Stock Yards Bancorp

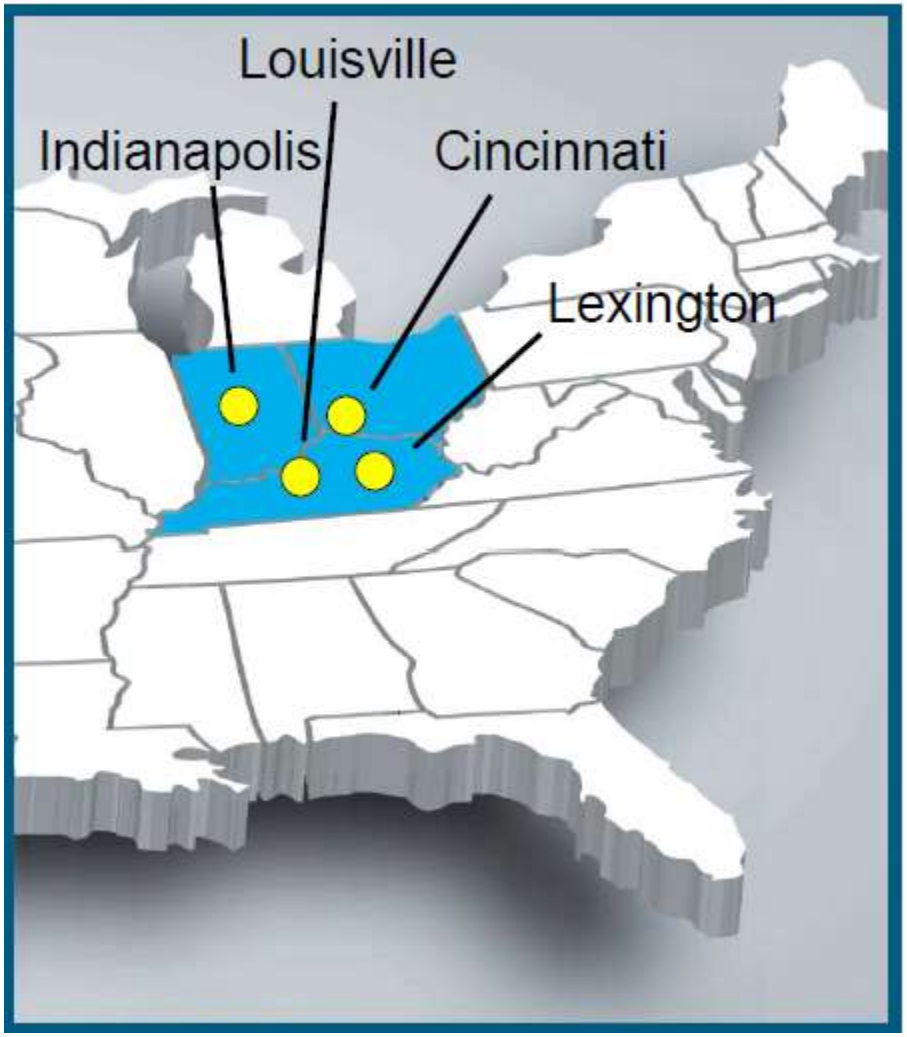
2023 Piper Sandler East Coast Financial Services Conference

November 15-17, 2023
Miami, FL

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 Reports on Form 10-Q.

Company Profile



- Founded in 1904
- NASDAQ Global Select – SYBT
- Headquartered in Louisville, KY.
- 72 locations in Louisville, Central, Eastern, and Northern Kentucky as well as the Indianapolis, and Cincinnati MSAs
- $7.9 billion in assets at September 30, 2023
- $6.7 billion Wealth Management & Trust AUM at September 30, 2023

