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Republic Bancorp, Inc. Reports 7% Increase in Third Quarter Net Income from Continuing Operations

October 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”) is pleased to report third quarter 2021 net income from continuing operations⁽¹⁾ of \$18.4 million, a 7% increase compared to the third quarter of 2020. Third quarter Diluted Earnings per Class A Common Share (“Diluted EPS”) from continuing operations was \$0.91, an increase of approximately 10% over the \$0.83 earned during the third quarter of 2020.

Year-to-date net income from continuing operations was \$55.2 million, a \$5.9 million, or 12%, increase from the same period in 2020, resulting in return on average assets (“ROA”) and return on average equity (“ROE”) from continuing operations of 1.16% and 8.72% for the first nine months of 2021.

[Logan Pichel](#), CEO and President of Republic Bank & Trust Company, commented, “We are proud of the strong results we have posted throughout another year disrupted by the pandemic. Our third quarter of 2021 was solid, with net income from continuing operations up 7% over the third quarter of 2020 and Diluted EPS up even more thanks to our recent stock buyback program. Furthermore, our continued strategic focus on expense discipline played a large role in the 3% reduction in noninterest expense from continuing operations for the quarter.

“Within our Core Banking⁽²⁾ operations, net income was up 12% for the quarter. Strong PPP⁽³⁾ fee revenue within our Traditional Banking segment was a key component in offsetting the expected decline in Mortgage Banking income from the record levels achieved during 2020, as well as, general compression within our net interest margin resulting from the current low interest rate environment. Our Core Banking Provision⁽⁴⁾ was substantially higher during the third quarter of 2020 due to a meaningful build of our Allowance⁽⁴⁾ brought on by the uncertainty of the COVID pandemic. While some level of COVID uncertainty will likely remain in the foreseeable future, we believe our current Core Bank Allowance is at an appropriate level to cover remaining life-of-loan losses.

“Regarding our balance sheet, the story for the third quarter continues to be our record level of deposits, as we ended the third quarter with \$4.9 billion in deposits, a 5% increase since December 31, 2020. As a result of our strong levels of deposits, capital and excess liquidity, we repaid our \$41 million subordinated note at the end of the third quarter, which will help us moderate net interest margin compression going forward.

“Finally, we are thrilled to be recognized by *Newsweek* as one of America’s Best Banks 2022. Republic was named as the Best Bank in Kentucky with assets up to \$10 billion based on factors including the overall health of the bank, customer service performance and features, digital and branch presence, account and loan options, and interest rate offerings and fees. We are proud of this recognition and our strong third quarter results, and we are confident that we will continue to produce solid results for our shareholders in these unprecedented times,” concluded Pichel.

The following table highlights Republic’s key metrics for the three and nine months ended September 30, 2021 and 2020. Additional financial details, including segment-level data, 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 October 22, 2021.*

| Total Company Financial Performance Highlights* | | | | | | | | |
|---|------------------------------------|------------------|------------------|-----------------|-----------------------------------|------------------|------------------|-----------------|
| <i>(dollars in thousands, except per share data)</i> | Three Months Ended Sep. 30, | | | | Nine Months Ended Sep. 30, | | | |
| | 2021 | 2020 | \$ Change | % Change | 2021 | 2020 | \$ Change | % Change |
| Income from Continuing Operations Before Income Tax Expense | \$ 24,157 | \$ 21,829 | \$ 2,328 | 11 % | \$ 70,948 | \$ 61,451 | \$ 9,497 | 15 % |
| Income from Discontinued Operations Before Income Tax Expense | 2,070 | 3,997 | (1,927) | NM | 19,584 | 17,550 | 2,034 | 12 |
| Income Before Income Tax Expense | \$ 26,227 | \$ 25,826 | \$ 401 | 2 % | \$ 90,532 | \$ 79,001 | \$ 11,531 | 15 % |
| Income from Continuing Operations, net of tax | \$ 18,412 | \$ 17,275 | \$ 1,137 | 7 % | \$ 55,240 | \$ 49,344 | \$ 5,896 | 12 % |
| Income from Discontinued Operations, net of tax | 1,597 | 3,114 | (1,517) | NM | 14,744 | 13,546 | 1,198 | 9 |
| Net Income | \$ 20,009 | \$ 20,389 | \$ (380) | (2)% | \$ 69,984 | \$ 62,890 | \$ 7,094 | 11 % |
| Diluted EPS from Continuing Operations | \$ 0.91 | \$ 0.83 | \$ 0.08 | 10 % | \$ 2.68 | \$ 2.37 | \$ 0.31 | 13 % |
| Diluted EPS from Discontinued Operations | 0.08 | 0.15 | (0.07) | NM | 0.71 | 0.65 | 0.06 | 9 |
| Diluted EPS | \$ 0.99 | \$ 0.98 | \$ 0.01 | 1 % | \$ 3.39 | \$ 3.02 | \$ 0.37 | 12 % |
| Return on Average Assets ("ROA") | 1.27 % | 1.33 % | NA | (5)% | 1.47 % | 1.41 % | NA | 4 % |
| ROA from Continuing Operations | 1.17 | 1.12 | NA | 4 | 1.16 | 1.11 | NA | 5 |
| Return on Average Equity ("ROE") | 9.43 % | 10.05 % | NA | (6)% | 11.04 % | 10.54 % | NA | 5 % |
| ROE from Continuing Operations | 8.68 | 8.52 | NA | 2 | 8.72 | 8.27 | NA | 5 |

*See Footnote 1 for additional information on the Company’s discontinued operations.

NA – Not applicable

NM – Not meaningful

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

Core Bank⁽²⁾ (Includes Continuing Operations Only)

Net income from Core Banking was \$15.5 million for the third quarter of 2021, a 12% increase from the third quarter of 2020 primarily resulting from a positive \$6.1 million reduction in Provision partially offset by a \$5.5 million reduction in Mortgage Banking income.

Net Interest Income – Core Bank net interest income was \$46.8 million for the third quarter of 2021, a \$443,000, or 1%, increase from the third quarter of 2020. This increase was driven primarily by the following:

- The Core Bank recognized \$5.7 million of fees and interest on its PPP portfolio during the third quarter of 2021 compared to \$3.5 million of similar fees and interest during the same period in 2020. The \$2.2 million increase in PPP fees and interest was driven significantly by the forgiveness, payoff, and paydown of \$130 million of PPP loans during the third quarter of 2021. As of September 30,

2021, net PPP loans of \$126 million remained on the Core Bank's balance sheet, including \$19 million in loan balances originated during 2020, \$111 million in loan balances originated during 2021, and \$4 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.

- Traditional Bank net interest income increased \$1.5 million, or 4%, and the Traditional Bank net interest margin remained at 3.22% when comparing the third quarter of 2020 to the third quarter of 2021. However, excluding PPP fees and interest⁽³⁾, Traditional Bank net interest income decreased \$627,000, or 2%, from the third quarter 2020, and the Traditional Bank's net interest margin, excluding PPP loans and related fees and interest, declined from 3.28% for the third quarter of 2020 to 2.87% for the third quarter of 2021. The decline in the net interest margin was substantially driven by a 66-basis point decline in the Traditional Bank's yield on its average non-PPP interest-earning assets from the third quarter of 2020 to the third quarter of 2021, as the majority of the Traditional Bank's growth in non-PPP interest-earning assets during the previous 12 months was in lower-yielding cash instead of loans.
- Net interest income from the Core Bank's Warehouse segment decreased \$1.1 million, or 14%, from the third quarter of 2020 to the third quarter of 2021 driven primarily by a decrease in average outstanding balances, while the net interest margin for the Warehouse segment increased from 3.41% to 3.51% during the same time periods. Overall average outstanding Warehouse balances declined from \$860 million during the third quarter of 2020 to \$717 million for the third quarter of 2021, as home-mortgage refinancing dipped from record highs during 2020. Committed Warehouse lines-of-credit grew to \$1.4 billion as of September 30, 2021 from \$1.3 billion as of September 30, 2020, while average usage rates for Warehouse lines were 51% and 68%, respectively, during the third quarters of 2021 and 2020.

