Stock Yards Bancorp

2024 KBW Winter Financial Services Conference

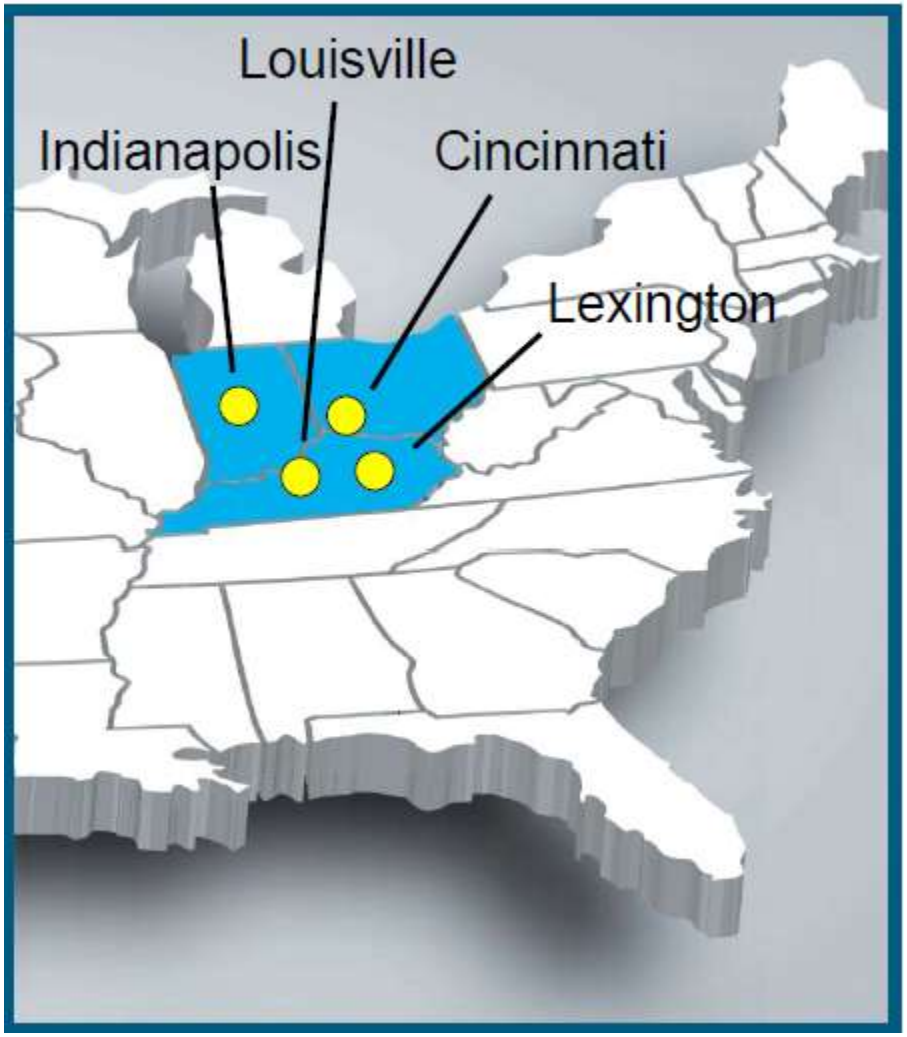
February 15-16, 2024

Boca Raton, 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.
- 71 locations in Louisville, Central, Eastern, and Northern Kentucky as well as the Indianapolis, and Cincinnati MSAs
- $8.2 billion in assets at December 31, 2023
- $7.2 billion Wealth Management & Trust AUM at December 31, 2023

