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Republic Bancorp, Inc. Reports First Quarter Net Income of \$20.4 Million With Return on Assets of 1.30% and Return on Equity of 9.77%

April 22, 2021

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Republic Bancorp, Inc. (NASDAQ: RBCAA), headquartered in Louisville, Kentucky, is the holding company of Republic Bank & Trust Company (the “Bank”).

Louisville, KY – [Republic Bancorp, Inc.](#) (“Republic” or the “Company”) reported first quarter net income of \$20.4 million, a \$6.3 million, or 23% decrease from the first quarter of 2020, resulting in Diluted Earnings per Class A Common Share (“Diluted EPS”) of \$0.98. Return on average assets (“ROA”) and return on average equity (“ROE”) were 1.30% and 9.77% for the first quarter of 2021.

[Steve Trager](#), Chair & CEO of Republic commented, “Our Company’s Tax Refund Solutions (“TRS”) segment, which traditionally provides a first quarter lift to net income with its seasonal tax business, drove our year-over-year decline, contributing an \$11.6 million negative swing in net income as a result of a highly unusual and delayed tax season. Initial applications for our TRS products were impacted, as the season began approximately two weeks later than its normal start date. Furthermore, as consumers received the benefits from two new rounds of U.S. Treasury economic stimulus payments during the quarter, demand for our early season tax products have, so far, moderated from the previous year. As a result, year-to-date applications for our Refund Transfer (“RT”) product were down 10% while applications for our Easy Advance (“EA”) loans decreased 30% versus prior year.

“Our Core Banking operations had a fantastic quarter, as strong revenue contributions from Mortgage Banking, Warehouse Lending and PPP¹ loans more than offset the negative impacts of industry-wide headwinds, such as net interest margin compression and soft non-PPP commercial loan growth. These positive factors contributed to a 64% increase in Core Bank net income for the first quarter of 2021 compared to the first quarter of 2020.

“In addition to the strong net income from our Core Banking operations during the quarter, our balance sheet continued to exhibit solid activity. During the quarter, we originated an additional \$176 million of PPP loans to just over 1,000 clients, while further assisting in the forgiveness or payoff of \$182 million of 2020 PPP originations for over 1,800 clients. On the liability side of the ledger, our core deposits² continued to soar to new heights, growing another \$232 million, or 5%, during the first quarter of 2021 after record-breaking growth in 2020. While finding suitable investments for our robust liquidity remains a challenge in the current

environment, we are excited about the opportunities this strong deposit growth provides for our potential long-term prosperity,” concluded Trager.

The following table highlights Republic’s financial performance for the first quarter of 2021 compared to the first quarter of 2020. Additional financial details, including segment-level data and key metrics, are provided in the financial supplement to this release. *The attached digital version of this release includes the financial supplement as an appendix. The financial supplement may also be found as Exhibit 99.2 of the Company’s Form 8-K filed with the SEC on April 22, 2021.*

(dollars in thousands, except per share data)	Total Company Financial Performance Highlights			
	Three Months Ended Mar. 31,		\$ Change	% Change
	2021	2020		
Income Before Income Tax Expense	\$ 26,398	\$ 33,578	\$ (7,180)	(21)%
Net Income	20,433	26,697	(6,264)	(23)
Diluted Earnings per Class A Common Share	0.98	1.28	(0.30)	(23)
Return on Average Assets	1.30 %	1.90 %	NA	(32)
Return on Average Equity	9.77	13.71	NA	(29)

NA – Not applicable

Results of Operations for the First Quarter of 2021 Compared to the First Quarter of 2020

Core Bank⁽³⁾

Net income from Core Banking was \$16.4 million for the first quarter of 2021, an increase of \$6.4 million, or 64%, over the first quarter of 2020. Primarily driving this rise in net income was a solid increase in net interest income, strong growth in Mortgage Banking income, and a meaningful, positive reduction in the Provision for Expected Credit Loss Expense (“Provision”), as the Core Bank made a substantial Provision during the first quarter of 2020 after the onset of the COVID-19 pandemic.

Net Interest Income – Core Bank net interest income increased to \$48.3 million for the first quarter of 2021, a \$3.1 million, or 7%, increase from the first quarter of 2020. This growth was driven primarily by the following:

- During the first quarter of 2021, the Core Bank recognized \$5.6 million of fee income on its PPP portfolio, driven significantly by the forgiveness and payoff of \$182 million of PPP loans during the period. As of March 31, 2021, net PPP loans of \$383 million remained on the Core Bank’s balance sheet, including \$218 million in loan balances originated during 2020, \$176 million in loan balances originated during the first quarter of 2021, and \$11 million of unaccreted PPP lender fees reported as a credit offset to these originated balances. Unaccreted PPP lender fees will generally be recognized into income over the estimated remaining life of the PPP portfolio, with fee recognition accelerated if loans are forgiven or repaid earlier than estimated.
- Net interest income from the Core Bank’s Warehouse segment increased \$2.5 million, or 57%, from the first quarter of 2020 to the first quarter of 2021. Average outstanding Warehouse balances grew from \$643 million during the first quarter of 2020 to \$790 million during the first quarter of 2021, as committed Warehouse lines-of-credit grew from \$1.1 billion at March 31, 2020 to \$1.4 billion at March 31, 2021. Average usage rates for Warehouse lines were strong at 56% and 54%, respectively, during the first quarters of 2020 and 2021.
- Offsetting the positive impacts above, net interest income from Traditional Banking, excluding accreted PPP lender fees, decreased \$5.1 million, or 12%, from the first quarter 2020, as the Traditional Bank’s net interest margin declined from 3.80% for the first quarter of 2020 to 3.47% for the first quarter of 2021. The decline in the net interest margin was substantially driven by a 71-basis

point decline in the Traditional Bank's yield on its average interest-earning assets from the first quarter of 2020 to the first quarter of 2021, as the majority of the Traditional Bank's growth in interest-earning assets during the previous 12 months was in lower-yielding cash and investment securities instead of loans.

