Stock Yards Bancorp

KBW

Winter Financial Services Symposium

Boca Raton, Fl.

February 13-14, 2020

Cautionary statement for investors

This presentation contains forward-looking statements about future financial performance, business plans and strategies of Stock Yards Bancorp, Inc. Because forward-looking statements involve risks and uncertainties, actual results may differ materially from those expressed or implied. We caution investors not to place undue reliance on these forward-looking statements and advise them to carefully review the risk factors described in documents that the Company files with the Securities and Exchange Commission, including the Company's most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q.

Company profile

- Founded in 1904
- NASDAQ Global Select – SYBT
- Headquartered in Louisville, KY.
- 42 locations in Louisville, Indianapolis, and Cincinnati MSAs
- $3.7 billion in assets at December 31, 2019
- $3.3 billion Wealth Management & Trust AUM at December 31, 2019

Louisville area major employers

amazon

BROWN-FORMAN

CHURCHILL DOWNS

Ford

2 production facilities

GE Haier

Humana

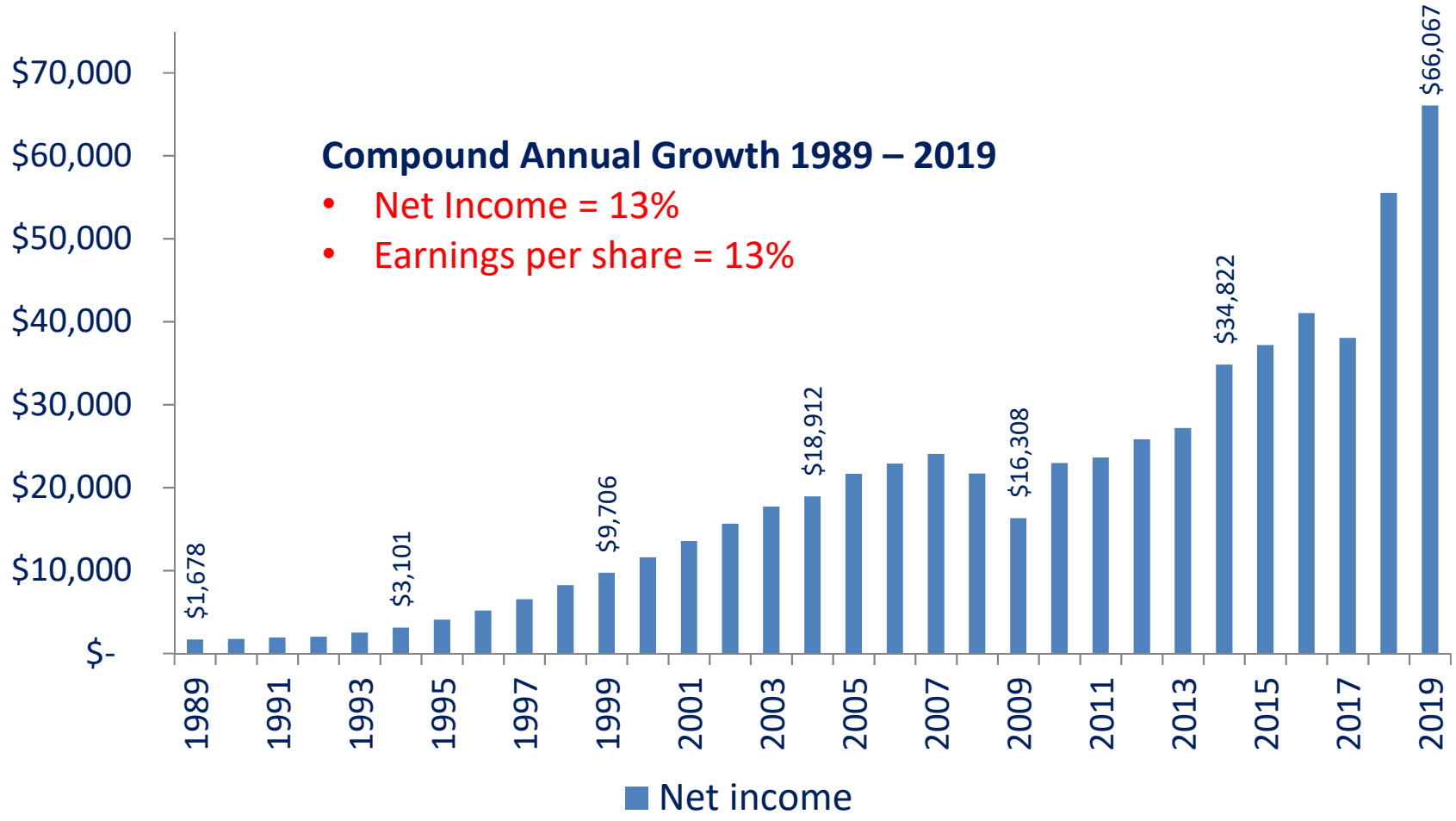
PIZZA PAPA JOHN'S
BETTER INGREDIENTS. BETTER PIZZA.

UPS

World-wide air hub

Yum!

Over three decades of growth



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Three-year financial highlights

	2019	2018	2017
Net interest income	$ 125.2	$ 114.4	$ 103.7
Wealth management and trust income	22.6	21.5	20.5
Net income	66.1	55.5	38.0
Earnings per share (diluted)	2.89	2.42	1.66
Total assets	$ 3,724	$ 3,303	$ 3,240
Net interest margin	3.81%	3.83%	3.63%
Return on average equity	17.1%	16.0%	11.6%
Return on average assets	1.90%	1.76%	1.25%

Dollars in millions except per share data
Per share information adjusted to reflect 2016 stock split

Superior performance as measured against peers

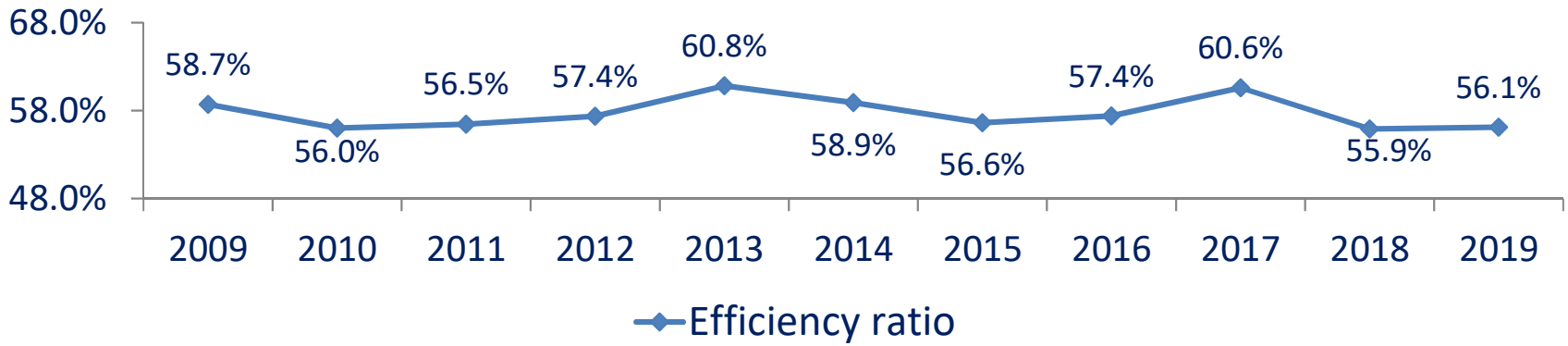
Banks $1.5 - $7.0 billion in assets

		Return on average assets	Return on average equity
50th percentile		1.18%	10.56%
75th percentile		1.41%	12.56%
90th percentile		1.57%	14.56%
Stock Yards	**$3.7 billion**	**1.90%**	**17.10%**

