

## "2 Outperforming Regional Bank Dividend Stocks"

by Robert Hauver

Looking for safe dividends? How about safe dividends with a little something extra, like price gains? We've found two regional bank dividend stocks, from different areas of the US, both of which have outperformed the S&P 500 over the past month, year, and year to date:

Ticker	Performance (Month)	Performance (Quarter)	Performance (Year)	Performance (YTD)	52-Week High	52-Week Low
SYBT	2.38%	10.66%	15.04%	14.01%	-5.03%	30.27%
PKBK	2.17%	0.29%	4.52%	6.92%	-6.19%	22.07%
S&P 500	1.96%	2.43%	0.50%	3.30%	-1.41%	16.75%

SYBT is much larger outfit than PKBK, and has a longer history. However, PKBK has the added attraction of being priced below Book Value. It also has a much lower P/E, and Price/Sales valuation:

Ticker	Company	Industry	Market Cap	P/E	Forward P/E	P/S	P/B
SYBT	Stock Yards Bancorp, Inc.	Regional - Southeast Banks	\$638.28M	16.8	15.51	6.72	2.12
PKBK	Parke Bancorp Inc.	Regional - Northeast Banks	\$81.78M	11.85	NA	2.02	0.87

Profiles:

SYBT: Stock Yards Bancorp, Inc. operates as the bank holding company for Stock Yards Bank & Trust Company that provides commercial and personal banking services in Louisville, Indianapolis, and Cincinnati. Its loan portfolio comprises commercial and industrial, real estate mortgage, construction and development, undeveloped land, and consumer loans; and originates and sells single-family residential mortgages. It also offers securities brokerage services through an arrangement with a third party broker-dealer; and investment management, retirement planning, trust and estate administration, and financial planning services. As of 12/31/15, the company had 37 banking locations, including 28 full service banking locations in the Louisville metropolitan statistical area (MSA), 4 full service banking locations in the Indianapolis MSA, and 5 full service banking locations in the Cincinnati MSA. Stock Yards Bancorp, Inc. was founded in 1904 and is headquartered in Louisville, Kentucky.

PKBK: Parke Bank is a full service commercial bank, with an emphasis on providing personal and business financial services to individuals and small-sized businesses primarily in Gloucester, Atlantic and Cape May counties in New Jersey and Philadelphia and surrounding counties in Pennsylvania.

Parke Bank conducts business through a branch office in Northfield, New Jersey, two branch offices in Washington Township, New Jersey, a branch office in Galloway Township, New Jersey and a branch in center city Philadelphia.

Dividends: Although these 2 stocks' dividend yields aren't high enough to add them to our [High Dividend Stocks By Sectors Tables](#), they do offer much better yields than Treasuries, and they are both well-covered, with conservative Dividend Payout ratios.

Ticker	Price	Dividend Yield	Payout Ratio	Most Recent Dividend	Next Ex-Dividend Date (approx.)	Next Pay Date (approx.)	5 Year Dividend Growth
SYBT	\$28.18	2.56%	38.30%	\$0.18	9/9/16	10/1/16	4.80%
PKBK	\$13.19	2.20%	17.40%	\$0.0727	7/13/16	7/29/16	2014:\$10 2015: \$18

In addition to paying quarterly dividends, PKBK also occasionally pays out a huge kicker, in the form of a *10% stock dividend*. PKBK declared a 10% stock dividend earlier in 2016, which was payable on May 18, 2016, to stockholders of record as of May 4, 2016. PKBK previously declared a 10% stock dividend in 2013. They've also **increased their quarterly dividends 3 times** since April 2015.

Neither of these two stocks currently has options available, but you can see income producing options trades for over 30 other stocks in our [Covered Calls Table](#) and also in our [Cash Secured Puts Table](#).

Q1 2016 Data: PKBK had respectable gains in deposits and loans in Q1, in addition to increasing Shareholders Equity.

Statements of Condition Data

	March 31, 2016	December 31, 2015	% Change
	(in thousands)		
Total Assets	\$ 926,729	\$ 885,124	4.7%
Cash and cash equivalents	26,943	27,429	-1.8%
Investment securities	43,980	44,748	-1.7%
Loans, net of unearned income	802,552	758,501	5.8%
Deposits	702,963	665,210	5.7%
Borrowings	103,053	98,053	5.1%
Total shareholders' equity	114,227	112,040	2.0%

It also good income growth year over year in Q1 2016:

	Three Months Ended	
	March 31, 2016	2015
	(in thousands)	
Interest and dividend income	\$ 10,342	\$ 9,400
Interest expense	1,589	1,344
Net interest income	8,753	8,056
Provision for loan losses	700	840
Net interest income after provision for loan losses	8,053	7,216
Non-interest income	1,175	1,261
Non-interest expense	4,694	4,350
Income before income taxes	4,534	4,127

SYTB had good growth in Q1 2016 vs. Q1 2015.

Net income	\$ 9,835	\$ 9,255
Weighted average shares - basic	14,836	14,647
Weighted average shares - diluted	15,061	14,852
Net income per share, basic	\$ 0.66	\$ 0.63
Net income per share, diluted	0.65	0.62
Cash dividend declared per share	0.25	0.23

**Balance Sheet Data (at period end)**

Total loans	\$ 2,094,488	\$ 1,874,010
Allowance for loan losses	22,451	24,882
Total assets	2,824,107	2,512,263
Non-interest bearing deposits	606,375	531,190
Interest bearing deposits	1,759,725	1,579,039
Federal Home Loan Bank advances	43,236	36,744
Stockholders' equity	296,323	267,601
Total shares outstanding	14,985	14,795
Book value per share	19.77	18.09

Financials: We usually look for ROA figures of over 1.00% when analyzing banks, so SYBT's 1.40% is actually a lot more impressive than you'd think. (It had the highest ROA of the stocks which came up in our screen for this article).

Ticker	Return on Assets	Return on Equity	Return on Investment	Total Debt/Equity	Operating Margin
SYBT	1.40%	13.30%	24.70%	0	93.60%
PKBK	1.10%	10.60%	22.50%	0.14	77.70%

Disclosure: Author owned shares of PKBK or SYBT, at the time of this writing.

Disclaimer: This article is intended for informational purposes only, and is not intended as investment advice. Please practice due diligence before investing any of the stocks listed in this article.

Copyright 2016 DeMar Marketing. All rights Reserved.