of the Bank. During 2006 the Bank's Board of Directors also held thirteen regularly scheduled and special meetings.

All directors attended at least 75% of the number of meetings of the Board and committees of the Board on which they served. All directors are encouraged to attend annual meetings of shareholders, and all attended the 2006 Annual Meeting with the exception of Dr. Taylor who was traveling for business purposes.

S.Y. Bancorp has an Audit Committee, Compensation Committee and a Nominating and Corporate Governance Committee of the Board of Directors. The Bank has a Loan Committee and a Trust Committee of the Board of Directors.

Audit Committee

The Board of Directors of S.Y. Bancorp, Inc. maintains an Audit Committee comprised of four directors who are not officers of S.Y. Bancorp. The Audit Committee is comprised of Messrs. Carrico, Herde, Madison and Simon. Each of these individuals meets the NASDAQ independence requirements for membership on an audit committee. The Board of Directors has adopted a written charter for the Audit Committee, and this charter is available on S.Y. Bancorp's website: www.syb.com.

The Audit Committee oversees S.Y. Bancorp's financial reporting process on behalf of the Board of Directors. Management has primary responsibility for the financial statements and the reporting process including the systems of internal controls. In fulfilling its oversight responsibilities, the Committee, among other things, considers the appointment of the independent auditors for S.Y. Bancorp, reviews with the auditors the plan and scope of the audit and audit fees, monitors the adequacy of reporting and internal controls, meets regularly with internal and independent auditors, reviews the independence of the independent auditors, reviews S.Y. Bancorp's financial results as reported in Securities and Exchange Commission filings, and approves all auditing and permitted non auditing services performed by its independent auditors. The Audit Committee meets with our management at least quarterly to consider the adequacy of our internal controls and the objectivity of our financial reporting. This Committee also meets with the independent auditors and with our own appropriate financial personnel and internal

auditors regarding these matters. Both the independent auditors and the internal auditors regularly meet privately with this Committee and have unrestricted access to this Committee. The Audit Committee held five meetings during 2006.

The Board of Directors has determined that Mr. Herde is an audit committee financial expert for S.Y. Bancorp and is independent as described in the paragraph above. See CORPORATE GOVERNANCE AND RELATED MATTERS REPORT OF THE AUDIT COMMITTEE for more information.

Nominating and Corporate Governance Committee

The Board of Directors of S.Y. Bancorp, Inc. maintains a Nominating and Corporate Governance Committee. Members of this committee are Messrs. Edinger, Madison, Simon and Tasman, all of whom are non-employee directors meeting the NASDAQ independence requirements for membership on a nominating and governance committee. Responsibilities of the committee are set forth in a written charter satisfying the NASDAQ's corporate governance standards, requirements of federal securities law, and incorporating other best practices. The Board of Directors adopted the charter for the Nominating and Corporate Governance Committee, and this charter is available on S.Y. Bancorp's website: www.syb.com.

Among the committee's duties are identifying and evaluating candidates for election to the board of directors, including consideration of candidates suggested by shareholders. To submit a candidate for consideration by the committee, a shareholder must provide written communication to the committee. Board membership criteria are set forth in the committee's guidelines and include broad-based business skills and experience, commitment to high ethical standards, personal integrity, sound judgment and time available to devote to Board activities.

This committee had three meetings during 2006.

Compensation Committee

The Board of Directors of S.Y. Bancorp, Inc. maintains a Compensation Committee. Members of this committee are Messrs. Edinger and Tasman and Drs. Gall and Taylor, all of whom are independent non-employee Directors. The Board of Directors has adopted a written charter for the Compensation Committee, and this charter is available on S.Y. Bancorp's website: www.syb.com. The functions of this committee include making recommendations to our Board of Directors establishing the compensation of executive officers and reviewing the compensation of Directors. The Compensation Committee held three meetings during 2006. See EXECUTIVE COMPENSATION AND OTHER INFORMATION - REPORT ON EXECUTIVE COMPENSATION for more information.

Loan Committee

The members of the Bank's Loan Committee are Messrs. Brooks, Carrico, Herde and Tasman. This committee held twelve meetings in 2006. The Loan Committee is primarily responsible for oversight of the Bank's lending function including loan quality matters and approval of large credit facilities.

Trust Committee

The members of the Bank's Trust Committee are Messrs Brooks, Edinger and Simon and Drs. Gall and Taylor. This committee held six meetings in 2006. The Trust Committee oversees the operations of the trust department of the Bank to ensure it operates in accordance with sound fiduciary principles and is in compliance with pertinent laws and regulations.

Shareholder Communications with the Board of Directors

Shareholders may communicate directly to the Board of Directors in writing by sending a letter to the Board at: S.Y. Bancorp Board of Directors, P.O. Box 32890, Louisville, KY 40232-2890. All communications directed to the Board of Directors will be received and processed by the Nominating and Corporate Governance Committee without any editing or screening.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our executive officers, our Directors and persons who own more than 10% of a registered class of S.Y. Bancorp's common stock to file initial

reports of ownership and changes in ownership with the SEC and the NASDAQ. Such executive officers, Directors and shareholders are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file. Based solely on a review of the copies of such forms furnished to us and written representations from the applicable executive officers and our Directors, all persons subject to the reporting requirements of Section 16(a) filed the required reports on a timely basis for the year ended December 31, 2006 with the exception of the seven directors participating in a deferred compensation plan and electing the deferral to be invested in Bancorp stock. Due to a delay in reporting by a third party recordkeeper, shares so purchased in September 2006 were not reported timely as follows: Mr. Edinger, 67.9 shares, Dr. Gall, 25.5 shares, Mr. Herde, 50.9 shares, Mr. Madison, 50.9 shares, Mr. Simon, 42.4 shares, Mr. Tasman, 67.9 shares and Dr. Taylor, 67.9 shares.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Set forth in the following table is the beneficial ownership of our Common Stock as of January 31, 2007 for each person or entity known by us to beneficially own more than five percent of the outstanding shares of our Common Stock; all our Directors and executive officers as a group; and Directors, executive officers and employees as a group. Executive Officer means the chairman, president, any vice president in charge of a principal business unit, division or function, or other officer who performs a policy making function or any other person who performs similar policy making functions and is so designated by the Board of Directors. For a description of the voting and investment power with respect to the shares beneficially owned by the directors and nominees for election as directors of S.Y. Bancorp, see the table under the heading, Election of Directors.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of S.Y. Bancorp Common Stock (1)
Stock Yards Bank & Trust Company 1040 East Main Street Louisville, Kentucky 40206	948,631(2)	6.6%
Fidelity Management and Research Boston, Massachusetts 02109	968,694(3)	6.7%
Directors and executive officers of Bancorp as a group (16 persons)	1,736,042(4)	11.7%
Directors, executive officers, and employees of S.Y. Bancorp and the Bank as a group (305 persons)	2,394,274(4)(5)	15.7%

(1) Shares of S.Y. Bancorp Common Stock subject to stock options that are currently exercisable or may become exercisable within the following 60 days under S.Y. Bancorp's Stock Incentive Plans are deemed outstanding for purposes of computing the percentage of S.Y. Bancorp Common Stock beneficially owned by the person and group holding such options but are not deemed outstanding for purposes of computing the percentage of S.Y. Bancorp Common Stock beneficially owned by any other person or group.