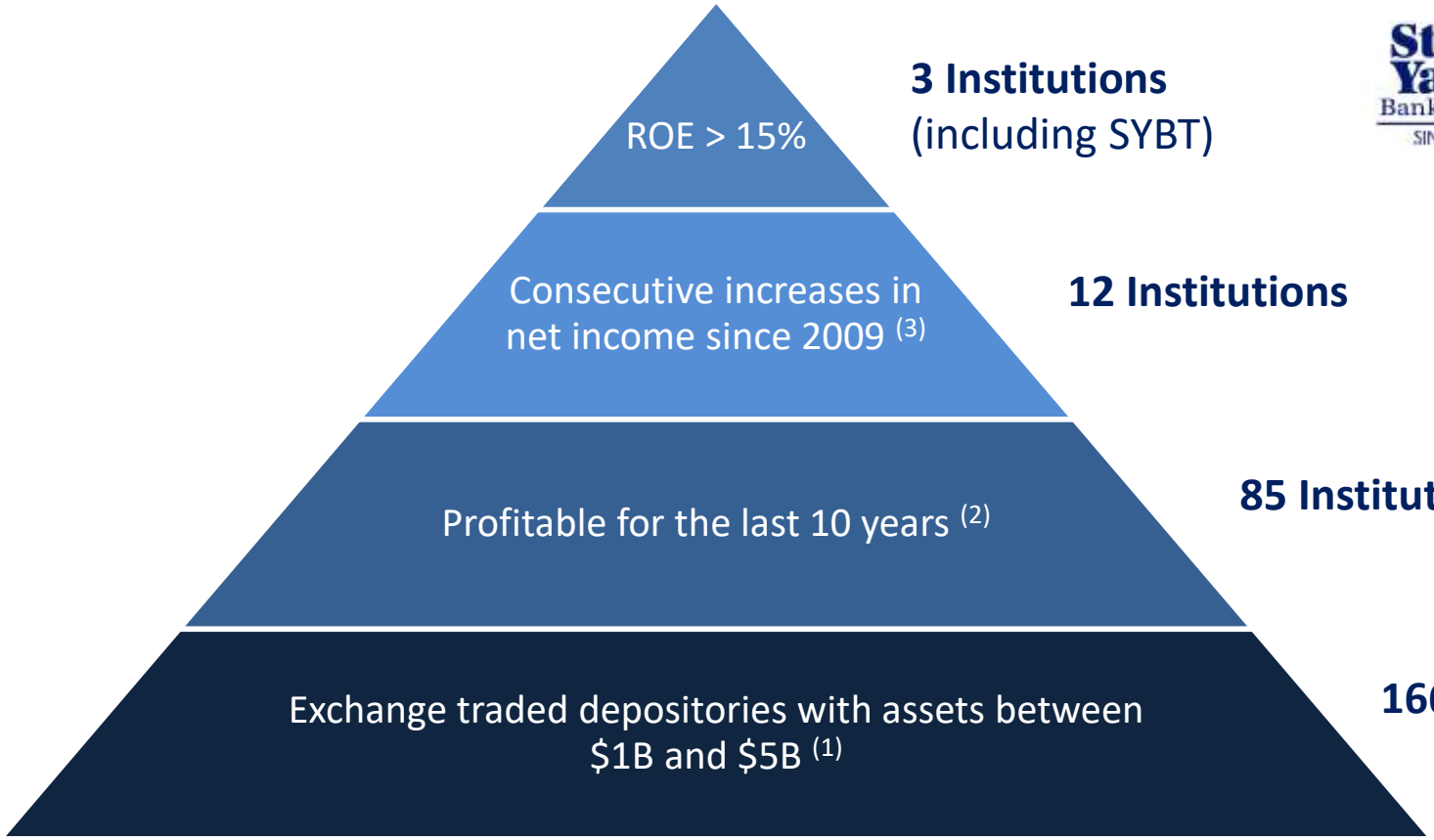
Peer information for six months ended June 30, 2019 per S&P Global Market Intelligence

Efficiency ratio

Consistent investment in technology and two new markets



Long term success for shareholders



3 Institutions (including SYBT)

12 Institutions

85 Institutions

166 Institutions

Source: S&P Global Market Intelligence. Financial data is as of December 31, 2018.

(1) Includes banks and thrifts traded on the NYSE, NYSEAM or NASDAQ as of 3/27/19; excludes merger targets.

(2) Defined as having a positive net income before extraordinary items and preferred dividends for each of the last 10 years (calendar years ended December 31, 2009 through December 31, 2018). Net income before extraordinary items is defined as GAAP net income, after taxes, minority interest, and other after tax items, but before any extraordinary items. Excludes any revaluation of net deferred tax assets due to tax reform.

(3) Defined as consecutive increases in net income before extraordinary items for each of the years ending December 31, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017 and 2018. Excludes any revaluation of net deferred tax assets due to tax reform.

Year-end financial highlights

	2019	2018	Change
Net interest income	$ 125.2	$ 114.4	9.4%
Income taxes	9.6	12.0	-20.0%
Net income	66.1	55.5	19.1%
Earnings per share (diluted)	$ 2.89	$ 2.42	19.4%
Net interest margin	3.81%	3.83%	
Return on average equity	17.1%	16.0%	
Return on average assets	1.90%	1.76%	

