



STOCK YARDS BANCORP, INC.
2017 SUMMARY ANNUAL REPORT

**Stock
Yards**[®]
Bank & Trust

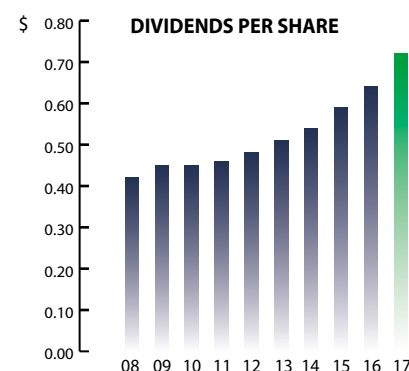
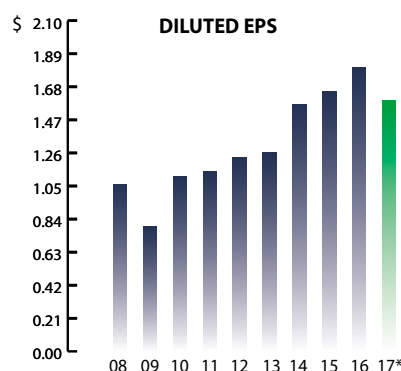
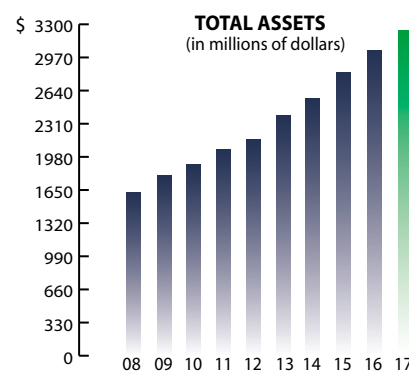
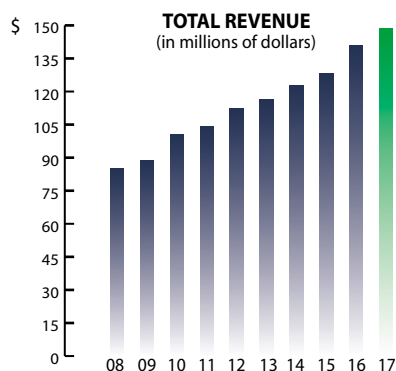
**A TRUSTED PARTNER
since 1904**

2017 Financial Highlights

“We remain grateful for your continued support, your confidence in the Company and your willingness to invest in our future.”

	2017	2016	2015
FOR THE YEAR			
Net income	\$ 38,043	\$ 41,027	\$ 37,187
PER COMMON SHARE			
Net income per share, diluted	\$ 1.66	\$ 1.80	\$ 1.65
Cash dividends declared	0.80	0.72	0.64
Book value at year end	14.71	13.88	12.80
Market price at year end	37.70	46.95	25.19
AT YEAR END			
Total assets	\$ 3,239,646	\$ 3,039,481	\$ 2,816,801
Loans	2,409,570	2,305,375	2,033,007
Deposits	2,578,295	2,520,548	2,371,702
Stockholders' equity	333,644	313,872	286,519
RATIOS			
Return on average assets	1.25 %	1.42 %	1.44 %
Return on average equity	11.61	13.49	13.55
Efficiency	60.86	57.56	56.81

“Stock Yards Bancorp continues to pursue strategies to enhance stockholder value, including a substantial and sustained dividend payout ratio.”



* Diluted EPS graph (at right); Net income for 2017 included a non-cash charge of \$5.9 million or \$0.25 per share to revalue the Company's net deferred asset in connection with Federal tax legislation enacted December 22, 2017.

Per share information has been adjusted for the 2016 stock split.

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David P. Heintzman
Chairman and
Chief Executive Officer

To Our Stockholders

With the successful conclusion of another year, I am pleased to report to you again on the exceptional performance of our company in 2017 and the dedicated efforts of our entire team in delivering ongoing growth and strong financial results. Credit for this goes to the strategic course on which we have consistently remained: (1) stridently pursuing the highest possible level of service for our customers in everything we do, (2) building long-term relationships that prevail across generations, (3) choosing wisely the markets we serve and the talent we have brought to our team and (4) diversifying our business in ways that support long-term, consistent growth. All of this combined again in 2017 to produce record results for Stock Yards Bancorp and position our company to share our prosperity with you through increasingly higher dividends.