(2) Held by the Bank as agent, trustee, personal representative and in other fiduciary capacities.

(3) Based upon a Schedule 13G filed with the SEC on February 14, 2007.

(4) Includes 506,877 shares subject to stock options outstanding stock options that are currently exercisable or may become exercisable within the following 60 days and 58,013 shares held in ESOP and 401(k) accounts.

(5) The shares held by the group include 188,605 shares held by non-executive officers and employees of the Bank. In addition, 332,471 shares are subject to currently exercisable stock options held by non-executive officers of the Bank and 325,761 shares are held by non-executive officers and employees of the Bank in their ESOP and 401(k) accounts, with sole voting power and no current investment power. S.Y. Bancorp has not undertaken the

expense and effort of compiling the number of shares certain officers and employees of the Bank may hold other than directly in their own name.

EXECUTIVE COMPENSATION AND OTHER INFORMATION REPORT ON EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Introduction/Corporate Governance

The members of the Compensation Committee are Messrs. Edinger and Tasman and Drs. Gall and Taylor, all of whom are independent non-employee Directors. Dr. Taylor chairs the Committee. The Board of Directors has adopted a written charter for the Compensation Committee. The functions of this committee include establishing the compensation amounts and programs for the executive officers. The Compensation Committee held three meetings during 2006, and its actions included discussion of and amendments to compensation philosophy, review and selection of peer group institutions, review of Compensation Discussion and Analysis requirements, review of current and adoption of a restated deferred compensation program for executive officers, recommendations to the Board regarding executive salaries and administration of employee equity awards.

In 2005, the Committee contracted with Compensation Service Group, an independent compensation consultant, to study the Bank's executive pay practices and, thereby, provide resources to the Committee. The Committee engaged the consultant to provide an independent assessment of the Bank's executive compensation relative to the appropriate industry segment and of the Bank's retirement programs and severance agreements relevant to prevalent practices. The consultant concluded the Committee's current practices to be consistent with its objective and with sound governance principles and the Committee used the consultant's findings as a foundation for its decisions regarding 2006 compensation. The Committee also employed a William M. Mercer, Inc. during 2006 to provide guidance on design and prevalence of executive nonqualified deferred compensation programs. Both consultants presented their findings to the Compensation Committee.

The CEO's compensation is determined entirely by the Committee. Compensation for all executive officers other than the CEO is based on recommendations by the CEO to the Committee, and the Committee either approves or adjusts to ensure consistency with Company philosophy and external competitive dynamics.

Objectives of Compensation Programs

The pay-for-performance compensation philosophy of the Compensation Committee supports S.Y. Bancorp's primary objective of creating value for its shareholders. The Committee strives to ensure the compensation of S.Y. Bancorp's executive officers is adequate to attract and retain talented individuals with proven abilities to lead S.Y. Bancorp and the Bank so growth and profitability are realized while maintaining stability and capital strength. The Bank competes with many other financial institutions in the markets where it operates—metropolitan Louisville and Indianapolis at this time—for the most outstanding individuals available. Competing financial institutions range in size from start up organizations to established community banks to significantly larger super-regional and money center banks. All are vying for capable leaders, and accordingly, are willing to attractively compensate individuals to join and/or stay with their respective organization.

As a point of reference and comparison in its analysis, the Committee uses a group of peer banks. This peer group is generally comprised of publicly traded banks from \$1.5 billion to \$3 billion in total assets. The larger banks are included because the Committee considers the Bank's Investment Management and Trust Department to provide an element of sophistication resulting in the overall Bank being more comparable to larger community banks. The peer group is comprised of banks in metropolitan areas of at least 250,000 people so as to more closely reflect the operating conditions of Stock Yards Bank—both from the standpoint of competing for business and for talented people. The peer group is more concentrated with midwestern and southeastern banks with stock widely held and not family controlled. Peers are included regardless of operating results, again to provide a more representative sample. The goal of the Committee is to compensate management with base pay between the 50th and 75th percentile while having incentive compensation for performance track a higher percentile as the Company's performance exceeds these levels.

The Committee believes the following compensation strategies for S.Y. Bancorp's executive officers, including the Chief Executive Officer (the CEO), achieve its objective. The philosophy of the Compensation Committee reflects a pay-for-performance culture while being competitive with other employers with which it competes for executive talent.

The General Design of S.Y. Bancorp's Compensation Programs

As the business of banking evolves and Stock Yards Bank & Trust Company continues to distinguish itself as an exceptional performer, it has become increasingly apparent that the Company's success is highly dependent upon the continuity realized by retaining very capable key officers. It is these individuals who execute the strategic plans of the Company. They deliver the Bank's hallmark high quality services and carry forward the Bank's century-old exceptional reputation. With the primary reason for customer dissatisfaction being disruption caused by banking officer turnover, management and the Compensation Committee have designed compensation programs to respond to the high priority of appropriately compensating officers critical to its customer service mission.

The Committee believes that a structure focusing on base salary, annual cash incentives and long term equity incentives is appropriate to achieve its objectives of attracting, motivating and retaining key executives, and paying them based on the performance they produce for shareholders. In addition to these elements of compensation, the Committee monitors and periodically modifies post-employment types of compensation (nonqualified or supplemental retirement and severance pay programs), each designed to retain valuable executive talent. The Company has no employment contracts with any of its officers.

Specific Elements of Compensation, and How Performance Impacts Each

The Company's in-service compensation program consists of three key components:

- Base pay
- Annual cash and stock incentive compensation
- Long term incentives

The elements of post-employment compensation and benefits for executives (in addition to the retirement programs provided to employees generally) include:

- Nonqualified deferred compensation
- A nonqualified supplemental pension program for two executives
- Change-in-control severance agreements with three executives

Base Salary. Executive officers' base pay is determined by evaluating the most recent comparative peer data relative to their roles and responsibilities designated in their positions. Individual salary increases are reviewed annually and are based on the Bancorp's comparative performance to the peer group and the executive's individual performance during the preceding year. The Committee has set a range between the 50th and 75th percentile for base salary relative to peers. In consideration of this range, the Committee increased the CEO's salary \$22,500 or 5% for 2006.

Annual Cash Incentives. The objective of annual cash incentive compensation is to deliver levels of compensation competitive to the peer group, conditioned on the attainment of annual financial objectives and operating results. The Committee believes these to be primary drivers of stock price performance over time. Therefore, the Committee established an incentive program based upon the achievement of certain earnings per share goals as well as line of business goals applicable to specific officers' duties. For 2006 the determination as to whether cash incentives would be paid to the CEO and non-line of business EVPs was based upon the achievement of earnings per share (EPS) growth of at least 6%. The formula has increasingly higher payout percentages for corresponding EPS increases, reinforcing the Committee's pay-for-performance philosophy. The payout scale for the CEO's annual cash bonus is as follows:

EPS Growth	Bonus as % of Base
6%	10%
7%	15%
8%	20%
9%	25%
10%	32.5%
11%	40%
12%	47.5%
13%	55%
14%	62.5%
15%	72.5%

For 2006, the Company achieved a 6% increase in EPS. The Committee reviewed these operating results relative to the impact of one time and non-comparative expenses for 2006 and the result on EPS growth. That analysis, coupled with an ever-increasing competitive environment, helped the Committee decided to award an additional bonus of 10% of base pay to the CEO.

