S Y BANCORP INC
Form 424B3
March 20, 2013

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PROXY STATEMENT FOR SPECIAL MEETING OF SHAREHOLDERS OF THE BANCORP, INC.

and

PROSPECTUS OF S.Y. BANCORP, INC.

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

Dear Shareholder of THE BANCorp, Inc.:

The boards of directors of THE BANCorp, Inc. ("TBI") and S.Y. Bancorp, Inc. ("SYB") have each unanimously approved an Agreement and Plan of Merger, dated as of December 19, 2012 (which we refer to as the "merger agreement"), which provides for the acquisition of TBI by SYB (which we refer to as the "merger"). If the merger is completed, each outstanding share of TBI common stock will be converted into the right to receive (i) 12.7557 shares of common stock of SYB, plus (ii) subject to certain potential adjustments, $185.81 in cash. **The value of the merger consideration will fluctuate with the market price of SYB common stock and will not be known at the time you vote on the merger.** SYB common stock trades on the NASDAQ Global Select Market under the symbol "SYBT." On March 13, 2013, the last practicable trading day before the date of this proxy statement/prospectus, the merger consideration of $185.81 in cash and 12.7557 shares of SYB common stock represented approximately $476.00 in value for each share of TBI common stock. **We urge you to obtain current market quotations for SYB common stock.**

TBI will hold a special meeting of shareholders to consider the proposed merger and certain related matters. We cannot complete the merger unless the shareholders of TBI approve the proposals related to the merger. This document is a proxy statement which TBI is using to solicit proxies for use at its special meeting of shareholders to be held on April 22, 2013 to vote on the merger as well as a prospectus relating to the shares of SYB common stock to be issued in the merger. This proxy statement/prospectus describes the special meeting, the merger proposal, the SYB shares to be issued in the merger, and other related matters. A copy of the merger agreement is attached as Annex A to the accompanying proxy statement/prospectus, and you are encouraged to read it in its entirety.

Your vote is very important, regardless of the number of shares that you own. **TBI's board of directors recommends that you vote "FOR" the proposal to approve the merger agreement and urges you to sign and date the enclosed proxy card and return it promptly in the enclosed postage-paid return envelope to make sure that your vote is counted.**

We look forward to the successful combination of TBI and SYB.

STEPHEN M. NORTON	DAVID P. HEINTZMAN
President and Chief Executive Officer	*Chairman and Chief Executive Officer*
THE BANCorp, Inc.	S.Y. Bancorp, Inc.

The obligations of TBI and SYB are subject to the satisfaction or waiver of several conditions set forth in the merger agreement. **You should carefully read this entire proxy statement/prospectus and the documents incorporated by reference in the proxy statement/prospectus because they contain important information about the merger. Please see "Risk Factors" beginning on page 18 for a discussion of certain risks relating to the merger.**

The securities to be issued in connection with the merger are not savings or deposit accounts or other obligations of any bank or nonbank subsidiary of any of the parties, and they are not insured by the Federal Deposit Insurance Corporation, the Deposit Insurance Fund or any other governmental agency.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under this proxy statement/prospectus or determined if this proxy statement/prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

This proxy statement/prospectus is dated March 19, 2013 and is first being mailed to TBI's shareholders on or about March 20, 2013.

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WHERE YOU CAN FIND MORE INFORMATION

SYB files annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission (the "SEC"). You may read and copy any reports, statements or other information that SYB files with the SEC at the SEC's public reference room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549, at prescribed rates. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference room. SYB's public filings also are available to the public from commercial document retrieval services and on the World Wide Web site maintained by the SEC at *www.sec.gov*.

SYB has filed with the SEC a registration statement on Form S-4 under the Securities Act of 1933 with respect to the common stock of SYB being offered in the merger. This proxy statement/prospectus, which constitutes part of the registration statement, does not contain all of the information set forth in the registration statement or in the exhibits to the registration statement. Parts of the registration statement are omitted from the proxy statement/prospectus in accordance with the rules and regulations of the SEC. For further information regarding SYB and the SYB common stock, your attention is directed to the registration statement, including the attached exhibits. Statements made in this proxy statement/prospectus concerning the contents of any documents are not necessarily complete, and in each case are qualified in all respects by reference to the copy of the document filed with the SEC.

As permitted by SEC rules, this document incorporates by reference certain important business and financial information about SYB from documents that SYB has previously filed with the SEC and documents that SYB may file with the SEC after the date of this proxy statement/prospectus and prior to the date of the TBI special meeting. See "Incorporation of Certain Documents By Reference" on page 86. These documents are available to you without charge upon your written or oral request. Your requests for these documents should be directed to the following address or telephone number:

S.Y. Bancorp, Inc.
P.O. Box 32890
Louisville, Kentucky 40232-2890
Attn: Nancy B. Davis
Executive Vice President, Treasurer and Chief Financial Officer
(502) 625-9176

You should make any request for information from SYB no later than five business days before the date of the TBI shareholders' meeting (which means no later than April 15, 2013) in order to ensure delivery prior to the TBI shareholders' special meeting. You can also obtain documents incorporated by reference in this document through the SEC's website at *www.sec.gov*. You may also obtain certain of these documents at SYB's website *www.syb.com* by selecting the link to "Investor Relations" and then selecting the link to "SEC Filings." Other information contained on SYB's website is expressly *not* incorporated by reference into this proxy statement/prospectus.

IMPORTANT NOTICE FOR TBI'S SHAREHOLDERS

You should rely only on the information contained or incorporated by reference in this proxy statement/prospectus to vote on the proposals to TBI's shareholders in connection with the merger. We have not authorized anyone to provide you with information that is different from, or in addition to, what is contained in this proxy statement/prospectus or any document incorporated by reference in this document. Therefore, if anyone does provide you with information of this sort, you should not rely on it. The information in this proxy statement/prospectus is current as of the date on which it is mailed to TBI shareholders, and not necessarily as of any later date. If any material change occurs during the period that this proxy statement/prospectus is required to be delivered, this proxy statement/prospectus will be supplemented or amended.

This proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to purchase, the securities offered by this proxy statement/prospectus, or the solicitation of a proxy, in any

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jurisdiction in which or to or from any person to whom or from whom it is unlawful to make such offer, solicitation of an offer, or proxy solicitation.

This document constitutes a prospectus of SYB under the Securities Act of 1933 with respect to the SYB common stock to be issued to TBI shareholders pursuant to the merger agreement. This document also constitutes a proxy statement of TBI in connection with the solicitation of proxies by TBI's board of directors for use at the special meeting of TBI shareholders.

All information regarding SYB in this proxy statement/prospectus has been provided by SYB, and all information regarding TBI in this proxy statement/prospectus has been provided by TBI.

TBI generally makes a copy of its financial statements available to its shareholders on an annual basis. Copies of the financial statements can be obtained, without charge, by contacting Stephen M. Norton, TBI's President and Chief Executive Officer, at (502) 222-2100.

If you have any questions or need any assistance in completing and returning your proxy, you may contact TBI at the following address and telephone number:

THE BANCorp, Inc.
515 S. First Street
P.O. Box 500
La Grange, Kentucky 40031
Attn: Stephen M. Norton
President and Chief Executive Officer
(502) 222-2100

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THE BANCORP, INC.

515 S. First Street
P.O. Box 500
La Grange, Kentucky 40031

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON APRIL 22, 2013

To the Shareholders of THE BANCorp, Inc.:

NOTICE IS HEREBY GIVEN that a special meeting (the "special meeting") of the shareholders of THE BANCorp, Inc. ("TBI") will be held on April 22, 2013, at 2:00 p.m., local time, at the Crestwood branch of THE BANK Oldham County located at 6317 West Highway 146, Crestwood, Kentucky. At the special meeting, you will be asked to consider and vote upon the following matters:

1. *Merger Proposal*. To approve the Agreement and Plan of Merger, dated as of December 19, 2012, as amended by the First Amendment to Agreement and Plan of Merger, dated as of February 26, 2013, (which, as so amended, we refer to as the "merger agreement"), by and among S.Y. Bancorp, Inc. (which we refer to as "SYB"), Sanders Merger Sub, LLC (which we refer to as "Merger Sub"), and THE BANCorp, Inc. (which we refer to as "TBI"), pursuant to which TBI will merge with and into Merger Sub, with Merger Sub being the surviving entity (the "merger");

2. *Adjournment*. To approve a proposal to adjourn the special meeting, if necessary or appropriate, including an adjournment to permit solicitation of additional proxies if there are not sufficient votes present at the special meeting in person or by proxy to approve the merger; and

3. *Other Matters*. To vote upon such other matters as may properly come before the meeting or any adjournment thereof.

The board of directors of TBI has fixed the close of business on March 19, 2013 as the record date for the special meeting. Only TBI shareholders of record at the close of business on March 19, 2013 are entitled to notice of, and to vote at, the special meeting or any adjournment of the special meeting.

Under Kentucky law, if the merger is completed, TBI's shareholders of record who do not vote to approve the merger proposal will be entitled to exercise dissenters' rights and obtain payment in cash of the fair value of their shares of TBI common stock if they comply with the procedures set forth in the applicable Kentucky statutory provisions, which are included as Annex D to the accompanying proxy statement/prospectus.

The enclosed proxy statement/prospectus describes the merger agreement and the proposed merger in detail and includes, as Annex A, the complete text of the merger agreement. We urge you to read these materials carefully as they contain important information related to the proposed merger.

The affirmative vote of a majority of the shares of TBI common stock outstanding on the record date is required for the approval of the merger proposal. The adjournment proposal will be approved if more votes are cast in favor of that proposal than are cast against it at the special meeting.

The board of directors of TBI has unanimously approved the merger agreement and recommends that TBI shareholders vote "FOR" each of the proposals described in the accompanying materials.

Your vote is very important. The merger agreement must be approved by the affirmative vote of holders of a majority of the issued and outstanding shares of TBI common stock in order for the proposed merger to be consummated. **If you do not return your proxy card and do not vote in person at the special meeting, then the effect will be a vote against the proposed merger**. Whether or not you plan to attend the special meeting in person, we urge you to date, sign and return promptly the

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enclosed proxy card in the accompanying postage-paid return envelope. You may revoke your proxy at any time before the special meeting or by attending the special meeting and voting in person.

By Order of the Board of Directors

Stephen M. Norton
President and Chief Executive Officer

La Grange, Kentucky
March 19, 2013

IMPORTANT PLEASE VOTE YOUR PROXY PROMPTLY.

WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL MEETING, PLEASE MARK, DATE AND SIGN THE ENCLOSED PROXY AND RETURN IT PROMPTLY IN THE ENCLOSED POSTAGE-PAID RETURN ENVELOPE. IF YOU ARE ABLE TO ATTEND THE SPECIAL MEETING AND WISH TO VOTE YOUR SHARES PERSONALLY, YOU MAY DO SO AT ANY TIME BEFORE THE PROXY IS EXERCISED.

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QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING

The following questions and answers are included for your convenience and to briefly address some commonly asked questions about the proposed merger transaction, the merger agreement, and the TBI special meeting. We urge you to read carefully the remainder of this document because the information in this section may not address all of the questions or provide all of the information that might be important to you in determining how to vote. Additional important information is also contained in the annexes to, and the documents incorporated by reference into, this document.

Q: What am I being asked to vote on?

A:

S.Y. Bancorp, Inc. ("SYB") is proposing to acquire THE BANCorp, Inc. ("TBI") in accordance with the terms of the merger agreement dated December 19, 2012 (which we refer to as the "merger agreement") entered into by SYB, TBI, and Sanders Merger Sub, LLC, a wholly-owned subsdiary of SYB ("Merger Sub"). The merger agreement is described in this proxy statement/prospectus. As a shareholder of TBI, you are being asked to vote on the following two proposals:

- to approve the merger agreement and the merger (as defined below), which we refer to collectively as the "merger proposal"; and

- to approve one or more adjournments of the special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of the merger proposal, which we refer to as the "adjournment proposal."

Q: Why am I receiving this document?

A:

TBI is sending these materials to its shareholders to help them decide how to vote their shares of TBI common stock with respect to matters to be considered at the special meeting of TBI shareholders.

The merger cannot be completed unless TBI shareholders approve the merger proposal. TBI is holding a special meeting of its shareholders, which we refer to as the "special meeting," to vote on the proposals necessary to complete the merger. You are receiving this document and the enclosed proxy card because, as of March 19, 2013, the record date fixed by the board of directors of TBI for the special meeting, you owned shares of TBI common stock and are therefore entitled to vote at the special meeting. Information about the special meeting, the merger, and the other business to be considered by TBI shareholders at the special meeting is contained in this document.

This document constitutes both a proxy statement of TBI and a prospectus of SYB. It is a proxy statement because the board of directors of TBI is soliciting proxies from TBI's shareholders using this document. It is a prospectus because SYB, in connection with the merger, is offering shares of its common stock in partial exchange for the outstanding shares of TBI common stock in the merger.

Q: What is the merger?

A:

SYB, TBI, and Merger Sub have entered into the merger agreement, pursuant to which SYB will acquire TBI through the merger of TBI with and into Merger Sub, with Merger Sub continuing as the surviving company. Following the merger, TBI would no longer be a separate company. This transaction is referred to as the "merger." A copy of the merger agreement is attached as Annex A to this document.

Q: Why is TBI merging with SYB?

A:

TBI's board of directors believes that:

- the merger presents an opportunity to receive an attractive return on investment, compared to the less certain prospects for enhancing long-term shareholder value if TBI remains independent in a challenging operating environment for community banks of its size;

- the merger provides TBI shareholders the opportunity to exchange their shares for stock of a financial institution that offers a strong balance sheet, strong financial performance, diversified sources of revenue and less dependence on net interest income; and

- holders of SYB common stock currently receive a regular quarterly dividend and enjoy meaningful liquidity if they desire to sell their shares.

Based on these and other factors, TBI's board of directors believes that the merger is in the best interests of the TBI shareholders. We provide the background and more detailed reasons for the merger, starting on page 31.

Q: What will I receive in the merger?

A:

If the merger is completed, each share of TBI common stock will be converted into the right to receive merger consideration comprised of 12.7557 shares of SYB common stock plus, subject to certain potential adjustments, $185.81 in cash (which we refer to collectively as the "merger consideration").

Q: Will the value of the merger consideration change between the date of this proxy statement/prospectus and the completion of the merger?

A:

The value of the merger consideration may fluctuate between the date of this proxy statement/prospectus and the completion of the merger based upon the market value of SYB common stock and changes in the number of shares of TBI common stock outstanding. In the merger, TBI shareholders will receive a fixed amount of cash and a fixed number of shares of SYB common stock for each share of TBI common stock they hold. Although the number of shares of SYB stock to be exchanged in the merger will not change, any fluctuation in the market price of SYB stock after the special meeting will change the value of the shares of SYB common stock that TBI shareholders will receive. In addition, if the number of outstanding shares of TBI common stock increases as a result of the exercise of TBI stock options after the execution of the merger agreement, then the total merger consideration payable by SYB will increase, but it will not affect the merger consideration applicable to each share of TBI common stock.

Q: What happens if I am eligible to receive a fraction of a share of SYB common stock as part of my merger consideration?

A:

If the aggregate number of shares of SYB common stock that you are eligible to receive as the stock portion of your merger consideration includes a fractional share, then you will instead receive cash in lieu of that fractional share. The amount of that payment will be determined by multiplying the resulting fraction of a share by $21.85.

Q: When is the merger expected to be completed?

A:

We currently expect to complete the merger early in the second quarter of 2013. However, we cannot assure you when or if the merger will occur. We must, among other things, first obtain the approval of TBI shareholders at the special meeting and the required regulatory approvals

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described in this document under the caption "Proposal 1 The Merger Regulatory Approvals Required for the Merger."