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:

| <i>(dollars in thousands)</i> Reportable Segment | Net Interest Income | | | Net Interest Margin | | |
|---|-----------------------------|-----------|----------|-----------------------------|--------|--------|
| | Three Months Ended Sep. 30, | | | Three Months Ended Sep. 30, | | |
| | 2021 | 2020 | Change | 2021 | 2020 | Change |
| Traditional Banking | \$ 40,297 | \$ 38,753 | \$ 1,544 | 3.22 % | 3.22 % | — % |
| Warehouse Lending | 6,291 | 7,345 | (1,054) | 3.51 | 3.41 | 0.10 |
| Mortgage Banking* | 253 | 300 | (47) | NM | NM | NM |
| Total Core Bank | \$ 46,841 | \$ 46,398 | \$ 443 | 3.25 % | 3.25 % | — % |

| <i>(dollars in thousands)</i> Reportable Segment | Average Loan Balances | | | | Period-End Loan Balances | | | |
|---|-----------------------------|--------------|--------------|----------|--------------------------|--------------|--------------|----------|
| | Three Months Ended Sep. 30, | | | | Sep. 30, | | | |
| | 2021 | 2020 | \$ Change | % Change | 2021 | 2020 | \$ Change | % Change |
| Traditional Banking | \$ 3,529,057 | \$ 3,906,335 | \$ (377,278) | (10)% | \$ 3,476,388 | \$ 3,856,504 | \$ (380,116) | (10)% |
| Warehouse Lending | 717,036 | 860,420 | (143,384) | (17) | 750,682 | 1,028,675 | (277,993) | (27) |
| Mortgage Banking* | 29,959 | 26,127 | 3,832 | 15 | 25,791 | 44,860 | (19,069) | (43) |
| Total Core Bank | \$ 4,276,052 | \$ 4,792,882 | \$ (516,830) | (11)% | \$ 4,252,861 | \$ 4,930,039 | \$ (677,178) | (14)% |

*Includes loans held for sale

NM – Not meaningful

On September 30, 2021, the Company utilized its excess balance sheet liquidity to fully repay its \$41 million subordinated note and redeem the related trust preferred securities. Prior to payoff, the Company paid interest on the subordinated note equal to 3-month LIBOR plus 1.42%. The repayment of the note and the redemption

of the securities are expected to have an annualized pre-tax benefit of approximately \$627,000 to the Company and the Core Bank's income from continuing operations.

Provision for Expected Credit Loss Expense – The Core Bank's Provision swung to a net credit of \$267,000 for the third quarter of 2021 from a net charge of \$5.9 million for the third quarter of 2020. The net credit during the third quarter of 2021 was primarily driven by a decrease in required reserves for the Core Bank's Warehouse Lending portfolio, as Warehouse period-end balances decreased during the quarter. The charge to the Provision during the third quarter of 2020 primarily reflected ongoing economic concerns and uncertainty driven by the COVID-19 pandemic. As of September 30, 2021, while the Core Bank's credit metrics remained solid, the Company's Allowance remained generally elevated compared to historical levels due to the continued uncertainty caused by the pandemic and the public response to it.

As a percentage of total loans, the Core Bank's Allowance increased from 1.05% as of September 30, 2020 to 1.22% as of September 30, 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 Sep. 30, 2021 | | | As of Sep. 30, 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 | \$ 3,350,117 | \$ 49,487 | 1.48 % | \$ 3,341,954 | \$ 48,657 | 1.46 % | 0.02 % | 1 % |
| Plus: Paycheck Protection Program | 126,271 | — | | 514,550 | — | | | |
| Traditional Bank | \$ 3,476,388 | \$ 49,487 | 1.42 | 3,856,504 | 48,657 | 1.26 | 0.16 | 13 |
| Warehouse Lending | 750,682 | 1,877 | 0.25 | 1,028,675 | 2,572 | 0.25 | — | — |
| Total Core Bank | 4,227,070 | 51,364 | 1.22 | 4,885,179 | 51,229 | 1.05 | 0.17 | 16 |
| Total Republic Processing Group | 116,712 | 11,660 | 9.99 | 108,962 | 8,662 | 7.95 | 2.04 | 26 |
| Total Company | \$ 4,343,782 | \$ 63,024 | 1.45 % | \$ 4,994,141 | \$ 59,891 | 1.20 % | 0.25 % | 21 % |

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

| Core Banking Credit Quality Ratios | Quarters Ended: | | | Years Ended: | | |
|---|------------------------------------|---------------|---------------|---------------|---------------|---------------|
| | Sep. 30, 2021 | Jun. 30, 2021 | Mar. 31, 2021 | Dec. 31, 2020 | Dec. 31, 2019 | Dec. 31, 2018 |
| | Nonperforming loans to total loans | 0.48 % | 0.49 % | 0.49 % | 0.50 % | 0.54 % |
| Nonperforming assets to total loans (including OREO) | 0.52 | 0.53 | 0.53 | 0.56 | 0.54 | 0.40 |
| Delinquent loans* to total loans | 0.18 | 0.22 | 0.19 | 0.21 | 0.30 | 0.22 |
| Net charge-offs (recoveries) to average loans (Quarterly rates annualized) | (0.02) | — | 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 \$13.5 million during the third quarter of 2021, a decrease of \$4.4 million, or 25%, from the third quarter of 2020. The decrease in noninterest income was driven primarily by the following:

- Mortgage Banking income decreased from \$10.8 million for the third quarter of 2020 to \$5.3 million for the third quarter of 2021. For the third quarter of 2021, the Core Bank originated \$170 million in secondary market loans and achieved an average cash gain-as-a-percent-of-loans-sold during the quarter of 2.94%, with both figures solid by normal historical comparisons. During the third quarter of 2020, however, secondary market originations were \$204 million with comparable gains-as-a-percent-of-loans-sold of 4.49%. Favorable market conditions during the third quarter of 2020 brought on by

the COVID pandemic drove gains-as-a-percent-of-loans-sold to all-time record highs for the entire mortgage industry.

- Offsetting the decrease in Mortgage Banking income were increases in Service Charges on Deposits of \$259,000 and Interchange Income of \$326,000. These increases largely reflect a rise in consumer spending activity at substantially higher levels than the period of pandemic-driven restricted spending during the third quarter of 2020.

Noninterest Expense – Core Bank noninterest expense was \$40.2 million for the third quarter of 2021 compared to \$41.1 million for the third quarter of 2020. The decrease in noninterest expense was driven primarily by the following:

- Bank Franchise Tax expense decreased \$696,000. As previously reported, Kentucky enacted HB354 in March 2019 and as a result, the Bank transitioned from a capital-based bank franchise tax to corporate income tax on January 1, 2021 for Kentucky state taxes.
- Other expenses decreased \$959,000 primarily resulting from lower supplies expense, freight expense, fraud-related expenses, and Provision for off-balance sheet credit exposures.
- Salaries and Benefits increased from \$23.2 million during the third quarter of 2020 to \$24.0 million for the third quarter of 2021, driven primarily by annual merit increases, which averaged approximately 3%, along with higher equity-based compensation expenses. These increases to compensation expense were partially offset by lower salaries resulting from a reduction in full-time equivalent employees (“FTEs”), which decreased from 997 FTEs as of December 31, 2020 to 966 FTEs as of September 30, 2021.