Ms. Davis, who does not have line of business responsibility, receives an annual cash incentive at a percentage of her base salary determined based on one half the percentage applicable to the CEO. She also received a discretionary award similar to that described above for the CEO. This additional award was 5% of base pay. Each Executive with responsibility for a line of business has a weighted incentive goal based partly of the overall performance of the Company (using earnings per share as the performance measure) and also on attainment of line of business objectives. Any of these criteria or the resulting bonus amounts may be adjusted at the discretion of the Committee based upon their overall evaluation of an individual's performance and competitive positioning.

The main component of Ms. Thompson's annual cash incentive is based upon the net income before allocated expenses of the Investment Management and Trust Departments which she has responsibility for leading. The Investment Management and Trust Department contributes approximately 40% of the Bank's total non-interest income, distinguishing the Bank from many peers. Growth in departmental net income therefore directly impacts the profitability of the Bank and makes a significant contribution to enhancement of shareholder value. For that portion of her annual incentive to be earned, departmental net income must increase by at least 10%, and the amount of the incentive increases as net income growth increases, as follows:

Departmental Net Income Growth	Bonus as % of Base
10%	20%
11%	22%
12%	24%
13%	26%
14%	28%
15%	30%

For 2006 the department's income increased over 11% so Ms. Thompson received a 22% bonus. She also has a component of her annual cash incentive based on overall performance of the Company. This additional incentive requires 10% EPS growth of the Company. Accordingly, this portion of the incentive was not payable for 2006.

For Messrs. Hillebrand and Poindexter, incentives related to the line of business success are as follows. The Private Banking and Commercial Lending Departments are the source of significant loan and deposit growth. Net interest income comprises approximately 65% of the Bank's total revenues. Growth directly impacts the profitability of the Company making a significant contribution to enhancement of shareholder value. Various attributes including loan and deposit growth, loan fees and service charges, customer satisfaction and retention are weighted. Net loan and deposit growth receive the top weightings, and the net growth measurement considers customer retention along with acquisition of new business. The Bank continues to develop a formula-based incentive program which produces payouts commensurate with performance and accomplishment of established goals. With that still in process, the Committee approved more subjectively determined bonuses for these individuals.

Annual Stock Incentives. While EPS has historically been the sole driver as to the level of cash bonuses, in 2006 the Committee introduced two additional performance measures to be used in determining additional annual

awards return on average assets (ROAA) and return on average equity (ROAE). The Committee recognizes and rewards management for stellar performance and realizes these achievements set the Bank apart from competitors and add value to its shareholders. Therefore, each objective has a target set at the 90th percentile of the peer group three year average return. If the Company performs at the 90th percentile level, executive incentives will be awarded as follows:

ROAA CEO receives 5% of base pay, and EVPs receive 2.5% of base pay

ROAE - CEO receives 5% of base pay, and EVPs receive 2.5% of base pay

Awards as determined above will be made annually in the form of restricted stock, rather than cash, with a three year vesting schedule. Awards for excellent ROAA and ROAE begin to shift dependency of incentives away from the single EPS growth objective by providing rewards for maintaining high performance for other key metrics. The three year vesting is designed to enhance retention. The benchmark for ROAA was met for 2006; the benchmark for ROAE was not. Awards for 2006 performance were granted in February 2007 using these new objectives.

Long Term Incentives. The Committee believes the long term incentive of granting of stock options to executives best serves the interests of shareholders by providing those persons having responsibility for the management and growth of S.Y. Bancorp and the Bank with an opportunity to increase their ownership of S.Y. Bancorp Common Stock and to have a stake in the future of the Company. By increasing executive officer ownership, these individuals will have an added incentive to maximize shareholder value. Additionally these equity awards further the Company's competitive advantage against significantly larger institutions in attracting and retaining talented individuals critical to the Company's success. Equity awards also provide an advantage over smaller community banks where equity compensation is not available. Executive officers are granted options, normally annually, giving them the right to purchase S.Y. Bancorp Common Stock at the price fixed at the Common Stock's trading value as of the date of grant, exercisable for a specified future period. The exercise period of the grants has historically been ten years. Therefore, as the common Stock market price increases, executives have an incentive to purchase that stock at the lower grant-date price.

The number of stock options granted each executive is based upon individual performance, contribution to the company's overall performance, and comparative practices. The number of options granted each executive is set to target an award with a value determined in the same fashion as options are valued for accounting purposes that ranged from 24% to 27% of each executive's base salary and was 34% for the CEO. These awards were granted in January 2006. Awards related to 2006 performance were granted in February 2007.

Post-Employment Compensation and Benefits. To enhance the objective of retaining key executives, the Company previously established Senior Executive Severance Agreements (the "Severance Agreement") for Mr. Heintzman, Ms. Davis and Ms. Thompson, concluding it to be in the best interests of S.Y. Bancorp, its Shareholders and the Bank to take reasonable steps to help assure these key executives of the Bank that they will be treated fairly in the event of a tender offer or takeover bid, or an actual Change in Control. With these agreements in place, if S.Y. Bancorp should receive takeover or acquisition proposals from third parties, S.Y. Bancorp will be able to call upon the key executives of the Bank for their advice and assessment of whether such proposals are in the best interests of shareholders, free of the influences of their personal employment situations. These severance agreements have been in place since the mid-1990s and were updated in 2005, and were not entered into because of any belief by management that a Change in Control of S.Y. Bancorp was imminent.

The Committee's current philosophy for other post-employment programs is to ensure parity for key executives in their ability to save for their own retirement, and in the amount the Bank contributes toward retirement savings. In 2006, the Committee took steps consistent with this philosophy by studying the adequacy of its retirement programs for key executives, and modified certain programs to provide that parity.

The Bank has a nonqualified deferred compensation plan, which, until 2006, merely provided executives with the ability to defer a portion of their cash compensation and related taxes, and instead receive that compensation and an investment market rate of return on the deferred portion, after their employment with the Bank ends or, in the case of certain events, in service distributions. Amendments in 2006 provided executives with Bank credits for the amount of match and ESOP contributions they do not receive under the Bank's qualified retirement plan on annual cash incentives and base salary above an annual tax-qualified plan cap under the Internal Revenue Code.