Major Employers by Market

Louisville Market









Indianapolis Market







Cincinnati Market







Central Kentucky Market

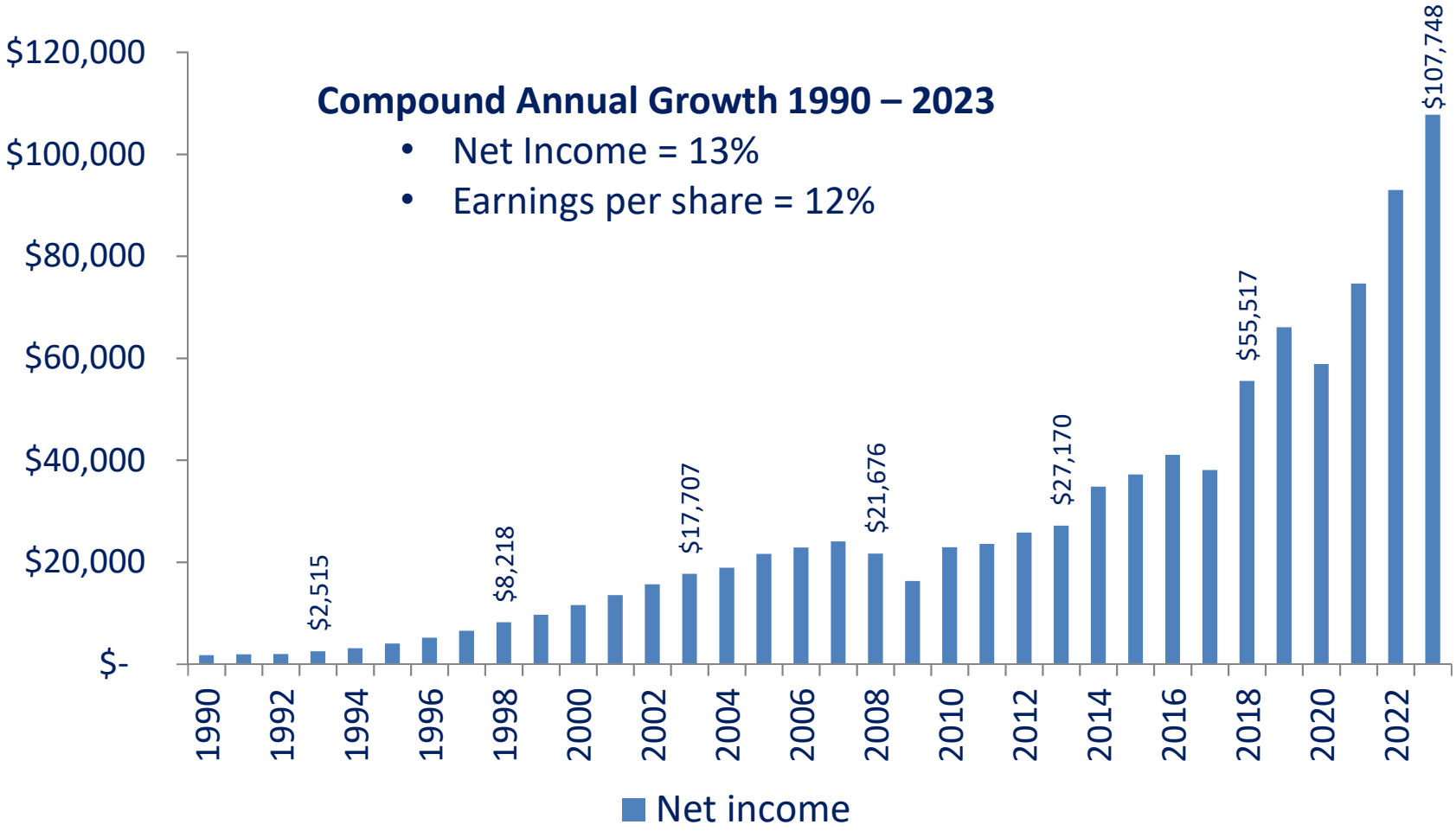








Over Three Decades of Growth



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Three-year Financial Highlights

	2023	2022*	2021**
Net interest income	$ 247.3	$ 233.4	$ 171.1
Wealth management and trust income	39.8	36.1	27.6
Net income	107.7	93.0	74.6
Earnings per share (diluted)	3.67	3.21	2.97
Total assets	$ 8,170	$ 7,496	$ 6,646
Net interest margin	3.39%	3.35%	3.22%
Return on average assets	1.39%	1.25%	1.33%
Return on average equity	13.4%	12.6%	13.0%

*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

Net Interest Margin

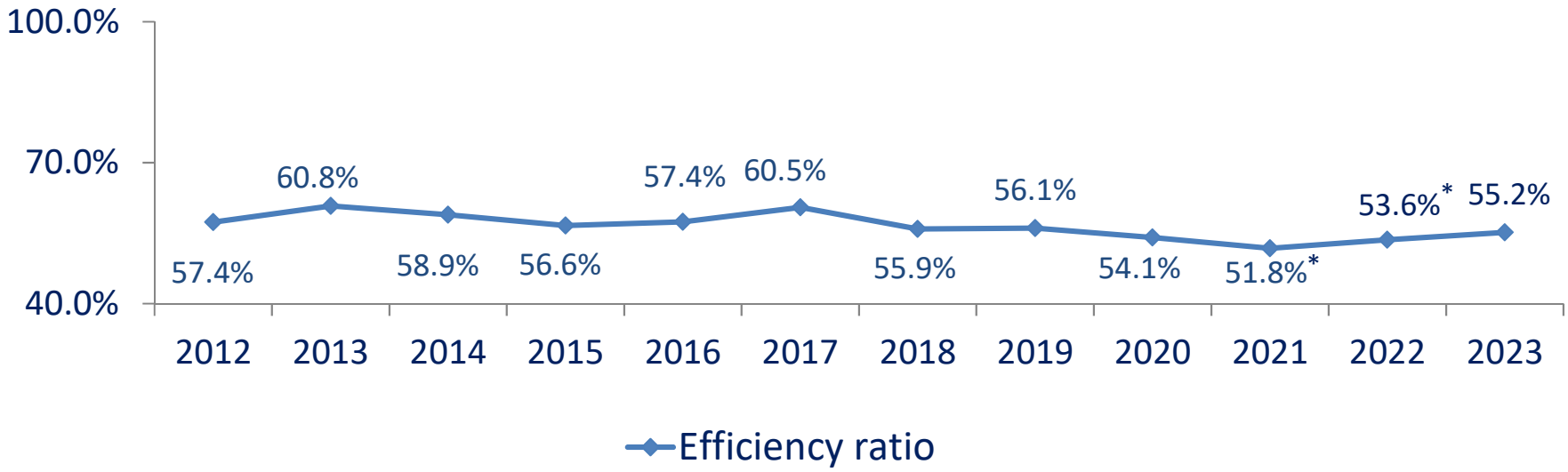
	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Net interest Margin	3.11%	3.20%	3.46%	3.64%	3.59%	3.42%	3.34%	3.25%
Average Loans*	$4,274	$4,798	$4,926	$5,076	$5,223	$5,278	$5,480	$5,672
Net Interest Income (FTE)	$48.9	$57.2	$62.6	$65.5	$63.2	$61.1	$61.4	$62.1

(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.