Republic Processing Group⁽⁵⁾ (Includes Continuing and Discontinued Operations)

RPG reported net income from continuing operations of \$2.9 million for the third quarter of 2021 compared to \$3.5 million for the same period in 2020. The decrease in earnings primarily reflected an increase in Provision partially offset by an increase in revenue, with both increases primarily driven by volatility in RPG’s primary line-of-credit product offered through RCS. Balances on this product rose \$4.5 million during the third quarter of 2021, driving higher general formula reserves to the Provision and higher fee income, while balances decreased \$1.3 million during the same quarter in 2020, having the opposite effect on Provision and fee income. Balance volatility during both periods was generally impacted by Company marketing strategies and government stimulus programs.

Net income from RPG’s discontinued operations at Tax Refund Solutions was \$1.6 million during the third quarter of 2021 compared to net income of \$3.1 million during the same period in 2020. The \$1.5 million decrease in net income primarily reflected fewer recoveries on previously charged-off Easy Advance loans (“EAs”) from period to period. EA recoveries, which positively reduce Provision expense, were \$2.3 million during the third quarter of 2021 compared to \$4.3 million during the third quarter of 2020.

With the third quarter EA paydowns, the percent of unpaid EAs to total EAs originated was 3.19% as of September 30, 2021. This compares to 3.93% as of September 30, 2020, a positive difference of 74 basis points. With all unpaid EAs having been charged off as of June 30, 2021, any EA payments received during the fourth quarter of 2021 will continue to represent recovery credits directly to income.

Total Company Income Taxes

The Company’s effective tax rate, when considering both discontinued and continuing operations, increased to 23.7% for the third quarter of 2021 compared to 21.1% for the same period in 2020. The higher effective rate during the third 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: twenty-eight banking centers in eight 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 Company has \$6.2 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.

Republic Bank. It’s just easier here.®

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, closing the sale of the TRS business to Green Dot, 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) *On May 13, 2021, the Bank entered into an Asset Purchase Agreement (the “Purchase Agreement”) with Green Dot providing for the purchase by Green Dot, upon the terms and subject to the conditions set forth therein, of substantially all of the assets and operations of the Bank’s Tax Refund Solutions business (the “Sale Transaction”).*

As a result of the Purchase Agreement and the Sale Transaction, the results for the Company, RPG, and its TRS segment are presented within this press release to reflect continuing versus discontinued operations. RPG’s continuing operations include its Republic Credit Solutions (“RCS”) segment, its Republic Payment Solutions (“RPS”) division, and certain overhead costs previously allocated to TRS that will remain with RPG. Discontinued operations are those expected to be sold. These discontinued operations have historically contained the majority of TRS’s revenue and expense. Interest income and expense for continuing and discontinued operations also include intercompany interest charged and earned based on the Company’s funds transfer pricing methodology.

On October 4, 2021, Green Dot announced that it had been unable to obtain the Federal Reserve’s approval of or non-objection to the Sale Transaction and that, as a result, Green Dot would not consummate the Sale Transaction. On October 5, 2021, the Bank filed a lawsuit against Green Dot in the Delaware Court of Chancery alleging breach of contract. In so doing, the Bank seeks, among other relief, specific performance to require that Green Dot proceed with the Sale Transaction as the parties had agreed to in the Purchase Agreement. Due to the inherent uncertainties of legal proceedings, the Company cannot predict the outcome of these proceedings at this time.

- (2) *“Core Bank” or “Core Banking” operations consist of the Traditional Banking, Warehouse Lending, and Mortgage Banking segments.*
- (3) *PPP – The U.S. Small Business Administration’s Paycheck Protection Program*

The Company earns lender fees and 1.0% coupon interest on its PPP portfolio. Due to the short-term nature of the PPP, management believes Traditional Bank net interest income excluding PPP fees and interest is a more appropriate measure to analyze the Traditional Bank’s net interest income and net interest margin. The following table reconciles Traditional Bank net interest income and net interest margin to Traditional Bank net interest income and net interest margin excluding PPP fees and interest, a non-GAAP measure. Net interest margin excluding PPP fees and interest presented below also excludes average PPP loans of \$186 million and \$513 million for the quarters ended September 30, 2021 and 2020.

| <i>(dollars in thousands)</i> | Net Interest Income | | | | Net Interest Margin | | |
|---|------------------------------------|------------------|------------------|-----------------|------------------------------------|-------------|---------------|
| | Three Months Ended Sep. 30, | | | | Three Months Ended Sep. 30, | | |
| | 2021 | 2020 | \$ Change | % Change | 2021 | 2020 | Change |
| Traditional Banking - GAAP | \$ 40,297 | \$ 38,753 | \$ 1,544 | 4 % | 3.22 % | 3.22 % | — % |
| Less: PPP fees and interest | 5,668 | 3,497 | 2,171 | 62 | 0.35 | (0.06) | 0.41 |
| Traditional Banking ex PPP lender fees - non-GAAP | <u>\$ 34,629</u> | <u>\$ 35,256</u> | <u>\$ (627)</u> | (2)% | 2.87 | 3.28 | (0.41) |

(4) *Provision – Provision for Expected Credit Loss Expense*
Allowance – Allowance for Credit Losses on Loans

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

NM – Not meaningful

NA – Not applicable

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EARNINGS RELEASE FINANCIAL SUPPLEMENT

THIRD QUARTER 2021

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Republic Bancorp, Inc.
Earnings Release Financial Supplement
Third 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>Sep. 30, 2021</u> | <u>Dec. 31, 2020</u> | <u>Sep. 30, 2020</u> |
|--|----------------------|----------------------|----------------------|
| Assets: | | | |
| Cash and cash equivalents | \$ 1,011,247 | \$ 485,587 | \$ 342,028 |
| Investment securities, net of allowance for credit losses | 543,449 | 580,270 | 607,556 |
| Loans held for sale | 40,546 | 51,643 | 56,752 |
| Loans of discontinued operations (1) | 24 | 23,765 | 233 |
| Loans | 4,343,782 | 4,789,338 | 4,994,141 |
| Allowance for credit losses | (63,024) | (61,067) | (59,891) |
| Loans, net | 4,280,758 | 4,728,271 | 4,934,250 |
| Federal Home Loan Bank stock, at cost | 10,311 | 17,397 | 19,634 |
| Premises and equipment, net | 37,499 | 39,512 | 40,946 |
| Right-of-use assets | 39,257 | 43,345 | 43,643 |
| Goodwill | 16,300 | 16,300 | 16,300 |
| Other real estate owned ("OREO") | 1,845 | 2,499 | 2,056 |
| Bank owned life insurance ("BOLI") | 99,634 | 68,018 | 67,617 |
| Other assets and accrued interest receivable | 106,764 | 111,718 | 109,431 |
| Total assets | \$ 6,187,634 | \$ 6,168,325 | \$ 6,240,446 |
| Liabilities and Stockholders' Equity: | | | |
| Deposits: | | | |
| Noninterest-bearing | \$ 2,053,485 | \$ 1,871,539 | \$ 1,855,502 |
| Interest-bearing | 2,861,399 | 2,842,765 | 3,115,911 |
| Deposits of discontinued operations (1) | 33,063 | 18,877 | 20,916 |
| Total deposits | 4,947,947 | 4,733,181 | 4,992,329 |
| Securities sold under agreements to repurchase and other short-term borrowings | 260,583 | 211,026 | 126,172 |
| Operating lease liabilities | 40,151 | 44,340 | 44,710 |
| Federal Home Loan Bank advances | 25,000 | 235,000 | 132,500 |
| Subordinated note | — | 41,240 | 41,240 |
| Other liabilities and accrued interest payable | 75,296 | 80,215 | 93,133 |
| Total liabilities | 5,348,977 | 5,345,002 | 5,430,084 |
| Stockholders' equity | 838,657 | 823,323 | 810,362 |
| Total liabilities and stockholders' equity | \$ 6,187,634 | \$ 6,168,325 | \$ 6,240,446 |