In the 1990's the Bank created a plan (called the Senior Officer Security Plan, or SOSOP) to enhance the retirement security of key executives by granting them a fixed annual benefit per year after retirement, which fixed amount was originally designed to supplement broader-based retirement programs and bring the executives' retirement income from combined sources of the tax-qualified employer retirement programs, social security and this plan to a level of approximately 70% of their pre-retirement income. The Committee studied this program in 2006, concluded that the fixed amounts would no longer assure executives of that level of income during retirement (compensating having grown in the interim with no adjustment to the fixed benefit amounts), but also concluded that expansion of this type of program was not consistent with its compensation objectives. The Committee also recognized that an increasingly-higher percentage of total compensation for its key executives would be derived from performance-based annual incentives, but the Bank's current broad-based employee retirement program did not recognize pay above base salary in computing annual contribution amounts. Therefore, rather than allow its broad-based retirement program to become increasingly less meaningful to executives whose incentive-based compensation is a larger percentage of total compensation, and rather than expanding the SOSOP to include a other key executives, or increasing the fixed annual income it will provide to Mr. Heintzman and Ms Thompson, the Committee decided to add a feature to its executive nonqualified deferred compensation plan to give certain key executives (including Messrs. Heintzman, Hillebrand and Poindexter and Mss. Thompson and Davis) a deferred compensation credit each year on annual incentive compensation, equal to that they would have received had the all-employee retirement plan included annual incentive compensation in its contribution formula. The Committee also transitioned a prior supplemental retirement program for Ms. Davis, that was based on the cash value increases in life insurance owned by the Bank, into the nonqualified deferred compensation program in 2006 by providing a one-time transition credit, after concluding that the prior program had a higher cost to the Bank than benefit to Ms. Davis. After these changes, the Committee believes its post-employment programs for executives to will enable executives to accumulate adequate savings to supplement Social Security and tax-qualified plan benefits and enjoy an adequate percentage of pre-retirement pay as income during retirement.

Stock Ownership/Retention Guidelines

As noted above, equity compensation is awarded to have executives' and shareholders' interest merge in the long-term performance of the Company; therefore, management and the Committee expect executives to own stock. While retention or disposition of shares acquired upon option exercise is at the discretion of the option holder, to further the ownership objectives of the option grants there are Company minimum ownership guidelines based upon salary multiples. The CEO is expected to own stock, exclusive of value in unexercised options, at a multiple three times his base pay. For Executive Vice Presidents, that multiple is two times base pay. These guidelines encourage the option holder not to sell shares acquired upon exercise of options, other than to pay related taxes, at least until the guideline level of ownership is attained.

Conclusion

In summary, the Committee believes the total compensation program for S.Y. Bancorp's executive officers is competitive with programs offered by similar institutions, and executive compensation is appropriate to further the goals and objectives of S.Y. Bancorp and the Bank.

COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with management. Based upon this review and discussion, the Committee has recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement.

The Compensation Committee of the Board of Directors of S.Y. Bancorp, Inc.

Charles R. Edinger, III
Norman Tasman

Stanley A. Gall
Robert L. Taylor, Chairman

The report of the Compensation Committee 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 soliciting material or subject to Regulation 14A of the Exchange Act or incorporated by reference in any filing under the Exchange Act or the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

Executive Compensation Tables and Narrative Disclosure

The following table sets forth information concerning the compensation of our Chief Executive Officer (CEO), Chief Financial Officer (CFO), and the three most highly compensated executive officers other than the CEO and CFO. Throughout this section, we refer to executives named in this table (individually, as the Executive and collectively as the Executives).

Summary Compensation Table

Name and Principal Position	Year	Salary (\$ (1))	Bonus (\$ (3))	Stock Awards (\$)	Option Awards (\$ (2))	Non-Equity Incentive Plan Compensation (\$ (3))	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$ (4))	All Other Compensation (\$ (5))	Total (\$ (6))
David P. Heintzman-Chairman and CEO	2006	472,500	47,250		183,100	47,250	89,505	75,185	914,790
Nancy B. Davis-CFO	2006	180,000	9,000		48,827	9,000	8,938	59,473	315,238
Kathy C. Thompson-Senior EVP	2006	275,000			85,447	63,000	36,621	49,117	509,185
James A. Hillebrand-EVP	2006	180,000	36,000		10,474		3,383	24,708	254,565
Phillip S. Poindexter-EVP	2006	180,000	30,000		10,474			20,375	240,849

(1) Of this total, the officers deferred the following amounts of 2006 salary:

	Qualified Plan	Nonqualified Plan
Heintzman	\$ 13,200	\$ 37,800
Davis	16,650	10,000
Thompson	15,000	22,000
Hillebrand	15,000	
Poindexter	15,000	

(2) Options were granted January, 17, 2006 with an exercise price equal to the closing price of the common stock on that date, or \$24.067. The fair value of each option pursuant to SFAS No. 123R was \$5.8127. For statements; these financial statements may be found in Bancorp's annual report on Form 10-K. These options vest 20% annually beginning one year after grant with the exception of those granted to Mr. Heintzman and Mss. Davis and Thompson, which fully vest six months after the grant date. Bancorp began recognizing expense for stock options in accordance with SFAS No. 123R in 2006. Bancorp accelerated the vesting of all employee stock options in 2005. As a result of that acceleration, there will be no expense recognized pursuant to SFAS No. 123R for employee options granted before December 31, 2005. Share and per-share information has been adjusted to reflect the 5% stock dividend paid in May 2006.

	Granted in 2006	Vested in 2006	Expensed in 2006
Heintzman	31,500	31,500	\$ 183,100
Davis	8,400	8,400	48,827
Thompson	14,700	14,700	85,447
Hillebrand	9,450		10,474
Poindexter	9,450		10,474

(3) All cash incentives and bonuses granted to the Executives for 2006 were fully vested when granted. The amounts were determined in accordance with the process and using the performance criteria described in Compensation Discussion and Analysis.

(4) Totals include the following:

	Heintzman	Davis	Thompson	Hillebrand	Poindexter
Change in actuarial value of defined benefit	\$ 46,011	\$	\$ 20,325	\$	\$
Nonqualified deferred compensation earnings	43,494	8,938	16,296	3,383	
	\$ 89,505	\$ 8,938	\$ 36,621	\$ 3,383	\$

Assumptions used in calculating the change in actuarial value of the defined benefit above are a discount rate of 5.75% for both December 31, 2005 and 2006, a retirement age of 65, with Mr. Heintzman's current age being 47, and Ms. Thompson's being 45; payments occurring for 15 years, and assuming no pre-or post retirement mortality.

All earnings on the Executives' nonqualified deferred compensation balance are included in the totals, because the earnings are not determined by either a market rate of interest, nor based on investment options that are identical to those available under the broad-based employee 401(k) plan. Rather, earnings are based on the actual performance of investment funds that the Bank designated and the allocation of the nonqualified plan account balance by the executives as among those funds.

(5) All Other Compensation consists of the following:

	Heintzman	Davis	Thompson	Hillebrand	Poindexter
Employer Matching on 401(k) deferrals	\$ 13,200	\$ 10,800	\$ 13,200	\$ 10,800	\$ 10,800
Employer Contribution to the ESOP	4,400	3,600	4,400	3,600	3,600
Board fees (5.1)	12,500		12,500		
Bank contributions to nonqualified plan (5.2)(5.3)	38,316	41,578	14,032	3,926	3,568
Other	6,769	3,495	4,985	6,382	2,407
	\$ 75,185	\$ 59,473	\$ 49,117	\$ 24,708	\$ 20,375

(5.1) Mr. Heintzman deferred receipt and taxation of his Board fees.