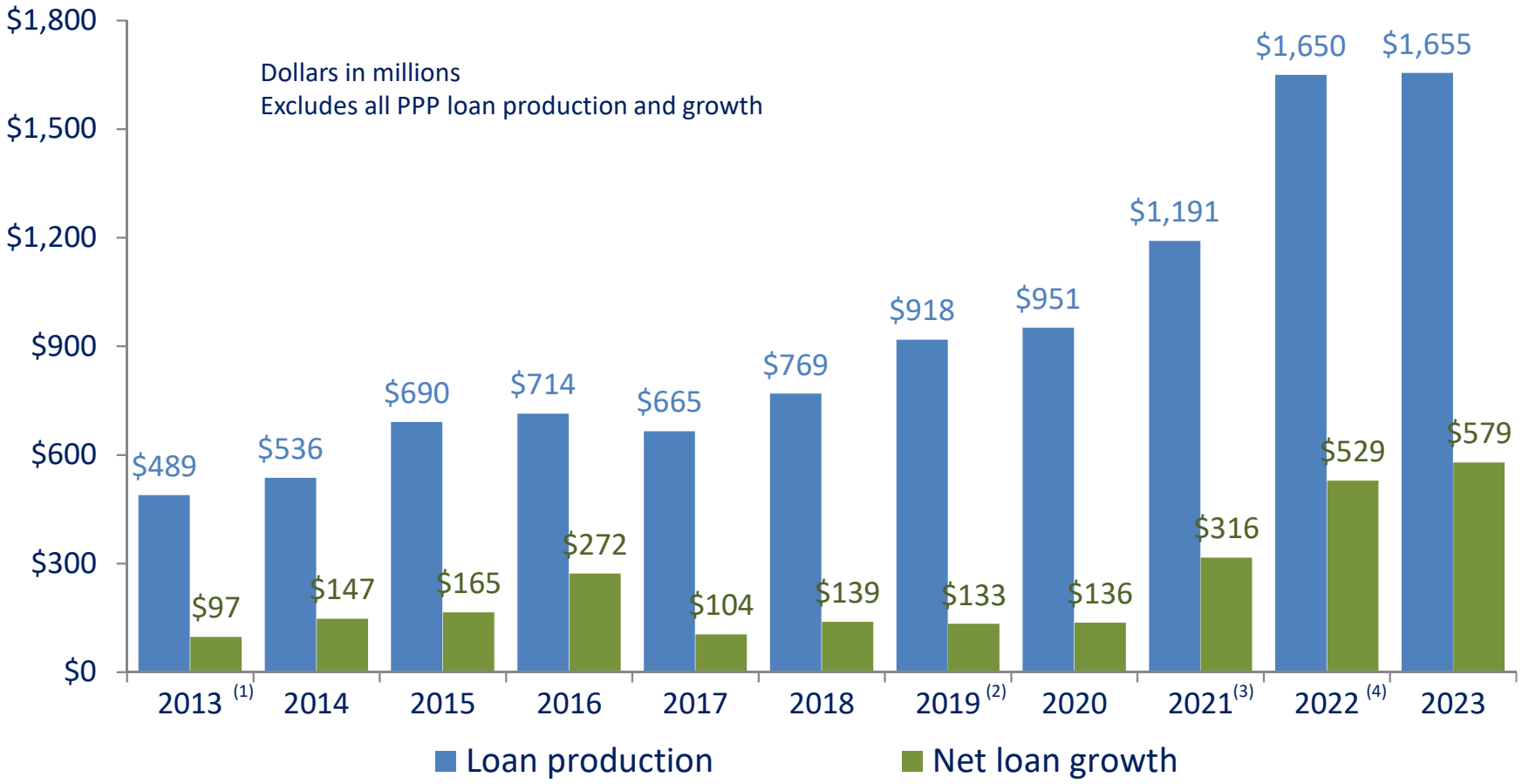
Key Drivers for 2024 and Beyond

- 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 22 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



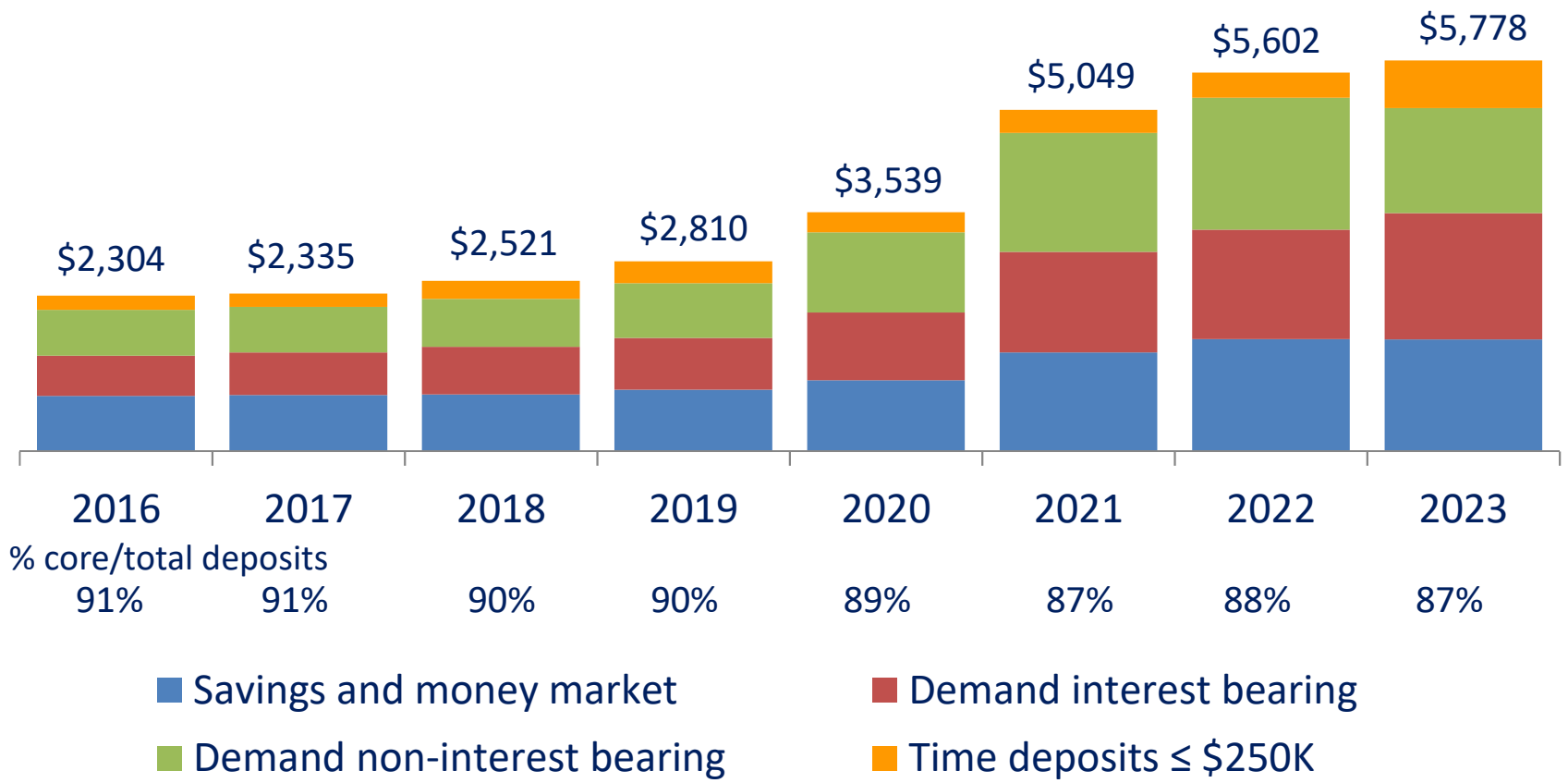
1) Excludes $40 million from 2013 acquisition
2) Excludes $134 million from 2019 acquisition
(3) Excludes $732 million from 2021 acquisition
(4) Excludes $630 million from 2022 acquisition

