

REPUBLIC BANCORP INC /KY/  
Form 10-Q  
November 09, 2018  
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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, 2018

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      40202  
(Address of principal executive offices)      (Zip Code)

Registrant's telephone number, including area code: (502) 584-3600

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.

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 Class A Common Stock and Class B Common Stock, as of October 31, 2018, was 18,691,894 and 2,212,929.

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## PART I — FINANCIAL INFORMATION

## Item 1. Financial Statements.

## CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(in thousands)

|  | September 30,<br>2018 | December 31,<br>2017 |
|--|-----------------------|----------------------|
| <b>ASSETS</b>  |                       |                      |
| Cash and cash equivalents  | \$ 365,512            | \$ 299,351           |
| Available-for-sale debt securities   | 445,124               | 524,303              |
| Held-to-maturity debt securities (fair value of \$66,667 in 2018 and \$65,133 in 2017) | 65,925                | 64,227               |
| Equity securities with readily determinable fair value                                 | 2,717                 | 2,928                |
| Mortgage loans held for sale, at fair value  | 7,862                 | 5,761                |
| Consumer loans held for sale, at fair value  | —                     | 2,677                |
| Consumer loans held for sale, at the lower of cost or fair value                       | 21,037                | 8,551                |
| Loans (includes \$2,097 of loans carried at fair value at September 30, 2018)          | 4,136,195             | 4,014,034            |
| Allowance for loan and lease losses  | (43,824)              | (42,769)             |
| Loans, net   | 4,092,371             | 3,971,265            |
| Federal Home Loan Bank stock, at cost  | 32,067                | 32,067               |
| Premises and equipment, net  | 43,338                | 42,588               |
| Premises, held for sale  | 2,607                 | 3,017                |
| Goodwill   | 16,300                | 16,300               |
| Other real estate owned  | 70                    | 115                  |
| Bank owned life insurance  | 64,491                | 63,356               |
| Other assets and accrued interest receivable   | 62,933                | 48,856               |
| <b>TOTAL ASSETS</b>  | <b>\$ 5,222,354</b>   | <b>\$ 5,085,362</b>  |
| <b>LIABILITIES</b>   |                       |                      |
| Deposits:  |                       |                      |
| Noninterest-bearing  | \$ 1,103,461          | \$ 1,022,042         |
| Interest-bearing   | 2,463,224             | 2,411,116            |
| Total deposits   | 3,566,685             | 3,433,158            |
| Securities sold under agreements to repurchase and other short-term borrowings         | 163,768               | 204,021              |
| Federal Home Loan Bank advances  | 715,000               | 737,500              |

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|   |              |              |
|---|--------------|--------------|
| Subordinated note   | 41,240       | 41,240       |
| Other liabilities and accrued interest payable              | 58,851       | 37,019       |
| Total liabilities   | 4,545,544    | 4,452,938    |
| Commitments and contingent liabilities (Footnote 8)         | —            | —            |
| STOCKHOLDERS' EQUITY  |              |              |
| Preferred stock, no par value                               | —            | —            |
| Class A Common Stock and Class B Common Stock, no par value | 4,904        | 4,902        |
| Additional paid in capital                                  | 140,834      | 139,406      |
| Retained earnings   | 533,191      | 487,700      |
| Accumulated other comprehensive (loss) income               | (2,119)      | 416          |
| Total stockholders' equity                                  | 676,810      | 632,424      |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY                  | \$ 5,222,354 | \$ 5,085,362 |

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<br>September 30, |           | Nine Months Ended<br>September 30, |            |
|---|-------------------------------------|-----------|------------------------------------|------------|
|   | 2018                                | 2017      | 2018                               | 2017       |
| <b>INTEREST INCOME:</b>   |                                     |           |                                    |            |
| Loans, including fees   | \$ 56,296                           | \$ 50,271 | \$ 179,867                         | \$ 153,010 |
| Taxable investment securities   | 2,964                               | 2,364     | 8,306                              | 6,910      |
| Federal Home Loan Bank stock and other  | 1,830                               | 1,090     | 5,106                              | 2,509      |
| Total interest income   | 61,090                              | 53,725    | 193,279                            | 162,429    |
| <b>INTEREST EXPENSE:</b>  |                                     |           |                                    |            |
| Deposits  | 4,562                               | 2,587     | 11,856                             | 6,790      |
| Securities sold under agreements to repurchase and other<br>short-term borrowings | 317                                 | 161       | 752                                | 332        |
| Federal Home Loan Bank advances   | 2,782                               |           |                                    |            |