(5.2) Includes an amount of 401(k) match and ESOP contribution not received under the Bank's tax-qualified 401(k) and Employee Stock Ownership Plan because the eligible compensation taken into account under the 401(k) and Employee Stock Ownership Plan does not include either (i) any pay in excess of base salary, or (ii) any base salary above an annual tax-qualified plan cap under the Internal Revenue Code.

(5.3) Includes for Ms. Davis a one-time \$38,074 credit to her account (in excess of prior year accrued benefits) to replace a prior nonqualified defined contribution arrangement that the Bank and Ms. Davis agreed to end in 2006.

(6) Perquisites totaled less than \$10,000 for each Executive and are therefore not included in the table.

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The following table sets forth information concerning plan-based awards made to the Executives during the last fiscal year. No Executive was granted an equity or non-equity incentive plan awards in 2006 for potential payment in a future year.

Grants of Plan-Based Awards Table

Name	Grant date	Estimated future payouts under equity or non-equity incentive plan awards Threshold (\$)	Target (\$)	Maximum (\$)	All other stock awards: number of shares of stock	All other option awards: number of securities underlying options	Exercise or base price of option awards (\$/Sh)	Grant date fair stock and stock and option awards
David P. Heintzman	January 17, 2006					31,500	24.067	\$ 183,100
Nancy B. Davis	January 17, 2006					8,400	24.067	\$ 48,827
Kathy C. Thompson	January 17, 2006					14,700	24.067	\$ 85,447
James A. Hillebrand	January 17, 2006					9,450	24.067	\$ 54,930
Phillip S. Poindexter	January 17, 2006					9,450	24.067	\$ 54,930

The following table sets forth information concerning equity stock options held by the Executives as of the end of the last fiscal year.

Outstanding Equity Awards at Fiscal Year End Table

Name	Option Awards			Stock Awards			
	Number of Securities Underlying Unexercised Options	Number of Securities Underlying Unexercised Options	Number of Securities Underlying Unexercised Unearned Options	Option Exercise Price	Option Expiration	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested
	(#) Exercisable	(#) Unexercisable (1)	(#)	(\$)	Date	(#)	(\$)
David P. Heintzman	4,200			9.7619	1/8/2008		
	13,440			11.3989	1/12/2009		
	4,620			11.3989	4/20/2009		
	20,790			10.0000	1/7/2010		
	27,300			9.8238	12/21/2010		
	21,000			16.0000	12/27/2011		
	16,590			18.6190	12/17/2012		
	15,750			20.1714	12/16/2013		
	25,095			22.8095	12/14/2014		
	31,500			24.0667	1/17/2006		
	180,285						
Nancy B. Davis	4,200			9.7619	1/8/2008		
	5,460			11.3989	4/20/2009		
	5,460			10.0000	1/7/2010		
	7,140			9.8238	12/21/2010		
	6,825			16.0000	12/27/2011		
	5,250			18.6190	12/17/2012		

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4,725	20.1714	12/16/2013
6,300	22.8095	12/14/2014
8,400	24.0667	1/17/2016
53,760		

Outstanding Equity Awards at Fiscal Year End Table

Name	Option Awards		Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price (\$)	Option Expiration Date	Stock Awards	
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable (1)				Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)
Kathy C. Thompson	4,200			9.7619	1/8/2008		
	6,720			11.3989	4/20/2009		
	7,350			10.0000	1/7/2010		
	9,450			9.8238	12/21/2010		
	8,400			16.0000	12/27/2011		
	7,140			18.6190	12/17/2012		
	9,765			20.1714	12/16/2013		
	9,345			22.8095	12/14/2014		
	14,700			24.0667	1/17/2016		
	77,070						
James A. Hillebrand	2,310			11.3989	4/20/2009		
	2,520			10.0000	1/7/2010		
	3,570			9.8238	12/21/2010		
	2,940			16.0000	12/27/2011		
	3,150			18.6190	12/17/2012		
	3,150			20.1714	12/16/2013		
	6,300			22.8095	12/14/2014		
		9,450		24.0667	1/17/2016		
	23,940	9,450					
Phillip S. Poindexter	7,875			22.8095	12/14/2014		
		9,450		24.0667	1/17/2016		
	7,875	9,450					

(1) The unvested options held by Mr. Hillebrand and Mr. Poindexter vest 20% each year beginning January 17, 2007 and each anniversary thereafter up to January 17, 2011.

The following table sets forth the stock options exercised by or stock awards vested for the Executives during the last fiscal year:

Option Exercises and Stock Vested Table

Name	Option Awards Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Stock Awards Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
David P. Heintzman	8,400	145,120		
Nancy B. Davis	4,200	94,396		
Kathy C. Thompson	4,200	84,232		
James A. Hillebrand	6,300	117,435		
Phillip S. Poindexter				

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The 2005 Restated Senior Officer Security Plan (the SOSP) promises benefits, beginning at age 65, of \$136,500 per year for 15 years for Mr. Heintzman and \$82,000 per year for 15 years for Ms. Thompson, as a means to help them attain reasonable levels of income replacement during retirement, after also considering expected

Social Security benefits and the broad-based retirement plan applicable to Bank employees generally. The total potential benefit vests gradually at 4% per year of service so that is 100% vested if the Executive works for the Bank for a total of 25 years. As of the end of 2006, Mr. Heintzman was 84% vested, and Ms. Thompson was 56% vested in their respective benefits. The retirement benefit also becomes fully vested in the event of the Executive's disability or a change of control of the Bank or the Bancorp while the Executive is employed by the Bank.

If the Executive terminates employment before age 55, benefit payments can begin as earlier as age 55 (or such later age as the Executive has elected), but the annual payment amount is adjusted to the same present value as the benefit if paid at age 65. If the Executive leaves the Bank after age 55, the benefits do not begin until age 65.

Death benefits are provided in lieu of these retirement payments if the participant dies while in the employ of the Bank before age 65 or after leaving the Bank due to disability. The death benefits are provided by the Bank endorsing over to the Executive via a split dollar agreement a right to payment of a portion of the death benefits due under several insurance policies purchased by the Bank on the Executives. As of the end of 2006, the SOSOP provided for a \$2,947,258 death benefit for Mr. Heintzman and a \$1,762,805 death benefit for Ms. Thompson.

If an executive dies after employment termination (other than on account of disability) but before retirement payments begin, the Executive's selected beneficiary is paid a death benefit equal to the retirement payments to which the Executive would have been entitled, at the same time and in the same amounts those payments would have even paid to the executive. The following table illustrates these pension benefits:

Pension Benefits Table

Name	Plan Name	Number of Years of Credited Service (#)	Present Value of Accumulated Benefit (\$)	Payments During Last Fiscal Year (\$)
David P. Heintzman	Senior Officers Security Plan	22	472,608	
Nancy B. Davis				
Kathy C. Thompson	Senior Officers Security Plan	15	173,098	
James A. Hillebrand				
Phillip S. Poindexter				

The Executive Nonqualified Deferred Compensation Plan (the "NQ Plan") allows the Executive to defer base salary by a dollar amount or any whole percentage of up to 10%. Beginning with incentive compensation paid (if any) with respect to 2007, participants are also allowed to defer receipt and income taxation on up to 50% of annual incentive compensation. Beginning in 2006, Executives are credited with the amount of match and basic ESOP contribution that those officers do not receive under the Bank's tax-qualified 401(k) and Employee Stock Ownership Plan applicable to employees generally, because the eligible compensation taken into account under the 401(k) and Employee Stock Ownership Plan does not include either (i) any pay in excess of base salary, or (ii) any base salary above an annual tax-qualified plan cap under the Internal Revenue Code (which cap is \$220,000 in 2006 and is indexed each year). This Bank credit to the Executive's plan accounts is vested in accordance with the vesting schedule in the tax-qualified 401(k) and Employee Stock Ownership Plan, so all Executives except Mr. Poindexter are 100% vested in this amount upon its credit to the NQ Plan.