Average Balance Sheet Data (Continuing Operations) (1)

| | <u>Three Months Ended Sep. 30,</u> | | <u>Nine Months Ended Sep. 30,</u> | |
|--|------------------------------------|------------------|-----------------------------------|------------------|
| | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> |
| Assets: | | | | |
| Federal funds sold and other interest-earning deposits | \$ 930,823 | \$ 315,597 | \$ 901,086 | \$ 377,046 |
| Investment securities, including FHLB stock | 555,934 | 600,943 | 560,780 | 575,575 |
| Loans, including loans held for sale | 4,404,600 | 4,907,630 | 4,515,961 | 4,694,141 |
| Total interest-earning assets | 5,891,357 | 5,824,170 | 5,977,827 | 5,646,762 |
| Total assets | 6,288,014 | 6,151,538 | 6,336,094 | 5,948,459 |
| Liabilities and Stockholders' Equity: | | | | |
| Noninterest-bearing deposits | \$ 2,074,941 | \$ 1,817,820 | \$ 2,061,144 | \$ 1,506,109 |
| Interest-bearing deposits | 2,908,134 | 2,939,063 | 2,945,770 | 2,851,995 |
| Securities sold under agreements to repurchase and other short-term borrowings | 286,126 | 241,742 | 304,182 | 332,053 |
| Federal Reserve Paycheck Protection Program Liquidity Facility | — | 53,338 | — | 58,683 |
| Federal Home Loan Bank advances | 25,000 | 126,250 | 30,989 | 253,157 |
| Subordinated note | 40,792 | 41,240 | 41,089 | 41,240 |
| Total interest-bearing liabilities | 3,260,052 | 3,401,633 | 3,322,030 | 3,537,128 |
| Stockholders' equity | 848,935 | 811,351 | 844,885 | 795,883 |

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Republic Bancorp, Inc.
Earnings Release Financial Supplement
Third 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 Sep. 30, | | Nine Months Ended Sep. 30, | |
|---|-----------------------------|-----------|----------------------------|------------|
| | 2021 | 2020 | 2021 | 2020 |
| Total interest income (2) | \$ 53,700 | \$ 55,905 | \$ 160,266 | \$ 174,442 |
| Total interest expense | 1,391 | 3,856 | 4,941 | 18,109 |
| Net interest income | 52,309 | 52,049 | 155,325 | 156,333 |
| Provision for expected credit loss expense | 3,553 | 5,842 | 4,381 | 15,555 |
| Noninterest income: | | | | |
| Service charges on deposit accounts | 3,277 | 3,017 | 9,221 | 8,604 |
| Mortgage banking income | 5,280 | 10,775 | 16,655 | 23,968 |
| Interchange fee income | 3,200 | 2,874 | 9,539 | 8,093 |
| Program fees | 4,530 | 1,487 | 10,304 | 5,249 |
| Increase in cash surrender value of BOLI | 626 | 400 | 1,616 | 1,184 |
| Net losses on OREO | (52) | (14) | (107) | (10) |
| Other | 1,134 | 861 | 2,769 | 2,673 |
| Total noninterest income | 17,995 | 19,400 | 49,997 | 49,761 |
| Noninterest expense: | | | | |
| Salaries and employee benefits | 25,948 | 25,207 | 79,470 | 75,405 |
| Technology, equipment, and communication | 7,226 | 7,402 | 21,479 | 20,966 |
| Occupancy | 3,195 | 3,367 | 10,004 | 9,885 |
| Marketing and development | 1,234 | 864 | 3,085 | 2,574 |
| FDIC insurance expense | 325 | 345 | 1,039 | 644 |
| Bank franchise tax expense | 329 | 972 | 1,106 | 2,665 |
| Interchange related expense | 1,275 | 1,056 | 3,707 | 3,305 |
| Other real estate owned and other repossession expense | — | 6 | (32) | 45 |
| Legal and professional fees | 581 | 1,240 | 2,182 | 3,337 |
| Other | 2,481 | 3,319 | 7,953 | 10,262 |
| Total noninterest expense | 42,594 | 43,778 | 129,993 | 129,088 |
| Income from continuing operations before income tax expense | 24,157 | 21,829 | 70,948 | 61,451 |
| Income tax expense | 5,745 | 4,554 | 15,708 | 12,107 |
| Income from continuing operations | 18,412 | 17,275 | 55,240 | 49,344 |
| Discontinued operations (1) (2): | | | | |
| Income from discontinued operations before income taxes | 2,070 | 3,997 | 19,584 | 17,550 |
| Income tax expense | 473 | 883 | 4,840 | 4,004 |
| Income from discontinued operations, net of tax | 1,597 | 3,114 | 14,744 | 13,546 |
| Net income | \$ 20,009 | \$ 20,389 | \$ 69,984 | \$ 62,890 |

[Table of Contents](#)**Republic Bancorp, Inc.**
Earnings Release Financial Supplement
Third 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 for Discontinued Operations (1)

| | Three Months Ended Sep. 30, | | Nine Months Ended Sep. 30, | |
|---|------------------------------------|-------------|-----------------------------------|-------------|
| | 2021 | 2020 | 2021 | 2020 |
| Total interest income (2) | \$ 127 | \$ 205 | \$ 15,128 | \$ 22,521 |
| Total interest expense | 4 | 2 | 200 | 1,659 |
| Net interest income | 123 | 203 | 14,928 | 20,862 |
| Provision for expected credit loss expense | (2,261) | (4,342) | 7,850 | 15,239 |
| Noninterest income: | | | | |
| Net refund transfer fees | 1,280 | 1,152 | 19,922 | 19,888 |
| Interchange fee income | 63 | 37 | 232 | 178 |
| Other | 1 | 8 | 78 | 90 |
| Total noninterest income | 1,344 | 1,197 | 20,232 | 20,156 |
| Noninterest expense: | | | | |
| Salaries and employee benefits | 1,043 | 1,460 | 4,268 | 4,208 |
| Other | 615 | 285 | 3,458 | 4,021 |
| Total noninterest expense | 1,658 | 1,745 | 7,726 | 8,229 |
| Income from discontinued operations before income taxes | 2,070 | 3,997 | 19,584 | 17,550 |
| Income tax expense | 473 | 883 | 4,840 | 4,004 |
| Income from discontinued operations, net of tax | \$ 1,597 | \$ 3,114 | \$ 14,744 | \$ 13,546 |

