

STOCK YARDS BANCORP, INC.

2019 SUMMARY ANNUAL REPORT

**Stock
Yards®**
Bank & Trust
Member FDIC

A TRUSTED
PARTNER
**since
1904**

As of and for the years ended December 31,

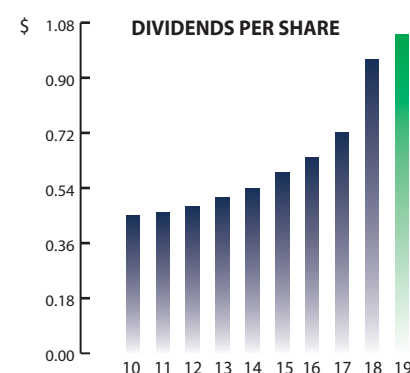
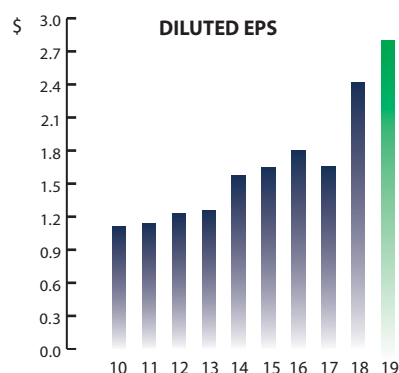
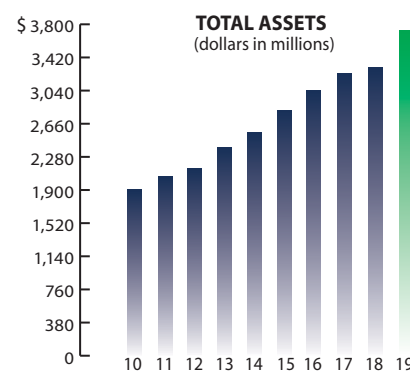
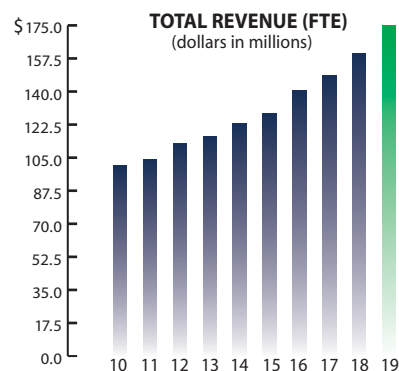
2019**Financial Highlights**

“This outstanding performance demonstrates why Stock Yards Bancorp remains among the nation’s highest-performing community banks...”

(Dollars in thousands, except per share data)

	2019	2018	2017
Net income	\$ 66,067	\$ 55,517	\$ 38,043
PER COMMON SHARE			
Net income per share, diluted	\$ 2.89	\$ 2.42	\$ 1.66
Cash dividends declared	1.04	0.96	0.80
Book value	17.97	16.11	14.71
Market price	41.06	32.80	37.70
AT YEAR END			
Assets	\$ 3,724,197	\$ 3,302,924	\$ 3,239,646
Loans	2,845,016	2,548,171	2,409,570
Deposits	3,133,938	2,794,356	2,578,295
Stockholders’ equity	406,297	366,500	333,644
RATIOS			
Return on average assets	1.90%	1.76 %	1.25%
Return on average equity	17.09	16.00	11.61
Efficiency ratio, FTE	56.13	55.92	60.61

“Record total revenue, net income, loan production and net loan growth led the way to a 19% increase in diluted earnings per share and solid returns on average assets and equity of 1.90% and 17.09%.”





Ja Hillebrand
CEO

To Our Stockholders

I am pleased to report that 2019 was an excellent year for Stock Yards Bancorp and our strongest to date. Record total revenue, net income, loan production and net loan growth led the way to a 19% increase in diluted earnings per share and solid returns on average assets and equity of 1.90% and 17.09%. In addition to completing our first bank acquisition since 2013, this past year was highlighted by significant organic growth across our Louisville, Cincinnati and Indianapolis markets along with exceptional credit quality metrics.

Our diversified non-interest revenue streams were also a highlight this past year. I am especially proud of our Wealth Management & Trust

department, which set records for revenue and assets under management. The significance of this group's contribution continues to distinguish us from other community banks of similar asset size.

TRANSITION

I have now been Chief Executive Officer for just over one year, having succeeded David Heintzman on October 1, 2018. I am truly grateful for our outstanding senior management team and all of our employees throughout our company. I attribute our success to the team we've built and their ability to execute our proven business model. Our amazing growth in 2019 underscores the talent of these people.