Loans Outstanding by Market

Market	2010		2023	
Louisville *(established 1904)*	$1,283	85%	$3,370	58%
Indianapolis *(established 2003)*	148	10%	846	15%
Cincinnati *(established 2007)*	77	5%	747	13%
Central Kentucky *(established May 2021)*	-	-	808	14%
Total loans	$1,508	100%	$5,771	100%

Dollars in millions

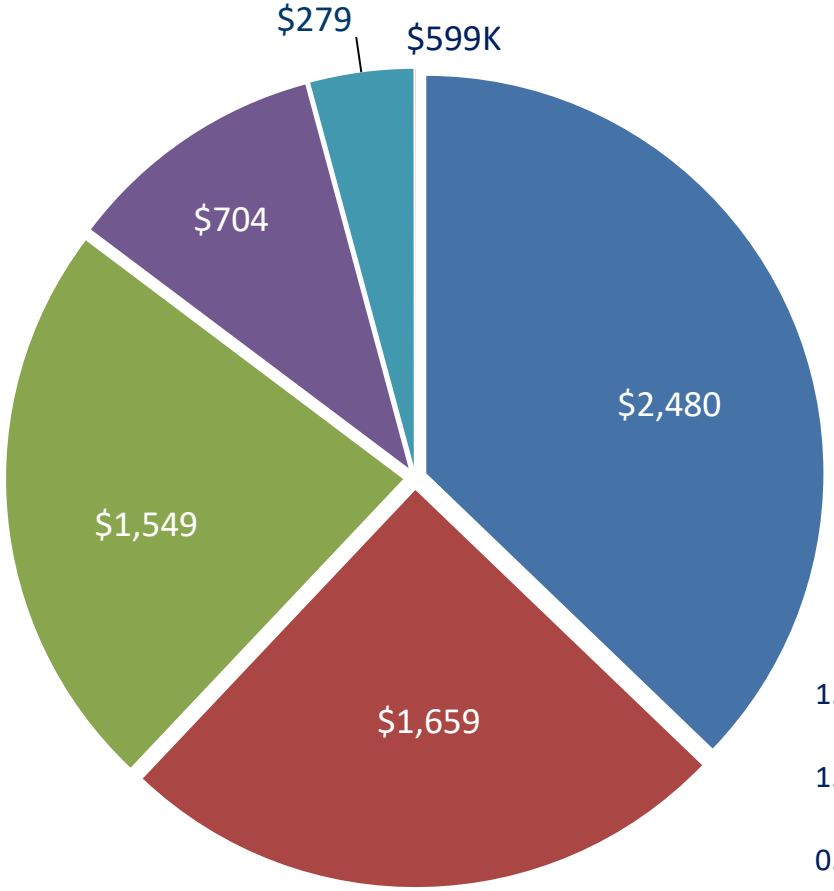
Growing Core Deposit Base



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

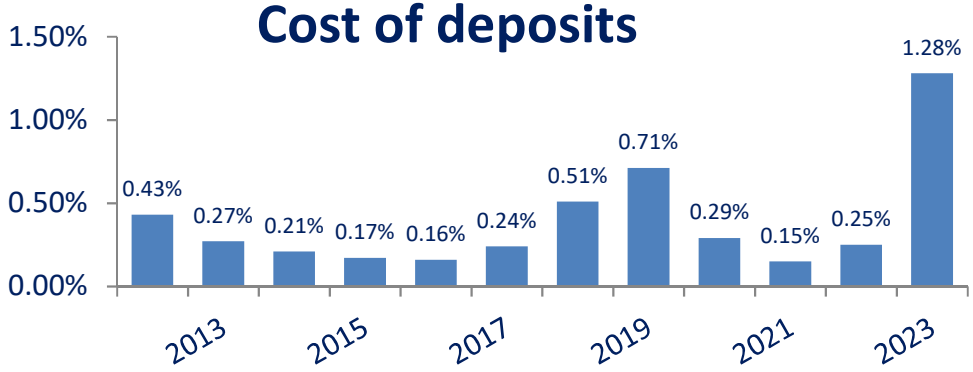


December 31, 2023
Total deposits - $6.7 billion
(000's)