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Republic Bancorp, Inc.
Earnings Release Financial Supplement
Third 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 Sep. 30, | | Nine Months Ended Sep. 30, | |
|---|------------------------------------|-------------|-----------------------------------|-------------|
| | 2021 | 2020 | 2021 | 2020 |
| Per Share Data: | | | | |
| Basic weighted average shares outstanding | 20,508 | 21,026 | 20,807 | 21,031 |
| Diluted weighted average shares outstanding | 20,591 | 21,046 | 20,879 | 21,068 |
| Period-end shares outstanding: | | | | |
| Class A Common Stock | 18,040 | 18,715 | 18,040 | 18,715 |
| Class B Common Stock | 2,165 | 2,200 | 2,165 | 2,200 |
| Book value per share (3) | \$ 41.51 | \$ 38.75 | \$ 41.51 | \$ 38.75 |
| Tangible book value per share (3) | 40.26 | 37.63 | 40.26 | 37.63 |
| Earnings per share ("EPS"): | | | | |
| Basic EPS - Class A Common Stock | \$ 0.99 | \$ 0.98 | \$ 3.40 | \$ 3.02 |
| Basic EPS - Class B Common Stock | 0.90 | 0.89 | 3.10 | 2.75 |
| Diluted EPS - Class A Common Stock | 0.99 | 0.98 | 3.39 | 3.02 |
| Diluted EPS - Class B Common Stock | 0.90 | 0.89 | 3.09 | 2.74 |
| Earnings per share from continuing operations: | | | | |
| Basic EPS - Class A Common Stock | \$ 0.91 | \$ 0.83 | \$ 2.69 | \$ 2.37 |
| Basic EPS - Class B Common Stock | 0.83 | 0.75 | 2.45 | 2.16 |
| Diluted EPS - Class A Common Stock | 0.91 | 0.83 | 2.68 | 2.37 |
| Diluted EPS - Class B Common Stock | 0.83 | 0.75 | 2.44 | 2.15 |
| Cash dividends declared per Common share: | | | | |
| Class A Common Stock | \$ 0.308 | \$ 0.286 | \$ 0.924 | \$ 0.858 |
| Class B Common Stock | 0.280 | 0.260 | 0.840 | 0.780 |
| Performance Ratios: | | | | |
| Return on average assets | 1.27 % | 1.33 % | 1.47 % | 1.41 % |
| Return on average assets from continuing operations | 1.17 | 1.12 | 1.16 | 1.11 |
| Return on average equity | 9.43 | 10.05 | 11.04 | 10.54 |
| Return on average equity from continuing operations | 8.68 | 8.52 | 8.72 | 8.27 |
| Efficiency ratio from continuing operations (4) | 61 | 61 | 63 | 63 |
| Yield on average interest-earning assets from continuing operations (2) | 3.65 | 3.84 | 3.57 | 4.12 |
| Cost of average interest-bearing liabilities from continuing operations | 0.17 | 0.45 | 0.20 | 0.68 |
| Cost of average deposits from continuing operations (5) | 0.09 | 0.24 | 0.11 | 0.38 |
| Net interest spread from continuing operations (2) | 3.48 | 3.39 | 3.37 | 3.44 |
| Net interest margin from continuing operations - Total Company (2) | 3.55 | 3.57 | 3.46 | 3.69 |
| Net interest margin from continuing operations - Core Bank (6) | 3.25 | 3.25 | 3.24 | 3.37 |
| Other Information: | | | | |
| End of period FTEs (7) - Total Company | 1,052 | 1,085 | 1,052 | 1,085 |
| End of period FTEs - Core Bank | 966 | 993 | 966 | 993 |
| Number of full-service banking centers | 42 | 42 | 42 | 42 |

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Republic Bancorp, Inc.
Earnings Release Financial Supplement
Third 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 | | As of and for the | |
|---|-----------------------------|-----------|----------------------------|-----------|
| | Three Months Ended Sep. 30, | | Nine Months Ended Sep. 30, | |
| | 2021 | 2020 | 2021 | 2020 |
| Credit Quality Asset Balances: | | | | |
| Nonperforming Assets - Total Company: | | | | |
| Loans on nonaccrual status | \$ 20,252 | \$ 20,910 | \$ 20,252 | \$ 20,910 |
| Loans past due 90-days-or-more and still on accrual | 691 | 175 | 691 | 175 |
| Total nonperforming loans | 20,943 | 21,085 | 20,943 | 21,085 |
| OREO | 1,845 | 2,056 | 1,845 | 2,056 |
| Total nonperforming assets | \$ 22,788 | \$ 23,141 | \$ 22,788 | \$ 23,141 |
| Nonperforming Assets - Core Bank (6): | | | | |
| Loans on nonaccrual status | \$ 20,252 | \$ 20,910 | \$ 20,252 | \$ 20,910 |
| Loans past due 90-days-or-more and still on accrual | — | — | — | — |
| Total nonperforming loans | 20,252 | 20,910 | 20,252 | 20,910 |
| OREO | 1,845 | 2,056 | 1,845 | 2,056 |
| Total nonperforming assets | \$ 22,097 | \$ 22,966 | \$ 22,097 | \$ 22,966 |
| Delinquent loans: | | | | |
| Delinquent loans - Core Bank | \$ 7,692 | \$ 11,069 | \$ 7,692 | \$ 11,069 |
| Delinquent loans - RPG (8) | 9,701 | 5,984 | 9,701 | 5,984 |
| Total delinquent loans - Total Company | \$ 17,393 | \$ 17,053 | \$ 17,393 | \$ 17,053 |

Credit Quality Ratios - Total Company:

| | | | | |
|--|--------|--------|--------|--------|
| Nonperforming loans to total loans | 0.48 % | 0.42 % | 0.48 % | 0.42 % |
| Nonperforming assets to total loans (including OREO) | 0.52 | 0.46 | 0.52 | 0.46 |
| Nonperforming assets to total assets | 0.37 | 0.37 | 0.37 | 0.37 |
| Allowance for credit losses to total loans | 1.45 | 1.20 | 1.45 | 1.20 |
| Allowance for credit losses to nonperforming loans | 301 | 284 | 301 | 284 |
| Delinquent loans to total loans (9) | 0.40 | 0.34 | 0.40 | 0.34 |
| Net charge-offs (recoveries) to average loans (annualized) | (0.13) | (0.27) | 0.31 | 0.59 |
| Net charge-offs from continuing operations to average loans (annualized) | 0.07 | 0.07 | 0.07 | 0.15 |

Credit Quality Ratios - Core Bank:

| | | | | |
|--|--------|--------|--------|--------|
| Nonperforming loans to total loans | 0.48 % | 0.43 % | 0.48 % | 0.43 % |
| Nonperforming assets to total loans (including OREO) | 0.52 | 0.47 | 0.52 | 0.47 |
| Nonperforming assets to total assets | 0.39 | 0.39 | 0.39 | 0.39 |
| Allowance for credit losses to total loans | 1.22 | 1.05 | 1.22 | 1.05 |
| Allowance for credit losses to nonperforming loans | 254 | 245 | 254 | 245 |
| Delinquent loans to total loans | 0.18 | 0.23 | 0.18 | 0.23 |
| Net charge-offs (recoveries) to average loans (annualized) | (0.02) | 0.03 | 0.01 | 0.01 |