GOOD NEWS, BAD NEWS

Before any discussion of our financial results, we must footnote the effect of tax reform late last year. With the enactment of the Tax Cuts and Jobs Act on December 22, 2017, we and many other companies faced a rare situation, one with immediate negative consequences that will be more than offset by very positive long-term consequences in the future.

Because of the reduction in corporate income tax rates and the timing of that change, we were required to lower the value of our net deferred tax asset in 2017, but the lower tax rate did not begin until 2018. This non-cash adjustment resulted in additional

“All of this combined again in 2017 to produce record results for Stock Yards Bancorp and position our company to share our prosperity with you through increasingly higher dividends.”

income tax expense in the fourth quarter of 2017 and reduced net income for the year by \$5.9 million or \$0.25 per diluted share. However, we believe lower tax rates will promote growth and expansion across the business spectrum, leading to higher capital investment and new job creation, both of which would be positive for our bank. Additionally, the lower statutory rate going forward will allow us to more than recoup during 2018 the adjustment we recorded in 2017, and future periods will benefit from lower income taxes. This tax reform will equate to higher earnings for the Company going forward and, for you, our stockholders, the potential for growing dividends, as evidenced by a 10% increase in our dividend announced in February 2018.

The timing of tax reform enactment caused net income to decline in 2017 to \$38.0 million or \$1.66 per diluted share compared with \$41.0 million or \$1.80 per diluted share for 2016, after seven consecutive years of growth following the Great Recession. We trust you will see past this aberration to the real and meaningful benefits that tax reform will bring. With a lower marginal tax rate going forward, our Board intends to implement strategies to deploy tax savings in ways that grow our business and drive higher stockholder value.

BY THE NUMBERS

To clarify the underlying and fundamental strength of our company during 2017, consider that total revenue for 2017 increased 6% to a record \$148.7 million. This improvement reflected a solid performance in many key aspects of our business, such as loan production and loan growth, net interest margin and wealth management and trust, and again call to mind the benefit of our diversified revenue streams. Alongside these standout accomplishments, credit quality remained exceptionally strong.

On the balance sheet, total assets increased \$200 million or 6% to \$3.24 billion during the year while our loan portfolio grew \$104.2 million or almost 5%. Supporting this growth, total deposits increased \$57.7 million or 2% to \$2.58 billion at December 31, 2017, as we continued to attract new customers and experience growth with existing customers across most account categories.

STOCKHOLDER RETURNS

Stock Yards Bancorp continues to pursue strategies to enhance stockholder value, including a substantial and sustained dividend payout ratio. As it did in each of the previous three years, Stock Yards Bancorp's Board of Directors increased the Company's quarterly cash dividend twice during 2017. With the most recent dividend increase referenced earlier, the Company has now raised its quarterly dividend rate a total of 10 times since the beginning of 2013, resulting in a cumulative increase of 73% over a five-year period.

While there are many catalysts that drive investment decisions, I think most of our stockholders are drawn by the attractive growth opportunities we pursue, the way we execute on our plans and the consistency of our returns. In my view, nothing measures the latter better than to consider a company's performance over the long term, since the optics of using shorter timeframes can easily mask habitual underperformance. Our traditional benchmark measures total stockholder return for the latest 10-year period, which for the decade ended with 2017 stood at 213% and in stark contrast to a 72% increase for a commonly used NASDAQ bank index. This plainly illustrates why, year after year, Stock Yards Bancorp ranks among the country's top-performing community banks. Continuous enhancement of stockholder value has been and remains an important priority for the Company.

WALL STREET RECOGNITION

Stock Yards Bancorp continues to earn accolades on Wall Street for its consistent performance against rigorous criteria. For many years now, Stock Yards Bancorp has been named to the KBW Bank Honor Roll, an annual selection based on a bank's 10-year performance record. Those banks recognized for the Honor Roll, among the almost 400 nationwide having at least \$500 million in total assets, typically number less than 50 and totaled only 15 in the latest Honor Roll. The Company also has received the Raymond James Community Bankers Cup, which recognizes the top 10% of community banks in the country with assets between \$500 million and \$10 billion, in each of the five years since its inception. Additionally, S&P Global Market Intelligence has included the Company in its most recent annual ranking of the 100

best-performing community banks between \$1 billion and \$10 billion in assets, based on six core financial performance metrics.