Q: What happens if the merger is not completed?

A:

If the merger is not completed, then holders of TBI common stock will not receive any consideration for their shares in connection with the merger. Instead, TBI will remain an independent company and the current TBI shareholders will retain their equity ownership interests in TBI. Under specified circumstances in connection with the termination of the merger agreement, including circumstances involving a change in recommendation by the board of directors of TBI or failure to receive the required approval of TBI shareholders for the merger, TBI may be required to pay SYB a termination fee of $750,000 or $250,000, respectively. For further discussion of the termination rights under the merger agreement and the related termination fees, see "The Merger Agreement Termination; Termination Fee" beginning on page 62.

Q: What risks should I consider before I vote on the merger proposal?

A:

You should review the risk factors set forth in the section of this proxy statement/prospectus entitled "Risk Factors" beginning on page 18. You also should read and carefully consider the risk factors relating to SYB's business which are contained in the reports and other documents that SYB files with the SEC and are incorporated by reference into this proxy statement/prospectus. See "Where You Can Find More Information" in the forepart of this document and "Incorporation of Certain Documents by Reference" beginning on page 86.

Q: Will SYB shareholders receive any shares or cash as a result of the merger?

A:

No. SYB shareholders will continue to own the same number of SYB shares that they owned prior to the effective time of the merger (which we refer to as the "effective time.")

Q: How many votes are required to approve the merger proposal and the adjournment proposal?

A:

The merger proposal will be approved if holders of a majority of the issued and outstanding shares of TBI common stock vote in favor of approving it. Approval of the adjournment proposal requires that more votes be cast in favor of that proposal than are cast against it.

TBI's directors have entered into Voting and Support Agreements with SYB pursuant to which they have agreed, among other things, to vote all of their shares, representing approximately 20% of the outstanding shares of TBI stock as of the record date for the special meeting, in favor of the merger proposal.

Q: How may I vote my shares at the special meeting?

A:

TBI shareholders may vote by (i) completing, signing, dating and returning the enclosed proxy card in the enclosed postage-paid return envelope or (ii) attending the special meeting and voting in person. We encourage you to submit your proxy as soon as possible to ensure that your shares will be represented and voted at the special meeting. Submitting a proxy will not affect the right of any TBI shareholder to vote in person at the special meeting.

Q: What happens if I do not vote or I abstain?

A:

Because the required vote of TBI shareholders to approve the merger proposal is based upon the number of outstanding shares of TBI common stock entitled to vote rather than upon the number of shares actually voted, if you fail to vote or abstain from voting on the merger proposal, it will

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have the same effect as a vote against the merger. An abstention will have no effect on the adjournment proposal.

Q: What happens if I return my proxy card without indicating how to vote?

A:

All shares represented by valid proxies that TBI receives through this solicitation, and that are not revoked, will be voted in accordance with your instructions on the proxy card. If you return a properly signed proxy card but do not indicate how you want to vote on any particular proposal, then your proxy will be counted as a vote FOR approval of the merger proposal and FOR approval of the adjournment proposal.

Q: When and where is the TBI special meeting?

A:

The special meeting of TBI shareholders will be held at the Crestwood branch of THE BANK Oldham County located at 6317 West Highway 146, Crestwood, Kentucky, on April 22, 2013, at 2:00 p.m. local time.

Q: What are the tax consequences of the merger to me?

A:

We have structured the merger as a tax-free reorganization, so that SYB, TBI, and their respective shareholders will not recognize any gain or loss for federal income tax purposes on the exchange of TBI shares of common stock for shares of SYB common stock in the merger. TBI shareholders generally will be taxed on any gain that they may have with respect to the cash portion of the merger consideration. Additionally, taxable income will result to the extent that a TBI shareholder receives cash in lieu of a fractional share of SYB common stock and that cash received exceeds the TBI shareholder's adjusted basis in the surrendered stock. See "Material Federal Income Tax Consequences" beginning on page 71. Your tax consequences will depend on your personal situation. You should consult your tax advisor for a full understanding of the tax consequences of the merger to you.

Q: Will I have dissenters' rights?

A:

Yes. Under Kentucky law, you have the right to dissent from the merger and receive, in lieu of the consideration you would otherwise be entitled to receive as a result of the merger, payment in cash for the fair value of your shares of TBI common stock if the merger is completed. The fair value of your shares may be more or less than the merger consideration that you would receive in the merger if you do not dissent. This cash payment would be taxable to you. To exercise dissenters' rights, you must strictly follow the procedures prescribed by the Kentucky Business Corporation Act ("KBCA"). To review these procedures in more detail, see "Dissenters' Rights" beginning on page 66 of this proxy statement/prospectus and Annex D.

Q: Are SYB shareholders required to vote on the merger agreement?

A:

No. A vote of SYB shareholders is not required to approve the merger agreement.

Q: How does the TBI board of directors recommend that I vote?

A:

The TBI board of directors unanimously recommends that you vote "FOR" approval of the merger proposal and "FOR" approval of the adjournment proposal.

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Q: What do I need to do now?

A:

After carefully reading this proxy statement/prospectus, indicate on your proxy card how you want your shares to be voted. Then sign, date, and mail your proxy card in the enclosed postage-paid return envelope as soon as possible so that your shares can be voted at the special meeting.

Q: If my shares are held in "street name" by my broker, will my broker vote my shares for me?

A:

If your shares are held in the name of a broker, bank, or other nominee, then you are considered the "beneficial holder" of the shares held for you in what is known as "street name." In this case, you are not the record holder of the shares. As the beneficial holder, you generally have the right to instruct the broker or other nominee as to how to vote the shares. Your broker will vote your shares on the merger proposal only if you provide instructions on how to vote. You should contact your broker and ask what directions your broker will need from you. If you do not provide instructions to your broker on how to vote on the merger proposal, then your broker will not be able to vote your shares on that proposal, which will have the same effect as voting against the merger proposal.

Q: Can I attend the special meeting and vote my shares in person?

A:

Yes. All TBI shareholders are invited to attend the special meeting. Only those persons who are holders of record of TBI common stock on March 19, 2013, the record date established by the TBI board of directors for the special meeting, may vote in person at the meeting. If you are not a shareholder of record, then you must obtain a proxy, executed in your favor, from the recordholder of your shares, such as a broker, bank or other nominee, to be able to vote your shares in person at the special meeting.

Regardless of whether you plan to attend the special meeting, we encourage you to return your signed proxy card promptly to ensure that a quorum exists at the special meeting and that your vote will be counted if you later choose not to attend the meeting. You may revoke any previously submitted proxy and vote your shares in person at the special meeting.

Q: Can I change my vote after I have mailed my signed proxy card?

A:

Yes. You can change your vote at any time before your proxy is voted at the special meeting. You can do this in one of three ways:

- First, you can send a written notice stating that you revoke your proxy;
- Second, you can complete and submit a new proxy card, dated as of a date later than the first proxy card; and
- Third, you can attend the special meeting and vote in person.

Your attendance at the special meeting will not, however, by itself revoke your proxy. If you hold your shares in "street name" and have instructed your broker how to vote your shares, you must follow directions received from your broker to change those instructions.

Q: What if some or all of my TBI shares are held in the TBI 401(k) plan?

A:

If you are a participant in the THE BANK Oldham County Profit Sharing Plan, which we refer to as the "401(k) plan," then you may be receiving this material because of the TBI common stock held in your account in the 401(k) plan. In that case, the new trustee of the 401(k) plan will distribute to participants a voting instruction card prior to the special meeting. If you properly complete and execute the voting instruction card and return it as directed, then the trustee will vote the shares allocated to your 401(k) plan account in accordance with your instructions, subject

to the trustee's fiduciary obligations under the Employee Retirement Income Security Act of 1974. Where properly executed voting instruction cards are returned to the trustee with no specific instruction as to how to vote at the special meeting, the trustee will vote the shares in its discretion. Please note that you will not be able to vote the shares of TBI common stock held for you in the 401(k) plan in person at the special meeting because the shares may only be voted by the plan trustee.

If your shares of common stock are held by you both in your name as the record holder and for your account in the 401(k) plan, then you must use the enclosed proxy card only to vote the shares held in your record name. You should separately provide voting instructions to the 401(k) plan trustee for your plan shares by returning the voting instruction card provided by the trustee.

Q: Should I send in my stock certificates now?

A:

No. You should not send your stock certificates with your proxy card. As soon as practicable after the completion of the merger, you will receive written instructions and a letter of transmittal describing how you may exchange your shares for your merger consideration. At that time, you must send your completed letter of transmittal to Registrar and Transfer Company, which will serve as the exchange agent, in order to receive your merger consideration. You should not send your share certificate until you receive the letter of transmittal.

Q: What if I cannot find my stock certificates?

A:

There will be a procedure for you to receive your merger consideration, even if you have lost one or more of your TBI stock certificates. This procedure, however, may take time to complete and could involve an additional expense to you. In order to ensure that you will be able to receive your merger consideration promptly after the merger is completed, we urge you to confirm that you either hold stock certificates for your shares of TBI common stock or that your shares are held by a broker, depository or another financial institution. If you cannot locate your TBI stock certificates, then we urge you to contact Stephen M. Norton, President and Chief Executive Officer of TBI, as soon as possible to arrange for replacement stock certificates. Mr. Norton can be reached at the address and telephone number listed below.

Q: Where can I find more information about SYB?

A:

You can find more information about SYB from the sources described under the section entitled "Where You Can Find More Information" in the forepart of this document.

Q: Whom should I contact if I have other questions about the merger proposal or the procedures for voting my shares at the special meeting?

A:

If you have more questions about the merger proposal or the procedures for voting your shares at the special meeting, or if you need additional copies of this document or a replacement proxy card, then you should contact:

THE BANCorp, Inc.
515 S. First Street
P.O. Box 500
La Grange, Kentucky 40031
Attn: Stephen M. Norton,
President and Chief Executive Officer
(502) 222-2100

SUMMARY

This summary highlights selected information in this proxy statement/prospectus and may not contain all of the information that is important to you. To understand the merger more fully, you should read this entire document carefully, including the annexes and the documents referred to in this proxy statement/prospectus. A list of the documents incorporated by reference appears under the caption "Incorporation of Certain Documents by Reference" beginning on page 86. Each item in this summary includes a page reference directing you to a more complete description of that item.

Except where the context indicates otherwise, references to "SYB" refer to S.Y. Bancorp, Inc. and its consolidated subsidiaries, and references to "TBI" refer to THE BANCorp, Inc. and its consolidated subsidiaries. References to "SYB Bank" refer to Stock Yards Bank & Trust Company, SYB's wholly-owned subsidiary bank, and references to "Merger Sub" refer to Sanders Merger Sub, LLC, a wholly-owned subsidiary of SYB. References to "TBI Bank" refer to THE BANK Oldham County, TBI's wholly-owned subsidiary bank. References to "we," "us," or "our" refer to both SYB and TBI.

The Companies (page 28)

S.Y. Bancorp, Inc.
P.O. Box 32890
Louisville, Kentucky 40232-2890
(502) 582-2571

S.Y. Bancorp, Inc. (or SYB, as it is referred to in this document) is a bank holding company which was incorporated in Kentucky in 1988 and is headquartered in Louisville, Kentucky. SYB provides a broad range of banking services in the Louisville, Kentucky, Indianapolis, Indiana, and Cincinnati, Ohio markets through its bank subsidiary, Stock Yards Bank & Trust Company, which operates 31 full service offices, 25 of which are located in and around metropolitan Louisville. As of December 31, 2012, Stock Yards Bank & Trust Company (or SYB Bank, as it is referred to in this document) had total assets of $2.148 billion, total loans of $1.585 billion, total deposits of $1.782 billion, and total shareholders' equity of $205 million. SYB's common stock is listed on the NASDAQ Global Select Market under the trading symbol "SYBT."

Sanders Merger Sub, LLC
c/o S.Y. Bancorp, Inc.
P.O. Box 32890
Louisville, Kentucky 40232-2890
(502) 582-2571

Sanders Merger Sub, LLC (or Merger Sub, as it is referred to in this document) is a Kentucky limited liability company and a wholly-owned subsidiary of SYB. Merger Sub was formed as a Kentucky corporation in December 2012 and was converted to a limited liability company in February 2013. Merger Sub was formed solely for the purpose of entering into the merger agreement with TBI and completing the merger and has not conducted any activities other than those incidental to its formation and the matters contemplated by the merger agreement.

THE BANCorp, Inc.
515 S. First Street
P.O. Box 500
La Grange, Kentucky 40031
(502) 222-2100

THE BANCorp, Inc. (or TBI, as it is referred to in this document) is a Kentucky corporation headquartered in La Grange, Kentucky and a registered bank holding company. THE BANK Oldham County (or TBI Bank, as it is referred to in this document) is its wholly-owned bank subsidiary. THE

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BANK Oldham County was established in 1993 in La Grange, Kentucky and operates four full-service banking facilities in the area of Oldham County, Kentucky. As of December 31, 2012, THE BANK Oldham County had total assets of $141.5 million, total loans of $45.5 million, total deposits of $121.5 million, and total shareholders' equity of $17.0 million. TBI's common stock is not traded on any securities exchange, nor is there an established trading market for TBI's common stock.

Special Meeting of Shareholders; Required Vote (page 25)

The special meeting of TBI shareholders is scheduled to be held on April 22, 2013, at 2:00 p.m. local time, at the Crestwood branch of THE BANK Oldham County located at 6317 West Highway 146, Crestwood, Kentucky. At the TBI special meeting, you will be asked to vote to approve the merger proposal and the adjournment proposal. Only TBI shareholders of record as of the close of business on March 19, 2013 are entitled to notice of, and to vote at, the TBI special meeting. As of the record date, there were 41,933 shares of TBI common stock issued and outstanding.

In connection with signing the merger agreement, TBI's directors, who then collectively owned approximately 20% of the outstanding shares of TBI stock, signed Voting and Support Agreements that, among other things, require them to vote all of their shares of TBI stock in favor of the merger proposal. A copy of the form of Voting and Support Agreement signed by these TBI shareholders is attached to this proxy statement/prospectus as Annex C.

The affirmative vote of a majority of the shares of TBI common stock outstanding is required for the approval of the merger proposal. Approval of the adjournment proposal requires that more votes be cast in favor of that proposal than are cast against it. No approval by SYB shareholders is required on any of the proposals.

The Merger and the Merger Agreement (page 51)

SYB's acquisition of TBI is governed by the merger agreement. The merger agreement provides that, if all of the conditions are satisfied or waived, TBI will be merged with and into Merger Sub, with Merger Sub surviving. We encourage you to read the merger agreement, which is included as Annex A to this proxy statement/prospectus and is incorporated by reference into this proxy statement/prospectus, as it is the primary legal document governing the merger.

What TBI Shareholders Will Receive in the Merger (page 51)

If the merger is completed, then each share of TBI common stock will be converted into the right to receive the "merger consideration," which is comprised of 12.7557 shares of SYB common stock (which we refer to as the "stock portion" of the merger consideration) plus, subject to certain potential adjustments described below, $185.81 in cash (which we refer to as the "cash portion" of the merger consideration.) The stock portion of the merger consideration is fixed. The aggregate cash portion of the merger consideration will be decreased on a dollar for dollar basis if, and to the extent by which, TBI shareholders' equity is less than $17,860,000. For purposes of determining whether there will be such a decrease in the aggregate cash portion of the merger consideration, TBI shareholders' equity will be calculated not more than three business days prior to the closing date of the merger in accordance with the formula set forth in the merger agreement. As of December 31, 2012, TBI's shareholders' equity, net of accumulated other comprehensive income or loss and estimated transaction expenses (which are both excluded under the formula), would have exceeded $17,860,000. The aggregate merger consideration to be paid by SYB will increase if the number of shares of TBI common stock outstanding at the effective time of the merger exceeds the number of shares outstanding as of the date of the merger agreement as a result of the exercise of TBI stock options. As a result, the merger consideration applicable to each share of TBI common stock will not be changed by the exercise of TBI stock options prior to the closing date. SYB will not issue any fractional shares of SYB common stock as part of the merger consideration. Instead, SYB will pay to each former TBI shareholder who otherwise would have received a fraction of a share an amount of cash (rounded to the nearest cent) determined by multiplying the fraction of a share to which such holder would otherwise be entitled by $21.85.