The following tables present by reportable segment the overall changes in the Core Bank's net interest income, net interest margin, as well as average and period-end loan balances:

(dollars in thousands) Reportable Segment	Net Interest Income			Net Interest Margin		
	Three Months Ended Mar. 31,			Three Months Ended Mar. 31,		
	2021	2020	Change	2021	2020	Change
Traditional Banking	\$ 41,102	\$ 40,620	\$ 482	3.47 %	3.80 %	(0.33)%
Warehouse Lending	6,772	4,307	2,465	3.43	2.68	0.75
Mortgage Banking*	409	214	195	NM	NM	NM
Total Core Bank	\$ 48,283	\$ 45,141	\$ 3,142	3.46 %	3.65 %	(0.19)%

(dollars in thousands) Reportable Segment	Average Loan Balances				Period-End Loan Balances			
	Three Months Ended Mar. 31,				Mar. 31,			
	2021	2020	\$ Change	% Change	2021	2020	\$ Change	% Change
Traditional Banking	\$ 3,670,205	\$ 3,550,852	\$ 119,353	3 %	\$ 3,654,967	\$ 3,536,804	\$ 118,163	3 %
Warehouse Lending	790,244	643,182	147,062	23	866,844	850,454	16,390	2
Mortgage Banking*	39,462	18,003	21,459	119	63,636	39,384	24,252	62
Total Core Bank	\$ 4,499,911	\$ 4,212,037	\$ 287,874	7 %	\$ 4,585,447	\$ 4,426,642	\$ 158,805	4 %

*Includes loans held for sale

NM – Not meaningful

Provision for Expected Credit Loss Expense – The Core Bank's Provision swung to a net credit of \$247,000 for the first quarter of 2021 from a net charge of \$5.9 million for the first quarter of 2020. The net credit during the first quarter of 2021 primarily reflected a decrease in required reserves for the Core Bank's Warehouse Lending portfolio, as Warehouse period-end balances decreased from \$964 million at December 31, 2020 to \$867 million at March 31, 2021. The relatively large net charge to the Provision during the first quarter of 2020 primarily reflected economic concerns and uncertainty driven by the onset of the COVID-19 pandemic.

As a percentage of total loans, the Core Bank's Allowance increased from 0.97% as of March 31, 2020 to 1.14% as of March 31, 2021. The table below provides a view of the Company's percentage of Allowance-to-total-loans by reportable segment.

(dollars in thousands) Reportable Segment	As of Mar. 31, 2021			As of Mar. 31, 2020			Year-over-Year Change	
	Gross Loans	Allowance	Allowance to Loans	Gross Loans	Allowance	Allowance to Loans	Allowance to Loans	% Increase
Traditional Bank, Less PPP	\$ 3,271,656	\$ 49,386	1.51 %	\$ 3,536,804	\$ 40,554	1.15 %	0.36 %	32 %
Plus: Paycheck Protection Program	383,311	—		—	—			
Traditional Bank	\$ 3,654,967	\$ 49,386	1.35	3,536,804	40,554	1.15	0.20	18
Warehouse Lending	866,844	2,165	0.25	850,454	2,126	0.25	—	—
Total Core Bank	4,521,811	51,551	1.14	4,387,258	42,680	0.97	0.17	17
Total Republic Processing Group	144,782	31,131	21.50	128,341	27,751	21.62	(0.12)	(1)
Total Company	\$ 4,666,593	\$ 82,682	1.77 %	\$ 4,515,599	\$ 70,431	1.56 %	0.21 %	14 %

During 2020, due to pandemic-driven hardship the Company accommodated \$800 million, or approximately 20% of its Traditional Bank loan portfolio through loan deferrals and forbearance agreements. At March 31, 2021, \$33 million, or 1% of Traditional Bank loans remained under some form of pandemic-driven hardship accommodation.

The table below presents the Core Bank's credit quality metrics:

Core Banking Credit Quality Ratios	Quarters Ended:		Years Ended:		
	Mar. 31,	Mar. 31,	Dec. 31,	Dec. 31,	Dec. 31,
	2021	2020	2020	2019	2018
Nonperforming loans to total loans	0.49 %	0.46 %	0.50 %	0.54 %	0.40 %
Nonperforming assets to total loans (including OREO)	0.53	0.47	0.56	0.54	0.40
Delinquent loans* to total loans	0.19	0.27	0.21	0.30	0.22
Net charge-offs (recoveries) to average loans (Quarterly rates annualized)	0.03	(0.03)	0.03	0.11	0.06

OREO = Other Real Estate Owned

*Loans 30-days-or-more past due

Noninterest Income – Core Bank noninterest income was \$14.0 million during the first quarter of 2021, an increase of \$2.0 million, or 16%, from the first quarter of 2020. The increase in noninterest income was driven primarily by the following:

- Mortgage Banking income increased \$2.4 million over the first quarter of 2020 to \$7.2 million for the first quarter of 2021. For the first quarter of 2021, the Core Bank originated \$214 million in secondary market loans and achieved an average gain-as-a-percent-of-loans-sold during the period of 3.95%, with comparable originations of \$125 million and comparable gains of 2.80% during the first quarter of 2020. Favorable market conditions drove a higher gain percentage for the Core Bank during the last nine months of 2020 and for a portion of the first quarter of 2021, with these favorable conditions normalizing moderately during February 2021 and through the end of the quarter.
- Interchange fee income increased \$476,000, or 19%, driven by a rise in debit transactions following a reduction in pandemic-related economic restrictions and two rounds of stimulus payments during the first quarter of 2021.
- Partially offsetting the increases above, other noninterest income decreased \$642,000, partially because the Core Bank recognized a \$353,000 non-recurring gain on one of its former banking centers during the first quarter of 2020.

Noninterest Expense – Core Bank noninterest expense was \$41.5 million for the first quarter of 2021 compared to \$39.4 million for the first quarter of 2020. The increase in noninterest expense was driven primarily by the following:

- Salaries and Benefits increased from \$23.1 million during the first quarter of 2020 to \$25.5 million for the first quarter of 2021. Primarily driving the increase was a \$680,000 increase in mortgage banking commissions and a \$390,000, or 22%, increase in health-related benefit costs.
- Partially offsetting the increases above, Bank Franchise Tax expense decreased \$456,000. As previously reported, Kentucky enacted HB354 in March 2019 and as a result, the Bank transitioned from a capital-based bank franchise tax to the Kentucky corporate income tax on January 1, 2021.

Republic Processing Group⁽⁴⁾

The Republic Processing Group (“RPG”) reported net income of \$4.0 million for the first quarter of 2021 compared to \$16.7 million for the same period in 2020, with the lower 2021 net income substantially driven by an \$11.6 million negative swing in net income from RPG’s TRS segment.

Tax Refund Solutions

TRS recorded a net loss of \$97,000 for the first quarter of 2021 compared to net income of \$11.5 million for the same period in 2020. Management believes that first quarter economic impact (stimulus) payments, pandemic health risks, and a two-week delay in the start to the 2021 tax season had a large, negative impact on TRS operations, including driving down demand for its two primary tax products: the Easy Advance (“EA”) loans and Refund Transfers. In addition, Management believes the emphasis by the Internal Revenue Service to distribute stimulus checks could have possibly delayed the timing of tax refund payments and thus the normal paydown patterns of TRS’s EAs. These external influences had the following impact to TRS’s first quarter tax season:

- Fees earned on EAs decreased to \$12.8 million for the first quarter of 2021 from \$19.3 million for the first quarter in 2020, as EAs originated decreased to \$250 million from \$388 million during the same periods.
- TRS’s Provision for EAs was \$23.4 million, or 9.3% of the \$250 million in EAs originated during the first quarter of 2021 compared to a Provision of \$15.2 million, or 3.9% of the \$388 million of EAs originated during the first quarter of 2020. The increased Provision for the first quarter of 2021 was due to a significantly lower amount of refund payments received from the U.S. Treasury as a percentage of total EAs originated for the first quarter of 2021 as compared to the first quarter of 2020. While the Company is uncertain how much the COVID-19 pandemic and the U.S. government’s stimulus program may have contributed to the slower refund payments for 2021, management believes it has adequately adjusted its expected loss rate to absorb EA losses based on information known through the date of this release.