STRENGTHENING OUR BOARD

In December of 2017, Paul J. Bickel III joined our Board of Directors, expanding it to 12 members and furthering our efforts for succession planning and leadership continuity in view of mandatory retirements expected in 2019. As founder and President of U.S. Specialties, a commercial building supply company, he adds executive leadership skills and insight to our board. Considering his perspective as a longtime customer of the Bank and his deep connections to our city, both in terms of business initiatives and community involvement, we believe Paul will be an asset for us as we continue to develop strategies for long-term growth and success aimed at creating value for the Company's stockholders.

“Continuous enhancement of stockholder value has been and remains an important priority for the Company.”

CONCLUSION

We are pleased with the Company's overall progress and prosperity during 2017. These achievements underscore the strategies we have in place to grow our business across our markets. The diverse nature of our business and the strong lending pipeline we have developed as we move into 2018, along with the positive effect of lower tax rates in the future – both internally and across the economy, bode well for the Company's prospects to extend its record of growth in the future.

We remain grateful for your continued support, your confidence in the Company and your willingness to invest in our future. We look forward to the coming year with great enthusiasm and are eager to capitalize on the opportunities before us.

David P. Heintzman

Chairman and Chief Executive Officer



Ja Hillebrand
President

A Message from the President

In 2017, we continued to benefit from several long-term strategies that diversify and steadily build our robust platform for growth. You've already heard how these benefits manifested themselves in solid loan growth coupled with extraordinary credit quality – chief drivers for an expanding bottom line – along with the Bank's significant sources of fee income, which differentiate Stock Yards Bank & Trust as a leading community bank. I'd like to take a few moments to talk about our strategies as they relate to our markets and lines of business.

EXPANSION

Perhaps the most transformative and overarching action we have taken to produce consistent and industry-leading growth for our stockholders took place in 2003 when we expanded to Indianapolis, opening our first office outside of the Louisville metro market. Already 99 years in the making as a premier community bank, one built around the value of responsive customer service and offering an array of financial products needed by clients, we seized the opportunity to replicate our business model in another similarly attractive metro market. This was and is quite different from commonplace strategies for expansion, which typically rely on acquisitions. Instead, we have focused on organic growth – building a local, community bank one employee at a time and one customer at a time.

“In 2017, we continued to benefit from several long-term strategies that diversify and steadily build our robust platform for growth.”

Clearly, the leap to a new metro area – to reproduce our successful community banking model – was a bold move, but one that quickly found traction and success. So much so, that in 2007 we followed up with another expansion move, this time to Cincinnati, where Stock Yards Bank & Trust has enjoyed similar success. To put all of this in context, before we expanded into these outer markets, we had one runway for growth, the Louisville market, and that runway looked like it had limited opportunity due to stagnant economic growth at that time. While the picture for Louisville has changed dramatically for the better since then, our bank now has three long runways for growth, with Indianapolis and Cincinnati complementing and expanding the opportunities before us today and well into the future.

INDIANAPOLIS



Indianapolis had the Bank's largest percentage loan growth by market for 2017, up 15%, with its loans outstanding now accounting for 13% of the Bank's total loan portfolio. Earlier this year, we relocated our main Indianapolis office to a larger, more centralized downtown location at Capital Center Building. This new office will give us greater visibility among potential customers and provide much needed additional office space to accommodate our talented and growing staff of commercial lenders and commercial real estate lenders, as well as enable us to serve this market more efficiently as we continue to expand our capabilities and reach.

We currently have four locations in Indianapolis and have acquired land for a fifth office in the growing west-side suburb of Plainfield, which has a strong commercial and consumer presence. This office is slated to open in the fourth quarter of 2018.

CINCINNATI / NORTHERN KENTUCKY



The Cincinnati/Northern Kentucky market recorded the Bank's second largest percentage loan growth by market for 2017, up 14%, with its loans outstanding now comprising 14% of the Bank's total loan portfolio. We currently have five locations in the region, with the potential for several more offices to cover the market successfully.

We continue to attract new customers in the Cincinnati/Northern Kentucky market from businesses that were affected by bank mergers and acquisitions in 2016 and 2017. Considering additional market disruption that will take place in 2018, we will continue to be a great banking alternative to businesses and owners that value our high-touch, relationship banking model.