What Holders of TBI Stock Options Will Receive (page 53)

If the merger is completed, each holder of a TBI stock option will be entitled to receive an amount in cash equal to the excess, if any, of the per share merger consideration minus the exercise price of the option and less applicable withholding taxes.

Risk Factors (page 18)

TBI shareholders should carefully consider the risks identified in the "Risk Factors" section beginning on page 18 in evaluating whether to approve the proposals. These risks should be considered along with the information incorporated by reference into this proxy statement/prospectus, including risk factors, from the reports of SYB filed with the SEC and any other information included in this proxy statement/prospectus, including the matters addressed in the section entitled "Cautionary Note About Forward-Looking Statements" on page 23.

Recommendation of TBI Board of Directors (page 34)

The TBI board of directors approved the merger agreement and the proposed merger. The TBI board believes that the merger is advisable and fair to, and in the best interests of, TBI and its shareholders, and therefore recommends that TBI shareholders vote "FOR" the merger proposal. The TBI board also recommends that you vote "FOR" the adjournment proposal.

TBI Reasons for the Merger (page 34)

TBI's board, with the assistance of outside financial and legal advisors, has evaluated the financial, legal, and market considerations bearing on its decision to approve and recommend the merger agreement. In reaching its conclusion that the merger agreement is in the best interests of TBI and the TBI shareholders, the TBI board carefully considered several material factors, which are discussed under the section captioned "Proposal 1 The Merger TBI's Reasons for the Merger and Board Recommendation" beginning on page 34. Because of the wide variety of factors considered, the TBI board of directors did not believe it practicable, nor did it attempt, to quantify or otherwise assign relative weight to the specific factors it considered in reaching its decision.

Dissenters' Rights (page 66)

Dissenters' rights are statutory rights that, if available under law, enable shareholders to demand that the corporation pay the fair value for their shares instead of receiving the consideration offered to shareholders in connection with an extraordinary transaction such as a merger. Under Kentucky law, you have the right to exercise dissenters' rights in connection with the merger. To exercise dissenters' rights of appraisal, or appraisal rights, you must strictly follow the procedures prescribed by the KBCA. To review these procedures in more detail, see "Dissenters' Rights" beginning on page 66 and Annex D.

Opinion of TBI's Financial Advisor (page 35)

In deciding to approve the merger agreement, the board of directors of TBI considered, among other things, the opinion of its financial advisor, Sandler O'Neill & Partners, L.P. ("Sandler O'Neill"), an investment banking and financial advisory firm specializing in advising financial institutions, that the merger consideration provided in the merger agreement is fair, from a financial point of view, to the

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TBI shareholders. The opinion is based on and subject to procedures, matters, and limitations described in the opinion and other matters that Sandler O'Neill deemed relevant. The opinion is attached to this proxy statement/prospectus as Annex B. We urge all TBI shareholders to read the entire opinion, which describes the procedures followed, matters considered, and limitations on the review undertaken by Sandler O'Neill in providing its opinion. The opinion of Sandler O'Neill is directed to the TBI board of directors and does not constitute a recommendation to any TBI shareholder as to how to vote at the TBI special meeting or any other matter relating to the proposed merger.

TBI's Directors and Executive Officers Have Interests in the Merger (page 48)

When you consider the TBI board of directors' recommendation that you vote in favor of the merger proposal, you should be aware that the executive officers of TBI and the members of TBI's board of directors have interests in the merger that may be different from, or in addition to, the interests of TBI shareholders generally that may present actual or apparent conflicts of interest. TBI's board of directors was aware of these interests when it approved the merger agreement. Such material interests are as follows:

Change of Control Agreements (page 48)

Alexander Babey and Stephen Norton each have Change in Control Security Agreements in place with TBI which, subject to the closing of the merger and to agreements by Babey and Norton, respectively, to sign release and waiver agreements acceptable to TBI and SYB, entitle each of them to receive lump sum cash severance payments from SYB within 30 days after their employment ends, if it ends within certain time windows and for certain reasons after the effective time of the merger. Each of these severance payments would be in an amount equal to a multiple of each officer's average total taxable compensation from TBI for the five calendar years prior to the Effective time of the merger. Babey's multiple is 1.5, and Norton's multiple is 2.99. Also, as a condition to SYB's obligations under the merger agreement, TBI must amend these two Change in Control Security Agreements principally to include covenants that restrict each of Mr. Babey and Mr. Norton from engaging in activities that would be competitive with SYB.

Consulting Arrangement with Stephen Norton (page 49)

SYB and Stephen M. Norton, current President and Chief Executive Officer of TBI, have agreed in principle on an arrangement pursuant to which Mr. Norton's employment would continue with SYB for 30 days after the effective time of the merger at his existing base salary compensation, after which time Mr. Norton would be available to provide SYB with consulting services for an additional four months following the effective time at an hourly rate of $100.

Indemnification and Continuation of Directors' and Officers' Insurance (page 49)

Each present and former director, officer and employee of TBI and TBI Bank will be indemnified to the fullest extent permitted by law for any acts arising out of or pertaining to matters existing or occurring at or prior to the closing. Additionally, prior to the closing of the merger, TBI will purchase an extended reporting period or "tail" endorsement under TBI's existing directors' and officers' liability insurance policy for TBI's directors and officers that will provide insurance coverage for a period of six years following the completion of the merger.

Regulatory Approvals (page 49)

Under the terms of the merger agreement, the merger cannot be completed until SYB receives all necessary regulatory approvals or waivers, including approvals or waivers from the FDIC, the KDFI

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and the Federal Reserve Board. SYB and TBI have received all such approvals and waivers required to complete the merger.

New SYB Shares Are Expected to Be Eligible for Trading (page 50)

The shares of SYB common stock to be issued in the merger are expected to be eligible for trading on the NASDAQ Global Select Market upon issuance.

Conditions to the Merger (page 61)

The obligation of SYB and TBI to consummate the merger is subject to the satisfaction or waiver of a number of conditions, on or before the completion of the merger, including the following material conditions:

- The approval of the merger agreement by a majority of the outstanding shares of TBI common stock;
- Authorization of the listing on the NASDAQ Global Select Market of the shares of SYB common stock to be issued in the merger;
- The continued effectiveness of the registration of the SYB common stock to be issued in the merger;
- No order, injunction, or decree issued by any court or agency and no other laws making the consummation of the merger or any of the other transactions contemplated by the merger agreement being in effect;
- All regulatory approvals required to consummate the transactions contemplated by the merger agreement being obtained and remaining in full force and effect and all statutory waiting periods in respect of such regulatory approvals having expired;
- The representations and warranties of TBI in the merger agreement must be true and correct, subject to the standards set forth in the merger agreement and described below, and SYB must receive a certificate signed on behalf of TBI to such effect;
- TBI must have performed in all material respects all obligations required to be performed by TBI under the merger agreement at or prior to the effective time of the merger, and SYB must receive a certificate signed on behalf of TBI to such effect;
- There having been no any action taken, determination made, or law enacted applicable to the transactions contemplated by the merger agreement by any governmental authority, in connection with the grant of a required regulatory approval or otherwise, imposing any restriction, requirement, or condition that the SYB board of directors reasonably determines in good faith would, individually or in the aggregate, materially reduce the benefits of the transactions contemplated by the merger agreement or restrict or burden TBI's business or operations to the extent that SYB would not have entered into the merger agreement if such conditions, restrictions, or requirements had been known at the time the merger agreement was executed;
- The receipt of certain consents, approvals, and terminations to certain contracts must have been obtained and remain in full force and effect;

Messrs. Norton and Babey, the executive officers of TBI, must have executed and delivered amendments to their change in control agreements to include new non-solicitation and confidentiality agreements with SYB;

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- Dissenting shares of TBI common stock must not represent 10% or more of the outstanding shares of TBI common stock;
- As of the close of business on the third business day immediately preceding the closing date of the merger, TBI Bank must have "Core Deposits" (as defined in the merger agreement) of not less than $80,000,000, pursuant to calculations set forth in the merger agreement;
- The representations and warranties of SYB and Merger Sub in the merger agreement must be true and correct, subject to the standards set forth in the merger agreement and described below, and TBI must receive a certificate signed on behalf of SYB to such effect; and
- SYB must have performed in all material respects all obligations required to be performed by SYB under the merger agreement at or prior to the effective time, and TBI must have received a certificate signed on behalf of SYB to such effect.

We cannot be certain when, or if, the conditions to the merger will be satisfied or waived, or that the merger will be completed.

Termination (page 62)

The merger agreement may be terminated by TBI and/or SYB under a number of circumstances, including:

- By mutual written consent of TBI and SYB;
- The merger not having been consummated on or before July 31, 2013;
- Failure to obtain required regulatory approvals;
- Failure to obtain TBI shareholder approval;
- Breach by TBI of any of its covenants, agreements, or representations and warranties under the merger agreement in a manner that would result in the failure of the conditions to closing of the merger, subject to the rights of TBI to cure the breach;
- Breach by SYB of any of its covenants, agreements, or representations and warranties under the merger agreement in a manner that would result in the failure of the conditions to closing of the merger, subject to the rights of SYB to cure the breach;
- Failure to satisfy any of the conditions described above in the section entitled "Conditions to the Merger"; and
- Withdrawal, failure to give, or change of the recommendation of the TBI board of directors, the approval by the TBI board of directors of any acquisition proposal (discussed below) or the making of any announcement by the TBI board of directors of any agreement to enter into an alternative acquisition agreement (discussed below), or, subject to the prior payment of the applicable termination fee, TBI entering into an alternative acquisition agreement.

TBI may also terminate the merger agreement if SYB's stock price falls below thresholds set forth in the merger agreement and described below in the section entitled "The Merger Agreement Termination," and SYB elects not to increase the stock portion of the merger consideration pursuant to a prescribed formula. Please note that approval of the merger proposal by TBI shareholders authorizes the TBI board of directors to terminate the merger agreement under certain circumstances or proceed with the merger at its sole discretion if the board of directors believes such action to be in the best interests of its shareholders, regardless of the then-current value of the merger consideration to be received by the TBI shareholders.

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Termination Fee (page 64)

In general, all fees and expenses incurred by SYB and TBI in connection with the merger agreement and the transactions contemplated by the merger agreement will be paid by the party incurring such fees or expenses.

However, upon termination of the merger agreement under specified circumstances, SYB or TBI may be required to pay the other a termination fee of $750,000 or reimburse the other for its reasonable, documented out-of-pocket expenses (up to a maximum of $250,000) incurred in connection with the merger agreement.

TBI will be required to pay SYB a termination fee of $750,000 in the following circumstances:

- if the merger agreement is terminated:
  - by SYB if the TBI board submits the merger agreement to its shareholders without a recommendation for approval, changes its recommendation, approves an alternative acquisition proposal, or makes any announcement of an agreement to enter into an alternative acquisition agreement, or
  - by TBI to enter into an alternative acquisition agreement;
- if (i) a third party has publicly disclosed or made known to management of TBI an acquisition proposal (or an intention to make an acquisition proposal), (ii) the merger agreement is subsequently terminated because the merger has not been consummated by July 31, 2013, and approval of the TBI shareholders has not been obtained by that date, or because the TBI shareholders fail to approve the merger agreement and, (iii) within 12 months of such termination, TBI consummates an acquisition proposal or enters into an alternative acquisition agreement; or
- the merger agreement is terminated either by SYB due to an uncured breach by TBI of one of its covenants, agreements, representations or warranties under the merger agreement that would result in the failure of the closing conditions described in the section entitled "The Merger Agreement Conditions to the Merger."

TBI will be required to reimburse SYB for up to $250,000 in out-of-pocket expenses if SYB terminates the merger agreement as a result of the TBI shareholders failing to approve the merger agreement at a meeting called for that purpose.

SYB will be required to pay TBI the termination fee of $750,000 if the merger agreement is terminated by TBI due to an uncured breach by SYB of one of its covenants, agreements, representations, or warranties under the merger agreement that would result in the failure of the closing conditions described in the section entitled "The Merger Agreement Conditions to the Merger."

SYB will be required to reimburse TBI for up to $250,000 in out-of-pocket expenses if SYB terminates the merger agreement because a governmental entity imposes a restriction, requirement, or condition on SYB which the SYB board of directors reasonably determines in good faith would materially reduce the benefits of the transactions contemplated by the merger agreement or would restrict or burden the business or operations of SYB or any of its subsidiaries to such a degree that, had they been known, SYB would not have entered into the merger agreement.

See the section entitled "The Merger Agreement Termination Fee" beginning on page 64 for a discussion of the circumstances under which the termination fee will be required to be paid.

Accounting Treatment of the Merger (page 50)

The merger will be accounted for as a "purchase," as that term is used under generally accepted accounting principles, for accounting and financial reporting purposes. Under purchase accounting, the assets (including identifiable intangible assets) and liabilities (including executor contracts and other commitments) of TBI as of the effective time will be recorded at their respective fair values and added to those of SYB. Any excess of purchase price over the fair values will be recorded as goodwill. Consolidated financial statements of SYB issued after the merger would reflect these fair values and would not be restated retroactively to reflect the historical consolidated financial position or results of operations of TBI.

Rights of TBI Shareholders after the Merger (page 78)

If the merger is completed, TBI shareholders (other than those who exercise dissenters' rights) will become SYB shareholders, and their rights would then be governed by SYB's articles of incorporation and bylaws and by applicable law. Both SYB and TBI are organized under Kentucky law. To review the differences in the rights of shareholders under each company's governing documents, see "Comparison of Shareholders' Rights" beginning on page 78.

Material Federal Income Tax Consequences of the Merger (page 71)

SYB and TBI expect the merger to qualify as a "reorganization" for U.S. federal income tax purposes. If the merger qualifies as a reorganization, then, in general, for U.S. federal income tax purposes:

- neither TBI nor its shareholders will recognize gain or loss with respect to the shares of SYB common stock received in the merger;

- TBI shareholders generally will be taxed on any gain that they may have with respect to the cash that they receive in exchange for their shares of TBI common stock; and

- TBI shareholders will recognize gain or loss, if any, on any fractional shares of TBI common stock for which cash is received equal to the difference between the amount of cash received and the TBI shareholder's allocable tax basis in the fractional shares.

To review the tax consequences of the merger to TBI shareholders in greater detail, please see the section "Material Federal Income Tax Consequences" beginning on page 71.

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SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF S. Y. BANCORP, INC.

The following table presents selected historical consolidated financial information of SYB. The selected balance sheet and statement of income data, insofar as they relate to the years ended December 31, 2012, 2011, 2010, and 2009, are derived from SYB's audited consolidated financial statements. This information should be read together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and SYB's consolidated financial statements and the related notes incorporated by reference into this proxy statement/prospectus from SYB's Annual Report on Form 10-K for the year ended December 31, 2012. See "Where You Can Find More Information" in the forepart of this document for a description of where you can find this information. Results for past periods are not necessarily indicative of results that may be expected for any future period.