Dollars in millions except per share data

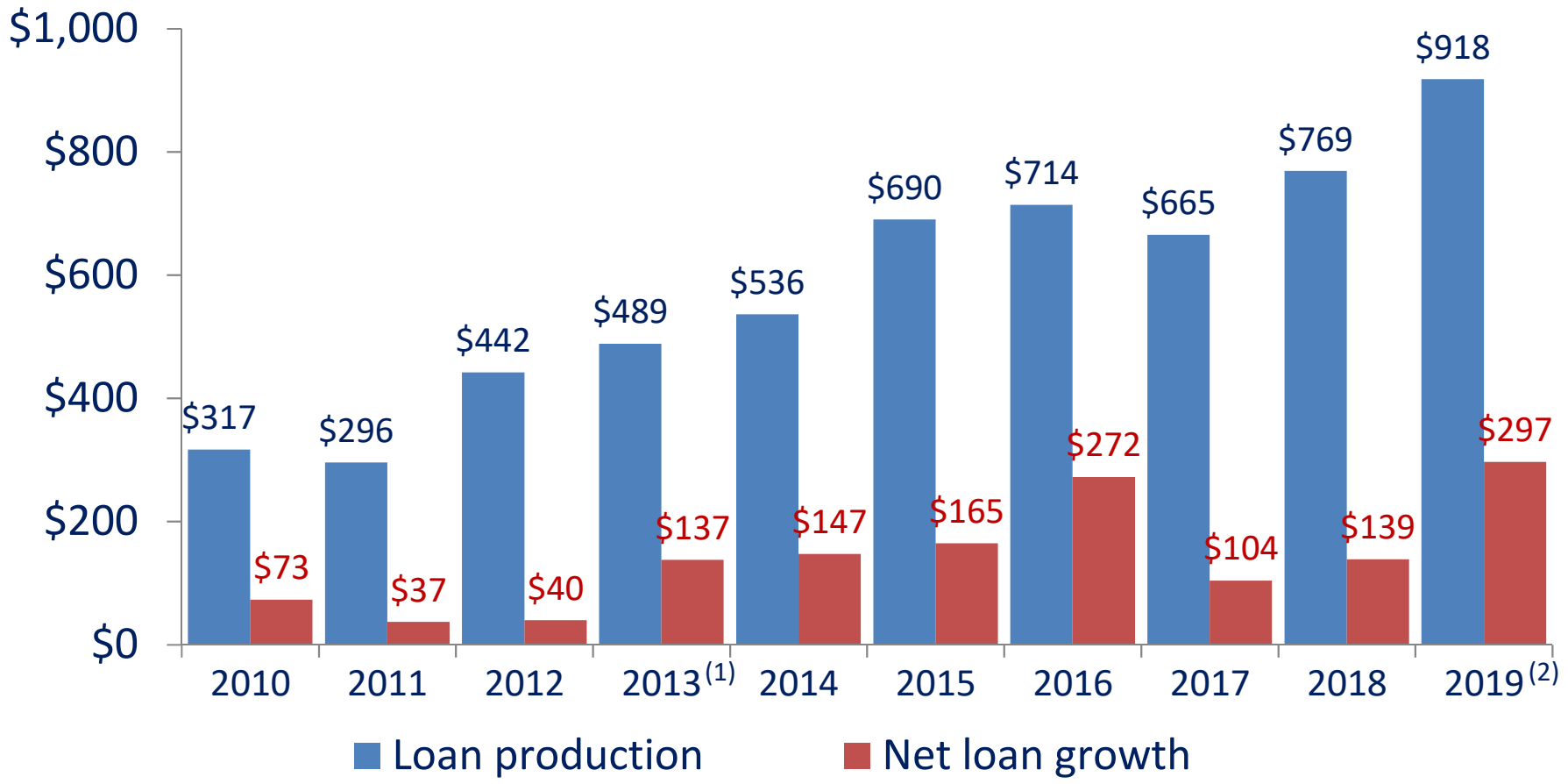
Key drivers for 2020 and beyond

- Continued attraction and retention of talented people
- Commercial banking focus leading to full relationships
- Organic business model with sustainable growth in large mature markets complimented by acquisition
- Growing core deposit base
- Diverse and enviable non-interest income stream

Commercial banking leads to full relationships

- Full-service bank relationships built by introducing our bank partners when their expertise is needed
- 31 experienced commercial bankers with average of 25 years in banking
- 15 business bankers with average of 23 years in banking
- 10 commercial real estate bankers with average of 26 years in banking
- No national lending initiatives
- Technology not replacing shoe leather
- Experienced credit and administrative infrastructure

Loan production vs. net loan growth



Dollars in millions
(1) Includes loans from 2013 acquisition
(2) Includes loans from 2019 acquisition

Loan growth by market

Market	2010		2019	
Louisville *(established 1904)*	$1,283	85%	$1,981	69%
Indianapolis *(established 2003)*	148	10%	476	17%
Cincinnati *(established 2007)*	77	5%	388	14%
Total loans	$1,508		$2,845	

Dollars in millions

King Southern Bank acquisition

Two Great Banks. One Great Partnership!

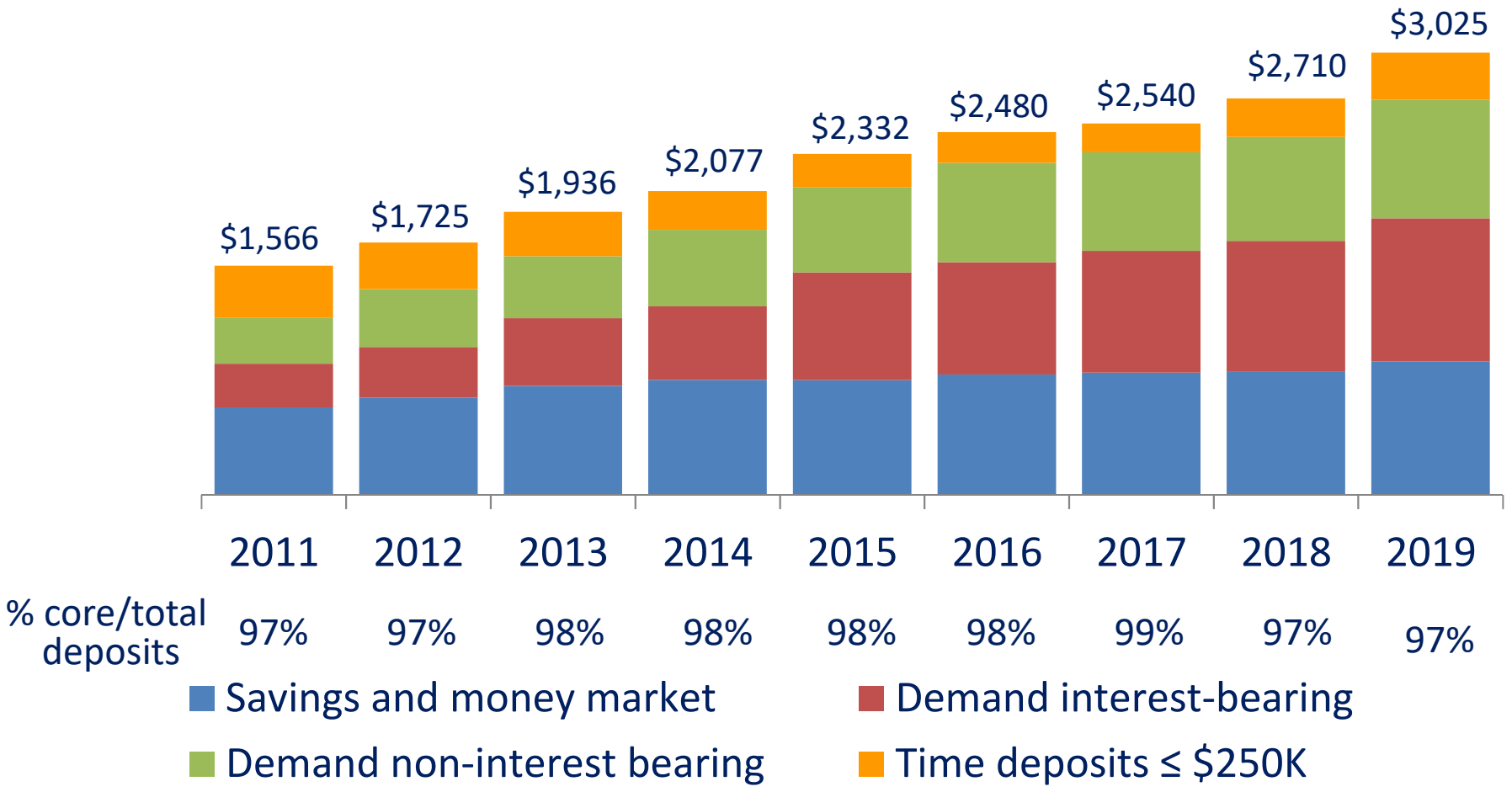
king southern bank
THE LEADER IN BUSINESS BANKING

