

REPUBLIC BANCORP INC /KY/  
Form 10-Q  
November 06, 2015  
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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FORM 10-Q

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

For the quarterly period ended September 30, 2015

or

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

Commission File Number: 0-24649

REPUBLIC BANCORP, INC.

(Exact name of registrant as specified in its charter)

Kentucky  
(State of other jurisdiction of incorporation or organization)

61-0862051  
(I.R.S. Employer Identification No.)

601 West Market Street, Louisville, Kentucky  
(Address of principal executive offices)

40202  
(Zip Code)

(502) 584-3600

(Registrant's telephone number, including area code)

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 twelve 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 twelve 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    Accelerated filer    Non-accelerated filer    Smaller reporting company

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

The number of shares outstanding of the registrant's Class A Common Stock and Class B Common Stock, as of October 30, 2015, was 18,608,260 and 2,245,250.

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## PART I — FINANCIAL INFORMATION

## Item 1. Financial Statements.

## CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(in thousands)

	September 30, 2015	December 31, 2014
<b>ASSETS</b>		
Cash and cash equivalents	\$ 90,731	\$ 72,878
Securities available for sale	461,558	435,911
Securities held to maturity (fair value of \$41,601 in 2015 and \$45,807 in 2014)	41,041	45,437
Mortgage loans held for sale, at fair value	8,526	6,388
Other loans held for sale, at the lower of cost or fair value	3,800	—
Loans	3,297,874	3,040,495
Allowance for loan and lease losses	(26,959)	(24,410)
Loans, net	3,270,915	3,016,085
Federal Home Loan Bank stock, at cost	28,208	28,208
Premises and equipment, net	29,877	32,987
Premises, held for sale	1,218	1,317
Goodwill	10,168	10,168
Other real estate owned	2,832	11,243
Bank owned life insurance	52,465	51,415
Other assets and accrued interest receivable	34,638	34,976
<b>TOTAL ASSETS</b>	<b>\$ 4,035,977</b>	<b>\$ 3,747,013</b>
<b>LIABILITIES</b>		
Deposits:		
Non interest-bearing	\$ 637,875	\$ 502,569
Interest-bearing	1,729,955	1,555,613
Total deposits	2,367,830	2,058,182
Securities sold under agreements to repurchase and other short-term borrowings	309,624	356,108
Federal Home Loan Bank advances	711,500	707,500
Subordinated note	41,240	41,240

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Other liabilities and accrued interest payable	31,071	25,252
Total liabilities	3,461,265	3,188,282
Commitments and contingent liabilities (Footnote 9)	—	—
STOCKHOLDERS' EQUITY		
Preferred stock, no par value	—	—
Common Stock, no par value	4,904	4,904
Additional paid in capital	135,527	134,889
Retained earnings	429,917	414,623
Accumulated other comprehensive income	4,364	4,315
Total stockholders' equity	574,712	558,731
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 4,035,977	\$ 3,747,013

See accompanying footnotes to consolidated financial statements.

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## CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(in thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
<b>INTEREST INCOME:</b>				
Loans, including fees	\$ 34,040	\$ 30,916	\$ 99,247	\$ 91,188
Taxable investment securities	1,733	1,896	5,285	5,663
Federal Home Loan Bank stock and other	334	332	1,058	1,195
Total interest income	36,107	33,144	105,590	98,046
<b>INTEREST EXPENSE:</b>				
Deposits	1,068	930	3,233	2,845
Securities sold under agreements to repurchase and other short-term borrowings	17	28	72	72
Federal Home Loan Bank advances	2,982	3,116	8,907	9,947
Subordinated note	616	628	1,874	1,886
Total interest expense	4,683	4,702	14,086	14,750
<b>NET INTEREST INCOME</b>	<b>31,424</b>	<b>28,442</b>	<b>91,504</b>	<b>83,296</b>
Provision for loan and lease losses	2,233	1,510	3,322	1,500
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN AND LEASE LOSSES</b>	<b>29,191</b>	<b>26,932</b>	<b>88,182</b>	<b>81,796</b>
<b>NON INTEREST INCOME:</b>				
Service charges on deposit accounts	3,399	3,568	9,685	10,426
Net refund transfer fees	97	(133)	17,339	16,091
Mortgage banking income	972	876	3,549	2,174
Interchange fee income	1,967	1,619	6,205	5,344
Gain on call of securities available for sale	—	—	88	—
Net loss on other real estate owned	(8)	(758)	(282)	(1,309)
Increase in cash surrender value of bank owned life insurance	348	381	1,050	951
Other	1,031	974	2,643	2,646
Total non interest income	7,806	6,527	40,277	36,323
<b>NON INTEREST EXPENSES:</b>				
Salaries and employee benefits	15,297	12,164	44,897	40,612

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Occupancy and equipment, net	5,217	5,544	15,560	16,874
Communication and transportation	951	905	2,768	2,787
Marketing and development	756	1,135	2,318	2,466
FDIC insurance expense	474	424	1,622	1,407
Bank franchise tax expense	846	731	4,094	3,901
Data processing	959	824	3,017	2,495
Interchange related expense	909	788	2,847	2,632
Supplies	229	205	809	705
Other real estate owned expense	146	218		