Paula Moan
Market Executive
Indianapolis

"Banking with us at Stock Yards Bank & Trust is an experience unlike what you'll see at your current bank or most of the super-regional banks. We are proud of our community-bank style of service, and our team of talented professionals who are eager to serve all of your banking needs – from basic banking services to the most sophisticated financial strategies."



Stephen Brown
Market Executive
Cincinnati / Northern Kentucky

"Since coming to this market, we've focused on building a talented, market-savvy team that is truly connected to our customer base in Cincinnati and Northern Kentucky. Building on the Stock Yards Bank & Trust's model, we have staked our claim in this city and are working hard to build our business, one relationship at a time."



Clay Stinnett
EXECUTIVE VICE PRESIDENT
CHIEF STRATEGIC OFFICER

Kathy Thompson
SR EXECUTIVE VICE PRESIDENT
WEALTH MANAGEMENT & TRUST

Mike Croce
EXECUTIVE VICE PRESIDENT
RETAIL BANKING GROUP

Ja Hillebrand
President

Phil Poindexter
EXECUTIVE VICE PRESIDENT
CHIEF LENDING OFFICER

Nancy Davis
EXECUTIVE VICE PRESIDENT
CHIEF FINANCIAL OFFICER

Bill Dishman
EXECUTIVE VICE PRESIDENT
CHIEF RISK OFFICER

We are pleased with the Bank's consistent growth and expansion in Indianapolis and Cincinnati. Both markets have matured more quickly than we expected, and we will continue to expand our presence there over the next several years. Yet, more than 10 years after exporting our business model to Indianapolis and Cincinnati, we really have only just begun to build the community bank that we will become. Importantly, we'll do this the same way we did in Louisville – one relationship at a time.

COMMERCIAL BANKING

Serving all facets of the marketplace, from consumers to commercial customers, Stock Yards Bank & Trust has traditionally focused on business lending. At the end of 2017, commercial and industrial loans together with owner-occupied commercial real estate loans comprised almost one-half of our \$2.4 billion loan portfolio. After a slower-than-usual start to 2017 in terms of net loan growth, our strong loan production throughout the remainder of the year led to loan growth

ramping up strongly in the fourth quarter of the year, which represented one of the best quarterly performances ever for the Bank and helped to push our total portfolio up almost 5% for the entire year. Building on momentum inherent in our business, we have increased our loan portfolio at a 9% compound annual rate over the past five years.

Importantly, all of our markets participated in the Bank's loan growth in 2017. Loan production remained robust and, as a result, our pipeline is strong as we move into 2018. In the coming year, we plan to add additional lenders across our footprint.

We have placed new emphasis in other areas, such as corporate banking, which will focus on larger middle-market clients and should provide us with another avenue for growth. Correspondent banking remains steady and international banking achieved record fee income in 2017 – and is poised to exceed those results in 2018.

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BUSINESS CREDIT CARDS

We are now in our second full year of having a direct card product, which adds to our reputation for leading customer service, over and above the card brand. This product has allowed us to expand the services we have available to offer business customers with credit needs. It has been well received by our customers, and we have high expectations for its future.

“Since our founding, we’ve not only expanded our physical presence, but also the depth and breadth of our financial products and services, staying at the forefront of the evolution of banking.”

PRIVATE BANKING

Our longstanding private banking services continue to meet the demands and needs of affluent customers by concentrating all of our solutions and alternatives with one point of contact – our private bankers. In 2017, we recorded a solid performance in all markets with continued success in dental lending and medical residence lending programs, among other initiatives. Growth in private banking was especially notable in Indianapolis last year and, building on that, we expect to expand our Cincinnati private banking staff during 2018.

BUSINESS BANKING

Business banking is now available in all of our markets. Our business bankers are focused on small businesses, which have somewhat different needs than those of larger businesses serviced through our commercial lending area. Offering a blend of services tailored for each business, our business banking solutions package credit, savings and checking options that help small businesses achieve financial efficiencies and improve profitability.

TREASURY MANAGEMENT SERVICES

We continue to achieve solid growth in treasury services. Our treasury products and services help companies mitigate risk, improve working capital, and generate income by utilizing innovative banking technology. 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.