EAs are only originated during the first two months of each year, with all uncollected EAs charged off by June 30th of each year. EAs collected during the second half of each year are recorded as recoveries of previously charged-off loans. TRS’s EA loss rate as of June 30, 2020 was 5.04% of total 2020 EA originations and it finished 2020 with an EA loss rate of 3.36% of total EAs originated.

- Net refund transfer fees decreased \$3.1 million, or 20%, to \$12.7 million for the first quarter of 2021 compared to \$15.8 million for the same period in 2020, as RTs processed decreased 20% from period to period.

Partially offsetting the above, TRS program fees increased \$584,000 from the first quarter of 2020 as a result of the Company’s May 1, 2020 assumption of \$250 million in prepaid card balances.

Republic Credit Solutions

Net income at Republic Credit Solutions (“RCS”) decreased to \$4.1 million for the first quarter of 2021 from \$5.2 million for the first quarter of 2020. The decrease in RCS’s net income primarily reflected a \$3.2 million decrease in RCS’s revenues partially offset by a \$2.1 million reduction in Provision. Both decreases resulted primarily from a \$10 million decrease in outstanding balances for RCS’s primary line-of-credit product over the previous 12 months following a reduction of marketing for this product during the first half of 2020. RCS began incrementally increasing its marketing for this line-of-credit product during the third quarter of 2020.

Total Company Income Taxes

The Company's effective tax rate increased to 22.6% for the first quarter of 2021 compared to 20.5% for the same period in 2020. The higher effective rate during the first quarter of 2021 primarily reflected the Bank's transition from a capital-based bank franchise tax to a Kentucky corporate income tax on January 1, 2021. The current Kentucky corporate income tax rate is 5%.

Republic Bancorp, Inc. (the "Company") is the parent company of Republic Bank & Trust Company (the "Bank"). The Bank currently has 42 full-service banking centers throughout five states: 28 banking centers in 8 Kentucky communities – Covington, Crestview Hills, Florence, Georgetown, Lexington, Louisville, Shelbyville, and Shepherdsville; three banking centers in southern Indiana – Floyds Knobs, Jeffersonville, and New Albany; seven banking centers in six Florida communities (Tampa MSA) – Largo, New Port Richey, St. Petersburg, Seminole, Tampa, and Temple Terrace; two banking centers in two Tennessee communities (Nashville MSA) – Cool Springs and Green Hills; and two banking centers in two Ohio communities (Cincinnati MSA) – Norwood and West Chester. The Bank offers internet banking at www.republicbank.com. The Bank also offers separately branded, nation-wide digital banking at www.mymemorybank.com. The Company has \$6.5 billion in assets and is headquartered in Louisville, Kentucky. The Company's Class A Common Stock is listed under the symbol "RBCAA" on the NASDAQ Global Select Market.

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Forward-Looking Statements

This press release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The forward-looking statements in the preceding paragraphs are based on our current expectations and assumptions regarding our business, the future impact to our balance sheet and income statement resulting from changes in interest rates, the yield curve, the ability to develop products and strategies in order to meet the Company's long-term strategic goals, the economy, and other future conditions, including, but not limited to, the timing of PPP loan forgiveness and the impact of the COVID-19 pandemic. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Our actual results may differ materially from those contemplated by forward-looking statements. We caution you therefore against relying on any of these forward-looking statements. They are neither statements of historical fact nor guarantees or assurances of future performance. Actual results could differ materially based upon factors disclosed from time to time in the Company's filings with the U.S. Securities and Exchange Commission, including those factors set forth as "Risk Factors" in the Company's Annual Report on Form 10-K for the period ended December 31, 2020. The Company undertakes no obligation to update any forward-looking statements, except as required by applicable law.

Footnotes:

- (1) PPP – The U.S. Small Business Administration's Paycheck Protection Program.
- (2) Core deposits, a non-GAAP measure, are total deposits excluding time deposits greater than or equal to \$250,000, all brokered deposits, and all deposits attributable to the Company's RPG operations. Core deposits are intended to include those deposits that are more stable and lower cost and that reprice more slowly than other deposits when interest rates rise. The following table reconciles noninterest-bearing and interest-bearing deposits in accordance with GAAP to core deposits:

<i>(dollars in thousands)</i>	Mar. 31, 2021	Dec. 31, 2020	\$ Change	% Change
Noninterest-bearing deposits - GAAP	\$ 2,276,348	\$ 1,890,416	\$ 385,932	20 %
Less: Noninterest-bearing deposits - RPG	687,701	386,754	300,947	78
Noninterest-bearing core deposits - Non-GAAP (a)	\$ 1,588,647	\$ 1,503,662	\$ 84,985	6 %
Interest-bearing deposits - GAAP	\$ 2,995,144	\$ 2,842,765	\$ 152,379	5 %
Less: Time deposits, \$250,000 and over	77,014	83,448	(6,434)	(8)
Less: Core Bank brokered deposits	40,504	25,010	15,494	62
Less: Interest-bearing deposits - RPG	2,964	6,673	(3,709)	(56)
Interest-bearing core deposits - Non-GAAP (b)	\$ 2,874,662	\$ 2,727,634	\$ 147,028	5 %
Total core deposits - Non-GAAP (a+b)	\$ 4,463,309	\$ 4,231,296	\$ 232,013	5 %

- (3) "Core Bank" or "Core Banking" operations consist of the Traditional Banking, Warehouse Lending, and Mortgage Banking segments.

- (4) Republic Processing Group operations consist of the Tax Refund Solutions and Republic Credit Solutions segments.

NM – Not meaningful

NA – Not applicable

CONTACT:
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EARNINGS RELEASE FINANCIAL SUPPLEMENT

FIRST QUARTER 2021

TABLE OF CONTENTS

<u>YEAR TO YEAR COMPARISON</u>	S-2
<u>Balance Sheet Data</u>	S-2
<u>Average Balance Sheet Data</u>	S-2
<u>Income Statement Data</u>	S-3
<u>Selected Data and Ratios</u>	S-4
<u>Credit Quality Data and Ratios</u>	S-5
<u>QUARTERLY COMPARISON</u>	S-6
<u>Balance Sheet Data</u>	S-6
<u>Average Balance Sheet Data</u>	S-6
<u>Income Statement Data</u>	S-7
<u>Selected Data and Ratios</u>	S-8
<u>Credit Quality Data and Ratios</u>	S-9
<u>SEGMENT DATA</u>	S-10
<u>Quarter to Date Income Statement by Segment</u>	S-11
<u>FOOTNOTES</u>	S-12

[Table of Contents](#)

Republic Bancorp, Inc.
Earnings Release Financial Supplement
First Quarter 2021

(all amounts other than per share amounts, number of employees, and number of banking centers are expressed in thousands unless otherwise noted)