Major Employers by Market

Louisville Market









Indianapolis Market







Cincinnati Market







Central Kentucky Market

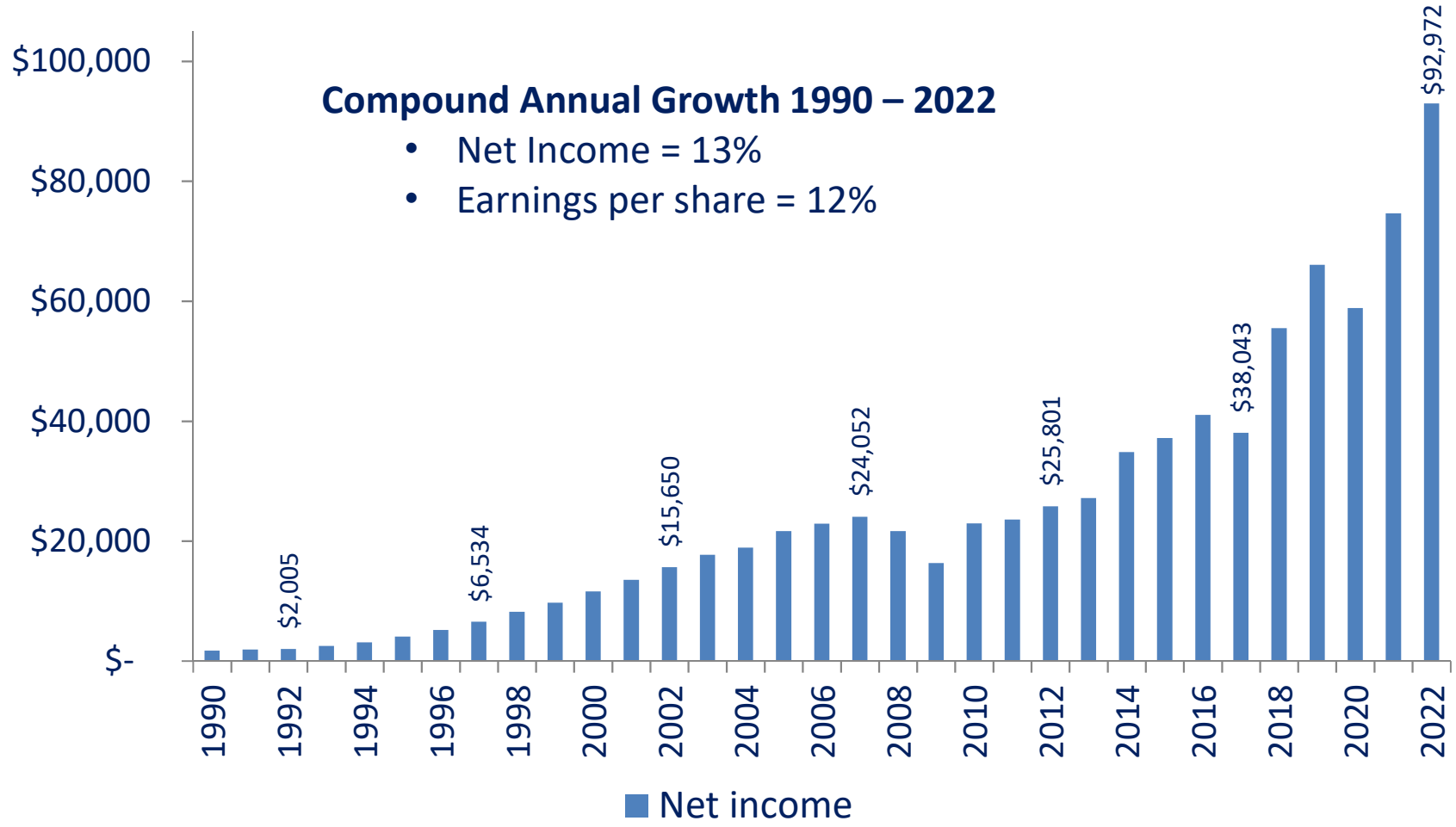








Over Three Decades of Growth



000's omitted

Three-year Financial Highlights

	2022 *	2021 **	2020
Net interest income	$ 233.4	$ 171.1	$ 135.9
Wealth management and trust income	36.1	27.6	23.4
Net income	93.0	74.6	58.9
Earnings per share (diluted)	3.21	2.97	2.59
Total assets	$ 7,496	$ 6,646	$ 4,609
Net interest margin	3.35%	3.22%	3.39%
Return on average assets	1.25%	1.33%	1.40%
Return on average equity	12.6%	13.0%	14.0%

*Results for 2022 include $19.5 million in pre-tax merger related expenses and $4.4 million in merger related credit loss expense

**Results for 2021 include $19.0 million in pre-tax merger related expenses and $7.4 million in merger related credit loss expense

Dollars in millions except per share data

First Nine Months Highlights

	September 30,		
	2023	2022	Change
Net interest income	$185.3	$168.1	10%
Net income	83.8	63.2	33%
Earnings per share (diluted)	2.86	2.20	30%
Net interest margin	3.44%	3.25%	
Return on average assets	1.46%	1.14%	
Return on average equity	14.1%	11.4%	

Dollars in millions except per share data

Net Interest Margin

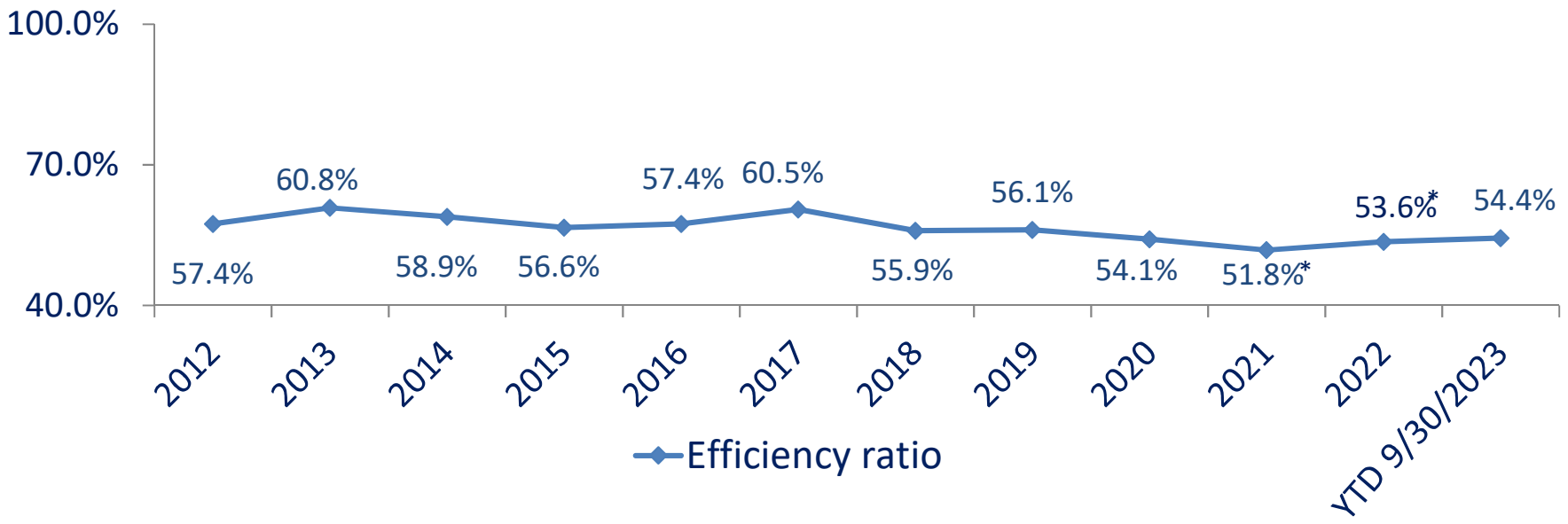
	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
Net interest Margin	3.11%	3.20%	3.46%	3.64%	3.59%	3.42%	3.34%
Average Loans*	$4,274	$4,798	$4,926	$5,076	$5,223	$5,278	$5,480
Net Interest Income	$48.9	$57.2	$62.6	$65.5	$63.2	$61.1	$61.4

(dollars in millions)

* Excluding PPP loans

Efficiency Ratio

Consistent investment in technology and branch network expansion



*An adjusted efficiency ratio is presented above for 2022 and 2021 in an effort to provide more comparable ratios for each period presented. These adjusted efficiency ratios eliminate net gains (losses) on sales, calls, and impairment of investment securities, as well as net gains (losses) on sales of acquired premises and equipment and disposition of any acquired assets, if applicable, and the fluctuation in non-interest expenses related to amortization of investments in tax credit partnerships and non-recurring merger expenses.

