

S.Y. BANCORP, INC.

P.O. Box 32890

LOUISVILLE, KENTUCKY 40232-2890

(502) 582-2571

December 9, 2011

DEC 14 2011

Public Company Accounting Oversight Board
1666K Street NW
Washington, DC 20006-2803

Dear PCAOB members:

This correspondence provides our company's feedback on the concept release regarding auditor independence and audit firm rotation.

Our audit committee is keenly interested in auditor independence and considers this matter at least annually as they make a recommendation to shareholders for the appointment of our company's independent public accounting firm. KPMG LLP, our audit firm for a number of years has mandatory personnel rotation policies so we do get "a fresh look". We do not feel that retaining a firm for an extended period of time impairs independence or professional skepticism. Rather it allows us to have the services of a firm who excels in serving our industry and provides us with attentive service. We operate a well-run, control conscious company. We are attentive to principles of strong corporate governance, and do not believe any benefits to our shareholders would result from mandated auditor rotation.

Mandatory rotation of audit firms would result in exorbitant fees in an area where costs have already escalated to a burdensome level. The first years of a firm's engagements involve a rather steep and inefficient learning curve for the firm. This results in disruption of company processes and an extra time investment from the company's staff as well. Further, we believe that the services of the "lame duck" firm could be far from satisfactory, and then the cycle would repeat itself. We are seeking ways to improve audit quality and required auditor rotation would not achieve that goal.

From another practical standpoint, there are a limited number of firms to provide audit, tax and accounting consulting services to. Not one firm can provide all these to one company nor are all firms qualified in all area. To constantly have to change audit firms would result in ridiculous "musical chairs" of firms for other services – again ratcheting up costs and diminishing quality of service.

Top-tier public accounting firms – those chosen by publicly traded companies – have quality control programs that address the concerns of the concept release. If their programs are not satisfactory, then they should make necessary improvements. To further burden our companies does not make sense.

History has proven that burdensome regulation does not improve the quality of a product. With this letter you are receiving the opinion of our audit committee members, our CEO and those in our company who are responsible for the preparation of the financial statements.

Thank you for considering our concerns.

Very truly yours,
S.Y. Bancorp, Inc.

A handwritten signature in black ink, appearing to read "Nancy B. Davis". The signature is fluid and cursive, with the first name being the most prominent.

Nancy B. Davis
Chief Financial Officer