Once amounts are credited to the NQ Plan, they increase or decrease based on the actual investment performance of certain investments funds selected by the Company from time to time, among which investment funds the Executives can designate (and re-designate as often as they wish) how their account balances should be allocated.

The Executives have elected between a lump sum distribution or annual installments over no more than 10 years from the NQ Plan, but that election applies only if they leave the Bank's employ due to death or after age 55. If the Executive's termination of employment occurs other than on account of death and prior to age 55, benefits are automatically paid in a lump sum.

The Executive also may elect (prior to the year in which credits are to be made) to have some or all of their own deferrals paid to them in a lump sum or installments over up to six years, while still employed by the Bank,

provided they timely designate the amount and time for that payment, and subject to Internal Revenue Code restrictions on later accelerating the payment or delaying it. Executives may also apply to receive a distribution in the event of an unforeseeable emergency.

Nonqualified Deferred Compensation Table

Name	Executive Contributions in Last Fiscal Year (\$)	Registrant Contributions in Last Fiscal Year (\$)	Aggregate Earnings in Last Fiscal Year (\$)	Aggregate Withdrawals/ Distributions (\$)	Aggregate Balance at Last Fiscal Year End (\$)
David P. Heintzman(1)	37,800	38,316	23,633		189,323
	12,500		19,861		170,779
	50,300	38,316	43,494		360,102
Nancy B. Davis	10,000	41,578	8,938		150,658
Kathy C. Thompson	22,000	14,032	16,296		113,156
James A. Hillebrand		3,926	3,383		15,589
Phillip S. Poindexter		3,568			3,568

(1) For Mr. Heintzman totals include first an employee account then a director fee deferral account.

(2) Includes an amount for each officer equal to the 401(k) match and ESOP contribution not received under the Bank's tax-qualified 401(k) and Employee Stock Ownership Plan because of plan limits, as described above. This total also includes for Ms. Davis a one-time \$38,074 credit in addition to the amount previously earned under a prior program that was combined with this one, in exchange for her agreement to merge the benefits of that prior arrangement into this plan.

Other Potential Post-Employment Payments

Various benefit plans of the Bank have special terms that apply if a change in control occurs:

- The SOSP, described above, provides that a change in control of the Bank during the Executive's employment will trigger the Executive becoming fully vested in the SOSP benefit.
- The NQ Plan discussed above provides that at a change in control while the Executive is still employed, any Bank credits to this plan that are then unvested will be 100% vested.
- The Executives' ability to exercise stock options is fully accelerated upon a change in control and any unvested restricted stock becomes 100% vested at change in control.
- Three of the Executives have Severance Agreements that generally only apply in the event of a change in control.

The Bank has entered into 2005 Restated Senior Executive Severance Agreements (Severance Agreements) with Mr. Heintzman, Ms. Davis and Ms. Thompson. Each Severance Agreement provides that, in the event (A) the Executive is forced to resign during negotiations or following a change in control of Bank or Bancorp or (B) the Executive voluntarily terminates employment within 24 months following a change in control, the Bank will pay the Executive a severance payment equal to 299 percent of the Executive's average gross taxable income for the previous five years (Full Payment). Should voluntary termination occur between 24 and 36 months following the change in control, the Executive will receive 2/3 of the Full Payment. Payments under the Severance Agreements are paid in a lump sum six months following termination of employment.

No payments are made under the Severance Agreements if (i) the Executive fails to comply with the Bank's confidentiality policies, (ii) termination occurs because the Bank has determined there is cause as defined in the Severance Agreement, (iii) the Executive terminates due to death or disability, or (iv) the Executive announced before the event an intention to voluntarily cease working with no intention to seek other

employment at a date that happens to correspond to a change in control. The Severance Agreement also requires that the Executive not compete, directly or indirectly, by soliciting customers or business of the Bank in Kentucky or a 50 mile radius of Louisville, Kentucky, or by soliciting for employment any employee of the Bank, for a period of 18 months following the receipt of any severance payment.

The Severance Agreements provide that the Bank will indemnify the Executive for legal fees and expenses incurred in contesting any termination or enforcing the Severance Agreement. In addition, the Severance Agreement requires that the Bank pay any excise taxes payable due the compensation paid under this and other agreements, and gross up that payment to cover the income taxes on the excise tax payment. Excise taxes would be due if the total of the payments under the Severance Agreement, plus other payments that are triggered by or enhanced due to a change in control, amount to more than 300 percent of the Executive's gross taxable income for the previous five years; if this occurs, then all amount paid in excess of 100% of that five-year average taxable income is an excess parachute payment under Code Section 280G.

Because awards under the Company's Stock Incentive Plan become fully exercisable or vest upon a change in control, and the SOSP benefits promised Mr. Heintzman and Ms. Thompson also accelerate in that event, it is likely that the Bank would have to reimburse for some excise taxes under this agreement.

The following table estimates the amount that would have been payable under the Severance Agreements if their terms had been triggered as of December 31, 2006.

Officer	Senior Executive Severance Agreement Full Payment	2/3 Payment	Excise Tax Payment and Tax Gross-Up if Full Payment is Due (1)	Difference between lump sum value of SOSP if fully vested, as compared with its value at actual percentage now vested (2)	Value realized if Unvested Options were Exercised (3)	Additional Value to Executive from Accelerated Vesting of NQ Plan
Heintzman	\$ 1,630,815	\$ 1,087,210	\$ 547,630	\$ 82,229	\$	\$
Davis	506,569	337,712				
Thompson	963,447	642,298	347,892	121,335		
Hillebrand					37,170	
Poindexter					37,170	3,568

(1) This assumes the excise tax rate is 20%, the executive's combined state and federal income tax rate is 40% and that the value of the accelerated vesting etc. under Internal Revenue Code Section 280G principles is \$14,560 in the case of Mr. Heintzman, in the case of Ms. Thompson, and \$9.868 in the case of Ms. Davis, which value makes the total consideration connected to the change in control exceed the parachute limits of that Code Section. If the value of the consideration received under that code section exceeds 3 times the Executive's prior 5 year's average income-taxable compensation, then all values above 1 times that average historical compensation are subject to the excise tax.

(2) This figure is the lump sum present value of 100% of the SOSP benefit, less the present value of the percentage of the benefit already vested, using an interest rate of 5.81% (120% of the IRS-published applicable federal rate as dictated by the SOSP's terms) and the actual attained ages of the Executives as of the fiscal year end.