	As of and for the year ended December 31			
	2012	2011	2010	2009
	(In thousands, except per share data)			
Income Statement Data				
Interest income	$ 86,901	$ 86,039	$ 86,146	$ 83,856
Interest expense	12,951	15,307	19,267	25,181
Net interest income	73,950	70,732	66,879	58,675
Provision for loan losses	11,500	12,600	11,469	12,775
Non-interest income	38,457	33,244	33,739	30,036
Non-interest expenses	65,472	59,581	57,131	52,695
Income before income taxes	35,435	31,795	32,018	23,241
Net income	25,801	23,604	22,953	16,308
Per Common Share Data				
Diluted earnings per share	$ 1.85	$ 1.71	$ 1.67	$ 1.19
Dividends per share	.77	.72	.69	.68
Book value per share	14.74	13.58	12.37	11.29
Weighted average common and common equivalent shares diluted	13,932	13,834	13,779	13,689
Balance Sheet Data				
Total assets	$ 2,148,262	$ 2,053,097	$ 1,902,945	$ 1,791,479
Loans	1,584,594	1,544,845	1,508,425	1,435,462
Allowance for loan losses	31,881	29,745	25,543	20,000
Securities	386,440	352,185	245,352	228,260
Deposits	1,781,693	1,617,739	1,493,468	1,418,184
Federal Home Loan Bank advances	31,882	60,431	60,442	60,453
Subordinated debentures	30,900	40,900	40,900	40,930
Stockholders' equity	205,075	187,686	169,861	153,614

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SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF THE BANCORP, INC.

The following table presents selected historical consolidated financial information of TBI. The selected balance sheet and statement of income data, insofar as they relate to the years ended December 31, 2012, 2011, 2010, and 2009, are derived from TBI's audited consolidated financial statements. See "Where You Can Find More Information" in the forepart of this document for a description of how you can obtain copies of these financial statements. Results for past periods are not necessarily indicative of results that may be expected for any future period.

	As of and for the year ended December 31			
	2012	2011	2010	2009
	(In thousands, except per share data)			
Income Statement Data				
Interest income	$ 3,868	4,527	5,130	6,023
Interest expense	176	316	562	873
Net interest income	3,692	4,211	4,568	5,150
Provision for loan losses		60	285	335
Non-interest income	1,460	1,460	1,507	1,413
Non-interest expenses	4,779	4,963	5,005	4,974
Income before income taxes	373	648	785	1,254
Net income	295	563	666	1,014
Per Common Share Data				
Diluted earnings per share	$ 7.06	13.33	15.76	23.82
Dividends per share				
Book value per share	459.64	455.64	423.76	418.61
Weighted average common and common equivalent shares diluted	41,780	42,221	42,258	42,562
Balance Sheet Data				
Total assets	$ 143,350	144,444	146,962	140,249
Loans	45,463	49,946	59,446	64,755
Allowance for loan losses	1,163	859	1,391	1,299
Securities	79,276	70,396	68,377	53,395
Deposits	120,995	120,617	125,135	116,928
Federal Home Loan Bank advances				
Subordinated debentures				
Stockholders' equity	19,274	18,926	17,757	17,402

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MARKET PRICES AND DIVIDENDS OF SYB COMMON STOCK

SYB common stock is traded on the NASDAQ Global Select Market under the ticker symbol "SYBT." The following table sets forth, for the periods indicated, the high and low market closing prices of shares of SYB common stock as reported on the NASDAQ Global Select Market and the quarterly cash dividends declared per share of SYB common stock.

	SYB Common Stock		
	High	Low	Dividend
2011			
First Quarter	$ 25.16	$ 23.71	$ 0.18
Second Quarter	25.76	22.50	0.18
Third Quarter	23.97	18.06	0.18
Fourth Quarter	21.24	18.25	0.18
2012			
First Quarter	$ 23.65	$ 20.60	$ 0.19
Second Quarter	23.95	21.96	0.19
Third Quarter	24.98	22.45	0.19
Fourth Quarter	24.12	21.08	0.20
2013			
First Quarter (through March 13, 2013)	$ 23.29	$ 22.10	$ 0.20

On December 18, 2012, the last trading day before the announcement of the merger agreement, the high and low sales prices of shares of SYB common stock as reported on the NASDAQ Global Select Market were $22.06 and $21.82, respectively. On March 13, 2013, the latest practicable date before the date of this document, the high and low sales prices of shares of SYB common stock as reported on the NASDAQ Global Select Market were $22.86 and $22.70, respectively.

As of December 31, 2012, there were approximately 5,350 holders of SYB common stock, including beneficial owners holding shares in nominee or "street" name.

Under the terms of the merger agreement, the transaction is currently valued at $476.00 per TBI common share, based on the closing price per share of SYB's common stock on March 13, 2013. In the merger, each share of TBI common stock owned by a TBI shareholder (except for dissenting shares) will be converted into the right to receive 12.7557 shares of SYB common stock and $185.81 in cash.

TBI shareholders are advised to obtain current market quotations for SYB common stock before voting. Although the exchange ratio is fixed, the market price of SYB common stock will fluctuate between the date of this document and the effective date. As a result, the value of the stock portion of the merger consideration that TBI shareholders will receive upon completion of the merger will depend on the market price of SYB common stock at the time of the merger. No assurance can be given concerning the market price of SYB common stock before or after the effective date.

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RISK FACTORS

In addition to the other information contained in or incorporated by reference into this proxy statement/prospectus (see "Where You Can Find More Information" in the forepart of this document and "Incorporation of Certain Documents By Reference" on page 86), including the risk factors included in the reports filed by SYB with the SEC, you should consider carefully the risk factors described below in deciding whether to vote for approval of the merger agreement, as we believe these risk factors to be material to a decision on how to vote your shares. You should keep these risk factors in mind when you read forward-looking statements in this document and in the documents incorporated by reference into this document. If any of the following risks and uncertainties develops into actual events, the combined company, its results of operations or its financial condition could be adversely impacted. Please also refer to the section of this proxy statement/prospectus entitled "Cautionary Note About Forward-Looking Statements" on page 23.

Risks Related to the Merger

TBI shareholders cannot be certain of the market value of the merger consideration that they will receive because the market price of SYB common stock will fluctuate and the cash portion of the merger consideration is subject to adjustment as a result of certain factors.

Upon completion of the merger, each share of TBI common stock will be converted into merger consideration consisting of 12.7557 shares of SYB common stock and, subject to certain potential adjustments, $185.81 in cash. The stock portion of the merger consideration is subject to a fixed exchange ratio of 12.7557 shares of SYB common stock for each share of TBI common stock. The market value of the stock portion of the merger consideration may vary after the date on which we announced the merger, on the date on which this document was mailed to TBI shareholders, on the date of the special meeting of the TBI shareholders, and on the date on which the merger is completed. Any change in the market price of SYB common stock prior to completion of the merger will affect the market value of the stock portion of the merger consideration that TBI shareholders will receive upon completion of the merger. In addition, the aggregate amount of the cash portion of the merger consideration to be paid by SYB will be decreased on a dollar for dollar basis to the extent by which TBI shareholders' equity is less than $17,860,000, as calculated not more than three business days prior to the closing date of the merger in accordance with the formula set forth in the merger agreement and described under the section entitled "The Merger Agreement Consideration to be Received in the Merger." Accordingly, at the time of the special meeting, TBI shareholders will not know or be able to calculate the value of the merger consideration they would receive upon completion of the merger. Stock price changes may result from a variety of factors, including general market and economic conditions, changes in our respective businesses, operations and prospects, and regulatory considerations. Many of these factors are beyond our control. We urge you to obtain current market quotations for shares of SYB common stock before you vote your shares at the TBI special meeting.

The merger agreement may be terminated in accordance with its terms and the merger may not be completed, which could have a negative impact on TBI.

The merger agreement is subject to a number of conditions that must be fulfilled in order to close the merger. These conditions include, among others: approval by TBI's shareholders; regulatory approval of the merger; continued accuracy of certain representations and warranties by each of TBI and SYB; performance by TBI and SYB of certain covenants and agreements; and TBI Bank having "Core Deposits" (as defined in the merger agreement) of not less than $80,000,000, pursuant to calculations called for under the merger agreement.

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In addition, certain circumstances exist in which SYB and/or TBI may terminate the merger, including if:

- TBI and SYB mutually consent in writing upon authorization by their respective boards of directors;
- the merger has not been consummated on or before July 31, 2013; and
- the TBI board of directors withdraws or changes its recommendation, resolves to approve any alternative acquisition proposal, or makes any announcement of an agreement to enter into an alternative acquisition agreement.

In addition, the TBI board may terminate the merger agreement if the following two conditions have not been met and SYB has elected not to increase the stock portion of the merger consideration pursuant to a prescribed formula:

- the volume weighted average price per share of SYB's common stock for the 20 consecutive trading days immediately before the first date on which both all required regulatory approvals have been received and TBI's shareholders have approved the merger agreement has declined by more than 15% from the volume weighted average price per share of SYB's common stock for the 20 consecutive trading days immediately preceding the date of the execution of the merger agreement; and
- SYB's common stock underperforms the NASDAQ Bank Index by more than 15% during the same period.

There can be no assurance that the conditions to closing the merger will be fulfilled or that the merger will be completed. If the merger agreement is terminated, there may be various consequences to TBI, including that TBI may have incurred substantial expenses in connection with the merger and/or had its business adversely impacted by the failure to pursue other beneficial opportunities due to the focus of management on the merger, in each case without realizing any of the anticipated benefits of completing the merger. A termination of the merger agreement may also damage the reputation and franchise value of TBI. If the merger agreement is terminated and TBI's board of directors seeks another merger or business combination, TBI shareholders cannot be certain that TBI will be able to find a party willing to pay the equivalent or greater consideration than that which SYB has agreed to pay in the merger. In addition, in certain circumstances, TBI may be required to reimburse SYB for expenses incurred by SYB up to a maximum of $250,000 or to pay a termination fee of $750,000.

TBI shareholders will have a reduced ownership and voting interest after the merger and will exercise less influence over management.

TBI's shareholders currently have the right to vote in the election of the TBI directors and on other significant matters affecting TBI, such as the proposed merger with SYB. If the merger occurs, then each TBI shareholder (other than shareholders exercising dissenters' rights) will become a shareholder of SYB with a percentage ownership of the combined organization that is much smaller than the shareholder's percentage ownership of TBI. Based on the anticipated number of SYB common shares to be issued in the merger, it is anticipated that the TBI shareholders will only own approximately 3.69% of all of the outstanding shares of SYB's common stock. As a result, TBI's shareholders will have less influence on the management and policies of SYB than they now have on the management and policies of TBI. Furthermore, shareholders of SYB do not have pre-emptive or similar rights, and therefore, SYB can sell additional voting securities in the future without offering them to the prior TBI shareholders, which will further reduce their ownership percentage in, and voting control over, SYB.

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The termination fee and the restrictions on solicitation contained in the merger agreement may discourage other companies from trying to acquire TBI.

Until the completion of the merger, with some exceptions, TBI is prohibited from soliciting, initiating, encouraging, or participating in any discussion of, or otherwise considering, any inquiries or proposals that may lead to an acquisition by any person or entity other than SYB. In addition, TBI has agreed that in certain circumstances, the termination of the merger agreement will require TBI to reimburse SYB for up to $250,000 of expenses incurred by SYB or to pay a termination fee of $750,000 to TBI. These provisions could discourage other companies from trying to acquire TBI even though such other companies might be willing to offer greater value to TBI's shareholders than SYB has offered in the merger agreement. The reimbursement of SYB's expenses and the payment of the termination fee could have a material adverse effect on TBI's financial condition.

Certain of TBI's officers and directors have interests that are different from, or in addition to, the interests of TBI's shareholders generally.

Certain of TBI's directors and executive officers have interests in the merger that are different from, or in addition to, your interest as a shareholder that may present actual or apparent conflicts of interest. These include payments to be made to two executive officers under existing change in control agreements, a proposed consulting agreement involving TBI's current President and Chief Executive Officer, Stephen M. Norton, and the continuation of director and officer indemnification and liability insurance protections. See "Proposal 1 The Merger Interests of Certain Directors and Executive Officers of TBI in the Merger" beginning on page 48.

The merger may fail to qualify as a reorganization for federal tax purposes, resulting in your recognition of taxable gain or loss in respect of your TBI shares.

SYB and TBI intend for the merger to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code (the "Code"). The Internal Revenue Service (the "IRS") will not provide a ruling on this matter, and it is possible that the IRS could adopt a contrary position. If the merger fails to qualify as a reorganization, then you generally would recognize gain or loss on each share of TBI common stock exchanged for SYB common stock in the merger in an amount equal to the difference between your adjusted tax basis in that share and the fair market value of the SYB common stock received in exchange for that share upon completion of the merger.

The shares of SYB common stock to be received by TBI shareholders as a result of the merger will have different rights from the shares of TBI common stock.

The rights associated with TBI common stock are different from the rights associated with SYB common stock. See the section entitled "Comparison of the Rights of Shareholders" beginning on page 78 for a discussion of the different rights associated with SYB common stock.

If the merger is not completed, then TBI will have incurred substantial expenses without its shareholders realizing the expected benefits of the merger.

TBI has incurred substantial expenses in connection with the transactions described in this proxy statement/prospectus. The merger may not be completed, and if the merger is not completed, TBI expects that it will have incurred approximately $550,000 in expenses related to the merger. These expenses would likely have a material adverse impact on the operating results of TBI because it would not have realized the expected benefits of the merger.

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The fairness opinion obtained by TBI will not reflect changes in circumstances that may occur before the closing date of the merger.

TBI has not obtained an updated fairness opinion as of the date of this proxy statement/prospectus from its financial adviser. Changes in the operations and prospects of TBI, general market and economic conditions, and other factors that may be beyond the control of TBI, and on which the fairness opinion was based, may alter the value of TBI and/or SYB or the prices of shares of TBI common stock and shares of SYB common stock by the time the merger is completed. The fairness opinion does not speak as of the time the merger will be completed or as of any date other than the date of such opinion. For a description of the opinion that TBI received from its financial adviser, please refer to "Proposal 1 The Merger Opinion of Financial Advisor to TBI" on page 35.

Risks Related to the Business of SYB upon Completion of the Merger

SYB may be unable to successfully integrate TBI Bank's operations and retain TBI Bank's employees.

Simultaneous with the closing of the merger, TBI Bank will be merged with and into SYB Bank, and these two companies have previously operated independently of each other. The possible difficulties and challenges of merging the operations of TBI Bank with SYB Bank include:

- integrating personnel with diverse business backgrounds;
- combining different corporate cultures;
- integrating systems, technologies, policies and procedures; and
- retaining key employees and customers.

The process of integrating operations may also be time consuming and costly and could cause an interruption of, or loss of momentum in, the activities of one or more of SYB, SYB Bank, TBI, or TBI Bank, and the loss of key personnel. The diversion of management's attention and any delays or difficulties encountered in connection with the merger of TBI Bank into SYB Bank could have an adverse effect on the business and results of operations of SYB or SYB Bank and, therefore, the stock price of SYB.

SYB may be unable to retain TBI customers or grow the TBI business.

TBI operates in geographic markets, and with customers primarily located, in and around Oldham County, Kentucky, while SYB's markets and customers are located primarily in Louisville, Kentucky, Cincinnati, Ohio, and Indianapolis, Indiana. Although SYB is not anticipating major differences between the preferences of TBI's customers compared to SYB's customers, any time there is a change in products, services, ownership, or management of a bank, there is a risk that customers may choose to obtain some or all of their banking products and services from other banks. SYB believes that the desire of TBI's customers to seek products or services elsewhere as a result of the merger will be lessened because the shareholders of TBI will continue to own a portion of the combined operations after the merger and TBI's geographic market is in close proximity to SYB's geographic market. However, the TBI operations and customers are in a new geographic region for SYB, so there can be no assurances or guarantees that SYB will be able to retain all of TBI's customers or grow the customer base in Oldham County, Kentucky.