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Republic Bancorp, Inc.
Earnings Release Financial Supplement
Third 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 | | | | |
|--|----------------------|---------------------|---------------------|---------------------|---------------------|
| | Sep. 30, 2021 | Jun. 30, 2021 | Mar. 31, 2021 | Dec. 31, 2020 | Sep. 30, 2020 |
| Assets: | | | | | |
| Cash and cash equivalents | \$ 1,011,247 | \$ 747,007 | \$ 984,857 | \$ 485,587 | \$ 342,028 |
| Investment securities, net of allowance for credit losses | 543,449 | 573,027 | 532,443 | 580,270 | 607,556 |
| Loans held for sale | 40,546 | 56,833 | 79,307 | 51,643 | 56,752 |
| Loans of discontinued operations (1) | 24 | 23 | 36,473 | 23,765 | 233 |
| Loans | 4,343,782 | 4,554,198 | 4,630,120 | 4,789,338 | 4,994,141 |
| Allowance for credit losses | (63,024) | (60,291) | (75,336) | (61,067) | (59,891) |
| Loans, net | 4,280,758 | 4,493,907 | 4,554,784 | 4,728,271 | 4,934,250 |
| Federal Home Loan Bank stock, at cost | 10,311 | 11,670 | 13,153 | 17,397 | 19,634 |
| Premises and equipment, net | 37,499 | 38,682 | 38,324 | 39,512 | 40,946 |
| Right-of-use assets | 39,257 | 40,698 | 41,911 | 43,345 | 43,643 |
| Goodwill | 16,300 | 16,300 | 16,300 | 16,300 | 16,300 |
| Other real estate owned | 1,845 | 1,898 | 2,015 | 2,499 | 2,056 |
| Bank owned life insurance | 99,634 | 99,008 | 68,408 | 68,018 | 67,617 |
| Other assets and accrued interest receivable | 106,764 | 104,257 | 108,565 | 111,718 | 109,431 |
| Total assets | \$ 6,187,634 | \$ 6,183,310 | \$ 6,476,540 | \$ 6,168,325 | \$ 6,240,446 |
| Liabilities and Stockholders' Equity: | | | | | |
| Deposits: | | | | | |
| Noninterest-bearing | \$ 2,053,485 | \$ 2,015,449 | \$ 2,170,109 | \$ 1,871,539 | \$ 1,855,502 |
| Interest-bearing | 2,861,399 | 2,955,145 | 2,995,144 | 2,842,765 | 3,115,911 |
| Deposits of discontinued operations (1) | 33,063 | 46,984 | 106,239 | 18,877 | 20,916 |
| Total deposits | 4,947,947 | 5,017,578 | 5,271,492 | 4,733,181 | 4,992,329 |
| Securities sold under agreements to repurchase and other short-term borrowings | 260,583 | 142,895 | 175,580 | 211,026 | 126,172 |
| Operating lease liabilities | 40,151 | 41,621 | 42,854 | 44,340 | 44,710 |
| Federal Reserve Paycheck Protection Program Liquidity Facility | — | — | — | — | — |
| Federal Home Loan Bank advances | 25,000 | 25,000 | 25,000 | 235,000 | 132,500 |
| Subordinated note | — | 41,240 | 41,240 | 41,240 | 41,240 |
| Other liabilities and accrued interest payable | 75,296 | 69,886 | 82,665 | 80,215 | 93,133 |
| Total liabilities | 5,348,977 | 5,338,220 | 5,638,831 | 5,345,002 | 5,430,084 |
| Stockholders' equity | 838,657 | 845,090 | 837,709 | 823,323 | 810,362 |
| Total liabilities and stockholders' equity | \$ 6,187,634 | \$ 6,183,310 | \$ 6,476,540 | \$ 6,168,325 | \$ 6,240,446 |

Average Balance Sheet Data (Continuing Operations) (1)

| | Quarterly Comparison | | | | |
|--|----------------------|------------------|------------------|------------------|------------------|
| | Sep. 30, 2021 | Jun. 30, 2021 | Mar. 31, 2021 | Dec. 31, 2020 | Sep. 30, 2020 |
| Assets: | | | | | |
| Federal funds sold and other interest-earning deposits | \$ 930,823 | \$ 988,171 | \$ 782,637 | \$ 321,075 | \$ 315,597 |
| Investment securities, including FHLB stock | 555,934 | 562,509 | 563,985 | 610,287 | 600,943 |
| Loans, including loans held for sale | 4,404,600 | 4,528,640 | 4,616,976 | 4,908,350 | 4,907,630 |
| Total interest-earning assets | 5,891,357 | 6,079,320 | 5,963,598 | 5,839,712 | 5,824,170 |
| Total assets | 6,288,014 | 6,435,422 | 6,284,812 | 6,170,486 | 6,151,538 |
| Liabilities and Stockholders' Equity: | | | | | |
| Noninterest-bearing deposits | \$ 2,074,941 | \$ 2,142,055 | \$ 1,965,230 | \$ 1,871,226 | \$ 1,817,820 |
| Interest-bearing deposits | 2,908,134 | 3,020,168 | 2,909,017 | 2,977,579 | 2,939,063 |
| Securities sold under agreements to repurchase and other short-term borrowings | 286,126 | 253,903 | 373,476 | 241,440 | 241,742 |
| Federal Reserve Paycheck Protection Program Liquidity Facility | — | — | — | — | 53,338 |
| Federal Home Loan Bank advances | 25,000 | 25,000 | 43,167 | 88,533 | 126,250 |
| Subordinated note | 40,792 | 41,240 | 41,240 | 41,240 | 41,240 |
| Total interest-bearing liabilities | 3,260,052 | 3,340,311 | 3,366,900 | 3,348,792 | 3,401,633 |
| Stockholders' equity | 848,935 | 849,305 | 836,274 | 823,109 | 811,351 |

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Republic Bancorp, Inc.
Earnings Release Financial Supplement
Third 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 | | | | |
|---|---------------------------|----------------------|----------------------|----------------------|----------------------|
| | Sep. 30, 2021 | Jun. 30, 2021 | Mar. 31, 2021 | Dec. 31, 2020 | Sep. 30, 2020 |
| Total interest income (2) | \$ 53,700 | \$ 51,284 | \$ 55,282 | \$ 57,908 | \$ 55,905 |
| Total interest expense | 1,391 | 1,646 | 1,904 | 2,880 | 3,856 |
| Net interest income | 52,309 | 49,638 | 53,378 | 55,028 | 52,049 |
| Provision for expected credit loss expense | 3,553 | 1,450 | (622) | 2,534 | 5,842 |
| Noninterest income: | | | | | |
| Service charges on deposit accounts | 3,277 | 3,071 | 2,873 | 3,011 | 3,017 |
| Mortgage banking income | 5,280 | 4,182 | 7,193 | 7,879 | 10,775 |
| Interchange fee income | 3,200 | 3,368 | 2,971 | 2,889 | 2,874 |
| Program fees | 4,530 | 3,549 | 2,225 | 1,846 | 1,487 |
| Increase in cash surrender value of BOLI | 626 | 600 | 390 | 401 | 400 |
| Net losses on OREO | (52) | (44) | (11) | (30) | (14) |
| Other | 1,134 | 1,035 | 600 | 701 | 861 |
| Total noninterest income | 17,995 | 15,761 | 16,241 | 16,697 | 19,400 |
| Noninterest expense: | | | | | |
| Salaries and employee benefits | 25,948 | 26,106 | 27,416 | 25,220 | 25,207 |
| Technology, equipment, and communication | 7,226 | 7,321 | 6,932 | 7,595 | 7,402 |
| Occupancy | 3,195 | 3,250 | 3,559 | 3,545 | 3,367 |
| Marketing and development | 1,234 | 1,120 | 731 | 1,079 | 864 |
| FDIC insurance expense | 325 | 418 | 296 | 366 | 345 |
| Bank franchise tax expense | 329 | 452 | 325 | 972 | 972 |
| Interchange related expense | 1,275 | 1,288 | 1,144 | 998 | 1,056 |
| Other real estate owned and other repossession expense | — | 2 | (34) | 1 | 6 |
| Legal and professional fees | 581 | 448 | 1,153 | 700 | 1,240 |
| FHLB advance prepayment penalties | — | — | — | 2,108 | — |
| Other | 2,481 | 2,885 | 2,587 | 3,150 | 3,319 |
| Total noninterest expense | 42,594 | 43,290 | 44,109 | 45,734 | 43,778 |
| Income from continuing operations before income tax expense | 24,157 | 20,659 | 26,132 | 23,457 | 21,829 |
| Income tax expense | 5,745 | 4,157 | 5,806 | 3,309 | 4,554 |
| Income from continuing operations | 18,412 | 16,502 | 20,326 | 20,148 | 17,275 |
| Discontinued operations (1) (2): | | | | | |
| Income from discontinued operations before income taxes | 2,070 | 9,902 | 7,612 | 175 | 3,997 |
| Income tax expense (benefit) | 473 | 2,482 | 1,885 | (33) | 883 |
| Income from discontinued operations, net of tax | 1,597 | 7,420 | 5,727 | 208 | 3,114 |
| Net income | \$ 20,009 | \$ 23,922 | \$ 26,053 | \$ 20,356 | \$ 20,389 |

