

Stock Yards Bancorp, Inc.
Form 10-Q
April 30, 2019

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

**Quarterly
report
pursuant
to
Section 13
or 15(d) of
the
Securities
Exchange
Act of
1934**

For the quarterly period ended March 31, 2019

or

**Transition
report
pursuant
to
Section 13
or 15(d) of
the
Securities**

**Exchange
Act of 1934**

Commission File Number: 1-13661

STOCK YARDS BANCORP, INC.

(Exact name of registrant as specified in its charter)

Kentucky

(State of other jurisdiction of incorporation or organization)

61-1137529

(I.R.S. Employer Identification No.)

1040 East Main Street, Louisville, Kentucky 40206

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (502) 582-2571

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

The number of shares outstanding of the registrant's Common Stock, no par value, outstanding as of April 25, 2019, was 22,822,822.

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The following listing provides a comprehensive reference of common acronyms and terms used throughout the document:

Allowance	Allowance for loan and lease losses
ASU	Accounting Standards Update
ASC	Accounting Standards Codification
Bancorp	Stock Yards Bancorp, Inc.
Bank	Stock Yards Bank & Trust Company
BOLI	Bank owned life insurance
BP	Basis point = 1/100 th of one percent
CECL	Current Expected Credit Losses
COSO	Committee of Sponsoring Organizations
CRA	Community Reinvestment Act of 1977
CRE	Commercial real estate
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act
EPS	Earnings per share
FASB	Financial Accounting Standards Board
FDIC	Federal Deposit Insurance Corporation
FHA	Federal Housing Administration
FHLB	Federal Home Loan Bank
FHLMC	Federal Home Loan Mortgage Corporation
FNMA	Federal National Mortgage Association
GNMA	Government National Mortgage Association
KING	King Bancorp, Inc.
LIBOR	London Interbank Offered Rate
Loans	Loans and leases
MSR	Mortgage servicing right
OAEM	Other assets especially mentioned
OREO	Other real estate owned
Provision	Provision for loan and lease losses
PSU	Performance stock unit
RSU	Restricted stock unit
SAR	Stock appreciation right
SEC	Securities and Exchange Commission
SSUAR	Securities sold under agreements to repurchase
TCE	Tangible common equity
TDR	Troubled Debt Restructuring
GAAP	United States Generally Accepted Accounting Principles
VA	U.S. Department of Veterans Affairs
WM&T	Wealth Management and Trust

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Item 1. Financial Statements
CONSOLIDATED BALANCE SHEETS
March 31, 2019 (unaudited) and December 31, 2018

(In thousands, except share data)

	March 31, 2019	December 31, 2018
Assets		
Cash and due from banks	\$44,014	\$51,892
Federal funds sold and interest bearing due from banks	67,326	147,047
Cash and cash equivalents	111,340	198,939
Mortgage loans held for sale	2,981	1,675
Securities available for sale	507,131	436,995
Federal Home Loan Bank stock	9,779	10,370
Loans and leases	2,525,709	2,548,171
Allowance for loan and lease losses	26,464	25,534
Net loans and leases	2,499,245	2,522,637
Premises and equipment, net	45,718	44,764
Bank owned life insurance	32,447	32,273
Accrued interest receivable	8,710	8,360
Other assets	63,665	46,911
Total assets	\$3,281,016	\$3,302,924
Liabilities		
Deposits:		
Non-interest bearing	\$698,783	\$711,023
Interest bearing	2,053,757	2,083,333
Total deposits	2,752,540	2,794,356
Securities sold under agreements to repurchase	34,633	36,094
Federal funds purchased	12,218	10,247
Federal Home Loan Bank advances	47,853	48,177
Accrued interest payable	709	762
Other liabilities	55,069	46,788
Total liabilities	2,903,022	2,936,424
Commitments and contingent liabilities (note 15)		
Stockholders' equity:		
Preferred stock, no par value. Authorized 1,000,000 shares; no shares issued or outstanding	—	—
Common stock, no par value. Authorized 40,000,000 shares; issued and outstanding 22,822,822 and 22,749,139 shares in 2019 and 2018, respectively	36,934	36,689
Additional paid-in capital	39,914	36,797

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Retained earnings	303,659	298,156
Accumulated other comprehensive loss	(2,513)	(5,142)
Total stockholders' equity	377,994	366,500
Total liabilities and stockholders' equity	\$3,281,016	\$3,302,924

See accompanying notes to unaudited consolidated financial statements.

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For the three months ended March 31, 2019 and 2018

	Three months ended March 31,	
	2019	2018
<i>(In thousands, except per share data)</i>		
Interest income		
Loans and leases	\$31,544	\$27,062
Federal funds sold and interest bearing due from banks	733	268
Mortgage loans held for sale	37	35
Securities available for sale		
Taxable	2,568	2,138
Tax-exempt	147	241
Total interest income	35,029	29,744
Interest expense		
Deposits	5,066	2,077
Securities sold under agreements to repurchase	25	33
Federal funds purchased and other short-term borrowing	60	90
Federal Home Loan Bank advances	221	235
Total interest expense	5,372	