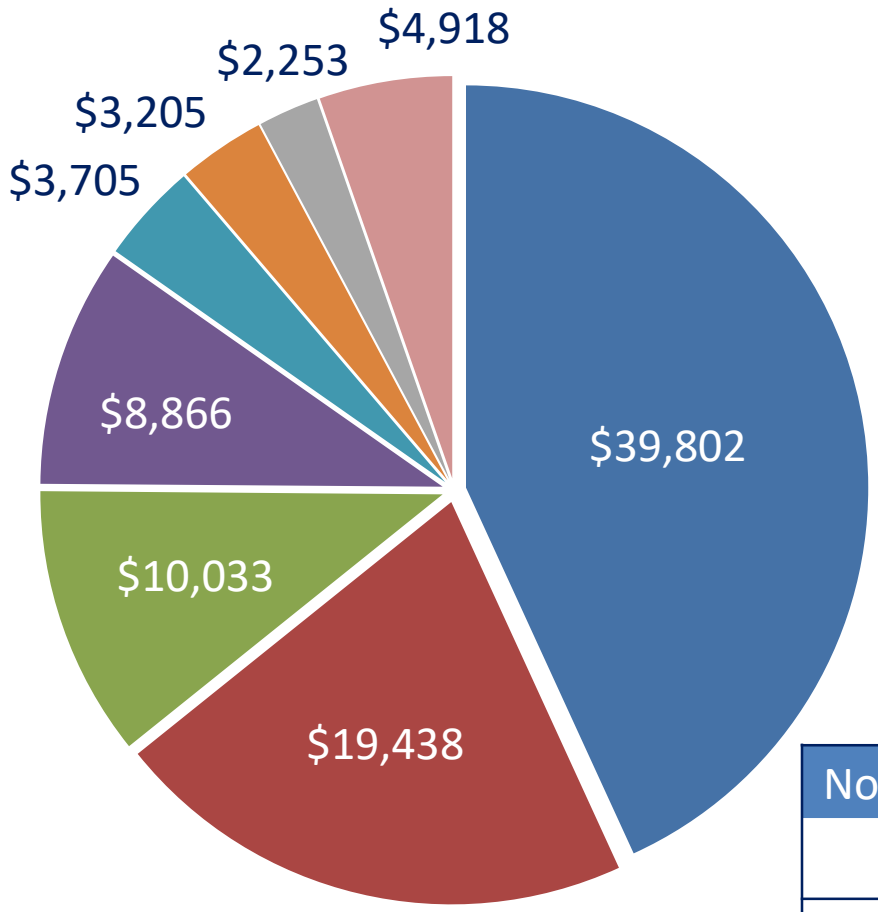
- Demand interest-bearing - 37%
- Savings and money market - 25%
- Demand noninterest bearing - 23%
- Time deposits ≤$250K - 11%
- Time deposits > $250K - 4%
- Brokered deposits - < 1%

Total core deposits
$5,778
87%

Cost of deposits



Non-Interest Income 2023



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

Non-interest income as % of total revenue	
Stock Yards Bank	27%
Peer banks	20%

Dollars in thousands

Peer banks $3 - $10 billion per Federal Reserve as of 9-30-2023

Wealth Management and Trust – *an enviable model*

- $7.2 billion AUM at December 31, 2023
  - *generated $39.8 million revenue for the year*
  - *contributed 43¢ to EPS*
  - *represented 12% of company earnings*
- 43% of company non-interest income attributable to Wealth Management and Trust revenue
- 27% of company revenue derives from non-interest income

Well-Capitalized

Ratio	SYBT Ratio as of 12/31/2023	SYBT Ratio as of 12/31/2022	Regulator Minimum for "Well-Capitalized"
CET1 Capital Ratio	11.04%	11.04%	6.50%
Tier 1 Capital Ratio	11.43%	11.47%	8.00%
Total RBC Ratio	12.43%	12.54%	10.00%
Leverage Ratio	9.62%	9.33%	5.00%
Equity/Total Assets	10.50%	10.14%	N/A
TCE/Tangible Assets	8.09%	7.44%	N/A

Strong Liquidity Profile

- **Over $3 Billion in Available Liquidity as of December 31, 2023**
  - Includes $1.3 billion in collateral-based borrowing availability with FHLB
  - Total also includes borrowing programs with the Federal Reserve
- **Heavily Core-Deposit Funded**
  - 87% loan-to-deposit ratio
    - 93% loan + HTM securities-to-deposit ratio
  - Core deposits comprise 87% of total deposits
  - Stable deposit base; minimal fluctuations during recent bank failures
  - Uninsured deposit ratio of 40%
    - Uninsured deposit ratio of 31% when considering collateralized deposits