Stock Yards Bank & Trust

A Trusted Partner since 1904

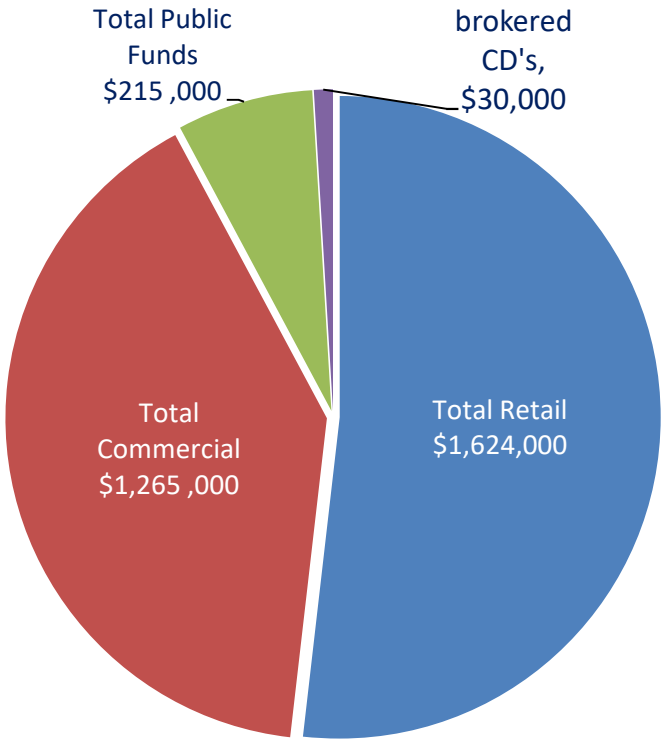
- Closed April 30, 2019
- Expansion into neighboring Nelson County
- $28 million all-cash sale
- $192 million in assets acquired
- $164 million in loans purchased
- $126 million in deposits assumed
- Expected to be neutral to earnings in 2019 and accretive to earnings in 2020

Growing core deposit base

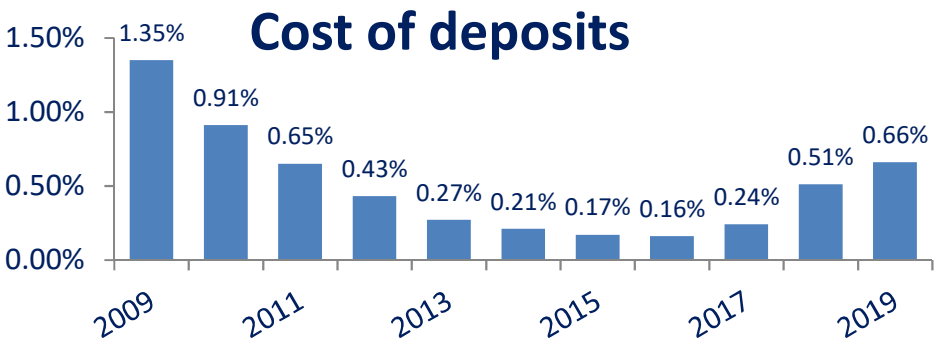


Dollars in millions

Deposit breakdown

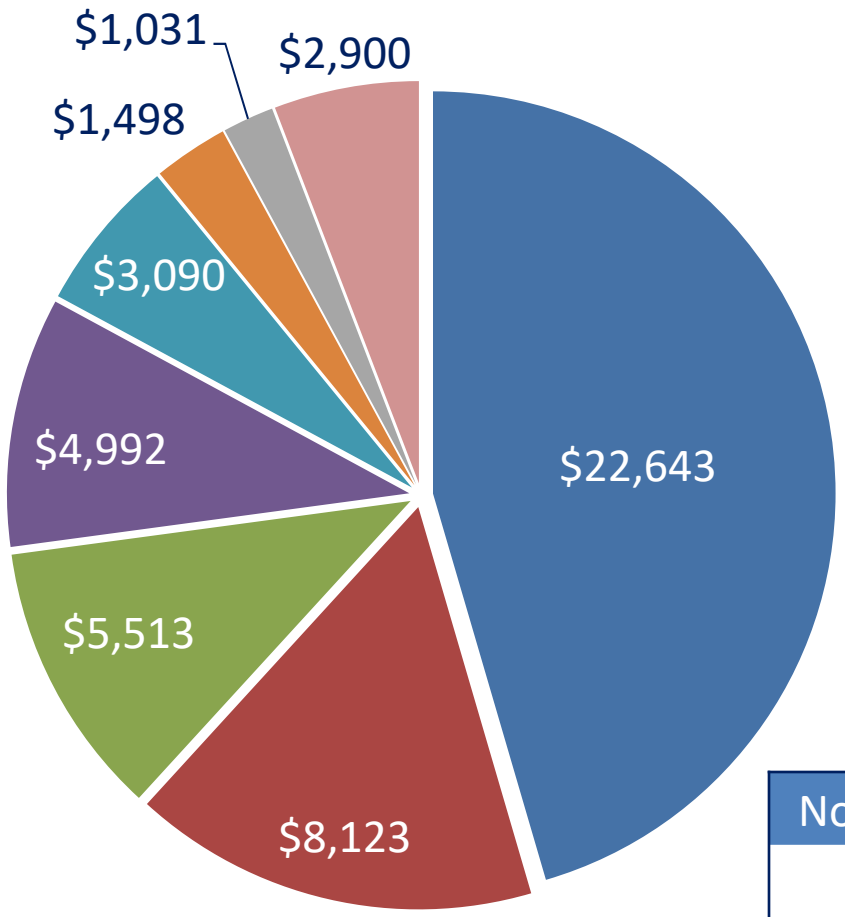


December 31, 2019
Total deposits - $3.1 billion
(000's)



Deposit composition at end of period	2009	2019
Non-interest bearing demand deposits	15%	26%
Interest bearing demand, savings & MMA	49%	60%
Time deposits ≥ $100,000	14%	9%
Time deposits < $100,000	22%	5%
Total deposits (billions)	**$1.4**	**$3.1**

Non-interest income



- Wealth management
- Debit and credit cards
- Deposit service charges
- Treasury management
- Mortgage banking
- Investment products
- Bank-owned life insurance
- Other

Non-interest income as % of total income	
Stock Yards Bank	28%
Peer banks (as of 6-30-2019)	19%

Dollars in thousands
Peer banks $1.5-$7 billion per S&P Global Market Intelligence