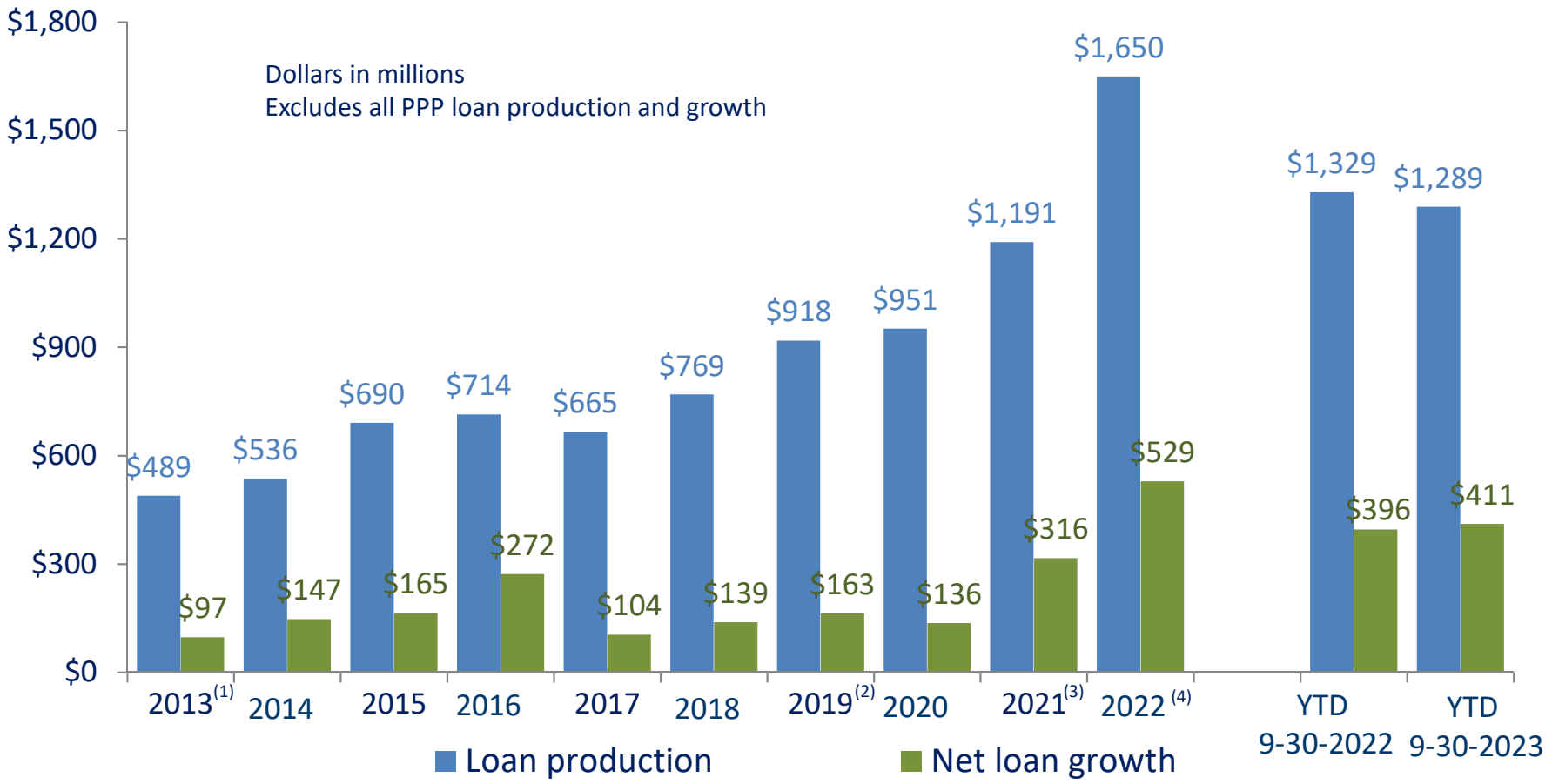
Key Drivers for 2023 and Beyond

- 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 streams

Commercial Banking Leads to Full Relationships

- Full-service bank relationships built by introducing our bank partners when their expertise is needed
- 34 experienced commercial bankers with average of 25 years in banking
- 33 business bankers with average of 21 years in banking
- 11 commercial real estate bankers with average of 31 years in banking
- Technology not replacing shoe leather
- Experienced credit and administrative infrastructure

Loan Production vs. Net Loan Growth



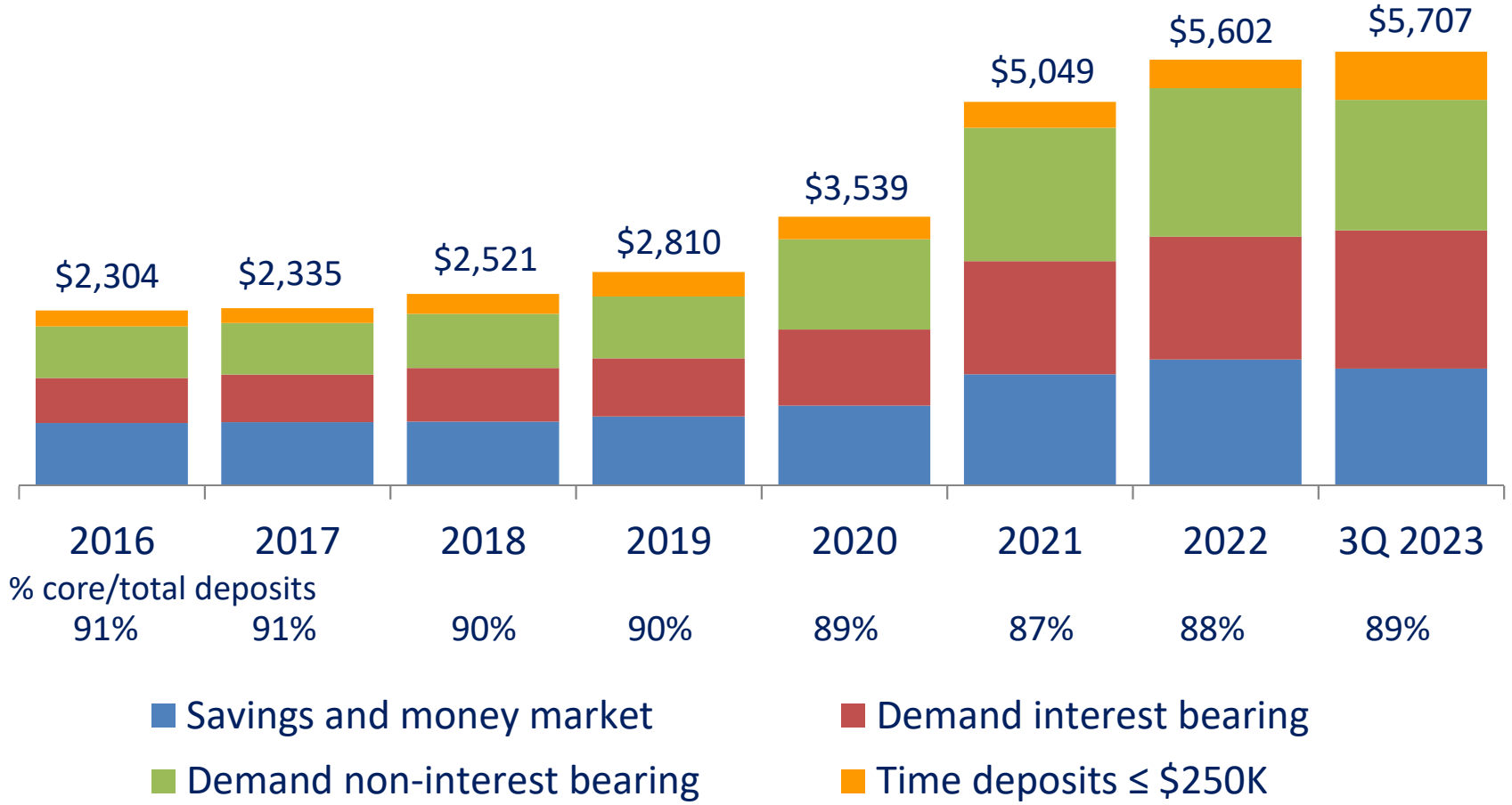
1) Excludes $40 million from 2013 acquisition
2) Excludes $134 million from 2019 acquisition
(3) Excludes $732 million from 2021 acquisition
(4) Excludes $630 million from 2022 acquisition