Balance Sheet Data

	<u>Mar. 31, 2021</u>	<u>Dec. 31, 2020</u>	<u>Mar. 31, 2020</u>
Assets:			
Cash and cash equivalents	\$ 984,857	\$ 485,587	\$ 316,263
Investment securities, net of allowance for credit losses	532,443	580,270	608,330
Loans held for sale	79,307	51,643	54,904
Loans	4,666,593	4,813,103	4,515,599
Allowance for credit losses	<u>(82,682)</u>	<u>(61,067)</u>	<u>(70,431)</u>
Loans, net	4,583,911	4,752,036	4,445,168
Federal Home Loan Bank stock, at cost	13,153	17,397	38,900
Premises and equipment, net	38,324	39,512	44,215
Right-of-use assets	41,911	43,345	34,349
Goodwill	16,300	16,300	16,300
Other real estate owned ("OREO")	2,015	2,499	85
Bank owned life insurance ("BOLI")	68,408	68,018	66,822
Other assets and accrued interest receivable	109,482	111,718	96,697
Total assets	<u>\$ 6,470,111</u>	<u>\$ 6,168,325</u>	<u>\$ 5,722,033</u>
Liabilities and Stockholders' Equity:			
Deposits:			
Noninterest-bearing	\$ 2,276,348	\$ 1,890,416	\$ 1,300,891
Interest-bearing	<u>2,995,144</u>	<u>2,842,765</u>	<u>2,770,566</u>
Total deposits	5,271,492	4,733,181	4,071,457
Securities sold under agreements to repurchase and other short-term borrowings	175,580	211,026	126,080
Operating lease liabilities	42,854	44,340	35,537
Federal Home Loan Bank advances	25,000	235,000	572,500
Subordinated note	41,240	41,240	41,240
Other liabilities and accrued interest payable	81,841	80,215	91,173
Total liabilities	5,638,007	5,345,002	4,937,987
Stockholders' equity	832,104	823,323	784,046
Total liabilities and stockholders' equity	<u>\$ 6,470,111</u>	<u>\$ 6,168,325</u>	<u>\$ 5,722,033</u>

Average Balance Sheet Data

	<u>Three Months Ended Mar. 31,</u>	
	<u>2021</u>	<u>2020</u>
Assets:		
Federal funds sold and other interest-earning deposits	\$ 510,433	\$ 207,335
Investment securities, including FHLB stock	563,985	519,726
Loans, including loans held for sale	4,745,656	4,493,137
Total interest-earning assets	5,820,074	5,220,198
Total assets	6,302,294	5,626,946
Liabilities and Stockholders' Equity:		
Noninterest-bearing deposits	\$ 2,146,036	\$ 1,249,025
Interest-bearing deposits	2,909,017	2,855,332
Securities sold under agreements to repurchase and other short-term borrowings	192,669	208,969
Federal Home Loan Bank advances	43,167	371,319
Subordinated note	41,240	41,240
Total interest-bearing liabilities	3,186,093	3,476,860
Stockholders' equity	836,212	778,900

[Table of Contents](#)**Republic Bancorp, Inc.**
Earnings Release Financial Supplement
First Quarter 2021 (continued)

(all amounts other than per share amounts, number of employees, and number of banking centers are expressed in thousands unless otherwise noted)

Income Statement Data

	Three Months Ended Mar. 31,	
	2021	2020
Total interest income (1)	\$ 69,557	\$ 81,159
Total interest expense	1,777	8,421
Net interest income	67,780	72,738
Provision for expected credit loss expense	22,608	22,760
Noninterest income:		
Service charges on deposit accounts	2,873	3,136
Net refund transfer fees	12,721	15,823
Mortgage banking income	7,193	4,795
Interchange fee income	3,027	2,552
Program fees	2,225	2,624
Increase in cash surrender value of BOLI	390	389
Net gains (losses) on OREO	(11)	3
Other	619	1,247
Total noninterest income	29,037	30,569
Noninterest expense:		
Salaries and employee benefits	29,337	26,622
Technology, equipment, and communication	7,043	6,870
Occupancy	3,559	3,217
Marketing and development	773	833
FDIC insurance expense	446	—
Bank franchise tax expense	328	2,506
Interchange related expense	1,144	1,076
Other real estate owned and other repossession expense	(34)	18
Legal and professional fees	1,214	1,237
Other	4,001	4,590
Total noninterest expense	47,811	46,969
Income before income tax expense	26,398	33,578
Income tax expense	5,965	6,881
Net income	\$ 20,433	\$ 26,697

[Table of Contents](#)**Republic Bancorp, Inc.**
Earnings Release Financial Supplement
First Quarter 2021 (continued)

(all amounts other than per share amounts, number of employees, and number of banking centers are expressed in thousands unless otherwise noted)

Selected Data and Ratios

	Three Months Ended Mar. 31,	
	2021	2020
Per Share Data:		
Basic weighted average shares outstanding	20,997	21,035
Diluted weighted average shares outstanding	21,062	21,094
Period-end shares outstanding:		
Class A Common Stock	18,628	18,687
Class B Common Stock	2,198	2,200
Book value per share (2)	\$ 39.96	\$ 37.54
Tangible book value per share (2)	38.80	36.45
Earnings per share ("EPS"):		
Basic EPS - Class A Common Stock	\$ 0.99	\$ 1.29
Basic EPS - Class B Common Stock	0.90	1.17
Diluted EPS - Class A Common Stock	0.98	1.28
Diluted EPS - Class B Common Stock	0.89	1.16
Cash dividends declared per Common share:		
Class A Common Stock	\$ 0.308	\$ 0.286
Class B Common Stock	0.280	0.260
Performance Ratios:		
Return on average assets	1.30 %	1.90 %
Return on average equity	9.77	13.71
Efficiency ratio (3)	49	45
Yield on average interest-earning assets (1)	4.78	6.22
Cost of average interest-bearing liabilities	0.22	0.97
Cost of average deposits (4)	0.12	0.61
Net interest spread (1)	4.56	5.25
Net interest margin - Total Company (1)	4.66	5.57
Net interest margin - Core Bank (5)	3.46	3.65
Other Information:		
End of period FTEs (6) - Total Company	1,086	1,077
End of period FTEs - Core Bank	990	994
Number of full-service banking centers	42	42

[Table of Contents](#)

Republic Bancorp, Inc.
Earnings Release Financial Supplement
First Quarter 2021 (continued)

(all amounts other than per share amounts, number of employees, and number of banking centers are expressed in thousands unless otherwise noted)

