

REPUBLIC BANCORP INC /KY/
Form 11-K
June 28, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2012

Commission file number 0-24649

REPUBLIC BANCORP INC. 401(K) RETIREMENT PLAN

(Full title of the plan)

REPUBLIC BANCORP, INC.

(Name of issuer of the securities held pursuant to the plan)

601 West Market Street

Louisville, Kentucky 40202

(Address of principal executive office)

REPUBLIC BANCORP INC. 401(k) RETIREMENT PLAN

Louisville, Kentucky

FINANCIAL STATEMENTS

December 31, 2012 and 2011

REPUBLIC BANCORP INC. 401(k) RETIREMENT PLAN

Louisville, Kentucky

FINANCIAL STATEMENTS

December 31, 2012 and 2011

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Crowe Horwath LLP

Independent Member Crowe Horwath
International

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Plan Administrator

Republic Bancorp Inc. 401(k) Retirement Plan

Louisville, Kentucky

We have audited the accompanying statements of net assets available for benefits of the Republic Bancorp Inc. 401(k) Retirement Plan (the "Plan") as of December 31, 2012 and 2011, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2012 and 2011, and the changes in net assets available for benefits for the years then ended in conformity with U.S. generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule H, Line 4i-Schedule of Assets (Held at End of Year) is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic 2012 financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic 2012 financial statements taken as a whole.

Crowe Horwath LLP

Louisville, Kentucky

June 28, 2013

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REPUBLIC BANCORP INC. 401(k) RETIREMENT PLAN
 STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
 DECEMBER 31, 2012 and 2011

	December 31,	
	2012	2011
Assets:		
Investments at fair value:		
Republic Bancorp, Inc. Common Stock (Class A and B)	\$3,225,410	\$3,150,926
Mutual funds	28,327,318	23,862,966
Guaranteed interest contract	5,799,179	5,044,399
Participant self-directed brokerage accounts:		
Republic Bancorp, Inc. Common Stock (Class A and B)	1,059,492	1,630,338
Other stocks	1,730,721	1,763,642
Mutual funds	2,256,478	2,325,830
Total investments, at fair value	42,398,598	37,778,101
Contribution receivable from employer	507,331	462,219
Total net assets available for benefits	\$42,905,929	\$38,240,320

See accompanying notes to financial statements.

REPUBLIC BANCORP INC. 401(k) RETIREMENT PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2012 and 2011

	Years Ended December 31,	
	2012	2011
Additions to net assets attributed to:		
Investment income:		
Net appreciation (depreciation) in fair value of investments (Note 4)	\$2,502,235	\$(525,034)
Interest and dividends	1,140,145	726,835
Total investment income	3,642,380	201,801
Contributions:		
Employer	1,931,467	1,807,920
Participants'	2,685,772	2,537,751
Rollover	18,793	227,835
Total contributions	4,636,032	4,573,506
Total additions	8,278,412	4,775,307
Deductions from net assets attributed to:		
Benefits paid to participants	3,437,052	2,644,698
Administrative expenses	175,751	124,919
Total deductions	3,612,803	2,769,617
Net increase	4,665,609	2,005,690
Net assets available for benefits:		
Beginning of year	38,240,320	36,234,630
End of year	\$42,905,929	\$38,240,320

See accompanying notes to financial statements.

REPUBLIC BANCORP INC. 401(k) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011

NOTE 1 – PLAN DESCRIPTION

The following description of the Republic Bancorp Inc. 401(k) Retirement Plan (the “Plan”) is provided for general information. Participants should refer to the Plan Agreement for a complete description of the Plan’s provisions. The sponsor of the Plan is Republic Bancorp, Inc. (the “Company” or “Employer”).

General: The Plan is a defined contribution plan covering all eligible employees of the Company who have completed 30 days of service and are age 21 or older. In 2011, the employer match began after six months of completed service. In 2012, the employer match began immediately upon eligibility to participate in the plan. The Company discretionary “bonus” match, if applicable, will be awarded to eligible participants actively participating during the plan year. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

Contributions: Participants in the Plan may contribute up to the maximum legal limit. If a participant elects to make a contribution to the Plan, the Employer may make a matching contribution of 100% of participant contributions up to 1% and an additional 75% for participant contributions between 2% and 5% of each participant’s annual eligible compensation. In addition, the Employer may award a discretionary bonus match for meeting certain corporate financial performance goals. The discretionary bonus match awarded for the years ended December 31, 2012 and 2011 was approximately \$446,000 and \$420,000, respectively.

Participant Accounts: Each participant’s account is credited with the participant’s contribution, the Company’s contribution and an allocation of plan earnings. Each participant’s account is also charged with withdrawals and an allocation of administrative expenses. Forfeitures of terminated participants’ non vested accounts are used to offset Plan expenses (including the Employer contributions). Income is allocated on a basis proportional to account balances, on a basis proportional to Employer contributions. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s account.