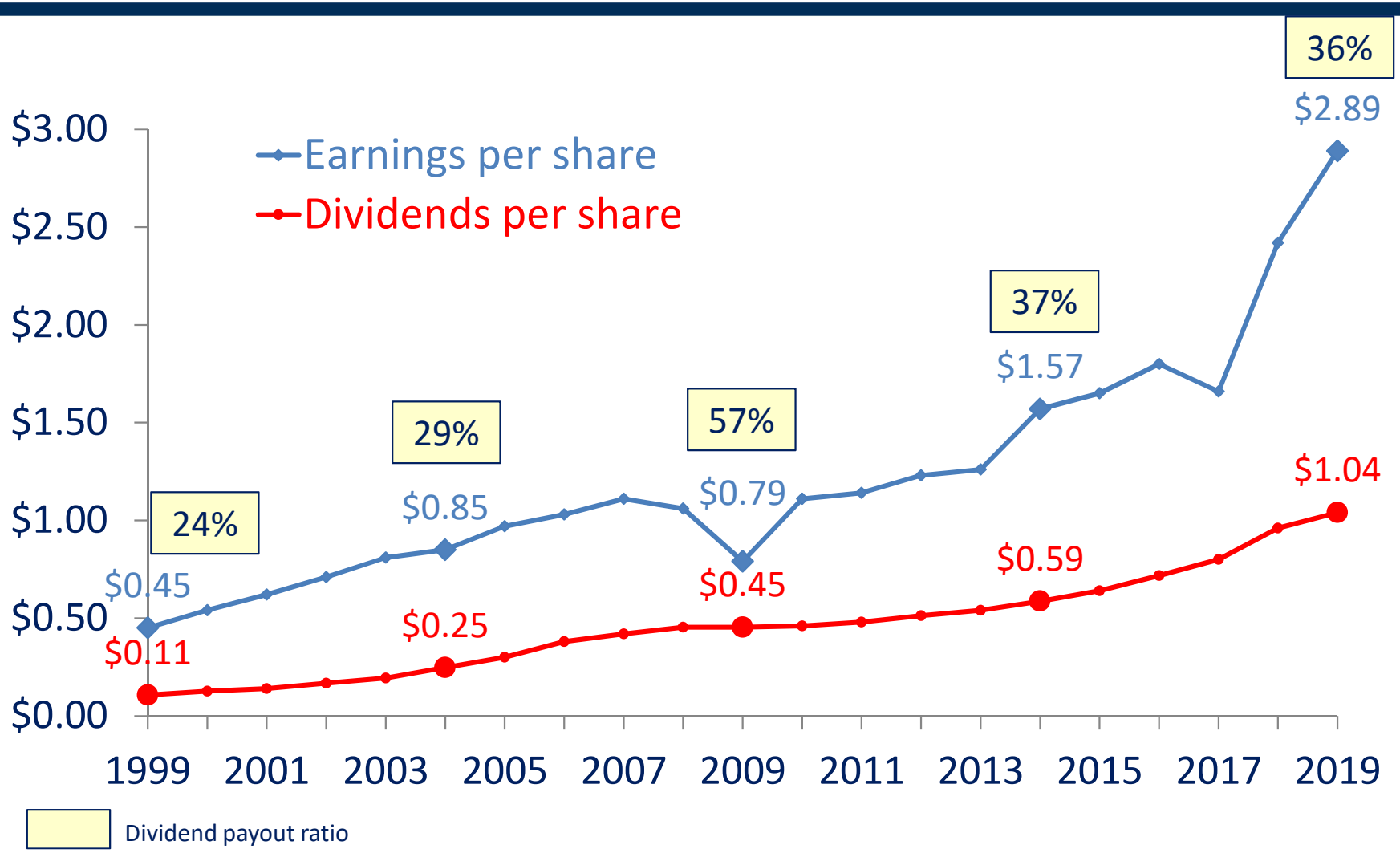
Wealth management and trust – *an enviable model*

- $3.3 billion AUM at December 31, 2019
  - *generated $22.6 million revenue for the year with a 45% pre-tax margin*
  - *contributed 35¢ to EPS*
  - *represented 12% of company earnings*
- 45% of company non-interest income attributable to wealth management and trust revenue
- 28% of company revenue derives from non-interest income

Key investments points

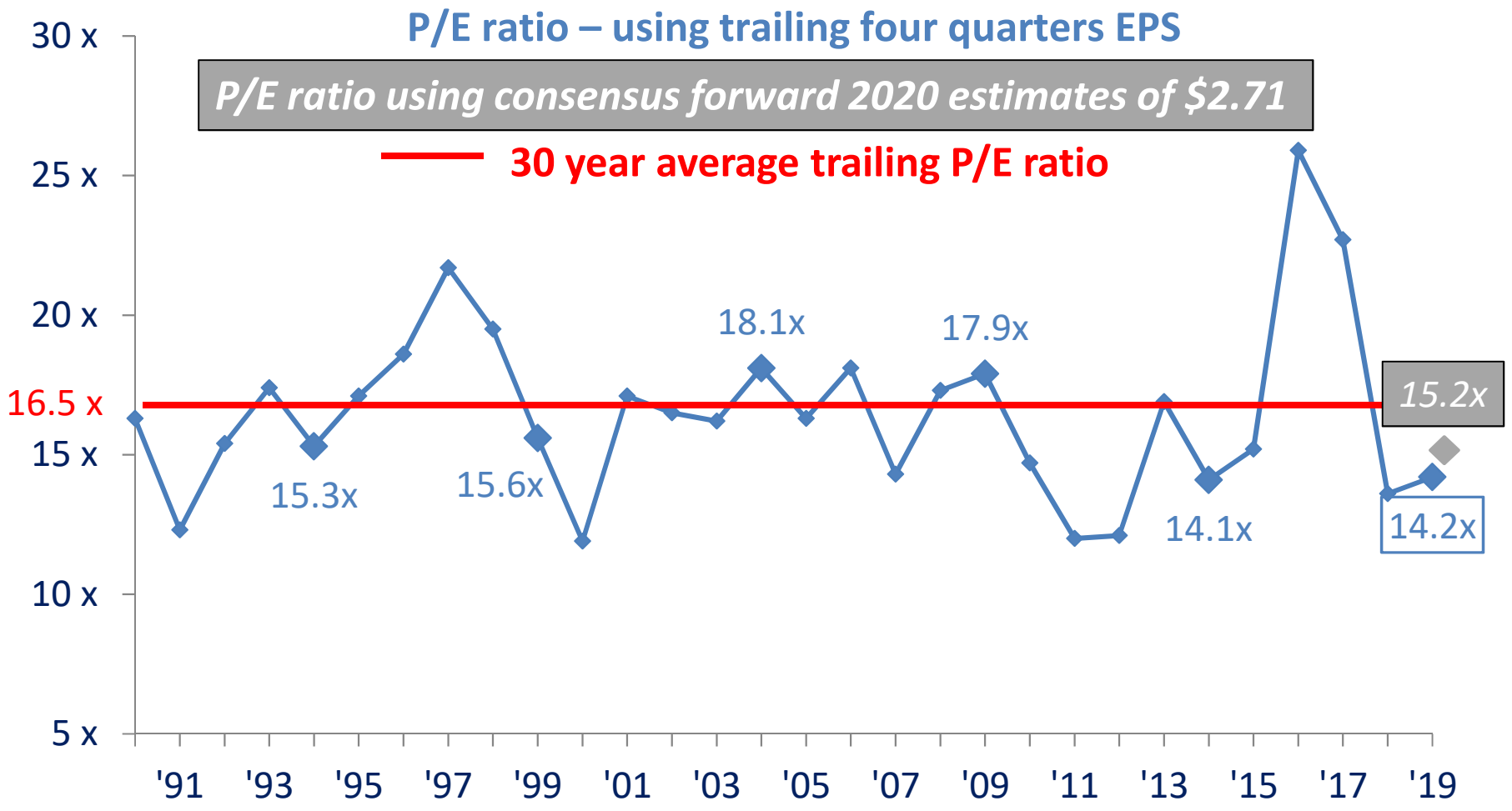
- Industry leading performance
- Consistent growth strategy
- Diversified business model distinguished by wealth management business with growing card income
- Expanding presence in large markets
- Positioned for sustainable, profitable growth
- We want long term shareholders