Risks Related to SYB's Business

You should read and consider risk factors specific to SYB's business that will also affect the combined company after the merger, described in Part I, Item 1A of SYB's Annual Report on Form 10-K for the year ended December 31, 2012, as updated by subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, all of which are filed by SYB with the SEC and incorporated by reference into this document. See "Incorporation of Certain Documents By Reference" on page 86 for the location of information incorporated by reference into this proxy statement/prospectus.

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CAUTIONARY NOTE ABOUT FORWARD-LOOKING STATEMENTS

This document contains or incorporates by reference "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including statements about SYB's financial condition, results of operations, earnings outlook, asset quality trends and profitability, and may include statements that relate to the period following the completion of the merger. Forward-looking statements express management's current expectations or forecasts of future events and, by their nature, are subject to assumptions, risks and uncertainties. Certain statements contained in this document that are not statements of historical fact constitute forward-looking statements, notwithstanding that such statements are not specifically identified.

In addition, certain statements may be contained in the future filings of SYB with the SEC, in press releases and in oral and written statements made by or with the approval of SYB that are not statements of historical fact and constitute forward-looking statements. Examples of forward-looking statements include, but are not limited to:

- statements about the benefits of the merger between SYB and TBI, including future financial and operating results, cost savings, enhanced revenues and accretion to reported earnings that may be realized from the merger;
- statements about the timing or likelihood of completion of the merger;
- statements of plans, objectives and expectations of SYB and TBI or their respective managements or boards of directors;
- statements of future economic performance; and
- statements of assumptions underlying such statements.

Words such as "believes," "plans," "anticipates," "expects," "intends," "targeted," "continue," "remain," "will," "should," "may" and other similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

Forward-looking statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. Factors that could cause actual results to differ from those discussed in the forward-looking statements include those set forth under "Risk Factors" beginning on page 18, as well as, among others, the following:

- fluctuations in the market price of SYB common stock and the related effect on the market value of the merger consideration that TBI shareholders will receive upon completion of the merger;
- the risk that the businesses of SYB and TBI will not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected;
- expected revenue synergies and cost savings from the merger may not be fully realized or realized within the expected time frame;
- the possibility that the merger may be more costly to complete than anticipated, including as a result of unexpected factors or events;

revenues or earnings following the merger may be lower than expected;

deposit attrition, operating costs, customer loss and business disruption following the merger, including, without limitation, difficulties in maintaining relationships with employees, may be greater than expected;

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the inability to obtain governmental approvals of the merger on the proposed terms and schedule;

the failure of TBI's shareholders to approve the merger;

local, regional, national and international economic conditions and the impact they may have on SYB and TBI and their customers and SYB's and TBI's assessment of that impact;

changes in asset quality and credit risk, including changes in the level of non-performing assets, delinquent loans, and charge-offs;

changes in estimates of future reserve requirements based upon the periodic review thereof under relevant regulatory and accounting requirements;

the risk that management's assumptions and estimates used in applying critical accounting policies prove unreliable, inaccurate or not predictive of actual results;

inflation;

securities market and monetary fluctuations;

changes in interest rates, spreads on earning assets and interest-bearing liabilities, and interest rate sensitivity;

sources of liquidity;

competitive pressures among depository and other financial institutions may increase and negatively affect pricing, third-party relationships and revenues;

changes in laws and regulations with which SYB and TBI must comply;

the effects of, and changes in, trade, monetary and fiscal policies and laws, including interest rate policies of the Federal Reserve Board;

governmental and public policy changes;

the availability of financial resources in the amounts, at the times and on the terms required to support SYB's and TBI's future businesses;

the impact on SYB's or TBI's businesses, as well as on the risks set forth above, of various domestic or international military or terrorist activities or conflicts; and

- potential disruptions to operations caused by infrastructure failures, information systems breaches or cyber-attacks.

Additional factors that could cause SYB's results to differ materially from those described in the forward-looking statements can be found in SYB's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC. All subsequent written and oral forward-looking statements concerning the proposed transaction or other matters and attributable to SYB or TBI or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements referenced above. Forward-looking statements speak only as of the date on which such statements are made. SYB and TBI undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events.

We caution you not to place undue reliance on the forward-looking statements.

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SPECIAL MEETING OF TBI'S SHAREHOLDERS

This proxy statement/prospectus is being furnished to you in connection with the solicitation of proxies by the TBI board of directors for the special meeting of TBI shareholders. This section contains information about the special meeting and matters related to voting of shares at the meeting.

Date, Time and Place

The special meeting will be held on Monday, April 22, 2013 at 2:00 p.m. local time, at the Crestwood branch of THE BANK Oldham County located at 6317 West Highway 146, Crestwood, Kentucky.

Purpose of the Special Meeting

At the special meeting, the TBI board of directors will ask you to vote on proposals to:

- approve the merger agreement, a copy of which is attached as Annex A to this document; and
- permit the adjournment of the special meeting, if necessary or appropriate, including an adjournment to permit the further solicitation of proxies to approve the merger proposal.

Record Date and Voting Rights

TBI has set the close of business on March 19, 2013, as the record date for the special meeting. Only TBI shareholders at the close of business on the record date are entitled to notice of and to vote at the special meeting. As of the record date, there were 41,933 shares of TBI common stock outstanding and entitled to vote at the special meeting. Holders of record of shares of TBI common stock on the record date are entitled to one vote per share at the special meeting on all matters to be considered at that meeting.

Quorum

A quorum of shareholders is necessary to hold a valid shareholders' meeting. A majority of TBI's issued and outstanding shares on the record date must be present in person or by proxy at the special meeting before any action may be taken at the special meeting. If a quorum is not present at the special meeting, it is expected that the special meeting will be adjourned or postponed.

Required Vote

Approval of the merger proposal will require the affirmative vote of at least a majority of TBI's issued and outstanding shares. Brokers holding shares in street name will not have authority to vote on either the merger proposal or the adjournment proposal unless they receive voting instructions from their customer account holders. Broker non-votes and abstentions from voting will have the same effect as a vote against the merger proposal.

The adjournment proposal requires that more votes cast be in favor of it than are cast against it. Abstentions and broker non-votes will, therefore, have no effect on the adjournment proposal.

Shares of TBI Subject to Voting Agreements

TBI's directors, who collectively as of the signing date of the merger agreement, owned approximately 20% of the outstanding shares of TBI common stock, executed Voting and Support Agreements pursuant to which they agreed to vote all of their TBI stock in favor of the merger. A copy of the form of the Voting and Support Agreement is attached to this proxy statement/prospectus as Annex C.

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Recommendation of TBI's Board of Directors

After careful consideration, the board of directors of TBI unanimously voted in favor of the merger agreement and the merger. The TBI board of directors believes that these items and the transactions that they contemplate are in the best interests of TBI and its shareholders and therefore recommends that TBI shareholders vote "FOR" approval of the merger agreement and the transactions contemplated thereby. The TBI board also recommends a vote "FOR" the approval of adjournment of the special meeting, if it becomes necessary or appropriate.

See "Proposal 1 The Merger Background of the Merger" and "TBI's Reasons for the Merger and Board Recommendation" beginning on pages 31 and 34, respectively, for a more detailed discussion of the TBI board of directors' recommendation with regard to the merger proposal.

Voting of Proxies

You may vote in person at the special meeting or by proxy. To ensure your representation at the special meeting, we recommend you vote by proxy even if you plan to attend the special meeting. You may change your vote at the special meeting by revoking your proxy and voting in person.

TBI shareholders whose shares are held in "street name" by their broker, bank, or other nominee must follow the instructions provided by their broker, bank, or other nominee to vote their shares. If a shareholder does not provide his or her broker with voting instructions, then the broker will not be authorized to vote on either proposal. Broker non-votes will have the same effect as a vote against the merger proposal but will have no effect on the adjournment proposal.

Voting instructions are included on your proxy form. If you properly complete and timely submit your proxy, your shares will be voted as you have directed. You may vote for, against, or abstain with respect to the approval of the merger proposal and the adjournment proposal. If you are the record holder of your shares and submit your proxy without specifying a voting instruction, your shares will be voted "FOR" approval of the merger proposal and, if necessary, "FOR" the adjournment proposal. If a shareholder marks the "abstain" box on the proxy card, then that submission will have the same effect as a vote against the merger proposal but will have no effect on the adjournment proposal.

Revocation of Proxies

You may revoke your proxy before it is voted by (i) filing with the Secretary of TBI a duly executed revocation of proxy prior to the vote being taken stating that the proxy is revoked, (ii) submitting a new proxy with a later date, or (iii) voting in person at the special meeting.

Attendance at the special meeting will not, in and of itself, constitute a revocation of a proxy. All written notices of revocation and other communication with respect to the revocation of proxies should be addressed to: THE BANCorp, Inc., 515 S. First Street, P.O. Box 500, La Grange, Kentucky 40031, Attention: Secretary.

401(k) Plan Voting Instructions

TBI maintains the THE BANK Oldham County Profit Sharing Plan, originally effective April 1, 1995, and the trust related thereto (referred to as the "401(k) plan") which holds approximately 5.72% of TBI common stock as of the record date for the special meeting. Each participant in the 401(k) plan may instruct the designated fiduciary on how to vote the shares of TBI common stock allocated to his or her account under the 401(k) plan. If a participant properly executes the voting instruction card distributed by the designated fiduciary, the designated fiduciary will vote such participant's shares in accordance with the participant's instructions, subject to the fiduciary's obligations under the Employee Retirement Income Security Act of 1974. Where incomplete voting instruction cards are returned to the

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designated fiduciary or no card is timely returned, the designated fiduciary will vote the 401(k) plan shares in that participant's account in its discretion.

Solicitation of Proxies

TBI will bear the costs of the distribution of this proxy statement/prospectus. In addition to soliciting proxies by mail, directors, officers, and employees of TBI may solicit proxies personally and by telephone. None of these persons will receive additional or special compensation for soliciting proxies. TBI will, upon request, reimburse brokers, banks and other nominees for their expenses in sending proxy materials to their customers who are beneficial owners and obtaining their voting instructions.

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INFORMATION ABOUT THE COMPANIES

S.Y. Bancorp, Inc.

S.Y. Bancorp, Inc.
P.O. Box 32890
Louisville, Kentucky 40232-2890
(502) 582-2571

S.Y. Bancorp, Inc. (or SYB, as it is referred to in this document) is a bank holding company incorporated in Kentucky and headquartered in Louisville, Kentucky. SYB provides a broad range of banking services in the Louisville, Kentucky, Indianapolis, Indiana, and Cincinnati, Ohio markets through its bank subsidiary, Stock Yards Bank & Trust Company (or SYB Bank, as it is referred to in this document), which operates 31 full service banking offices. In addition to its banking operations, SYB Bank has an investment management and trust department operating under the name Stock Yards Trust Company offering a wide range of trust administration, investment management, employee benefit plan services, estate administration, and financial planning services. SYB Bank also originates and sells single-family residential mortgages through Stock Yards Mortgage Company. Additionally, SYB Bank offers securities brokerage services in the name of Stock Yards Financial Services through an arrangement with a third party broker-dealer. As of December 31, 2012, SYB had total assets of $2.148 billion, total loans of $1.585 billion, total deposits of $1.782 billion, and total shareholders' equity of $205 million. SYB's common stock trades on the NASDAQ Global Select Market under the ticker symbol "SYBT."

Additional information about SYB and SYB Bank is included in documents incorporated by reference into this document. For more information, please see the section entitled "Incorporation of Certain Documents By Reference" beginning on page 86.

Sanders Merger Sub, LLC

Sanders Merger Sub, LLC
c/o S.Y. Bancorp, Inc.
P.O. Box 32890
Louisville, Kentucky 40232-2890
(502) 582-2571

Sanders Merger Sub, LLC (or Merger Sub, as it is referred to in this document) is a Kentucky limited liability company and a wholly-owned subsidiary of SYB. Merger Sub was formed as a Kentucky corporation in December 2012 and was converted to a limited liability company in February 2013. Merger Sub was formed solely for the purpose of entering into the merger agreement with TBI and completing the merger and has not conducted any activities other than those incidental to its formation and the matters contemplated by the merger agreement.

THE BANCorp, Inc.

THE BANCorp, Inc.
515 S. First Street
P.O. Box 500
La Grange, Kentucky 40031
(502) 222-2100

THE BANCorp, Inc. (or TBI, as it is referred to in this document), is a Kentucky corporation and a registered bank holding company headquartered in La Grange, Kentucky. THE BANK Oldham County (or TBI Bank, as it is referred to in this document) is its wholly-owned bank subsidiary. THE BANK Oldham County was established in 1993 in La Grange, Kentucky and operates four full-service

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banking offices that offer a wide range of commercial and consumer banking services to its customers in and adjacent to Oldham County, Kentucky. As of December 31, 2012, THE BANK Oldham County had total assets of $141.5 million, total loans of $45.5 million, total deposits of $121.5 million and total shareholders' equity of $17.0 million. As of February 15, 2013, TBI had 41 full-time equivalent employees.

Market for TBI's Common Stock and Related Shareholder Matters

No established public trading market exists for TBI's common stock, and no brokerage or other firm makes a market in shares of TBI common stock. TBI's bylaws restrict shareholders from selling, giving away, or otherwise disposing of any TBI common stock shares until that shareholder has delivered to TBI an irrevocable written offer to sell those shares to TBI at a stated price. TBI is not aware of any sales of TBI common stock by a shareholder to any buyer other than TBI. For the past several years, TBI Bank's 401(k) plan has purchased shares from TBI annually at a price determined each year by an independent appraiser, which also becomes the price at which TBI will repurchase shares from any selling shareholders for the following twelve months. The appraised prices per share for the two most recent years were $360 for 2012 and $335 for 2011.

TBI has not declared or paid any cash dividends on its common shares at any time. As of March 13, 2013, there were 41,933 shares of TBI common stock outstanding and held of record by approximately 155 holders.

Management of TBI

The following table sets forth information about the current directors and executive officers of TBI:

Name	Age	Positions
Gregory J. Esposito	70	Director
William G. Howard	65	Director
William L. S. Landes III	63	Director
Arvel J. "Jerry" McMahan	66	Director
Stephen M. Norton	61	President and Chief Executive Officer, Director
R. Alex Rankin	57	Chairman of the Board
Jonathan P. Westbrook	62	Director and Secretary/Treasurer
Alexander Babey	44	Executive Vice President of THE BANK Oldham County

Securities Ownership of TBI's Management

The following table shows the number of shares of common stock beneficially owned by each director and executive officer of TBI and by all of TBI's directors and executive officers as a group. The table shows beneficial ownership as of March 13, 2013. To the best of TBI's knowledge, there are

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no five percent or greater beneficial owners of TBI common stock other than as included in the table below.

Name of Beneficial Owner	Shares of TBI Common Stock Beneficially Owned(1) Number of Shares	Percentage of class
Gregory J. Esposito(2)	1,300	3.1%
William G. Howard(3)	1,500	3.6
William L. S. Landes III(4)	935	2.2
Arvel J. "Jerry" McMahan(5)	1,300	3.1
Stephen M. Norton(6)	1,400	3.3
R. Alex Rankin(7)	2,500	5.9
Jonathan P. Westbrook(8)	1,300	3.1
Alexander Babey(9)	1,000	2.3
All executive officers and directors as a group (8 persons)(10)	11,235	25.1%

(1) Unless otherwise indicated, each of the listed shareholders has sole voting and investment power with respect to the shares. Under SEC rules, a person is considered to be the beneficial owner of shares that the person may acquire within 60 days through the exercise of options. Shares underlying exercisable options are included in the total number of outstanding shares when computing the percentage beneficially owned by the person or a group. The shares are not included in the total number of outstanding shares when computing the percentage of shares beneficially owned by any other person or group.