(3) This is the difference between the exercise price and the December 31, 2006 market price of the awarded but as-yet-unvested stock options held by each executive.

Director Compensation

The following table set forth information concerning the compensation of our Directors for the last fiscal year:

Director Compensation Table

Name (4)	Fees Earned or Paid in Cash (\$ (1))	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$ (2))	All Other Compensation (\$ (3))	Total (\$)
Mr. Brooks	25,700				37,625	84,000	147,325
Mr. Carrico	25,800						25,800
Mr. Edinger	23,700				48,234		71,934
Dr. Gall	20,000				50,633		70,633
Mr. Herde	24,200				5,395		29,295
Mr. Madison	20,500				108,174		128,674
Mr. Simon	24,200				13,207		37,407
Mr. Tasman	25,000				73,316		98,316
Dr. Taylor	21,000				11,483		32,483

(1) Of this total, the directors deferred receipt and taxation of the following amounts of 2006 fees:

	Nonqualified Plan
Mr. Brooks	
Mr. Carrico	
Mr. Edinger	23,700
Dr. Gall	20,000
Mr. Herde	24,200
Mr. Madison	20,500
Mr. Simon	15,350
Mr. Tasman	25,000
Dr. Taylor	21,000

(2) Each director has the option of deferring some or all of his/her fees. Investment options include Bancorp stock and various mutual funds. For Mr. Brooks, deferred compensation earnings include both \$22,443 from his Director NQ Plan account and \$15,182 from his executive NQ Plan account..

(3) Mr. Brooks, a former executive of the Bank, participated in both the Director and the Executive NQ Plan. During 2006 he received distributions of \$9,352 from his account in the Executive NQ Plan. Mr. Brooks, is also participant in the SOSPP (described in more detail above), and under that plan has an annual defined benefit of \$84,000. He received his first annual payment under this plan in 2006, and payment of that same amount will continue for 14 more years. This amount is reflected under All Other Compensation above. The actuarially-determined present value of his benefit obligation *declined* in 2006 because he is receiving annual benefits, so no amount is included for the change in this pension value above.

(4) Mr. Heintzman and Ms. Thompson serve as directors for the Company. All of their compensation as directors is included in the Summary Compensation Table above.

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Directors may defer all or a portion of their fees pursuant to the Director Nonqualified Deferred Compensation Plan (the Director NQ Plan), and the amounts so deferred then increase or decrease in value based on how the director elects that the account be allocated as among various investment options selected by the Bank from time to time. The investment options are currently the same options available under the Executive NQ Plan, except that directors may also direct that their fees be invested in Bancorp stock, which is then actually purchased and held in trust at the Bank. Approximately 74 percent of the total amounts owed directors under this NQ Plan as of the last fiscal year end was invested in Bancorp stock.

For 2006, non-employee directors received an annual retainer of \$5,200. All Bancorp s directors received \$900 increased in May to \$1,000 for each meeting of S.Y. Bancorp s Board of Directors he or she attended, if the

meeting was not held immediately before or after a meeting of the Board of Directors of the Bank. S.Y. Bancorp's directors are also directors of the Bank, and received \$900 increased in May to \$1,000 for each Bank board meeting attended.

Non-employee directors of S.Y. Bancorp and the Bank who are members of the various committees of the Board of Directors received \$500 increased to \$600 during 2006 per meeting of S.Y. Bancorp's Audit Committee, \$400 increased to \$500 per meeting of S.Y. Bancorp's Compensation Committee, \$400 increased to \$500 per meeting of S.Y. Bancorp's Nominating and Corporate Governance Committee, \$400 increased to \$500 per meeting attended of the Bank's Trust Committee, and \$300 increased to \$500 per meeting attended of the Bank's Loan Committee.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee acts under a written charter approved and adopted by the Board of Directors. The Audit Committee reviews S.Y. Bancorp's financial reporting process on behalf of the Board of Directors. Management has the primary responsibility for the financial statements and the reporting process, including the system of internal controls.

The Committee discussed with management, the internal auditors and the independent auditors the quality and adequacy of S.Y. Bancorp's internal controls and the internal audit function's organization, responsibilities, budget and staffing. The Committee reviewed both with the independent and internal auditors their audit plans, audit scope and identification of audit risks. The Committee also discussed the results of the internal audit examinations.

In this context, the Audit Committee has met and held discussions with management and the independent auditors. Management represented to the Audit Committee that S.Y. Bancorp's consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America, and the Audit Committee has reviewed and discussed the quarterly and year end consolidated financial statements contained in filings with the Securities and Exchange Commission with management and the independent auditors. The Audit Committee discussed with the independent auditors matters required to be discussed by Statement on Auditing Standards No. 61, Communication with Audit Committees.

In addition, the Audit Committee has discussed with the independent auditors the auditors' independence from S.Y. Bancorp and its management, including the matters in the written disclosures required by the Independence Standards Board Standard No. 1, *Independence Discussions with Audit Committees*. The Audit Committee has also considered whether the independent auditors' provision of non-audit services to S.Y. Bancorp is compatible with the auditors' independence.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors, and the Board approved, that the audited consolidated financial statements be included in S.Y. Bancorp's Annual Report on Form 10-K for the year ended December 31, 2006, for filing with the SEC.

The Audit Committee of the Board of Directors of S.Y. Bancorp, Inc.

James E. Carrico
Carl G. Herde, Chairman

Charles R. Edinger, III
Nicholas X. Simon

The following table presents fees for professional audit services rendered by KPMG LLP for the audits of S.Y. Bancorp's financial statements for 2006 and 2005 and fees billed for other services rendered by KPMG LLP:

	2006	2005
Audit fees, excluding audit related (1)	\$ 202,460	\$ 192,150
Audit-related fees (2)	4,000	4,000
Tax fees (3)		
All other fees		
Total fees	\$ 206,460	\$ 196,150

- (1) Audit fees include fees for the consolidated audit and review of Form 10-K as well as fees for the reviews of quarterly financial information filed with the SEC on Form 10-Q and FDICIA procedures.
- (2) Audit-related fees consisted of FHLB and FDICIA reporting. In 2005 \$2,500 related to service provided in conjunction with the filing of a Form S-8 registration statement with the SEC.
- (3) Effective 2004 tax compliance and consulting services were provided by another accounting firm.

The Audit Committee is responsible for pre-approving all auditing services and permitted non-audit services to be performed by its independent auditors, except for 2006 and 2005, respectively, they pre-approved the performance of audit-related services for which fees may total up to \$20,000 and \$10,000 annually. In 2006 and 2005, no audit-related fees were incurred under this approval. For 2006 audit fees of \$9,460 and for 2005 audit fees of \$6,500 included at (1) above were incurred under this approval.

TRANSACTIONS WITH MANAGEMENT AND OTHERS

The Bank has had, and expects to have in the future, banking transactions in the ordinary course of business with certain directors and officers of S.Y. Bancorp and the Bank and their associates, as well as with corporations or organizations with which they are connected as directors, officers, shareholders or partners. These banking transactions are made on substantially the same terms (including interest rates and collateral) as those prevailing at the time for comparable transactions with other persons. In the opinion of management of S.Y. Bancorp and the Bank, such transactions do not involve more than the normal risk of collectibility or present other unfavorable features. Loans made to directors and executive officers are in compliance with federal banking regulations and are thereby exempt from insider loan prohibitions included in the Sarbanes-Oxley Act of 2002.