Earnings and dividends per share



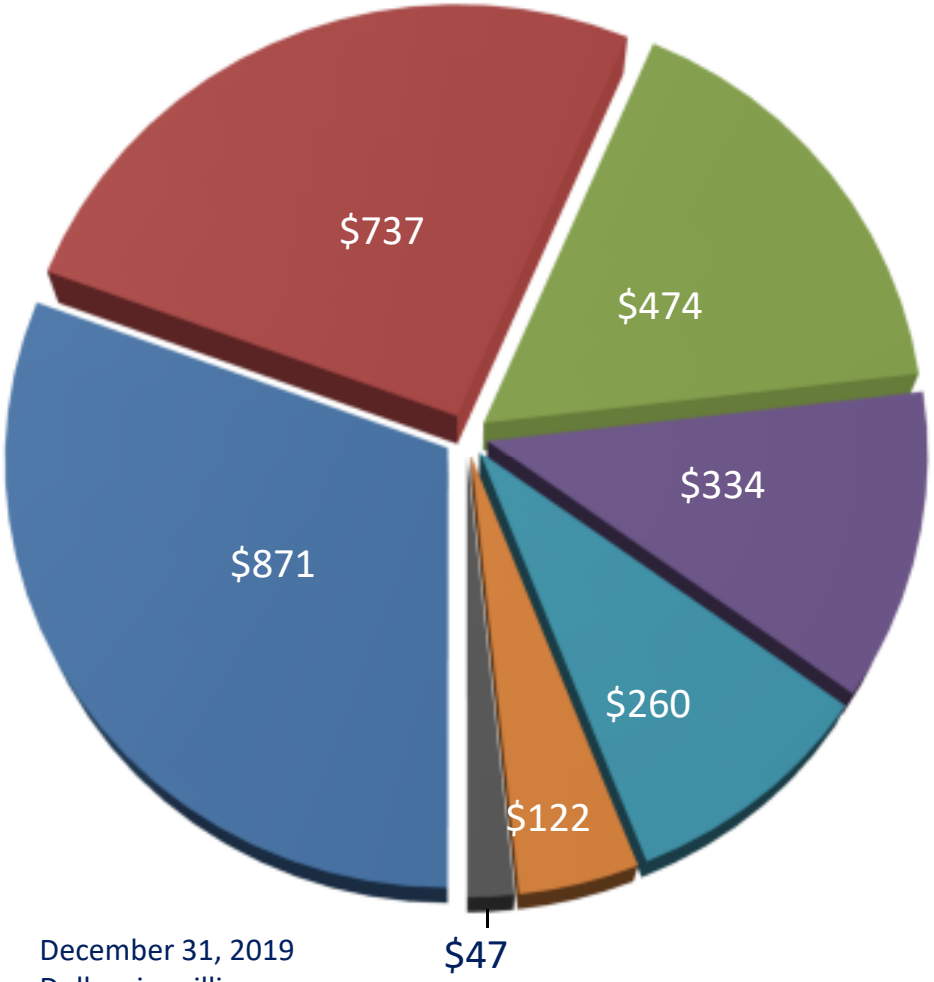
Per share information adjusted to reflect stock dividends and splits

