

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

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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, 2018	December 31, 2017
ASSETS		
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
TOTAL ASSETS	\$ 5,222,354	\$ 5,085,362
LIABILITIES		
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 September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
INTEREST INCOME:				
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
INTEREST EXPENSE:				
Deposits	4,562	2,587	11,856	6,790
Securities sold under agreements to repurchase and other short-term borrowings	317	161	752	332
Federal Home Loan Bank advances	2,782	2,383	7,779	6,618
Subordinated note	396	287	1,110	807
Total interest expense	8,057	5,418	21,497	14,547
NET INTEREST INCOME	53,033	48,307	171,782	147,882
Provision for loan and lease losses	4,077	4,221	26,264	21,633
NET INTEREST INCOME AFTER PROVISION FOR LOAN AND LEASE LOSSES	48,956	44,086	145,518	126,249
NONINTEREST INCOME:				
Service charges on deposit accounts	3,579	3,395	10,708	10,032
Net refund transfer fees	149	177	19,974	18,329
Mortgage banking income	1,360	1,102	3,696	3,707
Interchange fee income	2,757	2,475	8,315	7,348
Program fees	1,686	1,597	4,705	3,972
Increase in cash surrender value of bank owned life insurance	385	394	1,135	1,178
Net gains on other real estate owned	248	31	700	422
Other	1,301	1,203	4,073	3,236
Total noninterest income	11,465	10,374	53,306	48,224
NONINTEREST EXPENSE:				
Salaries and employee benefits	22,846	20,505	69,446	61,731
Occupancy and equipment, net	6,153	5,841	18,535	