(2) Includes exercisable options to purchase 135 shares, 960 shares Mr. Esposito holds jointly with his wife, and 20 shares held solely by his wife.

(3) Includes exercisable options to purchase 135 shares.

(4) Includes exercisable options to purchase 135 shares and 150 shares held by Mr. Landes' wife.

(5) Includes exercisable options to purchase 135 shares and 980 shares held by Mr. McMahan's wife.

(6) Includes exercisable options to purchase 1,000 shares and 200 shares Mr. Norton holds jointly with his wife.

(7) Includes exercisable options to purchase 135 shares and 20 shares held by Mr. Rankin's wife.

(8) Includes exercisable options to purchase 135 shares and 380 shares Mr. Westbrook holds jointly with his wife, and 300 shares held solely by his wife.

(9) Represents exercisable options to purchase 1,000 shares.

(10) Includes exercisable options to purchase 2,810 shares.

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PROPOSAL 1 THE MERGER

Terms of the Merger

Each of SYB's and TBI's respective boards of directors has approved the merger agreement. The merger agreement provides for the merger of TBI with and into Merger Sub, a wholly-owned subsidiary of SYB, with Merger Sub continuing as the surviving entity. In the merger, each share of TBI common stock issued and outstanding immediately prior to the completion of the merger will be converted into the right to receive merger consideration consisting of 12.7557 shares of SYB common stock and $185.81 in cash. The cash portion of the merger consideration is subject to possible reduction under certain circumstances specified in the merger agreement. No fractional shares of SYB common stock will be issued in connection with the merger, and holders of TBI common stock will be entitled to receive cash in lieu of fractional shares of SYB common stock.

TBI shareholders are being asked to approve the merger agreement. See the section entitled "The Merger Agreement" included elsewhere in this proxy statement/prospectus for additional and more detailed information regarding the legal documents that govern the merger, including information about the conditions to the completion of the merger and the provisions for terminating and amending the merger agreement.

Background of the Merger

In August 2009, the board of directors of TBI concluded that it was an appropriate time to undertake an evaluation of TBI's long-term strategic alternatives. The environment for community banks operating in the midst of a severe recession was becoming more and more challenging. Economic conditions had begun to adversely affect loan customers. Regulatory directives to preserve capital and liquidity regarding community banks also limited opportunities for earnings growth and risk tolerance. Increased regulation that would increase operating expenses appeared inevitable, particularly with the adoption of the Dodd-Frank Act, with a disproportionate impact on smaller banks that lacked the scale to absorb higher compliance costs. In addition, TBI faced succession issues, with several members of senior management anticipating retirement within five years.

The board of directors of TBI initially identified three potential long-term strategies for consideration beyond weathering the recession:

- a status quo approach, with a goal of eventually achieving annual loan growth of 8% to 10%;
- a more aggressive growth approach, including possible entry into new markets or new lines of business; and
- positioning TBI for a strategic combination or to be sold at an optimal price within a reasonable period of time.

Although the TBI board initially favored a strategy focused on growth, the pressures facing TBI and other community banks had not significantly subsided by July 2010. While generally preferring that TBI remain independent, the board of directors of TBI was also concerned about enhancing shareholder value in a difficult operating environment that presented numerous obstacles. Remaining independent was likely to require safely growing TBI to substantially more than its present $140 million in total assets in a relatively short time frame to increase market share and absorb higher technology and compliance costs. However, such growth would require raising a substantial amount of additional capital, and conditions in the capital markets were not favorable for community banks. The board of directors of TBI concluded at its July 2010 meeting that TBI should explore the option of a sale to a larger financial institution and begin to position TBI for such an eventuality.

At the October 2010 meeting of the TBI board of directors, Chairman Alex Rankin and Chief Executive Officer Stephen Norton reported that they had met with two banking executives and two

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financial advisory firms experienced in bank merger activities. At the meeting, the board of directors of TBI directed Messrs. Rankin and Norton to gather additional information with a view to engaging a financial advisor.

Representatives of Sandler O'Neill made a presentation to the board of directors of TBI at its February 22, 2011 meeting. The representatives provided background information on their firm, explained the acquisition process and timeline, and discussed the current banking environment and hurdles facing community banks, particularly institutions with total assets of less than $1 billion. After the Sandler O'Neill representatives left the meeting, a representative of Frost Brown Todd LLC ("Frost Brown Todd"), TBI's legal counsel, discussed a number of factors the TBI board should consider in engaging a financial advisor and evaluating the possible sale of the TBI Bank. After further discussion, the board of directors of TBI directed Messrs. Rankin and Norton to negotiate the terms of an engagement letter with Sandler O'Neill. An engagement letter was executed on April 7, 2011.

At the June 2011 meeting of the board of directors of TBI, representatives of Sandler O'Neill reported on the responses of prospective acquirers they had identified and contacted on behalf of TBI Bank. Of the thirteen prospects contacted, seven had signed confidentiality agreements and conducted preliminary due diligence, and of those seven, three had submitted indications of interest. One submitting an indication was SYB. The representatives of Sandler O'Neill provided background on each of the three prospects and a preliminary pro forma analysis of the financial and other terms of each preliminary proposal. The board of directors of TBI authorized Sandler O'Neill to continue discussions with two of the prospects, one of which was SYB.

On August 16, 2011, representatives of Sandler O'Neill reported on their discussions with the two prospects since the June meeting of the board of directors of TBI. One prospect expressed continuing interest but would not commit to a timetable for a transaction. The board of directors of TBI advised Sandler O'Neill that it would only consider an offer at or above a certain minimum purchase price. Discussions with SYB continued, but the parties were not able to reach an agreement.

After these discussions ended, the board of directors and management of TBI focused for several months on strategic initiatives intended to improve TBI's operations and profitability.

At its July 23, 2012 meeting, the board of directors of TBI revisited the viability of TBI remaining an independent community bank. Representatives of Sandler O'Neill attended a portion of the meeting to provide updates on the banking industry and the market for mergers and acquisitions. The board of directors of TBI then discussed the uncertainty of the current community bank business model, noting that future earnings depended upon success in attracting sustainable loan growth and gaining scale to offset rising regulatory expenses. Agreeing that their primary goal was to protect shareholder interests, the board of directors of TBI determined to again explore the identification of parties who might be interested in acquiring the Bank. Alex Rankin, Jon Westbrook, and Stephen Norton were appointed to a special committee to oversee this project. TBI signed a new engagement letter with Sandler O'Neill on August 23, 2012.

Following the July 2012 meeting of the board of directors of TBI, Sandler O'Neill contacted the three bidders and one other party contacted in 2011, plus two additional prospects, to explore their continued interest in considering a potential acquisition of TBI. In response to these discussions, SYB and one other potential acquirer expressed an interest in proceeding to the next step of conducting a preliminary due diligence review of TBI.

On September 25, 2012, Messrs. Norton and Rankin met with David P. Heintzman, the Chairman and Chief Executive Officer of SYB, to further discuss a potential acquisition of TBI by SYB.

In early October 2012, SYB and the other potential acquirer each executed a new confidentiality agreement with TBI. TBI then provided certain books and records to allow SYB and the other potential acquirer to conduct a preliminary due diligence review of TBI.

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In late October 2012, TBI received written, non-binding indications of interest from SYB and the other potential acquirer that outlined the basic financial and other terms of a merger transaction. Each proposal was contingent upon completion of the due diligence process and subject to the negotiation of a mutually agreeable definitive merger agreement and related agreements. SYB's non-binding indication of interest was also contingent upon TBI agreeing to negotiate a potential merger transaction exclusively with SYB for a period of 45 days. After submitting their non-binding indications of interest, SYB and the other potential acquirer conducted extensive due diligence on TBI, including on-site reviews of TBI's loan portfolio. Following this round of due diligence, each of the bidders revised its bid. The TBI board believed that the revised SYB proposal was superior and directed management and TBI's advisors to initiate preliminary discussions with SYB toward negotiating the terms of a transaction.

During the first two weeks of November 2012, SYB and TBI, together with their respective outside legal and financial advisors, negotiated certain material terms of a potential transaction that were set forth in SYB's non-binding indication of interest. On November 14, 2012, SYB delivered a revised non-binding written indication of interest to TBI which reflected these preliminary negotiations and discussions.

Later in the day on November 14, 2012, the board of directors of TBI met with representatives of Sandler O'Neill to review, discuss, and analyze the recent solicitation process and the terms of the revised proposals submitted by each of SYB and the other potential acquirer. SYB's non-binding indication of interest proposed a price that was significantly higher than that proposed by the other potential acquirer. SYB's proposed price also met the threshold price established by the board of directors of TBI. During this discussion, the representatives of Sandler O'Neill also noted other advantages and potential issues relating to SYB's non-binding indication of interest. After discussing SYB's non-binding indication of interest at length with their financial and legal advisors, and noting several issues to be addressed, the board of directors of TBI voted to move forward with negotiations with SYB.

On November 19, 2012, TBI and SYB entered into an exclusivity agreement, pursuant to which TBI agreed to exclusively negotiate a potential transaction with SYB until December 24, 2012.

On November 21, 2012, Stites & Harbison, PLLC, SYB's outside legal counsel, distributed a proposed draft of the definitive merger agreement to TBI's outside legal counsel. Over the following weeks, TBI and SYB, together with their respective outside legal counsel, negotiated the terms of the definitive merger agreement and a number of ancillary documents, including the form of support agreement to be executed by the directors and executive officers of TBI who are also shareholders of TBI. During this time, SYB also continued its due diligence review of TBI, and TBI conducted reverse due diligence on SYB.

On December 17, 2012 and December 18, 2012, the board of directors of TBI met and received an update on the discussions with SYB. Representatives of Frost Brown Todd reviewed the terms of the proposed definitive merger agreement. Representatives of Sandler O'Neill reviewed their analysis of the financial fairness of the proposed merger to TBI's shareholders and orally delivered the opinion of Sandler O'Neill that the financial terms of the proposed merger were fair from a financial point of view to TBI and its shareholders. The board of directors of TBI met again at a regularly scheduled meeting the following day, at which time Sandler O'Neill confirmed its fairness opinion in writing. After reviewing Sandler O'Neill's opinion and further discussion of the terms of the merger agreement, the TBI board of directors unanimously (a) determined that the merger agreement and the transactions contemplated thereby were in the best interests of TBI and its shareholders, (b) voted to approve the merger agreement, and (c) recommended that TBI's shareholders approve the merger agreement.

Later in the day on December 19, 2012, SYB and TBI executed the merger agreement. In addition, the directors and executive officers of TBI who are also shareholders of TBI executed Voting

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and Support Agreements with respect to the proposed merger. The proposed merger was announced on the evening of December 19, 2012 in a press release issued jointly by SYB and TBI.

TBI's Reasons for the Merger and Board Recommendation

The board of directors of TBI considered several factors in determining that the merger with SYB is fair to, and in the best interests of, TBI and its shareholders. The board of directors of TBI did not assign any specific or relative weight to the factors in its consideration. The material factors considered by the board of directors of TBI included the following:

The financial terms of the merger, including the purchase price per TBI share and the exchange ratio. The merger consideration of $464.52 per share of TBI common stock (based on the market value of SYB's common stock on December 19, 2012) is approximately equal to the TBI's book value per share as of September 30, 2012, and represents a multiple of 35.4 times TBI's earnings per share of $13.14 for the twelve months ended September 30, 2012. The board of directors of TBI believed these multiples compared favorably to recent comparable transactions. A purchase price comprised of 40% cash and 60% in publicly traded shares of a strong financial institution offers shareholders an immediate cash return on their investment and an opportunity for longer-term appreciation while also providing the liquidity of SYB's publicly traded shares.

An assessment of the current banking environment and TBI's strategic alternatives to the merger. As described under the section titled "Background," the board of directors of TBI believes the merger presents an opportunity to receive an attractive return on investment, compared to the less certain prospects for enhancing shareholder value if TBI remains independent in a challenging operating environment for community banks of its size. Remaining independent would require safely growing TBI substantially above its present $140 million in total assets in a relatively short time frame to increase market share and absorb higher technology and compliance costs. The board of directors of TBI does not believe conditions in the capital markets are likely to be favorable in the near future for small community banks with illiquid stock to raise the capital needed to support such growth.

SYB's financial performance, asset quality, and prospects. The merger provides TBI shareholders the opportunity to exchange their shares for stock of a financial institution that offers a strong balance sheet, strong financial performance, diversified sources of revenue, and less dependence on interest margin. With total assets of $2.1 billion, SYB has sufficient scale to compete effectively and absorb the fixed costs of regulatory compliance. In addition, SYB will be able to enhance the financial products and services available to residents of Oldham County by providing trust and other services not offered by TBI.

Greater liquidity. Unlike TBI shares, SYB common stock is traded on the NASDAQ Global Select Market. With an average trading volume of more than 30,000 shares per day, SYB common stock offers meaningful liquidity to shareholders who need or desire to sell their shares.

SYB's current policy to pay a quarterly dividend. SYB's current quarterly dividend of $.20 per share represents a yield of approximately 3.6% on the $22.00 closing price per share of SYB stock on December 18, 2012. In contrast, TBI has not paid a dividend on its shares.

Opinion of the financial advisor to TBI. Sandler O'Neill has delivered to the board of directors of TBI its opinion that, as of December 19, 2012 and based upon and subject to the factors and assumptions set forth therein, the merger consideration of $464.52 per TBI share, comprised of $185.81 (40%) in cash and 12.7557 SYB shares (60%), was fair from a financial point of view to the TBI's shareholders. The full text of the written opinion of Sandler O'Neill, dated December 19, 2012, which sets forth assumptions made, procedures followed, matters considered, and limitations on the review undertaken in connection with the opinion, is attached as Annex B. Sandler O'Neill provided its opinion for the information and assistance of the TBI board of directors in connection with the board

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of directors of TBI's consideration of the merger. Sandler O'Neill's opinion does not constitute a recommendation as to whether or not any holder of TBI shares should vote with respect to the merger or any other matter. Pursuant to an engagement letter between TBI and Sandler O'Neill, TBI has agreed to pay Sandler O'Neill a transaction fee of approximately $300,000, the principal portion of which is contingent upon consummation of the merger. See the section below titled "Opinion of Financial Advisor to TBI."

Based on its consideration of the preceding factors, and in light of any other factors that other individual directors considered as appropriate, the board of directors of TBI approved the merger, determined the merger consideration is fair to TBI's shareholders, and recommended that TBI shareholders approve the merger. In view of the variety of factors considered in connection with their evaluation of the merger, the board of directors of TBI did not find it practicable to, and therefore did not, quantify or otherwise assign relative weight to specific factors or methodologies in reaching its conclusions. In addition, individual directors may have given different weight to different factors.

SYB's Reasons for the Merger

SYB's board of directors concluded that the merger agreement is in the best interests of SYB and its shareholders. In deciding to approve the merger agreement, SYB's board of directors considered a number of factors, including, without limitation, the following:

- TBI's community banking orientation, culture, and compatibility with SYB and SYB Bank;
- a review of the demographic, economic, and financial characteristics of the markets in which TBI operates, including existing and potential competition and history of the market areas with respect to financial institutions;
- SYB's desire to expand its operations and customer base in Oldham County, Kentucky;
- the opportunity to invest capital in a transaction expected to be accretive to earnings in the long-term and accretive to book value immediately;
- the ability of SYB Bank to expand its strong, local shareholder base through the issuance of common stock;
- the complementary fit of the businesses of SYB and TBI, which SYB's management believes will enable the combined company to deliver improved services to customers to achieve stronger financial performance and enhance shareholder value;
- the ability of SYB Bank to cross sell its larger product base across TBI's customer base and market primarily through its investment management and trust department;
- the pro forma financial effects of the proposed merger; and
- the cost savings that will be realized by combining the two companies and integrating TBI Bank with SYB Bank, which savings are expected to enhance SYB's earnings.