WEALTH MANAGEMENT & TRUST

Our Wealth Management & Trust Group, with approximately \$2.8 billion of assets under management, comprises more than 45% of the Company’s fee-based income and, thus, has been a key element of our strategy to create and grow diverse fee-based revenue streams to support predictable and reliable earnings growth over the long term. For 2017, its revenue increased 7%. The Indianapolis market was instrumental in this growth, with more than 200% growth in gross revenues, the largest increase of our three markets.

Our emphasis remains on providing unparalleled service to our clients through every stage of their lives, providing a holistic financial plan for every client. Alongside that focus, we continue to help businesses with succession planning, as well as with their corporate retirement 401(k) plans. Across this spectrum, our investment strategy for clients remains concrete as we strive to deliver attractive risk-adjusted investment results that will allow our clients to reach their goals.

With a staff of more than 60 professional and support personnel, wealth management and trust continues to focus on serving the investment, financial and trust needs of individuals, multi-generational families and institutions from our offices in Kentucky, Indiana and Ohio. This widespread presence across our banking footprint positions us for continued growth in the future.

RETAIL BANKING

Retail banking is an important component of what we do, day in and day out, meeting the banking needs for thousands of customers across our markets. Each of our retail offices has courteous, highly trained staff ready to solve problems and raise possibilities. Our representatives are prepared to present our customers with the solutions that best meet their financial needs – whether it be a household checking account, a savings account for a new child, a home equity line of credit for home improvements, or the many other products and services we have to offer.

Since our founding, we’ve not only expanded our physical presence, but also the depth and breadth of our financial products and services, staying at the forefront of the evolution of banking. This is yet another way to think about our growth strategies. From basic lending and deposits, we’ve progressed by specializing in key elements of these services and adding

“Our emphasis remains on providing unparalleled service to our clients through every stage of their lives, providing a holistic financial plan for every client.”

complementary and ancillary financial solutions so that we may offer our customers a full range of capabilities to support their goals, ambitions and needs. A recent example of this is our consumer and small business digital lending products – Loan Express and Business Loan Express. These technology solutions allow Stock Yards Bank & Trust to provide loans online using a computer or mobile device. We continue to look for ways to provide the best access and service to all of our customers through the delivery channel they prefer.

In our ongoing efforts to protect our customers and provide enhanced customer service through technology, we’ve invested in new fraud detection software to react more quickly and effectively to fraud and potential fraud – a continuing challenge for our industry. We also provide 24/7 support to customers with debit card issues or questions. In 2018, we’re scheduled to upgrade and replace all of our ATMs with the newest technology available.

MORTGAGE SERVICES

An important feature of the services we offer to families in our markets is mortgage lending. Home ownership is the American dream, and we are dedicated to making this dream possible. This area accounted for about 7% of our total non-interest income for 2017. In late 2017, we expanded the variety of mortgage products we offer by rolling out our new “Residential Construction to Perm” program, which simplifies and streamlines the home construction process for our customers. Over the long term, our Mortgage Department continues to help diversify our revenue, smoothing and supporting long-term earnings growth.

STOCK YARDS FINANCIAL SERVICES

Stock Yards Financial Services complements our Wealth Management & Trust Group, providing a wide range of investment options for those seeking alternative investments to bank deposits as well as customers who want to make their own investment decisions. Stock Yards Financial Services is an important component of our non-interest income, up almost 3% in 2017 and accounting for almost 5% of the total non-interest income for the year. We are prepared for changes driven by new rules and regulations from the Department of Labor that are effective in 2018. These changes will not affect the high level of service we will continue to offer our clients.

“We have many runways for growth, many avenues for prosperity and a great corporate culture – centered around exemplary customer service and strong client relationships.”

SUMMARY

Clearly, we are pleased with the accomplishments of the past year and are excited about the potential to extend our success in the coming year. We have many runways for growth, many avenues for prosperity and a great corporate culture – centered around exemplary customer service and strong client relationships. This is our path forward, our direction ahead.

It’s why we’ve earned the reputation as “A Trusted Partner since 1904.”

James A. (Ja) Hillebrand

President

STOCK YARDS BANCORP, INC.