Price to earnings ratio



Supplemental information

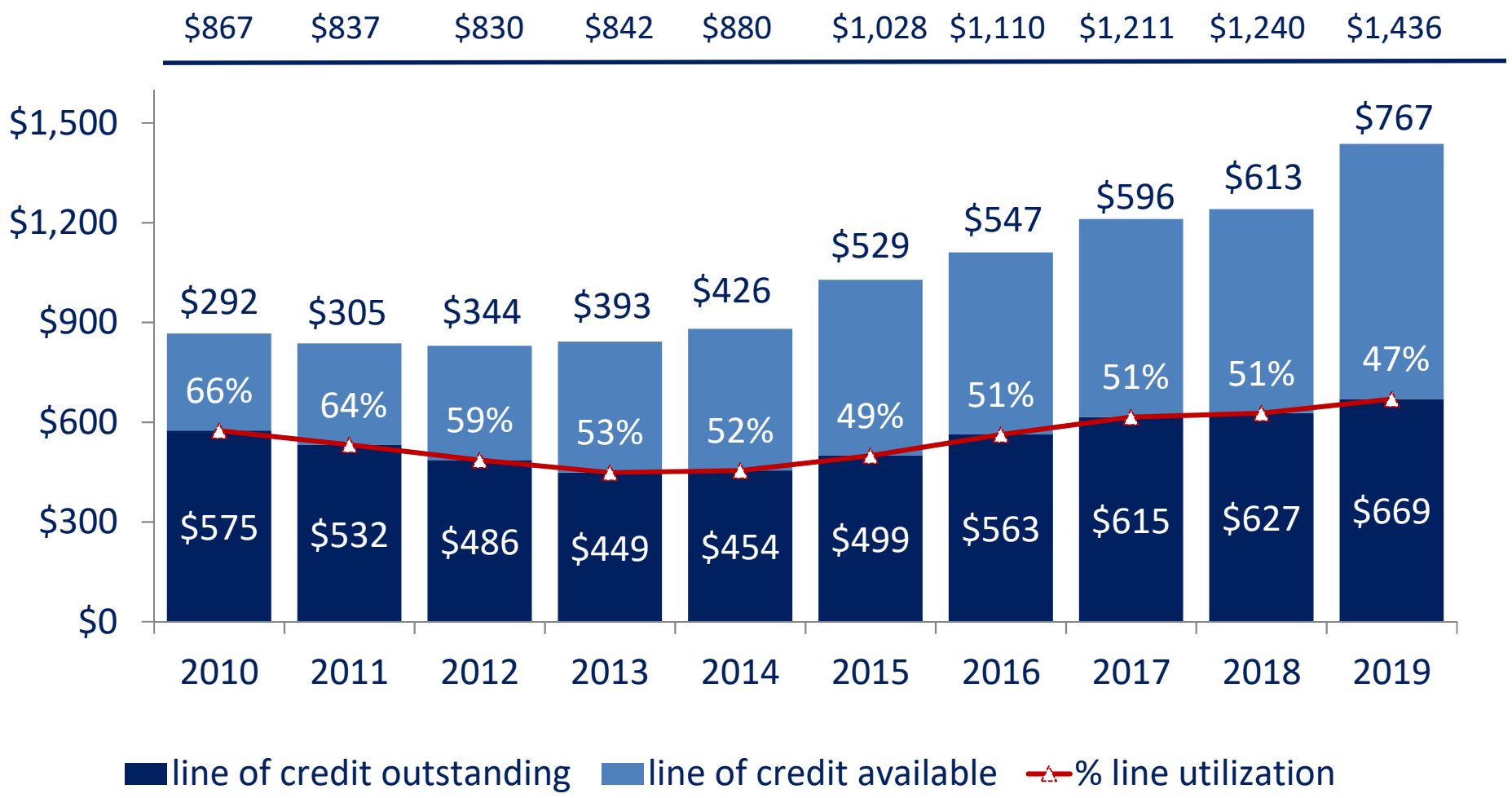
Loan portfolio detail



December 31, 2019
Dollars in millions

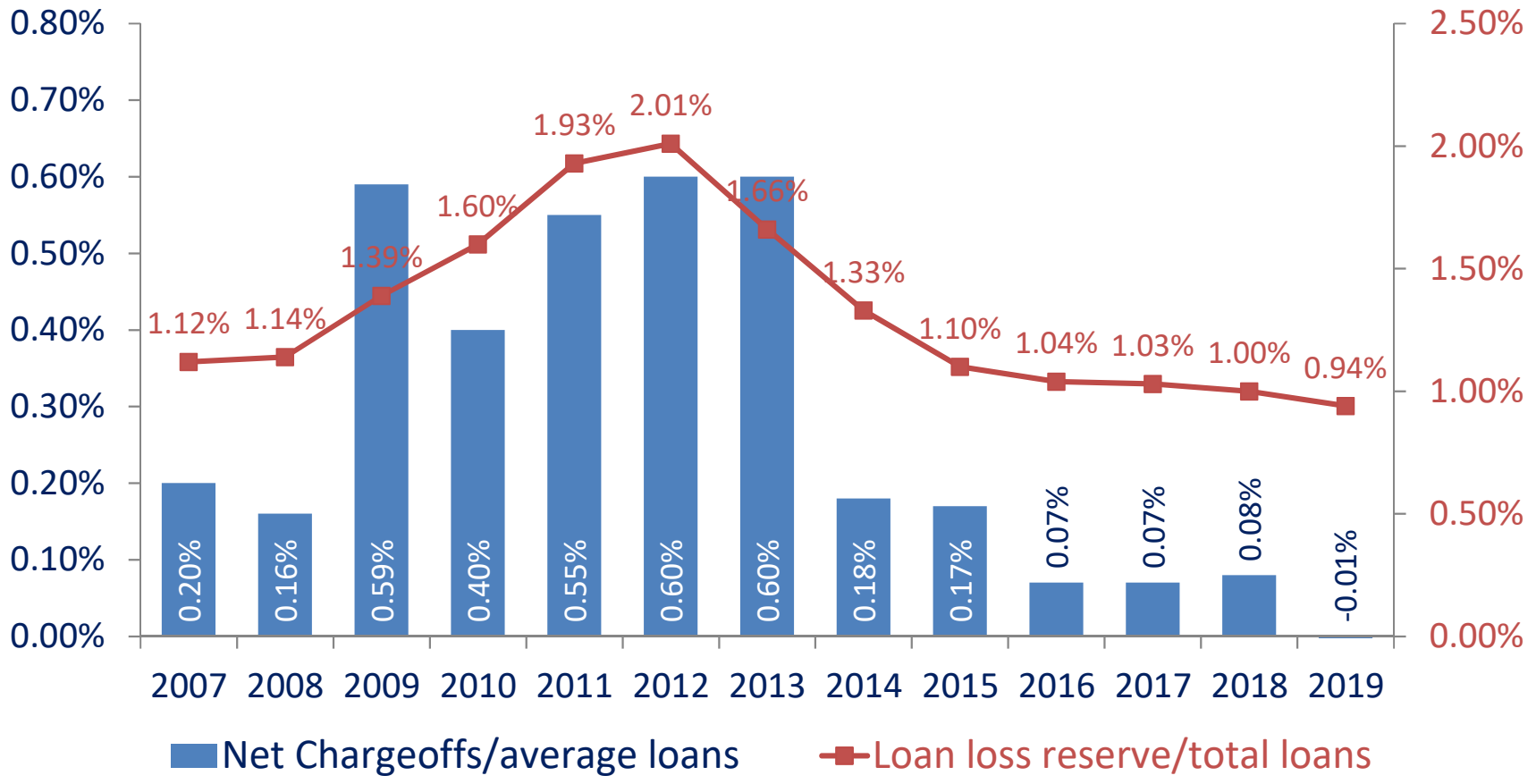
- Commercial (C&I) - 30%
- CRE-Investment - 26%
- CRE-Owner occupied - 17%
- RE 1-4 family - 12%
- Construction & development - 9%
- HELOC - 4%
- Consumer - 2%

Unused credit trends (excluding construction loans)

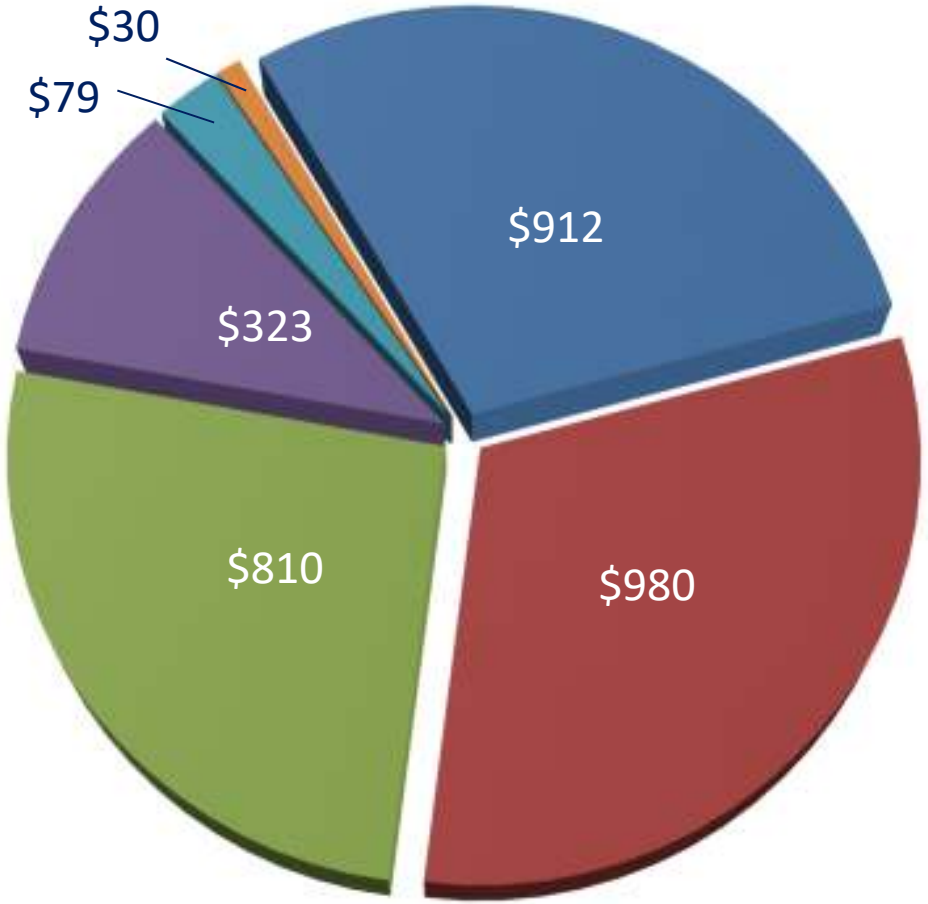


Dollars in millions

Asset quality



Deposit detail



- Savings and money market - 29%
- Demand interest-bearing - 31%
- Demand noninterest-bearing - 26%
- Time deposits ≤ $250K - 10%
- Time deposits > $250K - 3%
- Brokered deposits - 1%