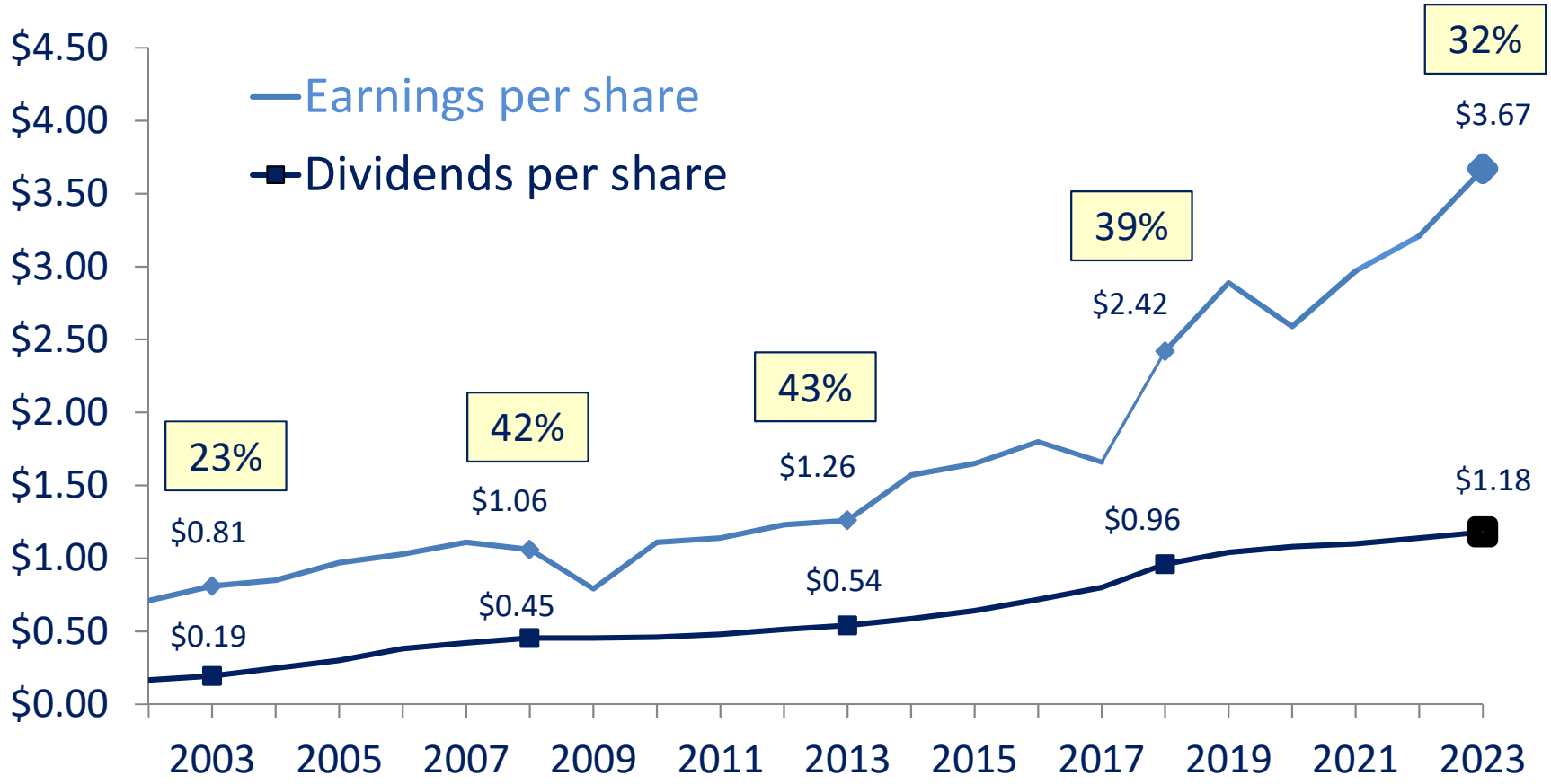
Investment Portfolio

- **Portfolio Totaled $1.5B at December 31, 2023**
  - AFS securities of $1.0B; HTM securities of $440MM
  - 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 5.5 years
  - Intent and ability to hold until maturity, eliminating any potential losses
- **A Substantial Liquidity Resource**
  - Total projected cash flows of approximately $684MM expected over the next two years, including $374MM of total projected cash flows in 2024
  - Used to help facilitate loan growth

Key Investment Points

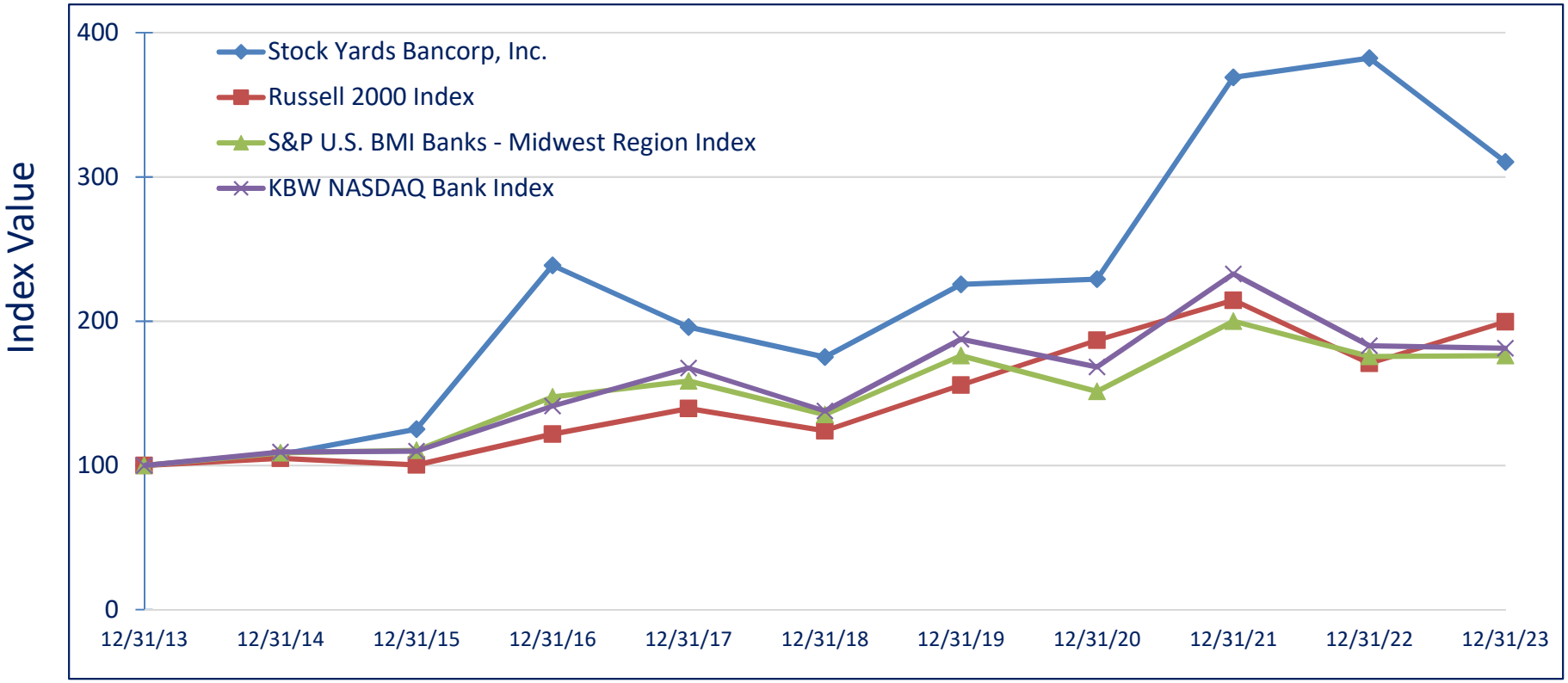
- Industry leading performance
- Consistent growth strategy
- Diversified revenue streams distinguished by wealth management business with growing card and treasury management income
- Expanding presence in large markets
- Positioned for sustainable, profitable growth
- We want long term shareholders