Credit Quality Data and Ratios

	As of and for the	
	Three Months Ended Mar. 31,	
	2021	2020
Credit Quality Asset Balances:		
Nonperforming Assets - Total Company:		
Loans on nonaccrual status	\$ 22,004	\$ 20,358
Loans past due 90-days-or-more and still on accrual	517	495
Total nonperforming loans	22,521	20,853
OREO	2,015	85
Total nonperforming assets	<u>\$ 24,536</u>	<u>\$ 20,938</u>
Nonperforming Assets - Core Bank (5):		
Loans on nonaccrual status	\$ 22,004	\$ 20,358
Loans past due 90-days-or-more and still on accrual	—	—
Total nonperforming loans	22,004	20,358
OREO	2,015	85
Total nonperforming assets	<u>\$ 24,019</u>	<u>\$ 20,443</u>
Delinquent loans:		
Delinquent loans - Core Bank	\$ 8,560	\$ 11,863
Delinquent loans - RPG (7) (9)	6,426	30,764
Total delinquent loans - Total Company	<u>\$ 14,986</u>	<u>\$ 42,627</u>

Credit Quality Ratios - Total Company:

Nonperforming loans to total loans	0.48 %	0.46 %
Nonperforming assets to total loans (including OREO)	0.53	0.46
Nonperforming assets to total assets	0.38	0.37
Allowance for credit losses to total loans	1.77	1.56
Allowance for credit losses to nonperforming loans	367	338
Delinquent loans to total loans (8) (9)	0.32	0.94
Net charge-offs to average loans (annualized)	0.09	0.19

Credit Quality Ratios - Core Bank:

Nonperforming loans to total loans	0.49 %	0.46 %
Nonperforming assets to total loans (including OREO)	0.53	0.47
Nonperforming assets to total assets	0.42	0.38
Allowance for credit losses to total loans	1.14	0.97
Allowance for credit losses to nonperforming loans	234	210
Delinquent loans to total loans	0.19	0.27
Net charge-offs (recoveries) to average loans (annualized)	0.03	(0.03)

[Table of Contents](#)

Republic Bancorp, Inc.
Earnings Release Financial Supplement
First Quarter 2021 (continued)

(all amounts other than per share amounts, number of employees, and number of banking centers are expressed in thousands unless otherwise noted)

Balance Sheet Data

	Quarterly Comparison				
	Mar. 31, 2021	Dec. 31, 2020	Sep. 30, 2020	Jun. 30, 2020	Mar. 31, 2020
Assets:					
Cash and cash equivalents	\$ 984,857	\$ 485,587	\$ 342,028	\$ 560,195	\$ 316,263
Investment securities, net of allowance for credit losses	532,443	580,270	607,556	545,607	608,330
Loans held for sale	79,307	51,643	56,752	52,992	54,904
Loans	4,666,593	4,813,103	4,994,374	5,065,092	4,515,599
Allowance for credit losses	(82,682)	(61,067)	(59,891)	(55,097)	(70,431)
Loans, net	4,583,911	4,752,036	4,934,483	5,009,995	4,445,168
Federal Home Loan Bank stock, at cost	13,153	17,397	19,634	25,629	38,900
Premises and equipment, net	38,324	39,512	40,946	42,753	44,215
Right-of-use assets	41,911	43,345	43,643	34,450	34,349
Goodwill	16,300	16,300	16,300	16,300	16,300
Other real estate owned	2,015	2,499	2,056	2,194	85
Bank owned life insurance	68,408	68,018	67,617	67,217	66,822
Other assets and accrued interest receivable	109,482	111,718	109,431	103,243	96,697
Total assets	\$ 6,470,111	\$ 6,168,325	\$ 6,240,446	\$ 6,460,575	\$ 5,722,033
Liabilities and Stockholders' Equity:					
Deposits:					
Noninterest-bearing	\$ 2,276,348	\$ 1,890,416	\$ 1,876,418	\$ 1,821,400	\$ 1,300,891
Interest-bearing	2,995,144	2,842,765	3,115,911	3,196,685	2,770,566
Total deposits	5,271,492	4,733,181	4,992,329	5,018,085	4,071,457
Securities sold under agreements to					
repurchase and other short-term borrowings	175,580	211,026	126,172	177,397	126,080
Operating lease liabilities, net	42,854	44,340	44,710	35,571	35,537
Federal Reserve Paycheck Protection Program Liquidity Facility	—	—	—	169,209	—
Federal Home Loan Bank advances	25,000	235,000	132,500	137,500	572,500
Subordinated note	41,240	41,240	41,240	41,240	41,240
Other liabilities and accrued interest payable	81,841	80,215	93,133	85,954	91,173
Total liabilities	5,638,007	5,345,002	5,430,084	5,664,956	4,937,987
Stockholders' equity	832,104	823,323	810,362	795,619	784,046
Total liabilities and stockholders' equity	\$ 6,470,111	\$ 6,168,325	\$ 6,240,446	\$ 6,460,575	\$ 5,722,033

Average Balance Sheet Data

	Quarterly Comparison				
	Mar. 31, 2021	Dec. 31, 2020	Sep. 30, 2020	Jun. 30, 2020	Mar. 31, 2020
Assets:					
Federal funds sold and other interest-earning deposits	\$ 510,433	\$ 311,584	\$ 313,281	\$ 299,760	\$ 207,335
Investment securities, including FHLB stock	563,985	610,287	600,943	605,776	519,726
Loans, including loans held for sale	4,745,656	4,916,968	4,907,106	4,867,622	4,493,137
Total interest-earning assets	5,820,074	5,838,839	5,821,330	5,773,158	5,220,198
Total assets	6,302,294	6,170,766	6,152,043	6,094,421	5,626,946
Liabilities and Stockholders' Equity:					
Noninterest-bearing deposits	\$ 2,146,036	\$ 1,892,259	\$ 1,846,552	\$ 1,697,603	\$ 1,249,025
Interest-bearing deposits	2,909,017	2,977,579	2,939,063	2,880,988	2,855,332
Securities sold under agreements to					
repurchase and other short-term borrowings	192,669	220,406	213,010	176,541	208,969
Federal Reserve Paycheck Protection Program Liquidity Facility	—	—	53,338	122,769	—
Federal Home Loan Bank advances	43,167	88,533	126,250	263,296	371,319
Subordinated note	41,240	41,240	41,240	41,240	41,240
Total interest-bearing liabilities	3,186,093	3,327,758	3,372,901	3,484,834	3,476,860
Stockholders' equity	836,212	823,109	811,351	797,227	778,900

[Table of Contents](#)**Republic Bancorp, Inc.**
Earnings Release Financial Supplement
First Quarter 2021 (continued)

(all amounts other than per share amounts, number of employees, and number of banking centers are expressed in thousands unless otherwise noted)