Retirement, Death and Disability: Participants are entitled to 100% of their account balance upon retirement, death or disability.

REPUBLIC BANCORP INC. 401(k) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011

NOTE 1 – PLAN DESCRIPTION (Continued)

Vesting: Participants are immediately vested in their contributions plus actual earnings thereon. Participants are 100% vested in the remainder of their accounts, including Company contributions plus earnings thereon, after two years of employment.

Payment of Benefits: On termination of service, a participant will receive either a lump-sum amount equal to the value of their vested interest in the account, or periodic installments over a period not exceeding the life expectancy of the participant or joint lives of the participant and spouse. Effective January 1, 2012, the periodic installment payment option plan provision was eliminated. If a participant's account balance exceeds \$5,000, no portion of the account balance will be distributed as a lump sum without the participant's consent. In addition, balances between \$1,000 and \$5,000 are automatically rolled over into an IRA product and balances under \$1,000 are automatically distributed in a cash lump sum payment.

Investment Options: All investment accounts are participant directed. Participants may change their investment options up to 20 times per calendar year and may direct employee contributions in 1% increments into a guaranteed interest account, certain mutual funds offered as investment options by the Plan, or shares of the Company's common stock. Participants also have the option to self direct into investments other than those provided by the Plan, subject to market availability. Such investment options include any specific assets or investments permitted to be acquired by the trustee under the Plan, including qualified employer securities. Participant Self-Directed Brokerage Accounts are charged a transaction fee for any direct investments a participant makes, other than the investment options provided by the Plan. Employer match contributions are allocated ratably based on each participant's contribution to their investment options.

Republic Bancorp, Inc. Common Stock: The Class A Common shares are entitled to cash dividends equal to 110% of the cash dividend paid per share on Class B Common Stock. Class A Common shares have one vote per share and Class B Common shares have ten votes per share. Class B Common Stock may be converted, at the option of the holder, to Class A Common Stock on a share for share basis. The Class A Common Stock is not convertible into any other class of Republic's capital stock. Class A and Class B shares participate equally in undistributed earnings.

REPUBLIC BANCORP INC. 401(k) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011

NOTE 1 – PLAN DESCRIPTION (Continued)

Forfeitures: As of December 31, 2012 and 2011, approximately \$55,000 and \$53,000 of forfeited employer matching contributions were available to offset future plan expenses including Employer contributions.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The financial statements of the Plan are prepared under the accrual basis of accounting.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures, and actual results may differ from these estimates.

Investment Valuation and Income Recognition: The Plan's investments are reported at fair value. Purchases and sales of securities are recorded on a trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the plan's gains and losses on investments bought and sold, as well as, held during the year.

Payment of Benefits: Benefits are recorded when paid.

REPUBLIC BANCORP INC. 401(k) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Risks and Uncertainties: The Plan provides for various investment options such as a guaranteed interest account, mutual funds, Company Stock and other securities. The investments are exposed to various risks, such as interest rate, market, liquidity and credit risks. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that changes in the value of investments will occur in the near-term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits and participants' individual account balances.

Concentrations: The Plan has a significant concentration of Republic Bancorp, Inc. common stock. A change in the value of the Company stock can cause the value of the Plan's net assets to change significantly due to this concentration.

Fully Benefit-Responsive Investment Contracts: While Plan investments are presented at fair value in the statement of net assets available for benefits, any material difference between the fair value of the Plan's direct and indirect interests in fully benefit-responsive investment contracts and their contract value is presented as an adjustment line in the statement of net assets available for benefits, because contract value is the relevant measurement attribute for that portion of the Plan's net assets available for benefits. Contract value represents contributions made to a contract, plus earnings, less participant withdrawals and administrative expenses. Participants in fully benefit-responsive contracts may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. The Plan holds a direct interest in a fully benefit-responsive contract.

NOTE 3 – FAIR VALUE

Fair value is the price that would be received by the Plan for an asset or paid by the Plan to transfer a liability (an exit price) in an orderly transaction between market participants on the measurement date in the Plan's principal or most advantageous market for the asset or liability. The effect of a change in valuation technique or its application on a fair value estimate is accounted for prospectively as a change in accounting estimate. When evaluating indications of fair value resulting from the use of multiple valuation techniques, the Plan is to select the point within the resulting range of reasonable estimates of fair value that is most representative of fair value under current market conditions. Fair value measurements are determined by maximizing the use of observable inputs and minimizing the use of unobservable inputs. The hierarchy places the highest priority on unadjusted quoted market prices in active markets for identical assets or liabilities (level 1 measurements) and gives the lowest priority to unobservable inputs (level 3 measurements). The three levels of inputs within the fair value hierarchy are defined as follows:

REPUBLIC BANCORP INC. 401(k) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011

NOTE 3 – FAIR VALUE (Continued)