Loans Outstanding by Market

Market	2010		9-30-2023	
Louisville *(established 1904)*	$1,283	85%	$3,250	58%
Indianapolis *(established 2003)*	148	10%	811	14%
Cincinnati *(established 2007)*	77	5%	744	13%
Central Kentucky *(established May 2021)*	-	-	812	15%
Total loans	$1,508	100%	$5,617	100%

Dollars in millions

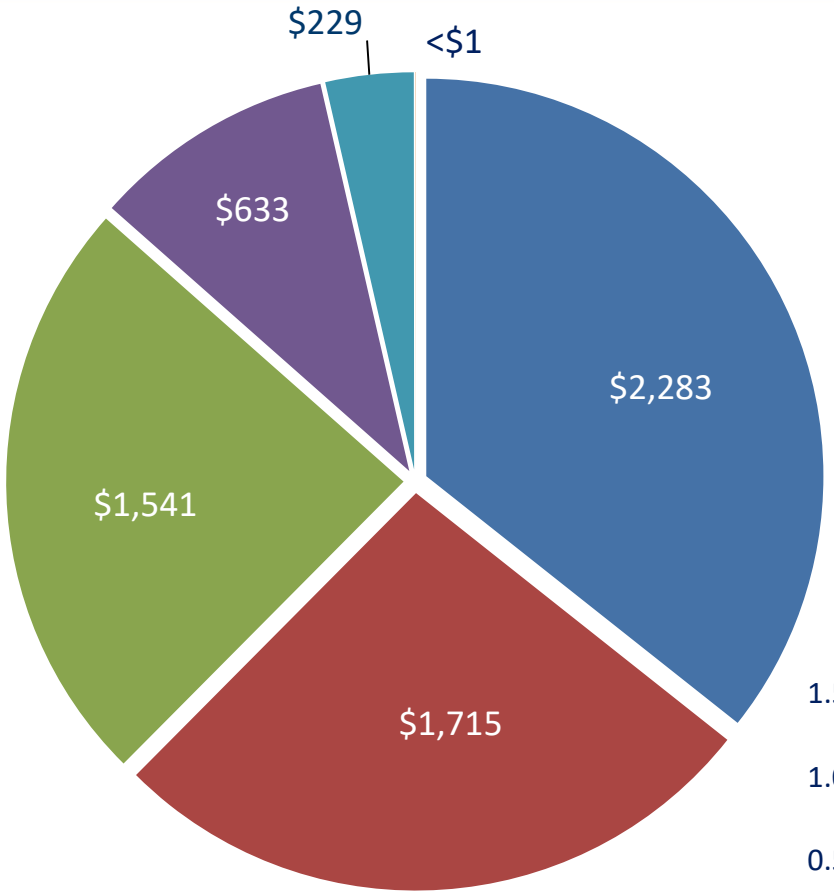
Growing Core Deposit Base



Core deposits are defined as time deposits less than or equal to $250,000, demand, savings and money market accounts and excludes public funds and a nominal amount of brokered deposits.