Also in 2018, we announced that Clay Stinnett, would succeed Nancy Davis as Chief Financial Officer. Nancy retired from the Company at the end of April 2019. Clay has been with Stock Yards for more than 20 years and his transition to CFO has been seamless.

“For the 10-year period ended with 2019, Stock Yard Bancorp total return increased 282% compared to a 197% increase for a commonly used NASDAQ bank index.”

STOCKHOLDER RETURNS

We continue to pursue strategies to enhance stockholder value, including a substantial and sustained dividend payout ratio. As was the case in each of the previous five years, our Board of Directors increased the Company's quarterly cash dividend twice during 2019. The Company



Phil Poindexter
President

“I attribute our success to the team we’ve built and their ability to execute our proven business model. Our amazing growth in 2019 underscores the talent of these people.”

has now raised its quarterly dividend rate a total of 12 times since the beginning of 2013, resulting in a cumulative increase of 93% over this period. While there are many factors that drive investment decisions, I believe our stockholders are attracted to our pursuit of attractive growth opportunities, our conservative lending culture, our diversified markets and revenue streams and the consistency of our returns.

In our opinion, it is best to measure a company's performance over a meaningful timeframe which takes into account both up and down market cycles. For the 10-year period ended with 2019, Stock Yard Bancorp total return increased 282% compared to a 197% increase for a commonly used NASDAQ bank index. This outstanding performance demonstrates why Stock Yards Bancorp remains among the nation's highest-performing community banks, and I am pleased to note that we were named to the Bank and Thrift “SM-ALL STARS” by Sandler O’Neill & Partners in 2019. We were one of only 30 institutions to receive this designa-

tion based on our continued growth, profitability, credit quality and capital strength. We are honored to be recognized for our performance and we are confident in our ability to continue to deliver value to our shareholders.

KING SOUTHERN BANK ACQUISITION

In May, we completed the acquisition of King Bancorp, Inc. the holding company for King Southern Bank (KSB), expanding our presence in both Louisville and nearby Nelson County. With \$192 million in assets, \$164 million in loans and \$126 million in deposits, this acquisition served as a complement to our organic growth as well as our capital allocation strategies. It has been an honor to welcome the KSB customers to the Stock Yards family and by every measure, the transaction has exceeded our expectations.

FINANCIAL OVERVIEW

As previously mentioned, 2019 was another record year for Stock Yards Bancorp. Despite elevated levels of payoffs, the combination of record organic loan production and the KSB acquisition boosted our loan portfolio by \$297 million, or 12%, in 2019 with strong contributions from all markets and divisions. While our net interest margin ended the year at 3.81%, down slightly compared to the 3.83% seen in 2018, prudent balance sheet management steadied margin compression as the Federal Reserve cut interest rates three times in 2019.

Non-interest income sources, which contributed 28% of net revenues, grew 10% year-over-year, signifying the success of our diversification strategies. Wealth Management & Trust income increased 5%, as assets under management grew to a record \$3.3 billion, driven by both record net new business, strong market returns

and growth in corporate retirement accounts. Card income and treasury management fees, bolstered by increased volume and usage, also continued to stand out, representing a combined 26% of total non-interest income.

We have been aggressive in hiring relationship managers in all of our markets over the last two years, and as demonstrated below, the benefits of these investments have been seen across the Company.



Paula Moan
Market President
Indianapolis

INDIANAPOLIS MARKET

Our Indianapolis market generated its third consecutive year of record loan production, contributing 33% of the Bank's loan growth and ending the year representing approximately 17% of the Company's

total loan portfolio – up from 15% at the end of 2018. These results reflect a superb year for commercial real estate lending as well as continued success in our Private Banking area. Similarly, deposits increased 9% to support this growth.

Our Wealth Management & Trust group had another strong year of performance, achieving record production – up 14% from 2018. Our Wealth advisors continue to grow and strengthen relationships with our existing customers while also acquiring new customers who value our personalized approach.

“The Company has now raised its quarterly dividend rate a total of 12 times since the beginning of 2013, resulting in a cumulative increase of 93% over this period.”

Now with five banking centers, Indianapolis continues to present new opportunities for us. We recently completed our first full year of operation at our Plainfield location, which greatly exceeded our expectations, and we continue to explore expansion options in this vibrant market.