Earnings and Dividends Per Share



Per share information adjusted to reflect stock dividends and splits

Total Return Performance

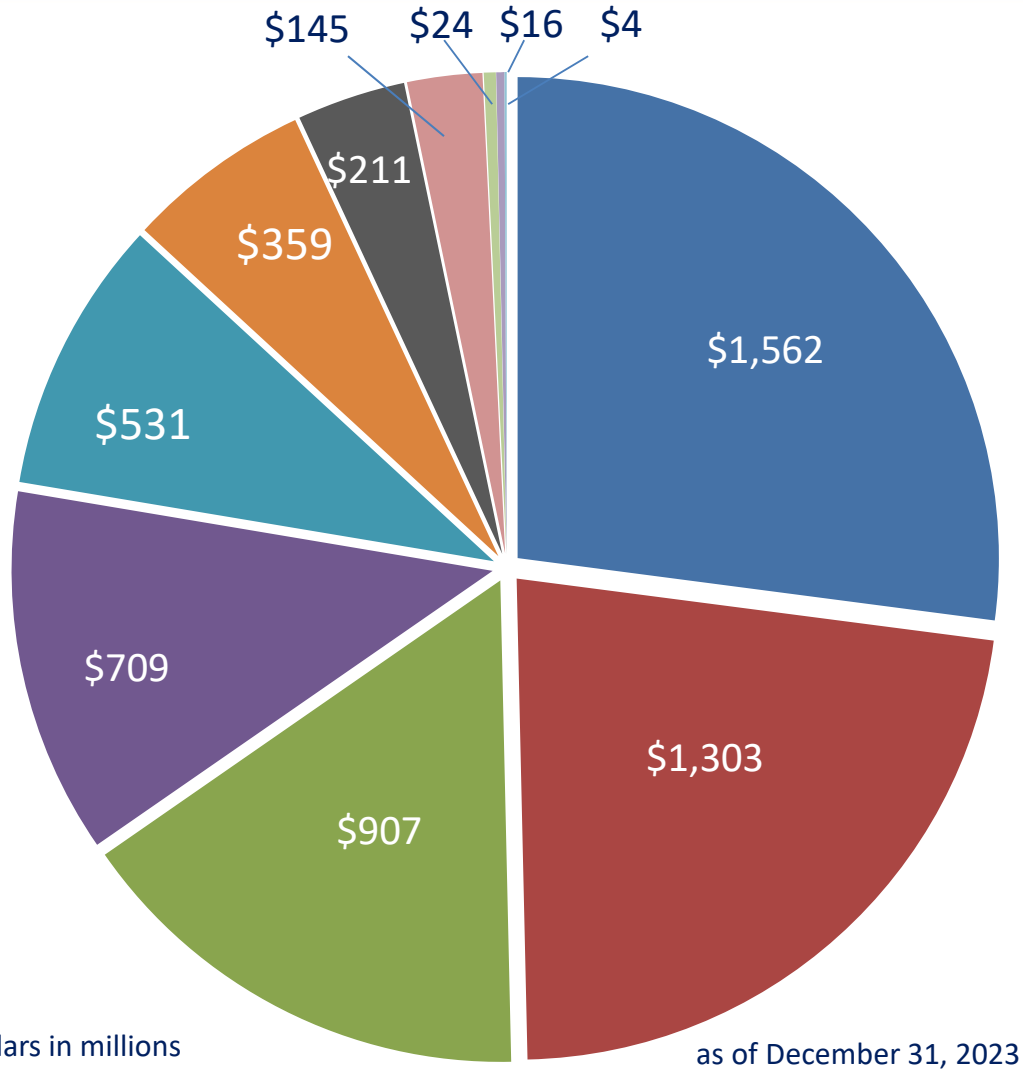


	Period Ending										
Index	**12/31/13**	**12/31/14**	**12/31/15**	**12/31/16**	**12/31/17**	**12/31/18**	**12/31/19**	**12/31/20**	**12/31/21**	**12/31/22**	**12/31/23**
Stock Yards Bancorp, Inc.	100.00	107.54	125.21	238.74	195.86	175.16	225.47	229.23	368.96	382.39	310.33
Russell 2000 Index	100.00	104.89	100.26	121.63	139.44	124.09	155.76	186.85	214.54	170.69	199.59
S&P U.S. BMI Banks- Midwest Region Index	100.00	108.71	110.36	147.46	158.46	135.31	176.04	151.35	199.96	172.57	176.18
KBW NASDAQ Bank Index	100.00	109.37	109.91	141.24	167.50	137.83	187.62	168.28	232.77	182.97	181.34