Dollars in millions

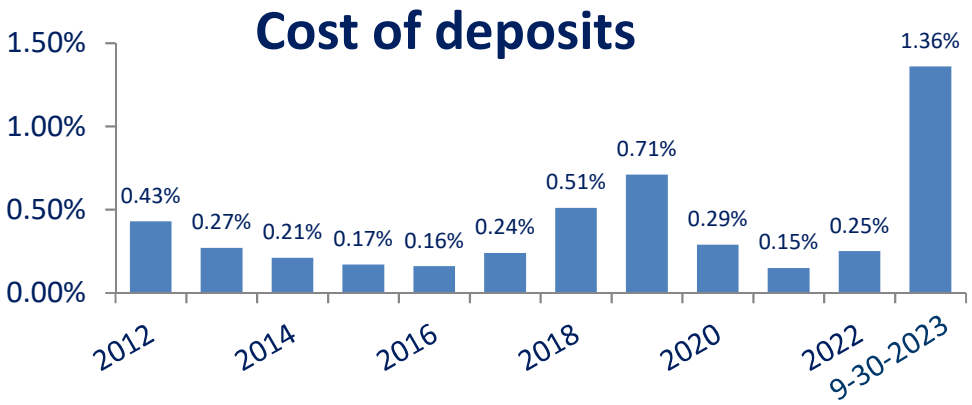
Deposit Breakdown



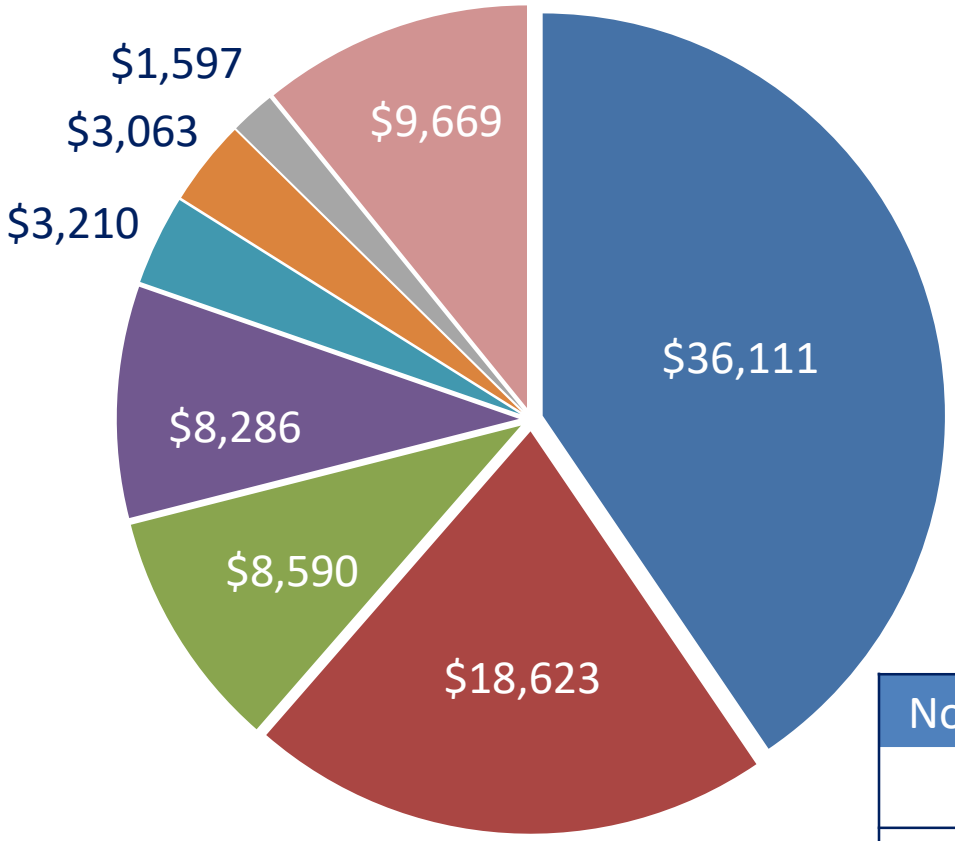
September 30, 2023
Total deposits - $6.4 billion
(000's)

- Demand interest-bearing - 36%
- Demand noninterest bearing - 27%
- Savings and money market - 24%
- Time deposits ≤$250K - 10%
- Time deposits > $250K - 4%
- Brokered deposits - < 1%

Total core deposits
$5,707
89%



Non-Interest Income 2022



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

Dollars in thousands

*Includes pre-tax gain of $4.4 million related to the sale of acquired premises and equipment

Non-interest income as % of total income	
Stock Yards Bank	28%
Peer banks	19%

Peer banks $3 - $10 billion per Federal Reserve

Wealth Management and Trust – *an enviable model*

- $6.6 billion AUM at December 31, 2022
  - *generated $36.1 million revenue for the year*
  - *contributed 41¢ to EPS*
  - *represented 13% of company earnings*
  - *Added AUM of $2.7 billion as a result of acquisition*
- 41% of company non-interest income attributable to Wealth Management and Trust revenue
- 28% of company revenue derives from non-interest income

Well-Capitalized

Ratio	SYBT Ratio as of 9/30/2023	SYBT Ratio as of 12/31/2022	Regulator Minimum for "Well-Capitalized"
CET1 Capital Ratio	11.17%	11.04%	6.50%
Tier 1 Capital Ratio	11.57%	11.47%	8.00%
Total RBC Ratio	12.71%	12.54%	10.00%
Leverage Ratio	9.80%	9.33%	5.00%
Equity/Total Assets	10.21%	10.14%	N/A
TCE/Tangible Assets	7.69%	7.44%	N/A

Strong Liquidity Profile

- **Over $3 Billion in Available Liquidity as of September 30, 2023**
  - Includes $1.1 billion in collateral-based borrowing availability with FHLB
  - Total also includes borrowing programs with the Federal Reserve
- **Heavily Core-Deposit Funded**
  - 88% loan-to-deposit ratio
    - 95% loan + HTM securities-to-deposit ratio
  - Core deposits comprise 89% of total deposits
  - Stable deposit base; minimal fluctuations during recent bank failures
  - Uninsured deposit ratio of 36%
    - Uninsured deposit ratio of 30% when considering collateralized deposits