The foregoing discussion of the information and factors considered by the SYB board of directors is not intended to be exhaustive, but includes all material factors they considered. In arriving at its determination to approve the definitive merger agreement and the transactions it contemplates, the SYB board of directors did not assign any relative or specific weights to the above factors, and individual directors may have given different weights to different factors.

Opinion of Financial Advisor to TBI

By letter dated August 23, 2012, TBI retained Sandler O'Neill to act as its financial advisor in connection with a sale of TBI to SYB. Sandler O'Neill is a nationally recognized investment banking firm whose principal business specialty is financial institutions. In the ordinary course of its investment banking business, Sandler O'Neill is regularly engaged in the valuation of financial institutions and their securities in connection with mergers and acquisitions and other corporate transactions.

Sandler O'Neill acted as financial advisor to TBI in connection with the proposed transaction and participated in certain of the negotiations leading to the execution of the merger agreement. At a meeting of the TBI board of directors on December 18, 2012, Sandler O'Neill delivered to the TBI board of directors its oral opinion, followed by delivery of its written opinion, that, as of such date, the merger consideration was fair to the holders of TBI common stock from a financial point of view**. The full text of Sandler O'Neill's written opinion dated December 19, 2012 is attached as Annex B to this proxy statement. The opinion outlines the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Sandler O'Neill in rendering its opinion. The description of the opinion set forth below is qualified in its entirety by reference to the opinion. TBI stockholders are urged to read the entire opinion carefully in connection with their consideration of the merger proposal.**

Sandler O'Neill's opinion speaks only as of the date of the opinion. The opinion was directed to the TBI board of directors and is directed only to the fairness of the common stock consideration to be paid to the holders of TBI common stock from a financial point of view. It does not address the underlying business decision of TBI to engage in the merger or any other aspect of the merger and is not a recommendation to any TBI stockholder as to how such stockholder should vote at the special meeting with respect to the merger or any other matter.

In connection with its opinion on December 19, 2012, Sandler O'Neill reviewed and considered, among other things:

(1) the merger agreement;

(2) certain financial statements and other historical financial information of TBI that were provided by senior management of TBI and that Sandler O'Neill deemed relevant;

(3) certain publicly available financial statements and other historical financial information of SYB that Sandler O'Neill deemed relevant;

(4) certain internal financial projections for TBI for the years ending December 31, 2012 through 2015 as provided by and discussed with senior management of TBI;

(5) median publicly available earnings estimates for SYB for the year ended December 31, 2012 and 2013 and a median publicly available long term earnings growth rate for the years thereafter;

(6) the pro forma financial impact of the merger on SYB, based on assumptions relating to transaction expenses, purchase accounting adjustments and cost savings and other synergies as determined by the senior management of SYB;

(7) a comparison of certain financial and other information for TBI and SYB with similar institutions for which publicly available information is available;

(8) the financial terms of certain recent business combinations in the commercial banking industry, to the extent publicly available;

(9) the current market environment generally and the banking environment in particular; and

(10) such other information, financial studies, analyses and investigations and financial, economic and market criteria as Sandler O'Neill considered relevant.

Sandler O'Neill also discussed with certain members of senior management of TBI the business, financial condition, results of operations and prospects of TBI and held similar discussions with certain members of senior management of SYB regarding the business, financial condition, results of operations and prospects of SYB.

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In performing its review, Sandler O'Neill has relied upon the accuracy and completeness of all of the financial and other information that was available to it from public sources, that was provided to it by TBI and SYB or their respective representatives or that was otherwise reviewed by it and has assumed such accuracy and completeness for purposes of rendering its opinion. Sandler O'Neill has further relied on the assurances of the respective managements of TBI and SYB that they are not aware of any facts or circumstances that would make any of such information inaccurate or misleading. Sandler O'Neill has not been asked to and has not undertaken an independent verification of any of such information and does not assume any responsibility or liability for the accuracy or completeness thereof. Sandler O'Neill did not make an independent evaluation or appraisal of the specific assets, the collateral securing assets or the liabilities (contingent or otherwise) of TBI and SYB or any of their respective subsidiaries. Sandler O'Neill renders no opinion or evaluation on the collectability of any assets or the future performance of any loans of TBI and SYB. Sandler O'Neill did not make an independent evaluation of the adequacy of the allowance for loan losses of TBI and SYB, or the combined entity after the merger and has not reviewed any individual credit files relating to TBI and SYB. Sandler O'Neill has assumed, with TBI's consent, that the respective allowances for loan losses for both TBI and SYB are adequate to cover such losses and will be adequate on a pro forma basis for the combined entity.

In preparing its analyses, Sandler O'Neill used internal financial projections for TBI as provided by senior management of TBI and the management of TBI confirmed those projections reflected the best currently available estimates and judgments of management of the future performance of TBI. For SYB, Sandler O'Neill used the median publicly available earnings estimates and estimated long-term growth rate for SYB. Sandler O'Neill also received and used in its analyses certain projections of transaction costs, purchase accounting adjustments, expected cost savings and other synergies which were prepared by and/or reviewed with the senior management of SYB and senior management of SYB confirmed those projections represented the best projections available at such time with respect to the future financial performance of SYB. Sandler O'Neill expresses no opinion as to such estimates or the assumptions on which they are based. Sandler O'Neill has also assumed that there has been no material change in TBI'S and SYB's assets, financial condition, results of operations, business or prospects since the date of the most recent financial statements made available to it. Sandler O'Neill has assumed in all respects material to its analysis that TBI and SYB will remain as going concerns for all periods relevant to its analyses, that all of the representations and warranties contained in the merger agreement and all related agreements are true and correct, that each party to the agreements will perform all of the covenants required to be performed by such party under the agreements, that the conditions precedent in the merger agreement are not waived and that the merger will qualify as a tax-free reorganization for federal income tax purposes. Finally, with TBI's consent, Sandler O'Neill has relied upon the advice TBI has received from its legal, accounting and tax advisors as to all legal, accounting and tax matters relating to the merger and the other transactions contemplated by the merger agreement.

Sandler O'Neill's opinion is necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to it as of, the date hereof. Events occurring after the date hereof could materially affect its opinion. Sandler O'Neill has not undertaken to update, revise, reaffirm or withdraw its opinion or otherwise comment upon events occurring after the date hereof. Sandler O'Neill has acted as TBI's financial advisor in connection with the merger and will receive a fee for its services, a substantial portion of which is contingent upon consummation of the merger. TBI has also agreed to indemnify Sandler O'Neill against certain liabilities arising out of its engagement. In the ordinary course of Sandler O'Neill's business as a broker-dealer, it may purchase securities from and sell securities to TBI and SYB and their affiliates.

Sandler O'Neill's opinion is directed to the board of directors of TBI in connection with its consideration of the merger and does not constitute a recommendation to any shareholder of TBI as to

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how any such shareholder should vote at any meeting of TBI shareholders called to consider and vote upon the merger. Sandler O'Neill's opinion is directed only to the fairness, from a financial point of view, of the merger consideration to the holders of TBI common stock and does not address the underlying business decision of TBI to engage in the merger, the relative merits of the merger as compared to any other alternative business strategies that might exist for TBI or the effect of any other transaction in which TBI might engage. Sandler O'Neill's opinion shall not be reproduced or used for any other purposes, without Sandler O'Neill's prior written consent. The opinion has been approved by Sandler O'Neill's fairness opinion committee. Sandler O'Neill does not express any opinion as to the fairness of the amount or nature of the compensation to be received in the merger by any officer, director, or employees, or class of such persons, relative to the compensation to be received in the merger by any other shareholder.

In rendering its December 19, 2012 opinion, Sandler O'Neill performed a variety of financial analyses. The following is a summary of the material analyses performed by Sandler O'Neill, but is not a complete description of all the analyses underlying Sandler O'Neill's opinion. The summary includes information presented in tabular format. **In order to fully understand the financial analyses, these tables must be read together with the accompanying text. The tables alone do not constitute a complete description of the financial analyses.** The preparation of a fairness opinion is a complex process involving subjective judgments as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. In arriving at its opinion, Sandler O'Neill did not attribute any particular weight to any analysis or factor that it considered. Rather Sandler O'Neill made qualitative judgments as to the significance and relevance of each analysis and factor. Sandler O'Neill did not form an opinion as to whether any individual analysis or factor (positive or negative) considered in isolation supported or failed to support its opinion; rather Sandler O'Neill made its determination as to the fairness of the common stock consideration on the basis of its experience and professional judgment after considering the results of all its analyses taken as a whole. The process, therefore, is not necessarily susceptible to a partial analysis or summary description. Sandler O'Neill believes that its analyses must be considered as a whole and that selecting portions of the factors and analyses to be considered without considering all factors and analyses, or attempting to ascribe relative weights to some or all such factors and analyses, could create an incomplete view of the evaluation process underlying its opinion. Also, no company included in Sandler O'Neill's comparative analyses described below is identical to TBI or SYB and no transaction is identical to the merger. Accordingly, an analysis of comparable companies or transactions involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies and other factors that could affect the public trading values or merger transaction values, as the case may be, of TBI or SYB and the companies to which they are being compared.

In performing its analyses, Sandler O'Neill also made numerous assumptions with respect to industry performance, business and economic conditions and various other matters, many of which cannot be predicted and are beyond the control of TBI, SYB, and Sandler O'Neill. The analysis performed by Sandler O'Neill is not necessarily indicative of actual values or future results, both of which may be significantly more or less favorable than suggested by such analyses. Sandler O'Neill prepared its analyses solely for purposes of rendering its opinion and provided such analyses to the TBI board of directors at the December 18, 2012 meeting. Estimates on the values of companies do not purport to be appraisals or necessarily reflect the prices at which companies or their securities may actually be sold. Such estimates are inherently subject to uncertainty and actual values may be materially different. Accordingly, Sandler O'Neill's analyses do not necessarily reflect the value of TBI's common stock or the prices at which TBI's common stock may be sold at any time. The analysis and opinion of Sandler O'Neill was among a number of factors taken into consideration by the TBI board of directors in making its determination to approve the plan of merger contained in the merger agreement and the analyses described below should not be viewed as determinative of the decision the TBI board of directors with respect to the fairness of the merger.

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At the December 18, 2012 meeting of the TBI board of directors, Sandler O'Neill presented certain financial analyses of the merger. The summary below is not a complete description of the analyses underlying the opinions of Sandler O'Neill or the presentation made by Sandler O'Neill to the TBI board of directors, but is instead a summary of the material analyses performed and presented in connection with the opinion.

Summary of Proposal

Sandler O'Neill reviewed the financial terms of the proposed transaction. Shares of TBI common stock issued and outstanding immediately prior to the merger will be converted into the right to receive (i) 12.7557 shares of SYB common stock and (ii) $185.81 in cash. The aggregate transaction value of approximately $19.9 million includes $0.4 million of deal value for 3,180 shares subject to stock options exercisable at a weighted average stock price of $337.78. Based upon financial information as or for the quarter ended September 30, 2012, Sandler O'Neill calculated the following transaction ratios:

Transaction Value / Book Value:	100%
Transaction Value / Tangible Book Value:	100%
Transaction Value / Last Twelve Months Earnings Per Share:	35.4x
Core Deposit Premium:	0.4%

TBI Comparable Company Analysis

Sandler O'Neill also used publicly available information to compare selected financial and market trading information for TBI and a group of financial institutions selected by Sandler O'Neill.

The TBI peer group was selected by Sandler O'Neill and consisted of the following publicly-traded Midwest commercial banks with total assets between $100 million and $250 million, nonperforming assets to total assets less than 5.0%, tangible common equity to tangible assets greater than 9.0% and last-twelve-month return on average assets less than 0.75%:

BNB Bancorp, Inc.	First Citizens National Bank of Upper Sandusky
Capital Directions, Inc.	FNB, Inc.
Community First Bank of Indiana	Lafayette Community Bancorp
Farmers & Merchants Bancshares, Inc.	Peoples National Bancshares, Inc.

The analysis compared publicly available financial information for TBI and the median financial and market trading data for the TBI peer group as of and for the last twelve months ended September 30, 2012. The table below sets forth the data for TBI and the median data for the TBI peer

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group as of and for the last twelve months ended September 30, 2012, with pricing data as of December 18, 2012.

(Dollars in millions)	TBI	Comparable Group Median	Comparable Group High	Comparable Group Low
Total Assets	$ 137	$ 159	$ 219	$ 106
Tangible Common Equity / Tangible Assets	14.11%	10.24%	17.96%	9.09%
Tier 1 Risk Based Capital Ratio	25.28%	15.16%	31.32%	12.66%
Total Risk Based Capital Ratio	26.54%	16.37%	32.57%	13.93%
Return on Average Assets	0.39%	0.50%	0.62%	0.27%
Return on Average Equity	3.28%	3.83%	6.72%	2.61%
Net Interest Margin	2.80%	3.64%	4.42%	2.60%
Efficiency Ratio	86.4%	77.0%	84.5%	56.0%
Loan Loss Reserve / Gross Loans	2.46%	1.67%	3.28%	0.48%
Non-performing Assets / Assets	0.76%	1.27%	4.94%	0.00%
Net Charge-Offs / Average Loans	(0.60)%	0.31%	2.59%	0.00%
Price / Tangible Book Value	NA	84%	159%	23%
Price / LTM EPS	NA	22.2x	37.8x	6.1x
Current Dividend Yield	NA	0.1%	4.3%	0.0%
Last-Twelve-Month Dividend Payout Ratio	NA	14.1%	60.4%	0.0%
Market Capitalization	NA	$ 14	$ 26	$ 4

Financial Data as of or for the Period Ending September 30, 2012
Pricing data as of December 18, 2012
Dollar Values in Millions

				Capital Position			LTM Profitability				Asset Quality			Valuation				
Company	City, State	Ticker	Total Assets ($)	TCE/ TA (%)	Tier 1 RBC Ratio (%)	Total RBC Ratio (%)	ROAA (%)	ROAE (%)	Net Interest Margin (%)	Efficiency Ratio (%)	LLR/ Gross Loans (%)	NPAs(1)/ Total Assets (%)	NCOs/ Avg. Loans (%)	Price/ Tang. Book Value (%)	LTM EPS (x)	Current Dividend Yield (%)	LTM Dividend Ratio (%)	Market Value ($)
First Citizens National Bank of Upper Sandusky	Upper Sandusky, OH	FSDK	219	17.96	31.32	32.57	0.61	3.53	3.56	80.9	1.40	0.00	0.11	67	19.0	2.6	24.6	26
FNB, Inc.(2)	Dennison, OH	FIDS	203	9.09	15.82	17.07	0.62	6.72	3.47	75.3	1.94	0.15	0.10	84	12.7	4.3	60.4	16
Farmers & Merchants Bancshares, Inc.(2)	Burlington, IA	FMBN	196	9.39	12.66	13.93	0.36	3.83	3.72	83.6	2.87	4.94	0.59	23	6.1	0.0	0.0	4
Community First Bank of Indiana	Kokomo, IN	CFHW	175	10.96	12.68	13.95	0.28	2.61	4.23	56.0	3.28	3.42	0.50	60	23.8	0.0	13.6	12
Lafayette Community Bancorp	Lafayette, IN	LFYC	143	11.35	14.41	15.67	0.43	3.83	4.07	69.0	2.25	2.80	2.59	84	22.6	0.0	0.0	14
Capital Directions, Inc.(2)	Mason, MI	CTDN	119	10.87	18.77	19.46	0.58	5.35	3.15	77.6	0.48	1.37	0.10	159	29.2	0.0	0.0	21
Peoples National Bancshares, Inc.	New Lexington, OH	PBLX	110	9.60	14.50	15.52	0.58	5.58	4.42	76.4	0.88	1.18	0.75	133	21.8	0.2	14.6	14
BNB Bancorp, Inc.(2)	Brookville, OH	BNBK	106	9.58	21.67	25.56	0.27	2.90	2.60	84.5	1.06	0.00	0.00	108	37.8	1.6	55.1	11
		High	219	17.96	31.32	32.57	0.62	6.72	4.42	84.5	3.28	4.94	2.59	159	37.8	4.3	60.4	26
		Low	106	9.09	12.66	13.93	0.27	2.61	2.60	56.0	0.48	0.00	0.00	23	6.1	0.0	0.0	4
		Mean	159	11.10	17.73	19.22	0.47	4.29	3.65	75.4	1.77	1.73	0.59	90	21.6	1.1	21.0	15
		Median	159	10.24	15.16	16.37	0.50	3.83	3.64	77.0	1.67	1.27	0.31	84	22.2	0.1	14.1	14
Bancorp			137	14.11	25.28	26.54	0.39	3.28	2.80	86.4	2.46	0.76	(0.60)					

(1) Nonperforming assets defined as nonaccrual loans and leases, renegotiated loans and leases, and real estate owned.