Income Statement Data

	Three Months Ended				
	Mar. 31, 2021	Dec. 31, 2020	Sep. 30, 2020	Jun. 30, 2020	Mar. 31, 2020
Total interest income (1)	\$ 69,557	\$ 57,970	\$ 56,038	\$ 57,091	\$ 81,159
Total interest expense	1,777	2,850	3,786	4,886	8,421
Net interest income	67,780	55,120	52,252	52,205	72,738
Provision for expected credit loss expense	22,608	484	1,500	6,534	22,760
Noninterest income:					
Service charges on deposit accounts	2,873	3,011	3,017	2,451	3,136
Net refund transfer fees	12,721	409	1,152	2,913	15,823
Mortgage banking income	7,193	7,879	10,775	8,398	4,795
Interchange fee income	3,027	2,917	2,911	2,808	2,552
Program fees	2,225	1,846	1,487	1,138	2,624
Increase in cash surrender value of BOLI	390	401	400	395	389
Net gains (losses) on OREO	(11)	(30)	(14)	1	3
Other	619	703	869	647	1,247
Total noninterest income	29,037	17,136	20,597	18,751	30,569
Noninterest expense:					
Salaries and employee benefits	29,337	26,553	26,667	26,324	26,622
Technology, equipment, and communication	7,043	7,701	7,533	7,024	6,870
Occupancy	3,559	3,546	3,367	3,308	3,217
Marketing and development	773	1,261	919	1,018	833
FDIC insurance expense	446	366	345	299	—
Bank franchise tax expense	328	975	974	914	2,506
Interchange related expense	1,144	998	1,056	1,173	1,076
Other real estate owned and other repossession expense	(34)	1	6	21	18
Legal and professional fees	1,214	734	1,248	1,025	1,237
FHLB advance prepayment penalties	—	2,108	—	—	—
Other	4,001	3,897	3,408	3,719	4,590
Total noninterest expense	47,811	48,140	45,523	44,825	46,969
Income before income tax expense	26,398	23,632	25,826	19,597	33,578
Income tax expense	5,965	3,276	5,437	3,793	6,881
Net income	\$ 20,433	\$ 20,356	\$ 20,389	\$ 15,804	\$ 26,697

[Table of Contents](#)

Republic Bancorp, Inc.
Earnings Release Financial Supplement
First Quarter 2021 (continued)

(all amounts other than per share amounts, number of employees, and number of banking centers are expressed in thousands unless otherwise noted)

Selected Data and Ratios

	As of and for the Three Months Ended				
	<u>Mar. 31, 2021</u>	<u>Dec. 31, 2020</u>	<u>Sep. 30, 2020</u>	<u>Jun. 30, 2020</u>	<u>Mar. 31, 2020</u>
Per Share Data:					
Basic weighted average shares outstanding	20,997	21,037	21,026	21,004	21,035
Diluted weighted average shares outstanding	21,062	21,072	21,046	21,029	21,094
Period-end shares outstanding:					
Class A Common Stock	18,628	18,697	18,715	18,708	18,687
Class B Common Stock	2,198	2,199	2,200	2,200	2,200
Book value per share (2)	\$ 39.96	\$ 39.40	\$ 38.75	\$ 38.05	\$ 37.54
Tangible book value per share (2)	38.80	38.27	37.63	36.93	36.45
Earnings per share ("EPS"):					
Basic EPS - Class A Common Stock	\$ 0.99	\$ 0.98	\$ 0.98	\$ 0.77	\$ 1.29
Basic EPS - Class B Common Stock	0.90	0.89	0.89	0.69	1.17
Diluted EPS - Class A Common Stock	0.98	0.98	0.98	0.76	1.28
Diluted EPS - Class B Common Stock	0.89	0.89	0.89	0.69	1.16
Cash dividends declared per Common share:					
Class A Common Stock	\$ 0.308	\$ 0.286	\$ 0.286	\$ 0.286	\$ 0.286
Class B Common Stock	0.280	0.260	0.260	0.260	0.260
Performance Ratios:					
Return on average assets	1.30 %	1.32 %	1.33 %	1.04 %	1.90 %
Return on average equity	9.77	9.89	10.05	7.93	13.71
Efficiency ratio (3)	49	67	62	63	45
Yield on average interest-earning assets (1)	4.78	3.97	3.85	3.96	6.22
Cost of average interest-bearing liabilities	0.22	0.34	0.45	0.56	0.97
Cost of average deposits (4)	0.12	0.19	0.24	0.32	0.61
Net interest spread (1)	4.56	3.63	3.40	3.40	5.25
Net interest margin - Total Company (1)	4.66	3.78	3.59	3.62	5.57
Net interest margin - Core Bank (5)	3.46	3.48	3.25	3.23	3.65
Other Information:					
End of period FTEs (6) - Total Company	1,086	1,094	1,085	1,094	1,077
End of period FTEs - Core Bank	990	997	993	1,001	994
Number of full-service banking centers	42	42	42	42	42

[Table of Contents](#)

Republic Bancorp, Inc.
Earnings Release Financial Supplement
First Quarter 2021 (continued)

(all amounts other than per share amounts, number of employees, and number of banking centers are expressed in thousands unless otherwise noted)

Credit Quality Data and Ratios

	As of and for the Three Months Ended				
	Mar. 31, 2021	Dec. 31, 2020	Sep. 30, 2020	Jun. 30, 2020	Mar. 31, 2020
Credit Quality Asset Balances:					
Nonperforming Assets - Total Company:					
Loans on nonaccrual status	\$ 22,004	\$ 23,548	\$ 20,910	\$ 19,884	\$ 20,358
Loans past due 90-days-or-more and still on accrual	517	47	175	535	495
Total nonperforming loans	22,521	23,595	21,085	20,419	20,853
OREO	2,015	2,499	2,056	2,194	85
Total nonperforming assets	<u>\$ 24,536</u>	<u>\$ 26,094</u>	<u>\$ 23,141</u>	<u>\$ 22,613</u>	<u>\$ 20,938</u>
Nonperforming Assets - Core Bank (5):					
Loans on nonaccrual status	\$ 22,004	\$ 23,548	\$ 20,910	\$ 19,884	\$ 20,358
Loans past due 90-days-or-more and still on accrual	—	5	—	—	—
Total nonperforming loans	22,004	23,553	20,910	19,884	20,358
OREO	2,015	2,499	2,056	2,194	85
Total nonperforming assets	<u>\$ 24,019</u>	<u>\$ 26,052</u>	<u>\$ 22,966</u>	<u>\$ 22,078</u>	<u>\$ 20,443</u>
Delinquent Loans:					
Delinquent loans - Core Bank	\$ 8,560	\$ 9,713	\$ 11,069	\$ 7,861	\$ 11,863
Delinquent loans - RPG (7) (9)	6,426	10,234	5,984	6,185	30,764
Total delinquent loans - Total Company	<u>\$ 14,986</u>	<u>\$ 19,947</u>	<u>\$ 17,053</u>	<u>\$ 14,046</u>	<u>\$ 42,627</u>
Credit Quality Ratios - Total Company:					
Nonperforming loans to total loans	0.48 %	0.49 %	0.42 %	0.40 %	0.46 %
Nonperforming assets to total loans (including OREO)	0.53	0.54	0.46	0.45	0.46
Nonperforming assets to total assets	0.38	0.42	0.37	0.35	0.37
Allowance for credit losses to total loans	1.77	1.27	1.20	1.09	1.56
Allowance for credit losses to nonperforming loans	367	259	284	270	338
Delinquent loans to total loans (8) (9)	0.32	0.41	0.34	0.28	0.94
Net charge-offs (recoveries) to average loans (annualized)	0.09	(0.04)	(0.27)	1.80	0.19
Credit Quality Ratios - Core Bank:					
Nonperforming loans to total loans	0.49 %	0.50 %	0.43 %	0.40 %	0.46 %
Nonperforming assets to total loans (including OREO)	0.53	0.56	0.47	0.44	0.47
Nonperforming assets to total assets	0.42	0.45	0.39	0.36	0.38
Allowance for credit losses to total loans	1.14	1.11	1.05	0.92	0.97
Allowance for credit losses to nonperforming loans	234	221	245	230	210
Delinquent loans to total loans	0.19	0.21	0.23	0.16	0.27
Net charge-offs (recoveries) to average loans (annualized)	0.03	0.07	0.03	0.04	(0.03)