Stephen Brown
Market President
Cincinnati / NKY

CINCINNATI MARKET

The Cincinnati market also generated record loan production in 2019 and ended the year representing 14% of the Company's total loan portfolio. Our Cincinnati based Retail, Commercial, Business Banking,

and Private Banking groups all produced double digit deposit growth in 2019, leading to a record deposit increase of 28% and supporting our strong loan growth. These accomplishments, coupled with record new treasury management revenue in 2019, reflect the attractive prospects of this market.

As with our Indianapolis market, we continue to explore opportunities for expansion to complement the five branches we currently operate. We plan to open a sixth location in Evendale during 3rd Q 2020.

COMMERCIAL BANKING DIVISION

While our customer base is broad, ranging from consumers to commercial customers, our focus continues to be significantly directed towards business lending. Loan growth was strong in 2019 as all three markets contributed to record loan production, leading to a 9% increase in net interest income for the year. Commercial & industrial loans combined with owner-occupied commercial real estate loans, which we consider our core lending areas, constitute almost one half of our \$2.8 billion loan portfolio.

Commercial & industrial lending was steady throughout the year and commercial real estate loan demand was strong despite an increasingly competitive environment. The commercial pipelines are robust heading into 2020 and asset quality continues to be excellent.

Opportunities in other areas continue to provide additional avenues for growth. Our business credit card product, initially launched in 2016, is generating substantial non-interest income. Total accounts grew 20% during 2019 while International Banking saw record revenue in and is poised for a great 2020. In addition, a new emphasis on Corporate Banking, which focuses on larger middle-market clients, aims to supplement growth further.



Kathy Beach
Director of Operations

“We also continue to develop our delivery channels, particularly digital offerings, to meet the needs of our customers.”

“Commercial & industrial loans combined with owner-occupied commercial real estate loans, which we consider our core lending areas, constitute almost one half of our \$2.8 billion loan portfolio.”

RETAIL BANKING

Retail Banking remains a critical part of what we do every day, meeting the banking needs for thousands of customers through our many delivery channels. The success of a retail banking program can be gauged by its deposit trends, which were very positive in 2019 with total deposits growing 12% to \$3.1 billion, reflecting gains in the number of depositors as well as average balances.

We continue to invest in our branch network. The King Southern acquisition added locations in Jeffersontown, Bloomfield and Chaplin while our Mount Washington location opened in July of 2019. As previously mentioned, we plan to open another branch in northern Cincinnati in 3rd Q of 2020, along with a new branch in the Valley Station area of our Louisville market.

We also continue to develop our delivery channels, particularly digital offerings, to meet the needs of our customers. Our goal is to provide access and service to all customers through the delivery channels they prefer and we are committed to investing in the technology necessary to do so.

WEALTH MANAGEMENT & TRUST SERVICES

Our Wealth Management & Trust Group performed well in 2019, increasing revenues 5% over 2018, and comprising 45% of our non-interest income. As previously mentioned, assets under management reached a record \$3.3 billion in 2019, which supports our strategy of creating and growing diverse, fee-based revenue streams to support stable earnings growth over the long term. Despite volatility in the stock market, our conservative, risk-adjusted approach and diversified asset allocation helped our clients achieve strong investment performance in 2019. It was also an excellent year for new business as we continue to growth of our Indianapolis and Cincinnati markets.

This generational-oriented resource has a substantial presence across our markets and the growth we have seen is a testament to the relationships we have fostered with our clients, many of which trace back three to four generations. Through an experienced staff of professional and support personnel, Wealth Management & Trust continues to focus on serving the investment, financial and trust needs of individuals, multi-generational families and institutions by providing holistic financial plans for every client.

PRIVATE BANKING DIVISION

Our private banking services meet the needs of affluent customers by providing all of our solutions and alternatives in a personalized, one-on-one experience with our private banking professionals. We saw solid performance in all markets with continued success in dental lending, medical office building projects and medical residence lending programs. Indianapolis delivered significant loan growth, while loan production in Cincinnati doubled that of 2018.



Kathy Thompson
Director of Wealth
Management & Trust

“Wealth Management & Trust income increased 5%, as assets under management grew to a record \$3.3 billion, driven by both record net new

business, strong market returns and growth in corporate retirement accounts.”

BUSINESS BANKING

Our business banking division focuses on small- and middle-market companies that have different financial needs than larger businesses that are serviced by the commercial lending area. By tailoring solutions and products to their specific needs through credit, savings and checking solutions, we help small businesses achieve fiscal efficiencies and improve profitability. This division generated record loan production for 2019 in all three markets.