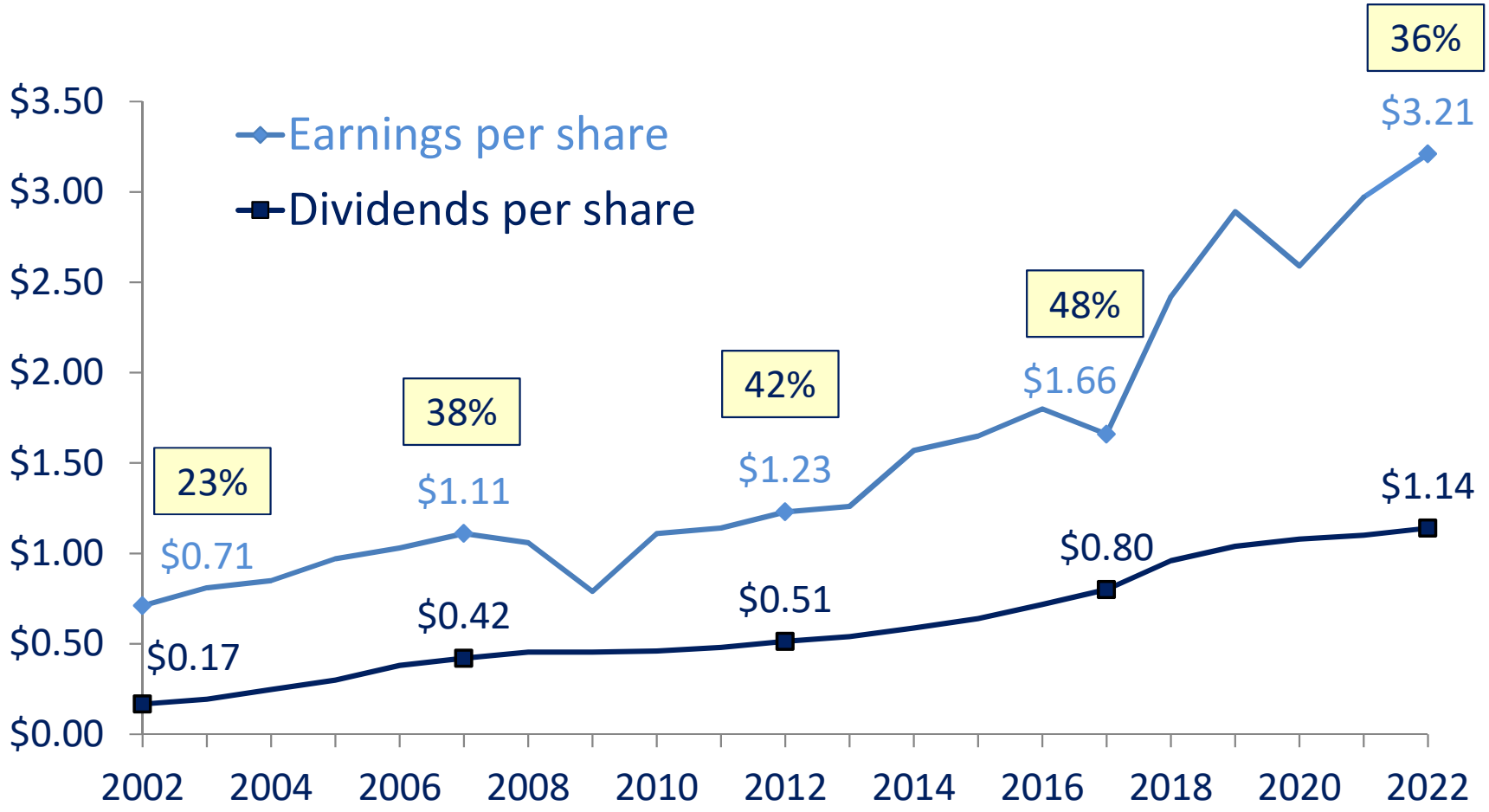
Investment Portfolio

- **Portfolio Totaled $1.5B at September 30, 2023**
  - AFS securities of $1.0B; HTM securities of $445MM
  - No ACL recorded on the portfolio; Strong credit quality
  - Unrealized and unrecognized losses attributed to changes in the interest rate environment as opposed to credit-related issues
- **Conservative Investment Strategy**
  - Provides balance to Bancorp's risk profile
  - Prudently managed for safety and anticipated needs; WAL of 5.3 years
  - Intent and ability to hold until maturity, eliminating any potential losses
- **A Substantial Liquidity Resource**
  - Total projected cash flows of approximately $400MM expected over remainder of 2023 and 2024, including $190MM of contractual maturities
  - Used to help facilitate loan growth