Selected Consolidated Financial Data

As of and for the year ended December 31,

(Dollars in thousands, except per share data)

	2017	2016	2015	2014	2013
INCOME STATEMENT					
Net interest income	\$ 103,603	\$ 97,254	\$ 88,318	\$ 83,757	\$ 77,298
Provision (recovery) for loan losses	2,550	3,000	750	(400)	6,550
Non-interest income	45,120	43,537	39,950	39,155	39,002
Non-interest expenses	90,991	81,520	73,398	73,209	71,352
Net income ¹	38,043	41,027	37,187	34,822	27,170
PER SHARE²					
Diluted EPS ¹	\$ 1.66	\$ 1.80	\$ 1.65	\$ 1.57	\$ 1.26
Cash dividends declared	0.80	0.72	0.64	0.59	0.54
Book value	14.71	13.88	12.80	11.75	10.47
Market value	37.70	46.95	25.19	22.23	21.28
BALANCE SHEET					
Total loans	\$ 2,409,570	\$ 2,305,375	\$ 2,033,007	\$ 1,868,550	\$ 1,721,350
Allowance for loan losses	24,885	24,007	22,441	24,920	28,522
Total assets	3,239,646	3,039,481	2,816,801	2,563,868	2,389,262
Total deposits	2,578,295	2,520,548	2,371,702	2,123,627	1,980,937
Stockholders' equity	333,644	313,872	286,519	259,895	229,444
EARNINGS PERFORMANCE					
Return on average assets	1.25%	1.42%	1.44%	1.45%	1.22%
Return on average equity	11.61	13.49	13.55	14.19	12.34
Net interest margin, fully tax equivalent	3.63	3.59	3.67	3.75	3.74
KEY RATIOS					
Non-performing assets to total assets	0.31%	0.39%	0.48%	0.70%	1.19%
Net loan charge-offs	0.07	0.07	0.17	0.18	0.60
Allowance for loan losses to total loans	1.03	1.04	1.10	1.33	1.66
Avg stockholder's equity to avg assets	10.79	10.54	10.66	10.23	9.86
Total risk-based capital	13.52	13.04	13.31	13.86	13.54
Leverage	10.70	10.54	10.53	10.26	9.75

1. Net income for 2017 included a \$5.9 million or \$0.25 per share non-cash charge to revalue the Company's net deferred asset in connection with Federal tax legislation enacted December 22, 2017.

2. Per share information has been adjusted for the 2016 stock split.

DIRECTORS

Paul J. Bickel III

President,
U.S. Specialties

J. McCauley Brown

Retired Vice President,
Brown-Forman Corporation

Charles R. Edinger III

President,
J. Edinger & Son, Inc.

David P. Heintzman

Chairman and Chief Executive Officer,
Stock Yards Bancorp, Inc. and
Stock Yards Bank & Trust Company

Donna L. Heitzman

Retired Portfolio Manager,
KKR Prisma Capital

Carl G. Herde

Vice President / Finance,
Kentucky Hospital Association

James A. Hillebrand

President,
Stock Yards Bancorp, Inc. and
Stock Yards Bank & Trust Company

Richard A. Lechleiter

President,
Catholic Education Foundation of Louisville

Richard Northern

Partner,
Wyatt, Tarrant & Combs LLP

Stephen M. Priebe

President,
Hall Contracting of Kentucky

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

David P. Heintzman

Chairman and Chief Executive Officer

James A. Hillebrand

President

Kathy C. Thompson

Senior Executive Vice President
Wealth Management Group

Michael J. Croce

Executive Vice President
Retail Banking Group

Nancy B. Davis

Executive Vice President
Chief Financial Officer

William M. Dishman III

Executive Vice President
Chief Risk Officer

Philip S. Poindexter

Executive Vice President
Chief Lending Officer

T. Clay Stinnett

Executive Vice President
Chief Strategic Officer

SHAREHOLDER INFORMATION

Transfer Agent

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

(FIRST CLASS / REGISTERED / CERTIFIED MAIL:)

Computershare Investor Services
P.O. Box 505000
Louisville, Kentucky 40233-5000
(800) 368-5948

(COURIER SERVICES:)

Computershare Investor Services
462 S. Fourth Street, Suite 1600
Louisville, Kentucky 40202

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, 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 E. Main Street, Louisville, Kentucky 40206.

Internet Address

The Internet address for Stock Yards Bancorp, Inc. is www.syb.com. Stockholders can find share prices, trading volume, insider trading information, and other pertinent information (see "Investor Relations").

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 or calling Nancy B. Davis, Executive Vice President, Stock Yards Bancorp, Inc., nancy.davis@syb.com, (502) 625-9176.

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