

Stock Yards Bancorp, Inc.
Form 10-Q
May 07, 2014
[Table of Contents](#)

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

x Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

For the quarterly period ended March 31, 2014

OR

o Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____.

Commission file number 1-13661

STOCK YARDS BANCORP, INC.

(Exact name of registrant as specified in its charter)

Kentucky
(State or other jurisdiction of
incorporation or organization)

61-1137529
(I.R.S. Employer
Identification No.)

Edgar Filing: Stock Yards Bancorp, Inc. - Form 10-Q

1040 East Main Street, Louisville, Kentucky 40206

(Address of principal executive offices including zip code)

(502) 582-2571

(Registrant's telephone number, including area code)

S. Y. BANCORP, INC.

(Former name, former address and former fiscal year, if changed since last report)

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes No

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer (Do not check if a smaller reporting company)	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

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 of the registrant's Common Stock, no par value, outstanding as of April 25, 2014, was 14,661,509.

Table of Contents

STOCK YARDS BANCORP, INC. AND SUBSIDIARY

Index

PART I FINANCIAL INFORMATION

Item 1. Financial Statements

The following consolidated financial statements of Stock Yards Bancorp, Inc. and Subsidiary, Stock Yards Bank & Trust Company, are submitted herewith:

- Consolidated Balance Sheets
March 31, 2014 (Unaudited) and December 31, 2013
- Consolidated Statements of Income
for the three months ended March 31, 2014 and 2013 (Unaudited)
- Consolidated Statements of Comprehensive Income
for the three months ended March 31, 2014 and 2013 (Unaudited)
- Consolidated Statements of Cash Flows
for the three months ended March 31, 2014 and 2013 (Unaudited)
- Consolidated Statements of Changes in Stockholders' Equity
for the three months ended March 31, 2014 and 2013 (Unaudited)
- Notes to Consolidated Financial Statements

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Item 4. Controls and Procedures

PART II OTHER INFORMATION

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Item 6. Exhibits

Table of Contents**STOCK YARDS BANCORP, INC. AND SUBSIDIARY**

Consolidated Balance Sheets

March 31, 2014 and December 31, 2013

(In thousands, except share data)

Assets			
Cash and due from banks	\$	42,685	\$ 34,519
Federal funds sold		40,269	36,251
Mortgage loans held for sale		3,473	1,757
Securities available for sale (amortized cost of \$440,104 in 2014 and \$493,066 in 2013)		440,184	490,031
Federal Home Loan Bank stock		6,334	6,334
Other securities		1,013	1,013
Loans		1,728,619	1,721,350
Less allowance for loan losses		28,591	28,522
Net loans		1,700,028	1,692,828
Premises and equipment, net		39,258	39,813
Bank owned life insurance		29,416	29,180
Accrued interest receivable		5,658	5,712
Other assets		45,920	51,824
Total assets	\$	2,354,238	\$ 2,389,262
Liabilities and Stockholders Equity			
Deposits:			
Non-interest bearing	\$	436,843	\$ 423,350
Interest bearing		1,550,544	1,557,587
Total deposits		1,987,387	1,980,937
Securities sold under agreements to repurchase		52,453	62,615
Federal funds purchased		18,731	55,295
Accrued interest payable		125	128
Other liabilities		24,278	26,514
Federal Home Loan Bank advances		34,288	34,329
Total liabilities		2,117,262	2,159,818
Stockholders equity:			
Preferred stock, no par value. Authorized 1,000,000 shares; no shares issued or outstanding			
Common stock, no par value. Authorized 20,000,000 shares; issued and outstanding 14,658,954 and 14,608,556 shares in 2014 and 2013, respectively		9,749	9,581
Additional paid-in capital		34,614	33,255
Retained earnings		192,783	188,825
Accumulated other comprehensive income		(170)	(2,217)
Total stockholders equity		236,976	229,444
Total liabilities and stockholders equity	\$	2,354,238	\$ 2,389,262

See accompanying notes to unaudited consolidated financial statements.

Table of Contents**STOCK YARDS BANCORP, INC. AND SUBSIDIARY**

Consolidated Statements of Income

For the three months ended March 31, 2014 and 2013 (Unaudited)

(In thousands, except per share data)