Key Investment Points

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

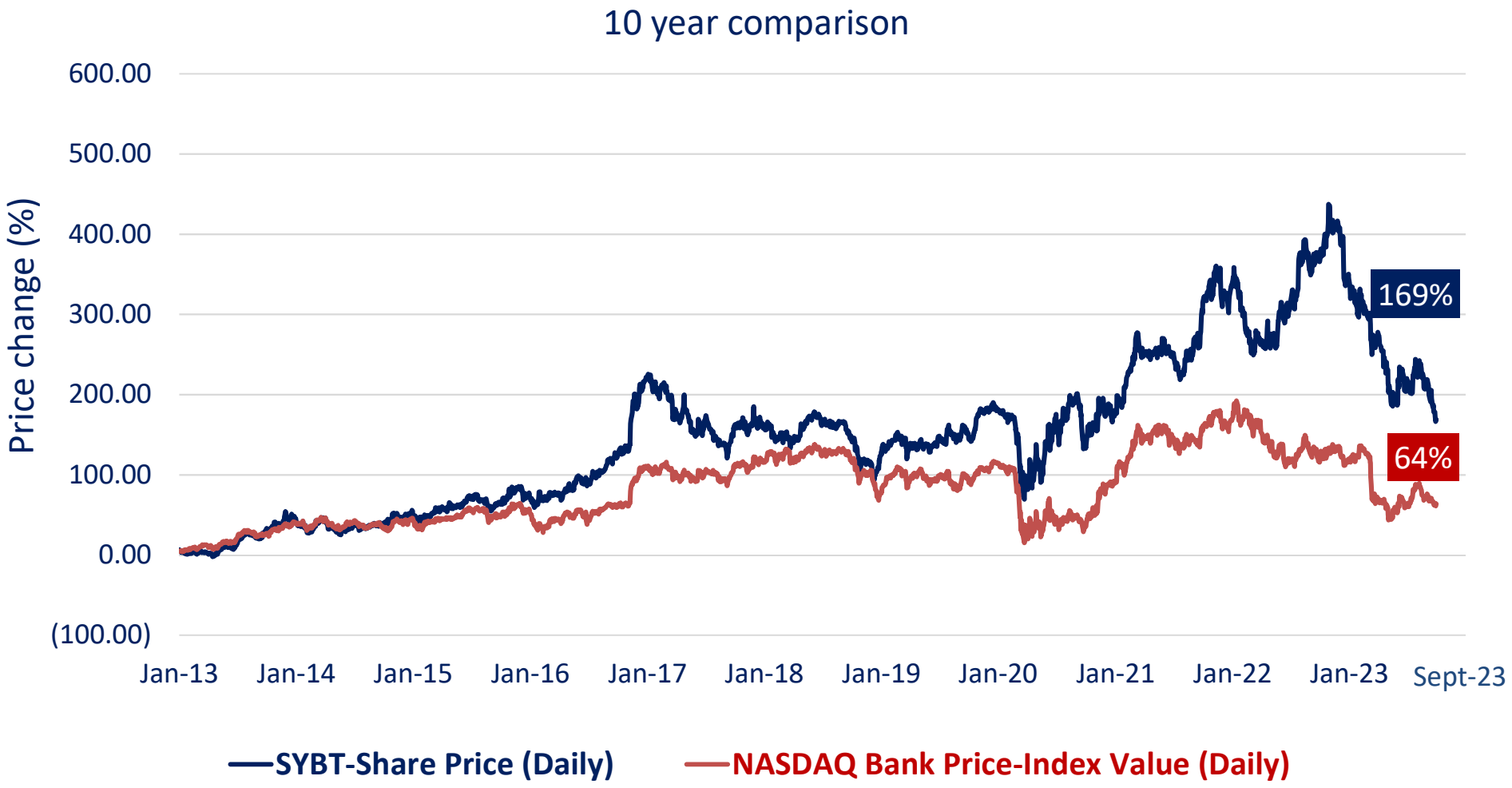
Earnings and Dividends Per Share



Dividend payout ratio

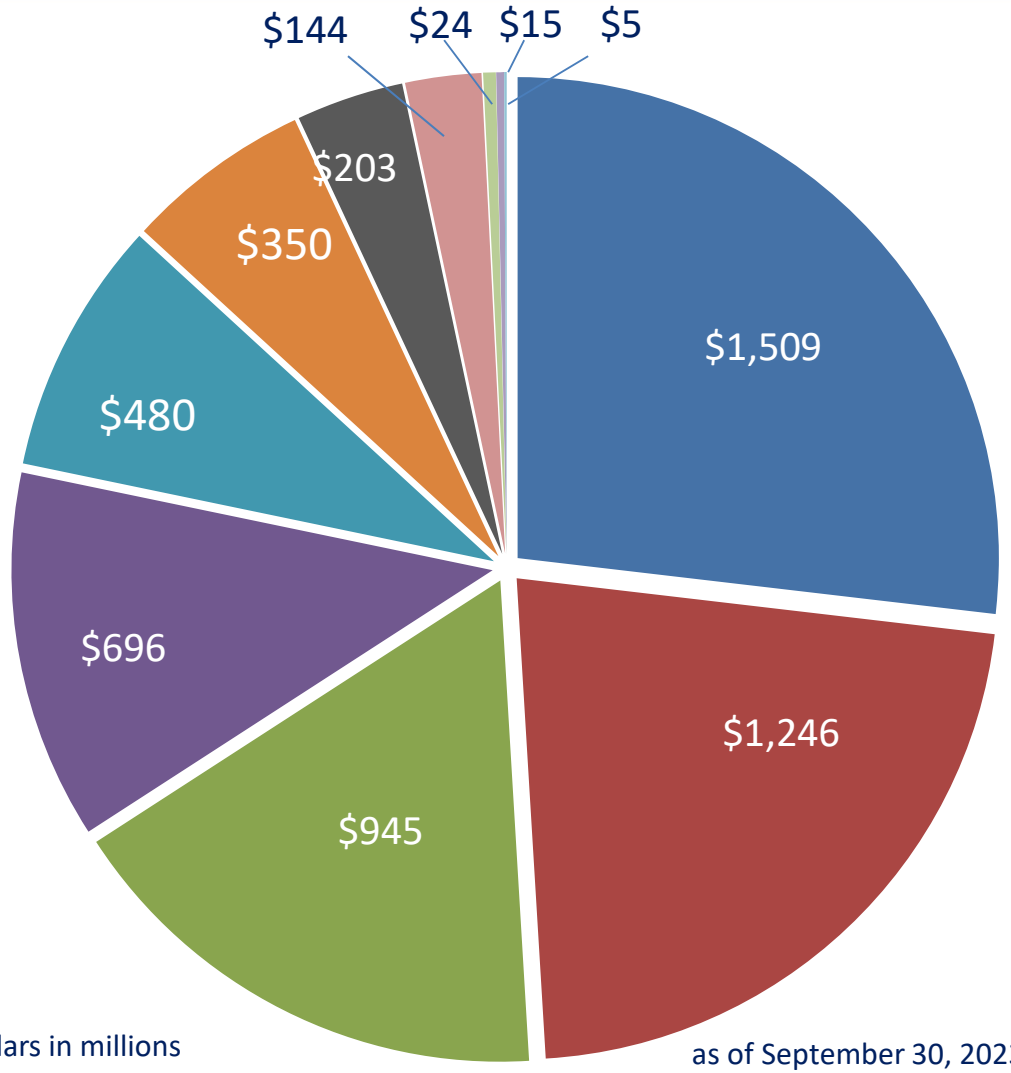
Per share information adjusted to reflect stock dividends and splits