[Table of Contents](#)**Republic Bancorp, Inc.**
Earnings Release Financial Supplement
Third 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 for Discontinued Operations (1)

| | Three Months Ended | | | | |
|---|--------------------|---------------|---------------|---------------|---------------|
| | Sep. 30, 2021 | Jun. 30, 2021 | Mar. 31, 2021 | Dec. 31, 2020 | Sep. 30, 2020 |
| Total interest income (2) | \$ 127 | \$ 433 | \$ 14,568 | \$ 98 | \$ 205 |
| Total interest expense | 4 | 30 | 166 | 6 | 2 |
| Net interest income | 123 | 403 | 14,402 | 92 | 203 |
| Provision for expected credit loss expense | (2,261) | (5,773) | 15,884 | (2,050) | (4,342) |
| Noninterest income: | | | | | |
| Net refund transfer fees | 1,280 | 5,921 | 12,721 | 409 | 1,152 |
| Interchange fee income | 63 | 113 | 56 | 28 | 37 |
| Other | 1 | 58 | 19 | 2 | 8 |
| Total noninterest income | 1,344 | 6,092 | 12,796 | 439 | 1,197 |
| Noninterest expense: | | | | | |
| Salaries and employee benefits | 1,043 | 1,304 | 1,921 | 1,333 | 1,460 |
| Other | 615 | 1,062 | 1,781 | 1,073 | 285 |
| Total noninterest expense | 1,658 | 2,366 | 3,702 | 2,406 | 1,745 |
| Income from discontinued operations before income taxes | 2,070 | 9,902 | 7,612 | 175 | 3,997 |
| Income tax expense (benefit) | 473 | 2,482 | 1,885 | (33) | 883 |
| Income from discontinued operations, net of tax | \$ 1,597 | \$ 7,420 | \$ 5,727 | \$ 208 | \$ 3,114 |

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Republic Bancorp, Inc.
Earnings Release Financial Supplement
Third 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 | | | | |
|---|--------------------------------------|---------------|---------------|---------------|---------------|
| | Sep. 30, 2021 | Jun. 30, 2021 | Mar. 31, 2021 | Dec. 31, 2020 | Sep. 30, 2020 |
| Per Share Data: | | | | | |
| Basic weighted average shares outstanding | 20,508 | 20,894 | 20,997 | 21,037 | 21,026 |
| Diluted weighted average shares outstanding | 20,591 | 20,949 | 21,062 | 21,072 | 21,046 |
| Period-end shares outstanding: | | | | | |
| Class A Common Stock | 18,040 | 18,421 | 18,628 | 18,697 | 18,715 |
| Class B Common Stock | 2,165 | 2,166 | 2,198 | 2,199 | 2,200 |
| Book value per share (3) | \$ 41.51 | \$ 41.05 | \$ 40.22 | \$ 39.40 | \$ 38.75 |
| Tangible book value per share (3) | 40.26 | 39.85 | 39.07 | 38.27 | 37.63 |
| Earnings per share ("EPS"): | | | | | |
| Basic EPS - Class A Common Stock | \$ 0.99 | \$ 1.16 | \$ 1.26 | \$ 0.98 | \$ 0.98 |
| Basic EPS - Class B Common Stock | 0.90 | 1.05 | 1.14 | 0.89 | 0.89 |
| Diluted EPS - Class A Common Stock | 0.99 | 1.16 | 1.25 | 0.98 | 0.98 |
| Diluted EPS - Class B Common Stock | 0.90 | 1.05 | 1.14 | 0.89 | 0.89 |
| Earnings per share from continuing operations: | | | | | |
| Basic EPS - Class A Common Stock | \$ 0.91 | \$ 0.80 | \$ 0.71 | \$ 0.97 | \$ 0.83 |
| Basic EPS - Class B Common Stock | 0.83 | 0.73 | 0.64 | 0.88 | 0.75 |
| Diluted EPS - Class A Common Stock | 0.91 | 0.80 | 0.71 | 0.97 | 0.83 |
| Diluted EPS - Class B Common Stock | 0.83 | 0.73 | 0.64 | 0.88 | 0.75 |
| Cash dividends declared per Common share: | | | | | |
| Class A Common Stock | \$ 0.308 | \$ 0.308 | \$ 0.308 | \$ 0.286 | \$ 0.286 |
| Class B Common Stock | 0.280 | 0.280 | 0.280 | 0.260 | 0.260 |
| Performance Ratios: | | | | | |
| Return on average assets | 1.27 % | 1.49 % | 1.65 % | 1.32 % | 1.33 % |
| Return on average assets from continuing operations | 1.17 | 1.03 | 1.29 | 1.31 | 1.12 |
| Return on average equity | 9.43 | 11.27 | 12.46 | 9.89 | 10.05 |
| Return on average equity from continuing operations | 8.68 | 7.77 | 9.72 | 9.79 | 8.52 |
| Efficiency ratio from continuing operations (4) | 61 | 66 | 63 | 64 | 61 |
| Yield on average interest-earning assets from continuing operations (2) | 3.65 | 3.37 | 3.71 | 3.97 | 3.84 |
| Cost of average interest-bearing liabilities from continuing operations | 0.17 | 0.20 | 0.23 | 0.34 | 0.45 |
| Cost of average deposits from continuing operations (5) | 0.09 | 0.10 | 0.13 | 0.19 | 0.24 |
| Net interest spread from continuing operations (2) | 3.48 | 3.17 | 3.48 | 3.63 | 3.39 |
| Net interest margin from continuing operations - Total Company (2) | 3.55 | 3.27 | 3.58 | 3.77 | 3.57 |
| Net interest margin from continuing operations - Core Bank (6) | 3.25 | 3.03 | 3.46 | 3.48 | 3.25 |
| Other Information: | | | | | |
| End of period FTEs (7) - Total Company | 1,052 | 1,072 | 1,086 | 1,094 | 1,085 |
| End of period FTEs - Core Bank | 966 | 981 | 990 | 997 | 993 |
| Number of full-service banking centers | 42 | 42 | 42 | 42 | 42 |