(2)

Financial data as of June 30, 2012.

Sandler O'Neill noted that TBI had similar financial and performance metrics to the TBI peer group selected by Sandler O'Neill.

SYB Comparable Company Analysis

Sandler O'Neill also used publicly available information to compare selected financial and market trading information for SYB and a group of financial institutions selected by Sandler O'Neill.

The SYB peer group as selected by Sandler O'Neill consisted of the following high performing publicly traded commercial banks with total assets between $1.0 billion and $4.0 billion, nonperforming assets to total assets less than 3.0%, tangible common equity to tangible assets greater than 7.0%,

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last-twelve-month return on average assets greater than 1.0% and last-twelve-month return on average equity greater than 11.5%.

Arrow Financial Corporation	Community Trust Bancorp, Inc.
Bank of Marin Bancorp	German American Bancorp, Inc.
Bank of the Ozarks, Inc.	Home BancShares, Inc.
Center Bancorp, Inc.	Lakeland Financial Corporation
Citizens & Northern Corporation	National Bankshares, Inc.
City Holding Company	Southside Bancshares, Inc.
CNB Financial Corporation	Washington Trust Bancorp, Inc.
CoBiz Financial Inc.	West Bancorporation, Inc.

The analysis compared publicly available financial information for SYB and the median financial and market trading data for the SYB peer group as of and for the last twelve months ended September 30, 2012. The table below sets forth the data for SYB and the median data for the SYB peer group as of and for the last twelve months ended September 30, 2012, with pricing data as of December 18, 2012.

(Dollars in millions)	**SYB**	**Comparable Group Median**	**Comparable Group High**	**Comparable Group Low**
Total Assets	$ 2,103	$ 2,300	$ 3,888	$ 1,081
Tangible Common Equity / Tangible Assets	9.55%	9.26%	13.14%	7.45%
Tier 1 Risk Based Capital Ratio	13.09%	14.97%	21.85%	11.40%
Total Risk Based Capital Ratio	14.35%	16.29%	23.11%	12.25%
Return on Average Assets	1.25%	1.21%	1.95%	1.02%
Return on Average Equity	13.27%	12.48%	17.01%	11.61%
Net Interest Margin	3.97%	3.85%	5.97%	3.27%
Efficiency Ratio	55.5%	53.2%	72.8%	40.0%
Loan Loss Reserve / Gross Loans	1.96%	1.37%	2.56%	0.91%
Non-performing Assets / Assets	1.75%	1.38%	2.65%	0.36%
Net Charge-Offs / Average Loans	0.77%	0.30%	0.94%	(0.02)%
Price / Tangible Book Value	152%	154%	245%	130%
Price / LTM EPS	11.9x	12.2x	15.6x	7.7x
Current Dividend Yield	3.6%	3.7%	5.2%	1.1%
Last-Twelve-Month Dividend Payout Ratio	41.6%	39.4%	53.5%	7.4%
Market Capitalization	$ 306	$ 296	$ 1,148	$ 182

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Financial Data as of or for the Period Ending September 30, 2012
Pricing data as of December 18, 2012
Dollar Values in Millions

				Capital Position			LTM Profitability					Asset Quality			Valuation				
Company	City, State	Ticker	Total Assets ($)	TCE/ TA (%)	Tier 1 RBC Ratio (%)	Total RBC Ratio (%)	ROAA (%)	ROAE (%)	Net Interest Margin (%)	NII Operating Revenue (%)	Efficiency Ratio (%)	LLR/ Gross Loans (%)	NPAs(1)/ Total Assets (%)	NCOs/ Avg. Loans (%)	Price/ Tang. Book Value (%)	LTM EPS (x)	Current Dividend Yield (%)	LTM Dividend Ratio (%)	Market Value ($)
Home BancShares, Inc.	Conway, AR	HOMB	3,888	11.13	15.61	16.86	1.56	12.48	4.67	21.6	46.7	2.19	2.42	0.50	221	15.6	1.6	21.1	929
Bank of the Ozarks, Inc.	Little Rock, AR	OZRK	3,823	12.25	17.82	19.07	1.95	16.64	5.97	24.3	45.2	1.44	0.59	0.32	245	15.5	1.7	23.5	1,148
Community Trust Bancorp, Inc.	Pikeville, KY	CTBI	3,642	9.22	14.86	16.12	1.22	11.61	3.98	25.3	53.9	1.30	2.65	0.45	155	11.5	3.8	43.7	513
Southside Bancshares, Inc.	Tyler, TX	SBSI	3,221	7.95	21.85	23.11	1.08	13.51	3.36	13.7	62.7	1.71	0.49	0.87	143	10.0	3.8	52.9	363
Washington Trust Bancorp, Inc.	Westerly, RI	WASH	3,049	7.84	11.93	13.18	1.12	11.69	3.27	40.3	64.4	1.34	1.24	0.05	185	12.9	3.6	34.1	433
Lakeland Financial Corporation	Warsaw, IN	LKFN	2,952	9.84	13.33	14.59	1.19	12.47	3.35	21.8	48.6	2.35	2.03	(0.02)	147	12.3	2.6	39.2	425
City Holding Company	Cross Lanes, WV	CHCO	2,899	9.29	12.90	13.81	1.35	11.78	3.94	35.7	52.8	0.91	1.81	0.28	198	13.9	4.0	41.5	520
CoBiz Financial Inc.	Denver, CO	COBZ	2,560	7.45	15.08	17.35	1.58	17.01	4.08	27.8	72.8	2.56	2.65	0.48	153	7.7	1.1	7.4	292
Arrow Financial Corporation	Glens Falls, NY	AROW	2,041	7.47	15.20	16.45	1.12	12.97	3.29	30.8	58.7	1.32	0.36	0.04	201	13.6	4.0	53.5	300
German American Bancorp, Inc.	Jasper, IN	GABC	1,962	8.30	11.44	14.21	1.22	13.56	3.77	22.1	55.6	1.34	0.72	0.14	176	12.1	2.5	30.3	284
CNB Financial Corporation	Clearfield, PA	CCNE	1,741	7.67	14.10	15.36	1.02	12.50	3.45	17.9	54.0	1.49	1.60	0.54	161	12.3	3.9	47.5	213
Center Bancorp, Inc.	Union, NJ	CNBC	1,612	8.09	11.40	12.25	1.12	11.61	3.36	8.9	50.2	1.18	0.73	0.10	151	12.2	1.8	19.9	195
Bank of Marin Bancorp	Novato, CA	BMRC	1,435	10.27	12.80	14.00	1.16	11.76	4.86	9.7	53.6	1.30	2.43	0.94	130	11.7	2.0	23.0	191
Citizens & Northern Corporation	Wellsboro, PA	CZNC	1,310	12.95	21.74	22.98	1.75	13.39	4.29	24.2	48.7	1.11	0.69	0.06	134	9.8	5.2	44.7	225
West Bancorporation, Inc.	West Des Moines, IA	WTBA	1,268	10.46	15.33	16.59	1.21	12.49	3.47	19.3	51.9	1.82	1.52	0.02	138	11.5	3.8	39.6	182
National Bankshares, Inc.	Blacksburg, VA	NKSH	1,081	13.14	20.80	22.01	1.68	12.35	4.42	17.7	40.0	1.39	0.93	0.47	147	11.6	3.8	42.6	208
		High	3,888	13.14	21.85	23.11	1.95	17.01	5.97	40.3	72.8	2.56	2.65	0.94	245	15.6	5.2	53.5	1,148
		Low	1,081	7.45	11.40	12.25	1.02	11.61	3.27	8.9	40.0	0.91	0.36	(0.02)	130	7.7	1.1	7.4	182
		Mean	2,405	9.58	15.39	16.75	1.33	12.99	3.97	22.6	53.7	1.55	1.43	0.33	168	12.1	3.1	35.3	401
		Median	2,300	9.26	14.97	16.29	1.21	12.48	3.85	21.9	53.2	1.37	1.38	0.30	154	12.2	3.7	39.4	296
S.Y. Bancorp, Inc.		SYBT	2,103	9.55	13.09	14.35	1.25	13.27	3.97	33.8	55.5	1.96	1.75	0.77	152	11.9	3.6	41.6	306

Sandler O'Neill noted that SYB had similar financial and performance metrics to the SYB peer group as selected by Sandler O'Neill.

SYB Stock Price Performance

Sandler O'Neill reviewed the history of the publicly reported trading prices of SYB's common stock for the one-year period ended December 18, 2012. Sandler O'Neill also reviewed the history of the publicly reported trading prices of SYB's common stock for the three-year period ended December 18, 2012. Sandler O'Neill then compared the relationship between the movements in the price of SYB's common stock against the movements in the prices of its peer group, the S&P 500 Index and the NASDAQ Bank Index.

SYB One Year Stock Performance

	Beginning Index Value December 18, 2011	Ending Index Value December 18, 2012
SYB	100%	108%
NASDAQ Bank Index	100%	120%
SYB Peer Group	100%	116%
S&P 500 Index	100%	119%

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SYB Three Year Stock Performance

	Beginning Index Value December 18, 2009	Ending Index Value December 18, 2012
SYB	100%	102%
NASDAQ Bank Index	100%	115%
SYB Peer Group	100%	143%
S&P 500 Index	100%	131%

Sandler O'Neill noted that the above analysis showed that SYB stock underperformed the indices to which it was compared for the one year period and for the three year period.

TBI Net Present Value Analysis

Sandler O'Neill performed an analysis that estimated the present value of TBI through December 31, 2016.

Sandler O'Neill based the analysis on TBI's projected earnings stream as derived from the internal financial projections provided by TBI management for the years ending December 31, 2012 through 2016. To approximate the terminal value of TBI's common stock at December 31, 2016, Sandler O'Neill applied price to forward earnings multiples of 8.0x to 18.0x and multiples of tangible book value ranging from 50% to 150%. The income streams and terminal values were then discounted to present values using different discount rates ranging from 12.0% to 15.0%, which were assumed deviations, both up and down, as selected by Sandler O'Neill based on the TBI discount rate of 13.6% as determined by Sandler O'Neill. The discount rate is determined by adding the 10 year Treasury Bond rate (1.78%), the published Ibbotson 60 year equity risk premium (5.70%), the published Ibbotson size premium (3.89%) and the published Ibbotson Industry Premium (2.20%).

Earnings Per Share Multiples
(dollars in millions)

Discount Rate	8.0x	10.0x	12.0x	14.0x	16.0x	18.0x
12.0%	$ 3.2	$ 4.1	$ 4.9	$ 5.7	$ 6.5	$ 7.3
13.0%	$ 3.1	$ 3.9	$ 4.7	$ 5.5	$ 6.3	$ 7.0
13.6%	$ 3.1	$ 3.8	$ 4.6	$ 5.3	$ 6.1	$ 6.9
14.0%	$ 3.0	$ 3.8	$ 4.5	$ 5.3	$ 6.0	$ 6.8
15.0%	$ 2.9	$ 3.6	$ 4.4	$ 5.1	$ 5.8	$ 6.5

Tangible Book Value Per Share Multiples
(dollars in millions)

Discount Rate	50%	70%	90%	110%	130%	150%
12.0%	$ 6.8	$ 9.5	$ 12.2	$ 14.9	$ 17.6	$ 20.4
13.0%	$ 6.5	$ 9.1	$ 11.8	$ 14.4	$ 17.0	$ 19.6
13.6%	$ 6.4	$ 8.9	$ 11.5	$ 14.0	$ 16.6	$ 19.1
14.0%	$ 6.3	$ 8.8	$ 11.3	$ 13.8	$ 16.4	$ 18.9
15.0%	$ 6.1	$ 8.5	$ 10.9	$ 13.3	$ 15.8	$ 18.2

Sandler O'Neill also considered and discussed with the TBI board of directors how this analysis would be affected by changes in the underlying assumptions, including variations with respect to net income. To illustrate this impact, Sandler O'Neill performed a similar analysis assuming TBI's net

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income varied from 30% above projections to 30% below projections. This analysis resulted in the following reference ranges of indicated aggregate values for TBI's common stock, using a discount rate of 13.6%:

Earnings Per Share Multiples
(dollars in millions)

Annual Budget Variance	8.0x	10.0x	12.0x	14.0x	16.0x	18.0x
(30.0)%	$ 2.1	$ 2.7	$ 3.2	$ 3.7	$ 4.3	$ 4.8
(20.0)%	$ 2.4	$ 3.1	$ 3.7	$ 4.3	$ 4.9	$ 5.5
(10.0)%	$ 2.7	$ 3.4	$ 4.1	$ 4.8	$ 5.5	$ 6.2
0.0%	$ 3.1	$ 3.8	$ 4.6	$ 5.3	$ 6.1	$ 6.9
10.0%	$ 3.4	$ 4.2	$ 5.0	$ 5.9	$ 6.7	$ 7.6
20.0%	$ 3.7	$ 4.6	$ 5.5	$ 6.4	$ 7.3	$ 8.2
30.0%	$ 4.0	$ 5.0	$ 6.0	$ 6.9	$ 7.9	$ 8.9

SYB Net Present Value Analysis

Sandler O'Neill performed an analysis that estimated the present value of SYB through December 31, 2016. Sandler O'Neill based the analysis on SYB's median publicly available analyst estimates for December 31, 2012 and 2013 and a long term earnings growth rate for the years thereafter.

To approximate the terminal value of SYB's common stock at December 31, 2016, Sandler O'Neill applied price to forward earnings multiples of 10.0x to 16.0x and multiples of tangible book value ranging from 120% to 200%. The income streams and terminal values were then discounted to present values using different discount rates ranging from 12.0% to 15.0%. Dollar amounts in the following tables represent SYB per share amounts.

Earnings Per Share Multiples

Discount Rate	10.0x	12.0x	14.0x	16.0x
12.0%	$ 17.92	$ 20.97	$ 24.02	$ 27.06
13.0%	$ 17.30	$ 20.23	$ 23.17	$ 26.10
13.6%	$ 16.92	$ 19.78	$ 22.65	$ 25.51
14.0%	$ 16.70	$ 19.53	$ 22.35	$ 25.18
15.0%	$ 16.13	$ 18.86	$ 21.58	$ 24.30

Tangible Book Value Per Share Multiples

Discount Rate	120%	140%	160%	180%	200%
12.0%	$ 17.48	$ 19.94	$ 22.40	$ 24.86	$ 27.32
13.0%	$ 16.87	$ 19.24	$ 21.61	$ 23.98	$ 26.35