Superior Financial Performance Leads to Superior Stock Performance



Supplemental information

Loan Portfolio Detail

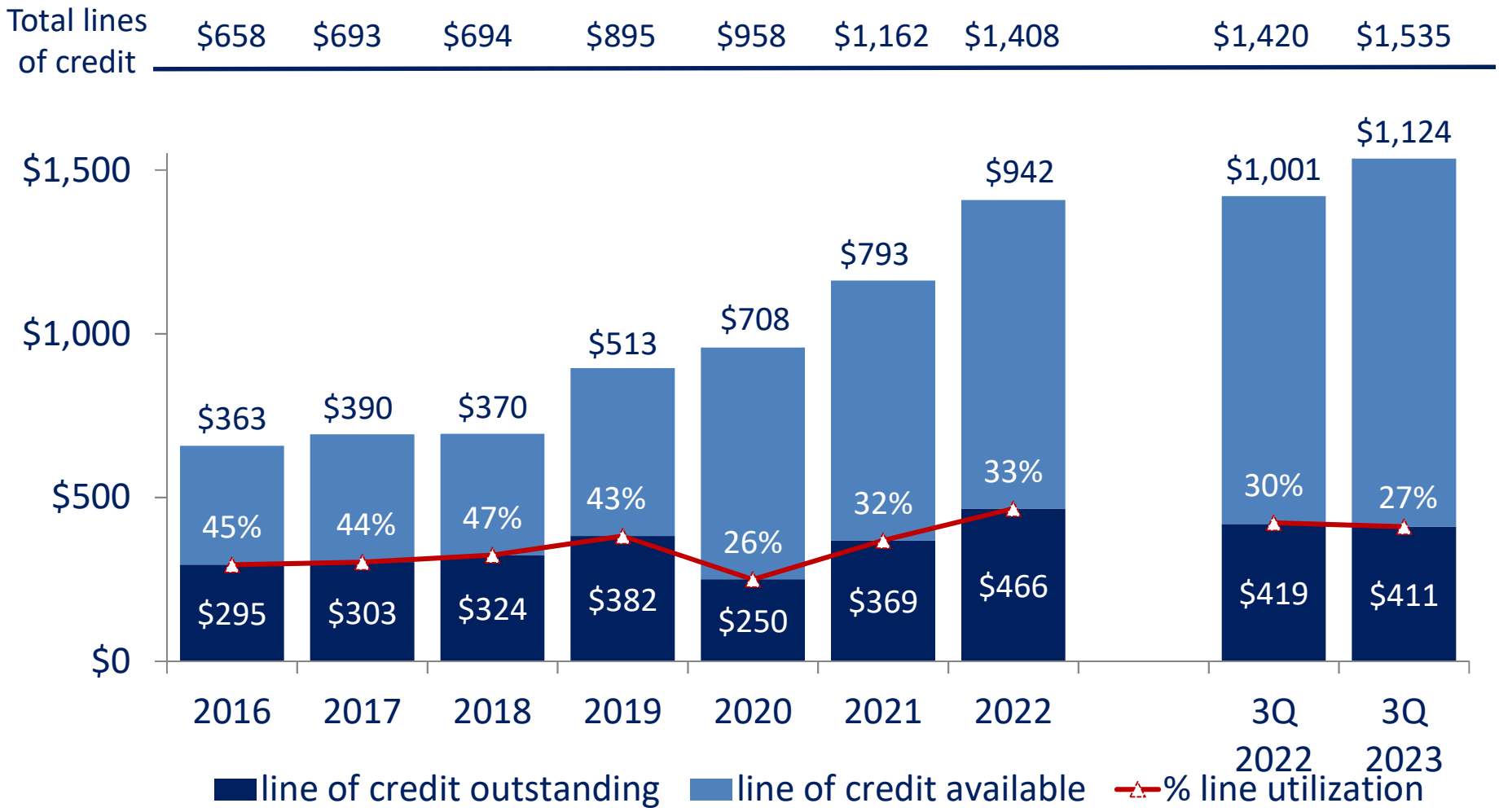


- CRE-Non-owner occupied - 27%
- Commercial (C&I) - 22%
- CRE-Owner occupied - 17%
- Res RE-owner occupied - 12%
- Construction & development - 9%
- Res RE-Non-owner occupied - 6%
- HELOC - 4%
- Consumer - 3%
- Commercial credit cards - < 1%
- Leases - < 1%
- C&I PPP loans < 1%

Dollars in millions

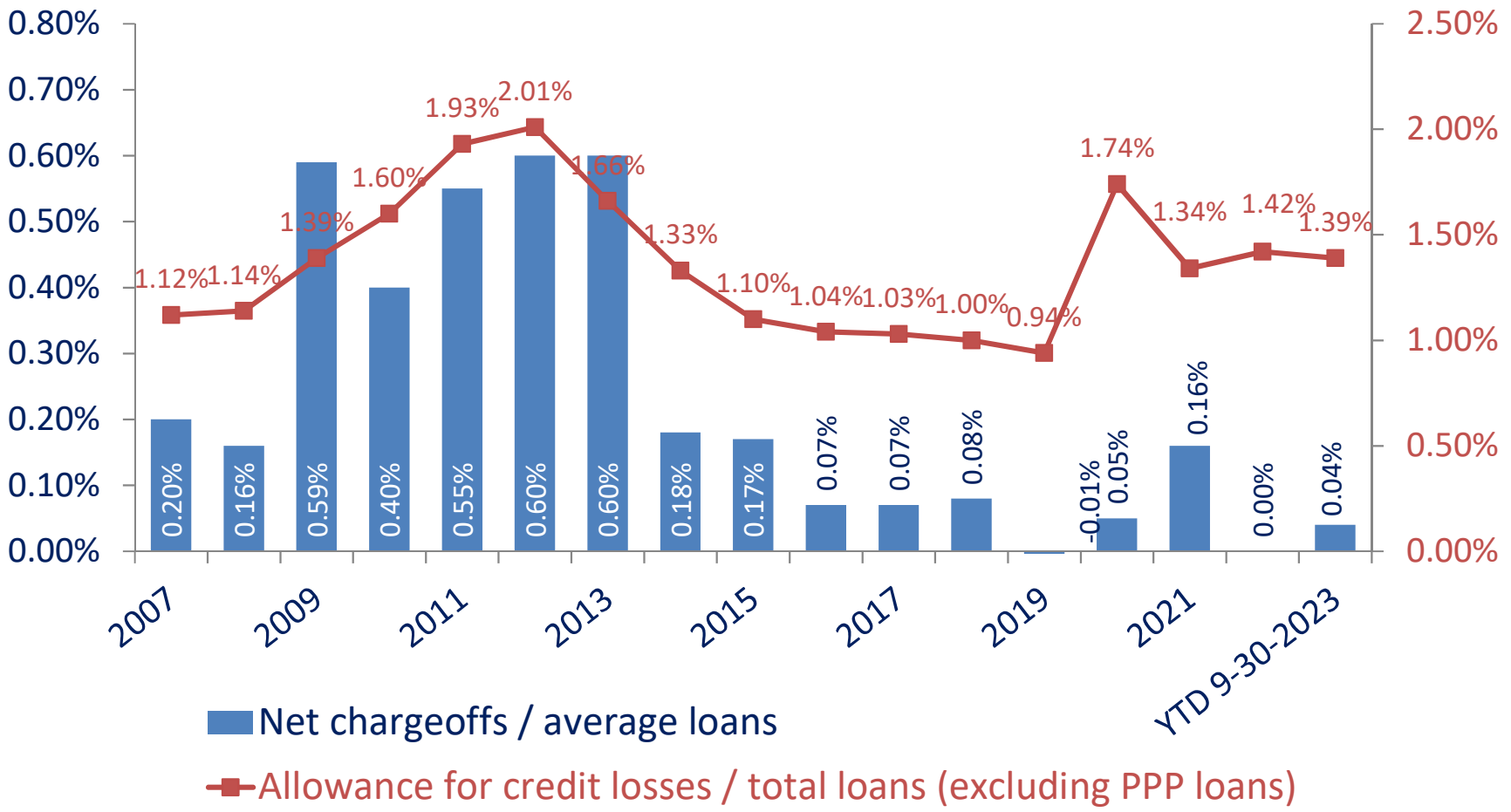
as of September 30, 2023

Commercial & Industrial Line of Credit Availability



Dollars in millions

Asset Quality



Wealth Management Asset Detail

Assets Under Management $6.7 billion as of September 30, 2023