Source: S&P Global Market Intelligence

Supplemental information

Loan Portfolio Detail

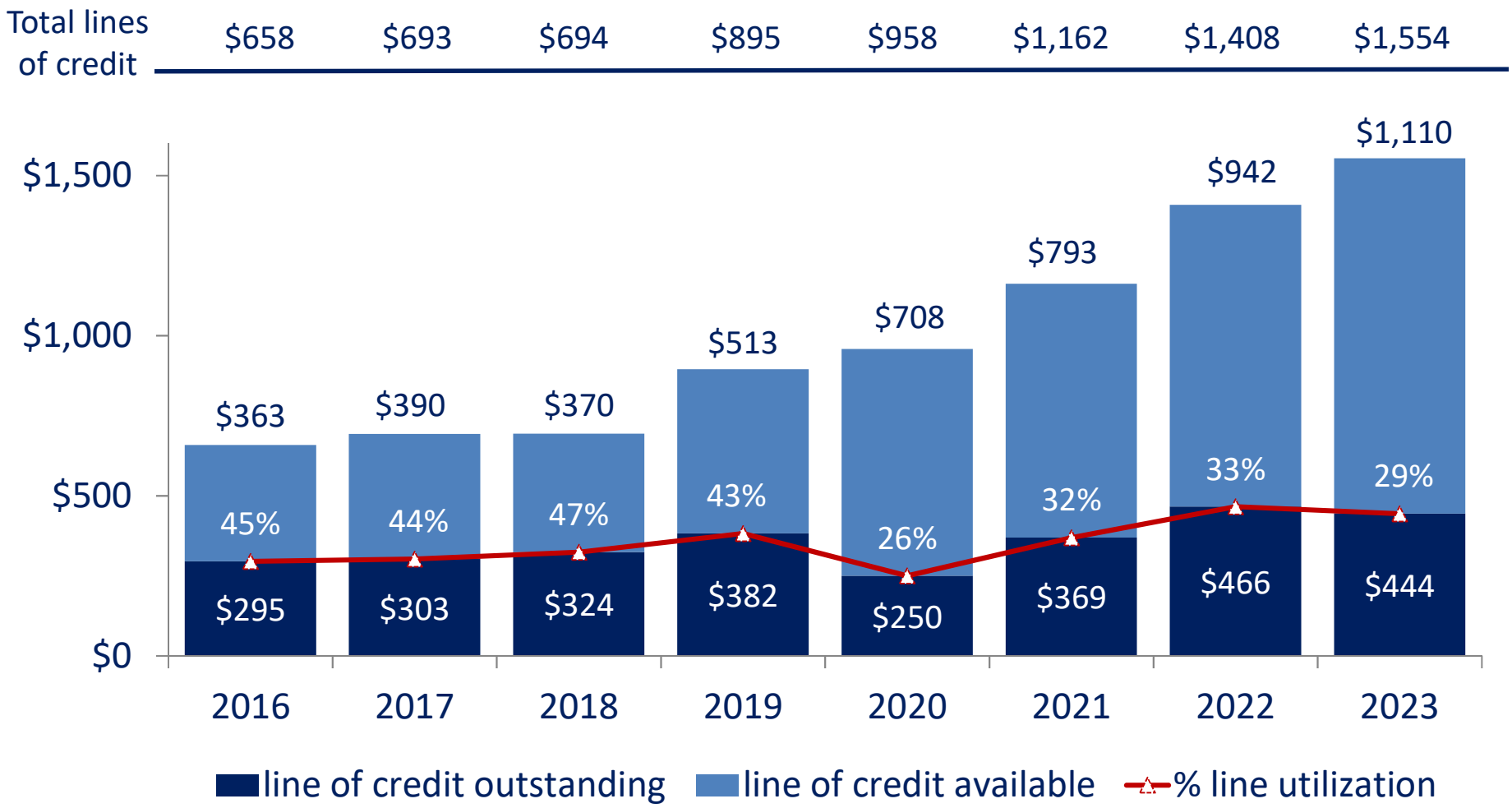


- CRE-Non-owner occupied - 27%
- Commercial (C&I) - 23%
- CRE-Owner occupied - 16%
- Res RE-owner occupied - 12%
- Construction & development - 9%
- Res RE-Non-owner occupied - 6%
- HELOC - 4%
- Consumer - 3%
- Commercial credit cards - < 1%
- Leases - < 1%
- C&I PPP loans < 1%

Dollars in millions

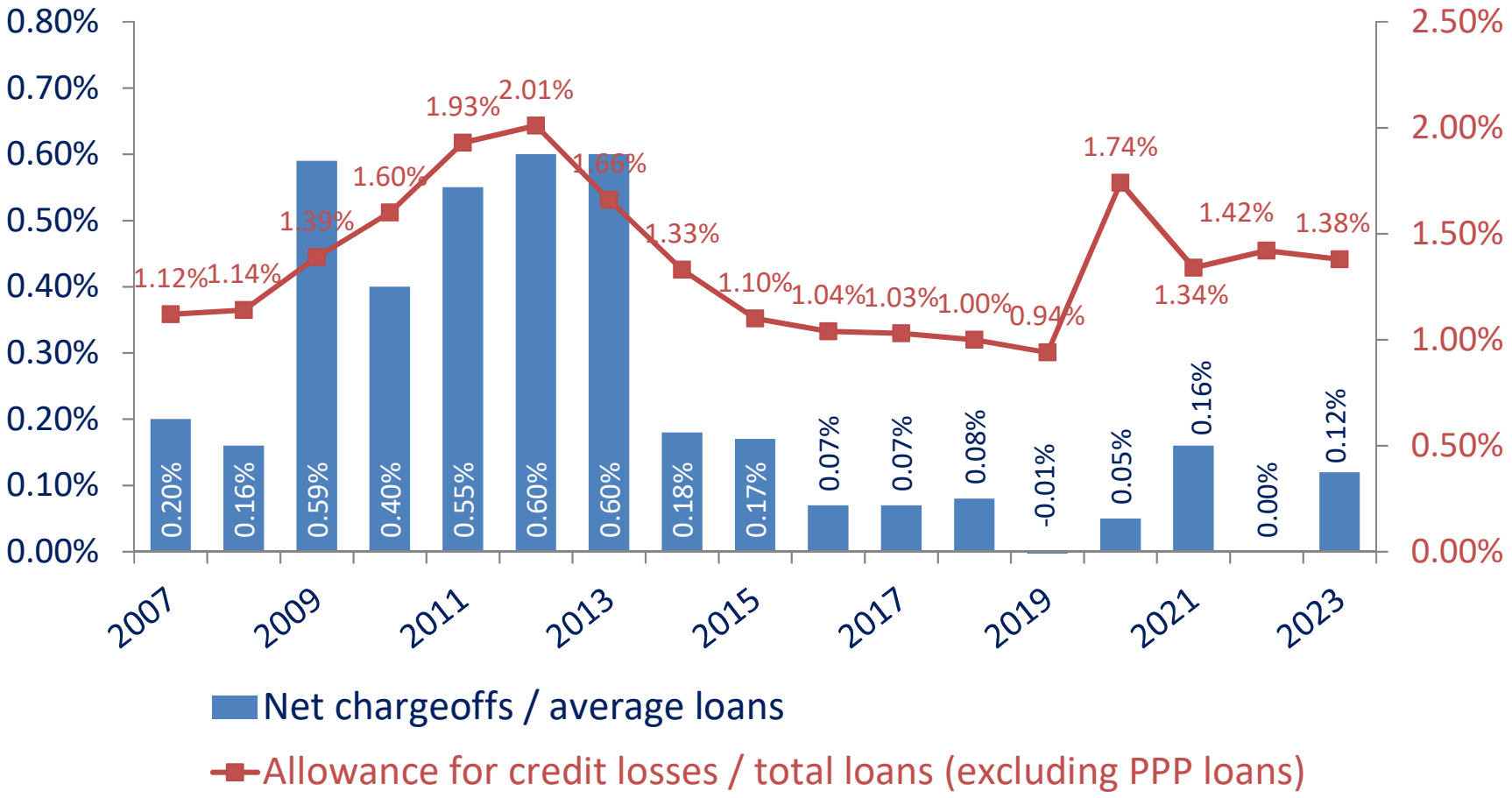
as of December 31, 2023

Commercial & Industrial Line of Credit Availability



Dollars in millions

Asset Quality



Wealth Management Asset Detail

Assets Under Management $7.2 billion as of December 31, 2023