	2014	2013
Interest income:		
Loans	\$ 19,359	\$ 19,049
Federal funds sold	79	80
Mortgage loans held for sale	31	64
Securities taxable	1,837	1,370
Securities tax-exempt	298	272
Total interest income	21,604	20,835
Interest expense:		
Deposits	1,140	1,339
Fed funds purchased	6	8
Securities sold under agreements to repurchase	34	35
Federal Home Loan Bank advances	196	217
Subordinated debentures	773	773
Total interest expense	1,376	2,372
Net interest income	20,228	18,463
Provision for loan losses	350	2,325
Net interest income after provision for loan losses	19,878	16,138
Non-interest income:		
Investment management and trust services	4,568	3,886
Service charges on deposit accounts	2,103	2,000
Bankcard transaction revenue	1,075	961
Mortgage banking revenue	588	1,180
Brokerage commissions and fees	505	615
Bank owned life insurance income	236	252
Other	400	334
Total non-interest income	9,475	9,228
Non-interest expenses:		
Salaries and employee benefits	11,118	9,657
Net occupancy expense	1,556	1,231
Data processing expense	1,560	1,356
Furniture and equipment expense	268	291
FDIC insurance expense	342	350
Gain on other real estate owned	(343)	(35)
Other	3,043	2,729
Total non-interest expenses	17,544	15,579
Income before income taxes	11,809	9,787
Income tax expense	3,632	3,019
Net income	\$ 8,177	\$ 6,768
Net income per share:		
Basic	\$ 0.56	\$ 0.49
Diluted	\$ 0.56	\$ 0.49
Average common shares:		
Basic	14,506	13,814
Diluted	14,701	13,851

Edgar Filing: Stock Yards Bancorp, Inc. - Form 10-Q

See accompanying notes to unaudited consolidated financial statements.

Table of Contents

STOCK YARDS BANCORP, INC. AND SUBSIDIARY

Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2014 and 2013 (Unaudited)

(In thousands)

	2014		2013
Net income	\$ 8,177	\$	6,768
Other comprehensive income (loss), net of tax:			
Unrealized gains (losses) on securities available for sale:			
Unrealized gains (losses) arising during the period (net of tax of \$1,091 and (\$257), respectively)	2,026		(478)
Unrealized gains on hedging instruments:			
Unrealized gains arising during the period (net of tax of \$12 and \$0, respectively)	21		
Other comprehensive income (loss)	2,047		(478)
Comprehensive income	10,224		6,290

See accompanying notes to unaudited consolidated financial statements.

Table of Contents**STOCK YARDS BANCORP, INC. AND SUBSIDIARY**

Consolidated Statements of Cash Flows

For the three months ended March 31, 2014 and 2013 (Unaudited)

(In thousands)

	2014	2013
Operating activities:		
Net income	\$ 8,177	\$ 6,768
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	350	2,325
Depreciation, amortization and accretion, net	1,688	1,465
Deferred income tax provision (benefit)	701	(1,152)
Gain on sales of mortgage loans held for sale	(341)	(867)
Origination of mortgage loans held for sale	(17,617)	(47,036)
Proceeds from sale of mortgage loans held for sale	16,242	57,374
Bank owned life insurance income	(236)	(252)
Gain on the disposal of premises and equipment	(30)	
Gain on the sale of other real estate	(343)	(35)
Stock compensation expense	290	531
Excess tax benefits from share-based compensation arrangements	(149)	(18)
Decrease in accrued interest receivable and other assets	514	1,430
(Decrease) increase in accrued interest payable and other liabilities	(2,090)	1,716
Net cash provided by operating activities	7,156	22,249
Investing activities:		
Purchases of securities available for sale	(69,855)	(106,748)
Proceeds from maturities of securities available for sale	123,072	129,192
Net increase in loans	(8,687)	(18,649)
Purchases of premises and equipment	(509)	(350)
Proceeds from disposal of equipment	344	
Proceeds from sale of other real estate	3,962	1,778
Net cash provided by investing activities	48,327	5,223
Financing activities:		
Net increase (decrease) in deposits	6,450	(44,809)
Net (decrease) increase in securities sold under agreements to repurchase and federal funds purchased	(46,726)	12,103
Proceeds from Federal Home Loan Bank advances	10,000	
Repayments of Federal Home Loan Bank advances	(10,041)	(10)
Issuance of common stock for options and dividend reinvestment plan	463	61
Excess tax benefits from share-based compensation arrangements	149	18
Common stock repurchases	(519)	(286)
Cash dividends paid	(3,075)	(2,792)
Net cash used in financing activities	(43,299)	(35,715)
Net increase (decrease) in cash and cash equivalents	12,184	(8,243)
Cash and cash equivalents at beginning of period	70,770	67,703
Cash and cash equivalents at end of period	\$ 82,954	\$ 59,460
Supplemental cash flow information:		
Income tax payments		400
Cash paid for interest	1,379	2,398
Supplemental non-cash activity:		
Transfers from loans to other real estate owned	\$ 1,137	\$ 99

See accompanying notes to unaudited consolidated financial statements.

Table of Contents

STOCK YARDS BANCORP, INC. AND SUBSIDIARY

Consolidated Statements of Changes in Stockholders' Equity

For the three months ended March 31, 2014 and 2013 (Unaudited)

(In thousands, except per share data)