Total deposits - $3,134

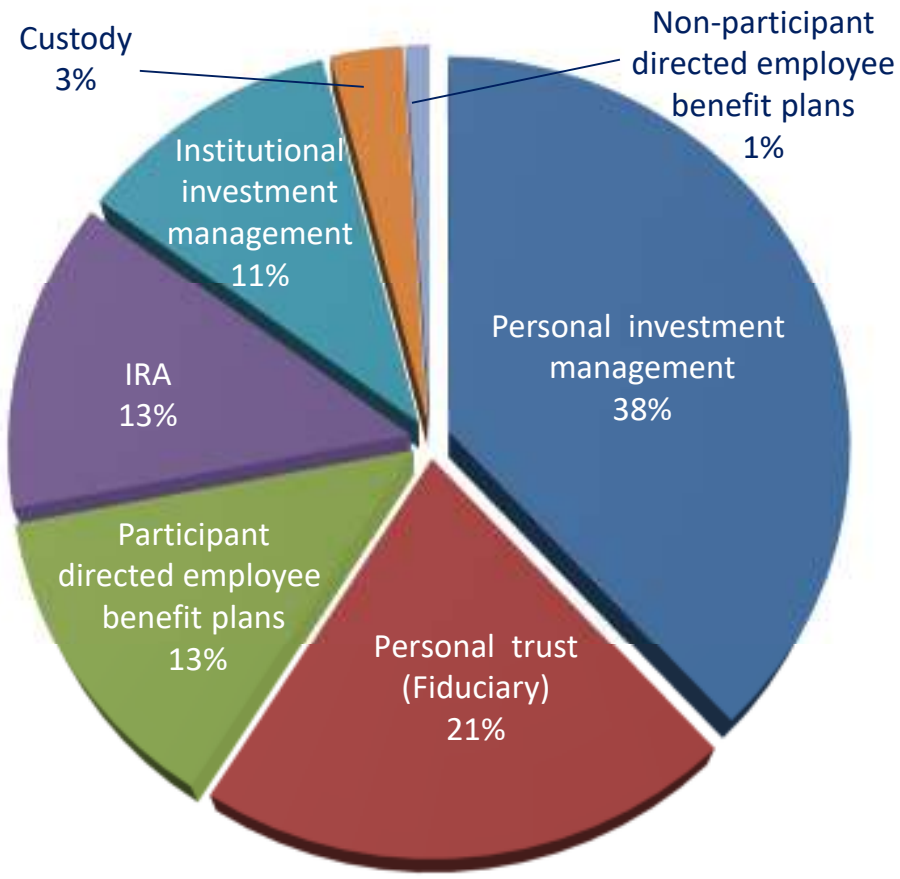
Total core deposits
$3,025
96.5%

December 31, 2019
Dollars in millions

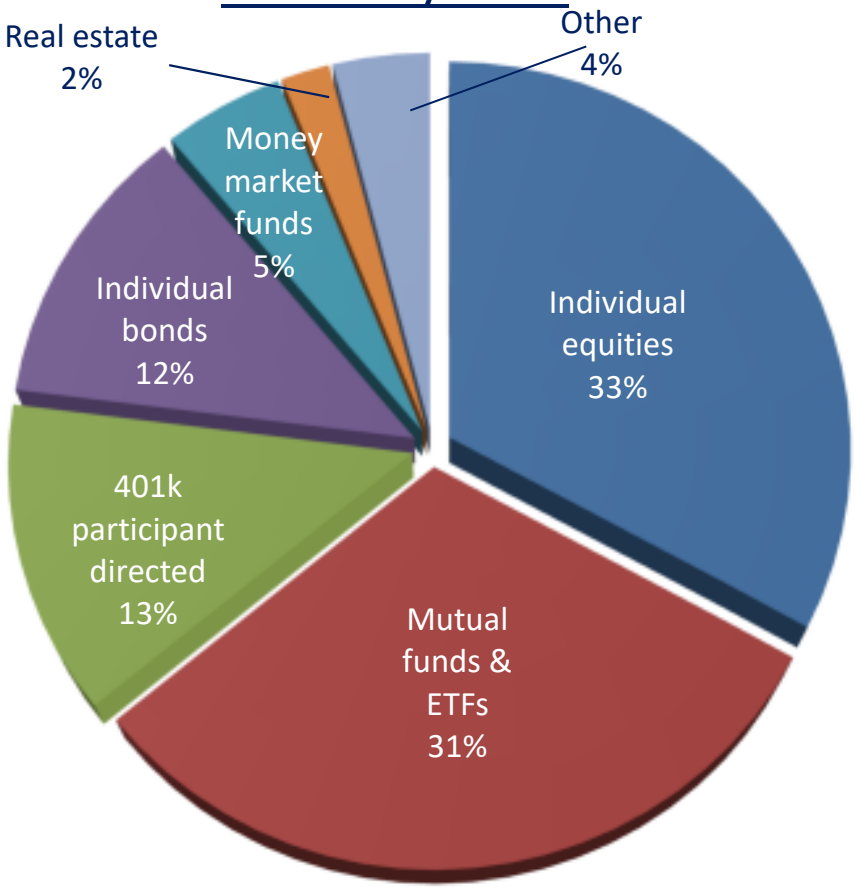
Wealth management asset detail

Assets Under Management $3.3 billion as of December 31, 2019

Assets by account type



Assets by class



Wealth management and trust – *peer comparison*

Bank	State	Asset Rank	Assets Under Management *(in billions)*	Managed Assets as % of total	Gross Revenue *(in millions)*	ROA	Net Income [(1)] *(in millions)*	Net Return
Old National	IN	110	$10.4	61%	$37.0	0.36%	$17.0	0.16%
Busey Trust Company	IL	138	6.0	75	24.0	0.40	8.0	0.13
Bryn Mawr	PA	148	5.5	71	29.0	0.53	10.0	0.18
Park National	OH	152	5.3	71	26.0	0.49	16.0	0.30
Peapack-Gladstone	NJ	153	5.3	85	32.0	0.60	7.3	0.14
Simmons Bank	AR	157	5.1	55	23.0	0.45	5.8	0.11
Wesbanco	WV	161	5.0	68	25.0	0.50	14.0	0.28
Washington Trust	RI	196	3.2	82	22.0	0.68	7.0	0.22
Tompkins Trust	NY	207	2.9	43	12.0	0.42	6.9	0.24
First Financial	OH	220	2.6	69	15.0	0.58	6.4	0.25
Community Trust & Investment	KY	232	2.3	87	12.0	0.51	5.7	0.24
Lake City Bank	IN	260	1.8	61	6.3	0.34	1.9	0.10
Boston Private Bank	MA	277	1.6	84	13.0	0.80	0.7	0.04
German American Bancorp	IN	360	0.9	78	4.5	0.52	1.0	0.12
Median - Select peer group above				**71%**		**0.51%**		**0.17%**
Median - All institutions with AUM of $1-$10 billion				**61%**		**0.42%**		**0.13%**
Stock Yards Bank	**KY**	**212**	**$2.8**	**79%**	**$21.0**	**0.76%**	**$10.0**	**0.36%**

Source: A. M. Publishing/Trust Performance Report 2019, Chicago, IL
(1) Before taxes and credits