Republic Bancorp, Inc.
Earnings Release Financial Supplement
First Quarter 2021 (continued)

Segment Data:

Reportable segments are determined by the type of products and services offered and the level of information provided to the chief operating decision maker, who uses such information to review performance of various components of the business (such as banking centers and business units), which are then aggregated if operating performance, products/services, and clients are similar.

As of March 31, 2021, the Company was divided into five reportable segments: Traditional Banking, Warehouse Lending (“Warehouse”), Mortgage Banking, Tax Refund Solutions (“TRS”), and Republic Credit Solutions (“RCS”). Management considers the first three segments to collectively constitute “Core Bank” or “Core Banking” operations, while the last two segments collectively constitute Republic Processing Group (“RPG”) operations.

The nature of segment operations and the primary drivers of net revenues by reportable segment are provided below:

Reportable Segment:	Nature of Operations:	Primary Drivers of Net Revenue:
Core Banking:		
Traditional Banking	Provides traditional banking products to clients in its market footprint primarily via its network of banking centers and to clients outside of its market footprint primarily via its digital delivery channels.	Loans, investments, and deposits.
Warehouse Lending	Provides short-term, revolving credit facilities to mortgage bankers across the United States.	Mortgage warehouse lines of credit.
Mortgage Banking	Primarily originates, sells and services long-term, single-family, first-lien residential real estate loans primarily to clients in the Bank’s market footprint.	Loan sales and servicing.
Republic Processing Group:		
Tax Refund Solutions	TRS offers tax-related credit products and facilitates the receipt and payment of federal and state tax refunds through Refund Transfer products. The RPS division of TRS offers general-purpose reloadable cards. TRS and RPS products are primarily provided to clients outside of the Bank’s market footprint.	Loans, refund transfers, and prepaid cards.
Republic Credit Solutions	Offers consumer credit products. RCS products are primarily provided to clients outside of the Bank’s market footprint, with a substantial portion of RCS clients considered subprime or near-prime borrowers.	Unsecured, consumer loans.

The accounting policies used for Republic’s reportable segments are the same as those described in the summary of significant accounting policies in the Company’s 2020 Annual Report on Form 10-K. Republic evaluates segment performance using operating income. The Company allocates goodwill to the Traditional Banking segment. Republic generally allocates income taxes based on income before income tax expense unless reasonable and specific segment allocations can be made. The Company makes transactions among reportable segments at carrying value.

[Table of Contents](#)

Republic Bancorp, Inc.
Earnings Release Financial Supplement
First Quarter 2021 (continued)

Segment information for the quarters ended March 31, 2021 and 2020 follows:

<i>(dollars in thousands)</i>	Three Months Ended March 31, 2021							
	Core Banking				Republic Processing Group ("RPG")			Total Company
	Traditional Banking	Warehouse Lending	Mortgage Banking	Total Core Banking	Tax Refund Solutions	Republic Credit Solutions	Total RPG	
Net interest income	\$ 41,102	\$ 6,772	\$ 409	\$ 48,283	\$ 14,676	\$ 4,821	\$ 19,497	\$ 67,780
Provision for expected credit loss expense	(5)	(242)	—	(247)	23,230	(375)	22,855	22,608
Net refund transfer fees	—	—	—	—	12,721	—	12,721	12,721
Mortgage banking income	—	—	7,193	7,193	—	—	—	7,193
Program fees	—	—	—	—	896	1,329	2,225	2,225
Other noninterest income	6,784	14	28	6,826	72	—	72	6,898
Total noninterest income	6,784	14	7,221	14,019	13,689	1,329	15,018	29,037
Total noninterest expense	37,328	1,028	3,121	41,477	5,302	1,032	6,334	47,811
Income (loss) before income tax expense	10,563	6,000	4,509	21,072	(167)	5,493	5,326	26,398
Income tax expense (benefit)	2,239	1,434	992	4,665	(70)	1,370	1,300	5,965
Net income (loss)	\$ 8,324	\$ 4,566	\$ 3,517	\$ 16,407	\$ (97)	\$ 4,123	\$ 4,026	\$ 20,433
Period-end assets	\$ 4,783,411	\$ 865,655	\$ 78,760	\$ 5,727,826	\$ 625,690	\$ 116,595	\$ 742,285	\$ 6,470,111
Net interest margin	3.47 %	3.43 %	NM	3.46 %	NM	NM	NM	4.66 %
Net-revenue concentration*	50 %	7 %	8 %	65 %	29 %	6 %	35 %	100 %

<i>(dollars in thousands)</i>	Three Months Ended March 31, 2020							
	Core Banking				Republic Processing Group ("RPG")			Total Company
	Traditional Banking	Warehouse Lending	Mortgage Banking	Total Core Banking	Tax Refund Solutions	Republic Credit Solutions	Total RPG	
Net interest income	\$ 40,620	\$ 4,307	\$ 214	\$ 45,141	\$ 20,525	\$ 7,072	\$ 27,597	\$ 72,738
Provision for expected credit loss expense	5,589	332	—	5,921	15,133	1,706	16,839	22,760
Net refund transfer fees	—	—	—	—	15,823	—	15,823	15,823
Mortgage banking income	—	—	4,795	4,795	—	—	—	4,795
Program fees	—	—	—	—	312	2,312	2,624	2,624
Other noninterest income	7,235	11	24	7,270	57	—	57	7,327
Total noninterest income	7,235	11	4,819	12,065	16,192	2,312	18,504	30,569
Total noninterest expense	36,647	803	1,996	39,446	6,629	894	7,523	46,969
Income before income tax expense	5,619	3,183	3,037	11,839	14,955	6,784	21,739	33,578
Income tax expense	460	716	638	1,814	3,497	1,570	5,067	6,881
Net income	\$ 5,159	\$ 2,467	\$ 2,399	\$ 10,025	\$ 11,458	\$ 5,214	\$ 16,672	\$ 26,697
Period-end assets	\$ 4,471,235	\$ 851,405	\$ 53,298	\$ 5,375,938	\$ 240,898	\$ 105,197	\$ 346,095	\$ 5,722,033
Net interest margin	3.80 %	2.68 %	NM	3.65 %	NM	NM	NM	5.57 %
Net-revenue concentration*	46 %	4 %	5 %	55 %	36 %	9 %	45 %	100 %

*Net revenues represent total net interest income plus noninterest income. Net-revenue concentration equals segment-level net revenue divided by total Company net revenue.