At December 31, 2006, loans to directors and officers of S.Y. Bancorp and the Bank and their associates totaled \$8,111,000 equaling 5.9% of the Bancorp's consolidated stockholders' equity.

Compensation Committee Interlocks and Insider Participation

During 2006 Messrs. Edinger and Tasman and Drs. Gall and Taylor, all of whom are independent, non-employee directors, served on the Compensation Committee of the Board of Directors. None of these gentlemen has ever served as an officer of Bancorp nor had any relationship with Bancorp requiring disclosure. The Compensation Committee members have no interlocking relationships requiring disclosure under the rules of the Securities and Exchange Commission.

Review of Related Person Transactions

Bancorp has written procedures for reviewing transactions between Bancorp and its directors and executive officers, their immediate family members and entities with which they have a position or relationship. These procedures are intended to determine whether any such related person transaction impair the independence of a director or presents a conflict of interest on the part of a director or executive officer. Quarterly we require each of our directors and executive officers to complete a questionnaire listing any related person transactions. These are compiled by the internal audit department, and results are reported to the Audit Committee of the Board of Directors. Annually we require each director and executive officer to complete a directors' and officers' questionnaire that elicits information about related person transactions. Any related person transactions identified are discussed with the Audit Committee and evaluated to determine whether any likelihood exists that the transaction could impair the director's independence or present a conflict of interest for that director. Any such conclusion would be considered by the Board of Directors. Should it be determined a director is no longer independent, he/she would be removed from the Audit, Compensation or Nominating and Governance Committee(s) as applicable. If the transaction were to present a conflict of interest, the Board would determine the appropriate response. Upon receiving notice of any transaction on the part of an executive officer that may present a conflict of interest, the internal auditor will discuss the transaction with the CEO or if the transaction involves the CEO, the Chair of the Audit Committee, to determine whether the transaction presents a conflict of interest. In a case involving a conflict of interest, the CEO, or Chair of the Audit Committee, along with the director of Human Resources will determine the appropriate response.

Other than banking transactions described above, there were no transactions with related persons needing to be disclosed under the SEC's disclosure requirements.

Beginning in 2007 the Audit Committee established a procedure under which any related person transaction or series of transactions in excess of \$25,000, other than banking transactions in the ordinary course of business and in compliance with federal banking regulations, will be reported to and preapproved by the audit committee.

INFORMATION CONCERNING INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

KPMG LLP has been engaged to audit the consolidated financial statements of S.Y. Bancorp for the past nineteen years. Upon completion of its evaluation process, the Audit Committee recommended KPMG perform the independent audit of S.Y. Bancorp's consolidated financial statements for the year ending December 31, 2007. S.Y. Bancorp's Board of Directors approved the recommendation.

Representatives of KPMG LLP will be present at the Annual Meeting, will have the opportunity to make a statement if they desire to do so, and are expected to be available to respond to appropriate questions.

ANNUAL REPORT ON FORM 10-K

A copy of S.Y. Bancorp, Inc.'s 2006 Annual Report on Form 10-K as filed with the Securities and Exchange Commission, without exhibits, will be provided without charge following receipt of a written or oral request directed to: Nancy B. Davis, Executive Vice President, Treasurer and Chief Financial Officer, S.Y. Bancorp, Inc., P.O. Box 32890, Louisville, Kentucky 40232, (502) 625-9176; or nancy.davis@syb.com. A copy of the Form 10-K may also be obtained at the company's website, www.syb.com or the SEC's website, www.sec.gov.

OTHER MATTERS

The officers and directors of S.Y. Bancorp do not know of any matters to be presented for shareholder approval at the Annual Meeting other than those described in this Proxy Statement. If any other matters should come before the Annual Meeting, the Board of Directors intends that the persons named in the enclosed form of proxy, or their substitutes, will vote such proxy in accordance with their best judgment on such matters.

By Order of the Board of Directors

/s/ David P. Heintzman

David P. Heintzman
Chairman, President and Chief Executive Officer
S.Y. Bancorp, Inc.

Louisville, Kentucky
March 21, 2007

S.Y. BANCORP, INC.

1040 EAST MAIN STREET

LOUISVILLE, KENTUCKY 40206

PROXY FOR HOLDERS OF COMMON STOCK

ANNUAL MEETING OF SHAREHOLDERS - APRIL 25, 2007

This proxy is solicited by the Board of Directors of S.Y. Bancorp, Inc.

The undersigned hereby appoints David P. Heintzman and Kathy C. Thompson or either of them, attorneys with power of substitution and revocation to each, to vote any and all shares of Common Stock of S.Y. Bancorp, Inc. (Bancorp) held of record by the undersigned, in the name and as the proxy of the undersigned, at the Annual Meeting of Shareholders of Bancorp (the Annual Meeting) to be held at The Olmsted, 3701 Frankfort Avenue, Louisville, Kentucky 40207 on April 25, 2007 at 10:00 a.m., Eastern Time, or any adjournment thereof, hereby revoking any prior proxies to vote said stock, upon the following proposals more fully described in the Notice of and Proxy Statement for the meeting (receipt of which is hereby acknowledged):

(1) FOR ☐ AGAINST ☐ ABSTAIN ☐ a proposal to approve the action of the Board of Directors fixing the number of directors at twelve (12).

(2) ELECTION OF DIRECTORS - Nominees are: David H. Brooks, Nicholas X. Simon, and Kathy C. Thompson.

Mark one box only.

☐
☐
☐

FOR ALL nominees listed above

FOR ALL nominees listed above EXCEPT the following:

WITHHOLD authority to vote for ALL nominees listed above

(3) OTHER BUSINESS. To consider and act upon such other matters as may properly be brought before the Annual Meeting or any adjournment thereof.

The Board of Directors recommends a vote FOR the proposal fixing the number of directors at twelve (12), and FOR ALL nominees for director listed above.

This proxy, properly signed and dated, will be voted as directed, but if no instructions are specified, this proxy will be voted for the proposal to fix the number of directors at twelve (12) and for all nominees for director. If any other business is properly presented at such meeting, this proxy will be voted by those named in this proxy in their best judgment. At the present time, the Board of Directors knows of no other business to be presented at the meeting.

Date , 2007

(Signatures)

Should the above signed be present and elect to vote at the Annual Meeting of Shareholders or at any adjournment thereof and after written notification to the Secretary of the Corporation at the Meeting of the shareholder's decision to terminate this proxy, then the power of said attorneys and proxies shall be deemed terminated and of no further force and effect.

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Please sign exactly as your name appears on this proxy card; (refer to adhesive label below). When signing as attorney, executor, administrator, trustee or guardian, please give your full title. If shares are held jointly, only one signature is required but each holder should sign, if possible.

PLEASE ACT PROMPTLY

SIGN, DATE & MAIL YOUR PROXY CARD TODAY