TREASURY MANAGEMENT SERVICES

Treasury management also recorded a record year of production in 2019, up 9% over the prior year, which was the result of increased contributions from the Indianapolis and Cincinnati markets. These solutions help companies utilize banking technology to increase income, mitigate risk and improve working capital. The treasury group's expertise includes payments and disbursement management, lockbox, remote

deposit, Automated Clearing House (ACH), sweep accounts, liquidity and investments, information reporting and online banking.

***“By continuing our commitment to strong client relationships, unmatched customer-service and great corporate culture that has defined us for 115 years, we aim to earn your continued support of the Company and remain the Trusted Partner we’ve been since 1904.*”**

MORTGAGE SERVICES

Mortgage lending continues to help diversify our non-interest revenue streams and is an important dimension of the many services we offer. Mortgage banking revenue increased 20% over prior year and represents 6% of our total non-interest income. The strong performance we saw in 2019 was driven by lower rates, which was a catalyst for re-financing and purchase activity. We expect lower rates to provide similar motivation for such activity in 2020.

STOCK YARDS FINANCIAL SERVICES

Stock Yards Financial Services offer a range of investment options to help customers plan for their financial future and expand the diversification of their assets. These products include

“Our goal is to provide access and service to all customers through the delivery channels they prefer and we are committed to investing in the technology necessary to do so.”

individual stocks and bonds, mutual funds, money market investments, annuities and other insurance products. These services are a valuable source of recurring revenue and help further diversify non-interest income.

CONCLUSION

The exceptional performance of this past year affirms the strategies we pursue to grow our business, build our reputation and enhance shareholder value. We look forward to carrying this momentum into 2020. We are excited about our many avenues for success. By continuing our commitment to strong client relationships, unmatched customer-service and great corporate culture that has defined us for 115 years, we aim to earn your continued support of the Company and remain the Trusted Partner we’ve been since 1904.

James A. (Ja) Hillebrand
Chief Executive Officer

STOCK YARDS BANCORP, INC.

Selected Consolidated Financial Data

As of and for the years ended December 31,

(Dollars in thousands, except per share data)

	2019	2018	2017	2016	2015
INCOME STATEMENT					
Net interest income	\$ 125,221	\$ 114,416	\$ 103,653	\$ 97,289	\$ 88,383
Provision for loan and lease losses	1,000	2,705	2,550	3,000	750
Non-interest income	49,790	45,346	44,499	42,920	39,315
Non-interest expenses	98,351	89,509	90,420	80,938	72,828
Net income	66,067	55,517	38,043	41,027	37,187
PER SHARE					
Net income per share, diluted	\$ 2.89	\$ 2.42	\$ 1.66	\$ 1.80	\$ 1.65
Cash dividends declared	1.04	0.96	0.80	0.72	0.64
Book value	17.97	16.11	14.71	13.88	12.80
Market value	41.06	32.80	37.70	46.95	25.19
BALANCE SHEET					
Loans	\$ 2,845,016	\$ 2,548,171	\$ 2,409,570	\$ 2,305,375	\$ 2,033,007
Allowance for loan and lease losses	26,791	25,534	24,885	24,007	22,441
Assets	3,724,197	3,302,924	3,239,646	3,039,481	2,816,801
Deposits	3,133,938	2,794,356	2,578,295	2,520,548	2,371,702
Stockholders' equity	406,297	366,500	333,644	313,872	286,519
EARNINGS PERFORMANCE					
Return on average assets	1.90%	1.76%	1.25%	1.42%	1.44%
Return on average equity	17.09	16.00	11.61	13.49	13.55
Net interest margin, FTE	3.81	3.83	3.64	3.59	3.67
KEY RATIOS					
Non-performing assets to total assets	0.34%	0.13%	0.31%	0.39%	0.48%
Net loan charge-offs (recoveries)	(0.01)	0.08	0.07	0.07	0.17
Allowance for loan losses to total loans	0.94	1.00	1.03	1.04	1.10
Avg stockholder's equity to avg assets	11.10	10.98	10.79	10.54	10.66
Total risk-based capital	12.86	13.91	13.52	13.04	13.31
Leverage ratio	10.60	11.33	10.70	10.54	10.53

FTE - Fully Tax Equivalent

Location Information

LOUISVILLE MARKET:

Anchorage:

12900 Factory Lane
Louisville, KY 40245
(502) 222-8424
M-F: 9-5

Austin:

275 Highway 31 North
Austin, IN 47102
(812) 794-2191
M-Th: 9-4, F: 9-5:30

Blankenbaker:

11751 Bluegrass Parkway
Jeffersontown, KY 40299
(502) 625-0888
M-F: 9-5

Bloomfield:

111 Chaplin Road
Bloomfield, KY 40008
(502) 719-4565
M-Th 8:30-4, F: 8:30-5, S: 8:30-12
ATM Available

Broadway:

2710 W. Broadway
Louisville, KY 40211
(502) 625-1782
M-F: 9-5, S: 9-12

Chaplin:

5916 Lawrenceburg Road
Chaplin, KY 40012
(502) 719-4560
M-Th 8:30-4, F: 8:30-5, S: 8:30-12

Charlestown Road:

2860 Charlestown Road
New Albany, IN 47150
(812) 542-0653
M-Th: 9-4, F: 9-6, S: 9-12

Clarksville:

227 East Lewis & Clark Pkwy
Clarksville, IN 47129
(812) 945-0635
M-Th: 9-4, F: 9-6, S: 9-12

Crestwood:

6317 W. Highway 146
Crestwood, KY 40014
(502) 222-8422
M-Th: 9-4, F: 9-6, S: 9-12

Dixie Highway:

5220 Dixie Highway
Louisville, KY 40216
(502) 625-2288
M-Th: 9-4, F: 9-6, S: 9-12

Dupont:

4098 Dutchmans Lane
Louisville, KY 40207
(502) 625-1870
M-F: 9-5

Fifth Street:

214 South Fifth Street
Louisville, KY 40202
(502) 625-1780
M-Th: 9-4, F: 9-5

Fern Creek:

10000 Will Way
Louisville, KY 40291
(502) 625-1785
M-Th: 9-4, F: 9-6, S: 9-12

Highlands:

2292 Bardtown Road
Louisville, KY 40205
(502) 625-1050
M-Th: 9:30-5, F: 9:30-6, S: 9-12

Hikes Point:

3063 Breckenridge Lane
Louisville, KY 40220
(502) 625-1910
M-Th: 9-4, F: 9-6, S: 9-12

Hillview:

5026 Mud Lane
Louisville, KY 40229
(502) 625-1030
M-Th: 9-4, F: 9-6, S: 9-12

Jeffersontown:

10421 Taylorsville Road
Louisville, KY 40299
M-Th: 9-4, F: 9-6

Jeffersonville:

3230 E. Highway 62
Jeffersonville, IN 47130
(812) 285-9080
M-Th: 9-4, F: 9-6

LaGrange:

515 S. First Street
LaGrange, KY 40031
(502) 222-8421
M-Th: 9-5, F: 9-6, S: 9-12

Main Office:

1040 East Main Street
Louisville, KY 40206
(502) 625-1790
M-Th: 9-4, F: 9-5:30

Middletown:

11800 Shelbyville Road
Louisville, KY 40243
(502) 625-2290
M-Th: 9-4, F: 9-6, S: 9-12

Mt. Washington:

160 Dakota Court
Mt. Washington, KY 40047
(502) 625-9350
M-Th: 9-4, F: 9-6

North Oldham:

12889 W. Highway 42
Prospect, KY 40059
(502) 222-8423
M-Th: 9-4, F: 9-6

Outer Loop:

4537 Outer Loop
Louisville, KY 40219
(502) 625-2599
M-Th: 9-4, F: 9-6, S: 9-12

Poplar Level:

4016 Poplar Level Road
Louisville, KY 40213
(502) 625-2299
M-Th: 9-4, F: 9-6

Prospect:

9201 U.S. Highway 42
Prospect, KY 40059
(502) 625-9210
M-Th: 9-4, F: 9-6, S: 9-12

Rudy Lane:

4800 Brownsboro Road
Louisville, KY 40207
(502) 625-0800
M-Th: 9-4, F: 9-6

Shepherdsville:

183 Adam Shepherd Parkway
Shepherdsville, KY 40165
(Louisville) 625-9915
(Shepherdsville) 543-1511
M-Th: 9-4, F: 9-6, S: 9-12

St. Matthews:

3794 Lexington Road
Louisville, KY 40207
(502) 625-2280
M-Th: 9-4, F: 9-6, S: 9-12

Springhurst:

9400 Brownsboro Road
Louisville, KY 40241
(502) 625-2400
M-Th: 9-4, F: 9-6, S: 9-12

Stony Brook:

2811 South Hurstbourne Parkway
Louisville, KY 40220
(502) 625-2444
M-Th: 9-4, F: 9-6, S: 9-12

Southern Parkway:

4640 Southern Parkway
Louisville, KY 40214
(502) 625-2552
M-Th: 9-4, F: 9-5:30

INDIANAPOLIS MARKET:

Binford:

6840 Lake Plaza Drive
Indianapolis, IN 46220
(317) 238-2860
M-F: 9-5

Carmel:

11450 N. Meridian Street
Carmel, IN 46032
(317) 238-2831
M-F: 9-5

Indianapolis (Downtown):

Capital Center Building
201 N. Illinois Street, Suite 100
Indianapolis, IN 46204
(317) 238-2800
M-F: 9-5

Plainfield:

345 S. Perry Road
Plainfield, IN 46168
(317) 893-0550
M-F: 9-5

St Francis:

7915 S. Emerson Avenue
Indianapolis, IN 46237
(317) 238-2877
M-F: 9-5

CINCINNATI MARKET:

Cincinnati (Downtown):

101 W. Fourth Street
Cincinnati, OH 45202
(513) 824-6100
M-F: 9-5

Hyde Park:

2651 Observatory Avenue
Cincinnati, OH 45208
(513) 824-6130
M-F: 9-5

Madeira:

7124 Miami Ave
Cincinnati, OH 45243
(513) 824-6160
M-F: 9-5

Florence:

4790 Houston Road
Florence, KY 41042
(859) 538-1465
M-F: 9-5

Highland Heights:

2635 Alexandria Pike
Highland Heights, KY 41076
(859) 547-4900
M-F: 9-5



DIRECTORS

David P. Heintzman
Chairman of the Board,
Stock Yards Bancorp, Inc. and Stock Yards Bank & Trust Company

James A. Hillebrand
Chief Executive Officer,
Stock Yards Bancorp, Inc. and Stock Yards Bank & Trust Company

Stephen M. Priebe
President, Hall Contracting of Kentucky

Paul J. Bickel III
President, U.S. Specialties

J. McCauley Brown
Retired Vice President, Brown-Forman Corporation

Donna L. Heitzman
Retired Portfolio Manager, KKR Prisma Capital

Carl G. Herde
Vice President / Finance, Kentucky Hospital Association

Richard A. Lechleiter
President, Catholic Education Foundation of Louisville

John L. Schutte
Chief Executive Officer, GeriMed, Inc.

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

Kathy C. Thompson
Senior Executive Vice President,
Stock Yards Bancorp, Inc. and Stock Yards Bank & Trust Company

EXECUTIVE OFFICERS

James A. (Ja) Hillebrand
Chief Executive Officer

Philip S. Poindexter
President

Kathy C. Thompson
Senior Executive Vice President
Wealth Management & Trust

Michael J. Croce
Executive Vice President
Retail Banking Group

William M. Dishman III
Executive Vice President
Chief Risk Officer

Michael V. Rehm
Executive Vice President
Chief Lending Officer

T. Clay Stinnett
Executive Vice President
Chief Financial Officer

SHAREHOLDER INFORMATION

Transfer Agent

The transfer agent for the common stock of Stock Yards Bancorp, Inc. is:

(FIRST CLASS / REGISTERED / CERTIFIED MAIL:)	(COURIER SERVICES:)
Computershare Investor Services	Computershare Investor Services
P.O. Box 505000	462 South Fourth Street, Suite 1600
Louisville, Kentucky 40233-5000	Louisville, Kentucky 40202
(800) 368-5948	

Automatic Dividend Reinvestment Service

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

Mailing And Street Addresses

The mailing address for Stock Yards Bancorp, Inc. is:
P.O. Box 32890, Louisville, Kentucky 40232-2890.
The street address is:
1040 East Main Street, Louisville, Kentucky 40206.

Internet Address

The internet address for Stock Yards Bancorp, Inc. is www.syb.com. Please visit the Investor Relations section of our web site for the following: Corporate Overview, Stock Information, SEC Filings, Financial Information and News and Market Data.

Common Stock

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

Forms 10-K And 10-Q

Stock Yards Bancorp, Inc.'s annual report on Form 10-K and quarterly reports on Form 10-Q, as filed with the Securities and Exchange Commission, can be found at www.syb.com (see "Investor Relations") or by writing, emailing or calling Customer Service - OnlineCustomerService@syb.com, (502) 582-2571.

LOUISVILLE - Corporate Center

1040 East Main Street (502) 582-2571
Louisville, Kentucky 40206

INDIANAPOLIS - Regional Center

201 North Illinois Street, Suite 100 (317) 238-2800
Indianapolis, Indiana 46204

CINCINNATI - Regional Center

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