Republic Bancorp, Inc.
Earnings Release Financial Supplement
First Quarter 2021 (continued)

Footnotes:

(1) *The amount of loan fee income can meaningfully impact total interest income, loan yields, net interest margin, and net interest spread. The amount of loan fee income included in total interest income was \$25.7 million and \$28.5 million for the quarters ended March 31, 2021 and 2020.*

The amount of loan fee income included in total interest income per quarter was as follows: \$25.7 million (quarter ended March 31, 2021); \$10.8 million (quarter ended December 31, 2020); \$7.9 million (quarter ended September 30, 2020); \$7.8 million (quarter ended June 30, 2020); and \$28.5 million (quarter ended March 31, 2020).

Included in the above totals, fee income recognized on PPP loans totaled \$5.6 million (quarter ended March 31, 2021); \$4.8 million (quarter ended December 31, 2020); \$2.1 million (quarter ended September 30, 2020); and \$1.6 million (quarter ended June 30, 2020).

Interest income for Easy Advances (“EAs”) is composed entirely of loan fees. The loan fees disclosed above included EA fees of \$12.8 million and \$19.3 million for the quarters ended March 31, 2021 and 2020. EAs are only offered during the first two months of each year.

(2) *The following table provides a reconciliation of total stockholders’ equity in accordance with GAAP to tangible stockholders’ equity in accordance with applicable regulatory requirements, a non-GAAP disclosure. The Company provides the tangible book value per share, a non-GAAP measure, in addition to those defined by banking regulators, because of its widespread use by investors as a means to evaluate capital adequacy.*

	Quarterly Comparison				
	Mar. 31, 2021	Dec. 31, 2020	Sep. 30, 2020	Jun. 30, 2020	Mar. 31, 2020
<i>(dollars in thousands, except per share data)</i>					
Total stockholders' equity - GAAP (a)	\$ 832,104	\$ 823,323	\$ 810,362	\$ 795,619	\$ 784,046
Less: Goodwill	16,300	16,300	16,300	16,300	16,300
Less: Mortgage servicing rights	7,711	7,095	6,674	6,711	5,994
Less: Core deposit intangible	53	189	283	377	423
Tangible stockholders' equity - Non-GAAP (c)	<u>\$ 808,040</u>	<u>\$ 799,739</u>	<u>\$ 787,105</u>	<u>\$ 772,231</u>	<u>\$ 761,329</u>
Total assets - GAAP (b)	\$ 6,470,111	\$ 6,168,325	\$ 6,240,446	\$ 6,460,575	\$ 5,722,033
Less: Goodwill	16,300	16,300	16,300	16,300	16,300
Less: Mortgage servicing rights	7,711	7,095	6,674	6,711	5,994
Less: Core deposit intangible	53	189	283	377	423
Tangible assets - Non-GAAP (d)	<u>\$ 6,446,047</u>	<u>\$ 6,144,741</u>	<u>\$ 6,217,189</u>	<u>\$ 6,437,187</u>	<u>\$ 5,699,316</u>
Total stockholders' equity to total assets - GAAP (a/b)	12.86 %	13.35 %	12.99 %	12.31 %	13.70 %
Tangible stockholders' equity to tangible assets - Non-GAAP (c/d)	12.54 %	13.02 %	12.66 %	12.00 %	13.36 %
Number of shares outstanding (e)	<u>20,826</u>	<u>20,896</u>	<u>20,915</u>	<u>20,908</u>	<u>20,887</u>
Book value per share - GAAP (a/e)	\$ 39.96	\$ 39.40	\$ 38.75	\$ 38.05	\$ 37.54
Tangible book value per share - Non-GAAP (c/e)	38.80	38.27	37.63	36.93	36.45

[Table of Contents](#)

- (3) *The efficiency ratio, a non-GAAP measure with no GAAP comparable, equals total noninterest expense divided by the sum of net interest income and noninterest income. The ratio excludes net gains (losses) on sales, calls, and impairment of investment securities.*

<i>(dollars in thousands)</i>	Three Months Ended Mar. 31,	
	2021	2020
Net interest income - GAAP	\$ 67,780	\$ 72,738
Noninterest income - GAAP	29,037	30,569
Less: Net gain (loss) on sales, calls, and impairment of debt and equity securities	(35)	40
Total adjusted income - Non-GAAP (a)	<u>\$ 96,852</u>	<u>\$ 103,267</u>
Noninterest expense - GAAP (b)	<u>\$ 47,811</u>	<u>\$ 46,969</u>
Efficiency Ratio - Non-GAAP (b/a)	49 %	45 %

<i>(dollars in thousands)</i>	Three Months Ended				
	Mar. 31, 2021*	Dec. 31, 2020	Sep. 30, 2020	Jun. 30, 2020	Mar. 31, 2020*
Net interest income - GAAP	\$ 67,780	\$ 55,120	\$ 52,252	\$ 52,205	\$ 72,738
Noninterest income - GAAP	29,037	17,136	20,597	18,751	30,569
Less: Net gain (loss) on sales, calls, and impairment of debt and equity securities	(35)	(12)	5	16	40
Total adjusted income - Non-GAAP (a)	<u>\$ 96,852</u>	<u>\$ 72,268</u>	<u>\$ 72,844</u>	<u>\$ 70,940</u>	<u>\$ 103,267</u>
Noninterest expense - GAAP (b)	<u>\$ 47,811</u>	<u>\$ 48,140</u>	<u>\$ 45,523</u>	<u>\$ 44,825</u>	<u>\$ 46,969</u>
Efficiency Ratio - Non-GAAP (b/a)	49 %	67 %	62 %	63 %	45 %

*The Company's efficiency ratio for the first quarter of each year traditionally benefits from seasonal revenues from its TRS segment.

- (4) *The cost of average deposits ratio equals annualized total interest expense on deposits divided by total average interest-bearing deposits plus total average noninterest-bearing deposits.*
- (5) *"Core Bank" or "Core Banking" operations consist of the Traditional Banking, Warehouse Lending, and Mortgage Banking segments.*
- (6) *FTEs – Full-time-equivalent employees.*
- (7) *Republic Processing Group operations consist of the Tax Refund Solutions and Republic Credit Solutions segments.*
- (8) *The delinquent loans to total loans ratio equals loans 30-days-or-more past due divided by total loans. Depending on loan class, loan delinquency is determined by the number of days or the number of payments past due.*
- (9) *Delinquent loans for the RPG segment included \$23 million of EAs at March 31, 2020. EAs are only offered during the first two months of each year. EAs do not have a contractual due date but were eligible for delinquency consideration 21 days (in 2020) and 35 days (in 2021) after the taxpayer-customer's tax return was submitted to the applicable tax authority. The number of days for delinquency eligibility is based on an analysis of tax return processing times. All unpaid EAs are charged-off by the end of the second quarter of each year.*

NM – Not meaningful

NA – Not applicable

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