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Republic Bancorp, Inc.
Earnings Release Financial Supplement
Third 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 | | | | |
|--|---|----------------------|----------------------|----------------------|----------------------|
| | Sep. 30, 2021 | Jun. 30, 2021 | Mar. 31, 2021 | Dec. 31, 2020 | Sep. 30, 2020 |
| Credit Quality Asset Balances: | | | | | |
| Nonperforming Assets - Total Company: | | | | | |
| Loans on nonaccrual status | \$ 20,252 | \$ 21,621 | \$ 22,004 | \$ 23,548 | \$ 20,910 |
| Loans past due 90-days-or-more and still on accrual | 691 | 723 | 517 | 47 | 175 |
| Total nonperforming loans | 20,943 | 22,344 | 22,521 | 23,595 | 21,085 |
| OREO | 1,845 | 1,898 | 2,015 | 2,499 | 2,056 |
| Total nonperforming assets | <u>\$ 22,788</u> | <u>\$ 24,242</u> | <u>\$ 24,536</u> | <u>\$ 26,094</u> | <u>\$ 23,141</u> |
| Nonperforming Assets - Core Bank (6): | | | | | |
| Loans on nonaccrual status | \$ 20,252 | \$ 21,621 | \$ 22,004 | \$ 23,548 | \$ 20,910 |
| Loans past due 90-days-or-more and still on accrual | — | — | — | 5 | — |
| Total nonperforming loans | 20,252 | 21,621 | 22,004 | 23,553 | 20,910 |
| OREO | 1,845 | 1,898 | 2,015 | 2,499 | 2,056 |
| Total nonperforming assets | <u>\$ 22,097</u> | <u>\$ 23,519</u> | <u>\$ 24,019</u> | <u>\$ 26,052</u> | <u>\$ 22,966</u> |
| Delinquent Loans: | | | | | |
| Delinquent loans - Core Bank | \$ 7,692 | \$ 9,909 | \$ 8,560 | \$ 9,713 | \$ 11,069 |
| Delinquent loans - RPG (8) | 9,701 | 8,809 | 6,426 | 10,234 | 5,984 |
| Total delinquent loans - Total Company | <u>\$ 17,393</u> | <u>\$ 18,718</u> | <u>\$ 14,986</u> | <u>\$ 19,947</u> | <u>\$ 17,053</u> |
| Credit Quality Ratios - Total Company: | | | | | |
| Nonperforming loans to total loans | 0.48 % | 0.49 % | 0.48 % | 0.49 % | 0.42 % |
| Nonperforming assets to total loans (including OREO) | 0.52 | 0.53 | 0.53 | 0.54 | 0.46 |
| Nonperforming assets to total assets | 0.37 | 0.39 | 0.38 | 0.42 | 0.37 |
| Allowance for credit losses to total loans | 1.45 | 1.32 | 1.61 | 1.27 | 1.20 |
| Allowance for credit losses to nonperforming loans | 301 | 270 | 335 | 259 | 284 |
| Delinquent loans to total loans (9) | 0.40 | 0.41 | 0.32 | 0.41 | 0.34 |
| Net charge-offs (recoveries) to average loans (annualized) | (0.13) | 0.95 | 0.09 | (0.04) | (0.27) |
| Net charge-offs from continuing operations to average loans (annualized) | 0.07 | 0.05 | 0.09 | 0.13 | 0.07 |
| Credit Quality Ratios - Core Bank: | | | | | |
| Nonperforming loans to total loans | 0.48 % | 0.49 % | 0.49 % | 0.50 % | 0.43 % |
| Nonperforming assets to total loans (including OREO) | 0.52 | 0.53 | 0.53 | 0.56 | 0.47 |
| Nonperforming assets to total assets | 0.39 | 0.42 | 0.42 | 0.45 | 0.39 |
| Allowance for credit losses to total loans | 1.22 | 1.16 | 1.14 | 1.11 | 1.05 |
| Allowance for credit losses to nonperforming loans | 254 | 238 | 234 | 221 | 245 |
| Delinquent loans to total loans | 0.18 | 0.22 | 0.19 | 0.21 | 0.23 |
| Net charge-offs (recoveries) to average loans (annualized) | (0.02) | — | 0.03 | 0.07 | 0.03 |

Republic Bancorp, Inc.
Earnings Release Financial Supplement
Third 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 September 30, 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 TRS segment includes continuing and discontinued operations.

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

| <u>Reportable Segment:</u> | <u>Nature of Operations:</u> | <u>Primary Drivers of Net Revenue:</u> |
|-----------------------------------|---|--|
| 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: | | |
| <i>Continuing Operations</i> | Continuing operations of TRS include its RPS division and certain indirect costs that are expected to remain with the Bank. The RPS division of TRS offers general-purpose reloadable cards primarily to clients outside of the Bank’s market footprint. | Prepaid Cards |
| <i>Discontinued Operations</i> | The Bank agreed to sell its TRS business to Green Dot in May 2021. The TRS business has traditionally contained the significant majority of revenue and expense generated at the TRS segment. The TRS business contracted to be sold offers tax-related credit products and facilitates the receipt and payment of federal and state tax refunds through Refund Transfer products. TRS products are primarily provided to clients outside of the Bank’s market footprint. | Loans and refund transfers |
| 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.

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

Segment information for the quarters and nine months ended September 30, 2021 and 2020 follows:

| (dollars in thousands) | Three Months Ended September 30, 2021 | | | | | | | |
|--|---------------------------------------|-------------------|------------------|--------------------|-----------------------------------|---------------------------|------------|---------------|
| | Core Banking | | | | Republic Processing Group ("RPG") | | | |
| | Traditional Banking | Warehouse Lending | Mortgage Banking | Total Core Banking | Tax Refund Solutions | Republic Credit Solutions | Total RPG | Total Company |
| Net interest income | \$ 40,297 | \$ 6,291 | \$ 253 | \$ 46,841 | \$ 171 | \$ 5,297 | \$ 5,468 | \$ 52,309 |
| Provision for expected credit loss expense | (44) | (223) | — | (267) | — | 3,820 | 3,820 | 3,553 |
| Mortgage banking income | — | — | 5,280 | 5,280 | — | — | — | 5,280 |
| Program fees | — | — | — | — | 763 | 3,767 | 4,530 | 4,530 |
| Other noninterest income | 8,108 | 15 | 62 | 8,185 | — | — | — | 8,185 |
| Total noninterest income | 8,108 | 15 | 5,342 | 13,465 | 763 | 3,767 | 4,530 | 17,995 |
| Total noninterest expense | 35,927 | 1,056 | 3,257 | 40,240 | 1,308 | 1,046 | 2,354 | 42,594 |
| Income (loss) from continuing operations before income tax expense | 12,522 | 5,473 | 2,338 | 20,333 | (374) | 4,198 | 3,824 | 24,157 |
| Income tax expense (benefit) | 3,038 | 1,258 | 514 | 4,810 | (102) | 1,037 | 935 | 5,745 |
| Income (loss) from continuing operations | 9,484 | 4,215 | 1,824 | 15,523 | (272) | 3,161 | 2,889 | 18,412 |
| Discontinued operations: | | | | | | | | |
| Income from discontinued operations before income taxes | — | — | — | — | 2,070 | — | 2,070 | 2,070 |
| Income tax expense | — | — | — | — | 473 | — | 473 | 473 |
| Income from discontinued operations, net of tax | — | — | — | — | 1,597 | — | 1,597 | 1,597 |
| Net income | \$ 9,484 | \$ 4,215 | \$ 1,824 | \$ 15,523 | \$ 1,325 | \$ 3,161 | \$ 4,486 | \$ 20,009 |
| Period-end assets | \$ 4,907,503 | \$ 750,266 | \$ 41,196 | \$ 5,698,965 | \$ 365,552 | \$ 123,117 | \$ 488,669 | \$ 6,187,634 |
| Net interest margin from continuing operations | 3.22 % | 3.51 % | NM | 3.25 % | NM | NM | NM | 3.55 % |
| Net-revenue concentration from continuing operations* | 69 % | 9 % | 8 % | 86 % | 1 % | 13 % | 14 % | 100 % |

| (dollars in thousands) | Three Months Ended September 30, 2020 | | | | | | | |
|--|---------------------------------------|-------------------|------------------|--------------------|-----------------------------------|---------------------------|------------|---------------|
| | Core Banking | | | | Republic Processing Group ("RPG") | | | |
| | Traditional Banking | Warehouse Lending | Mortgage Banking | Total Core Banking | Tax Refund Solutions | Republic Credit Solutions | Total RPG | Total Company |
| Net interest income | \$ 38,753 | \$ 7,345 | \$ 300 | \$ 46,398 | \$ 675 | \$ 4,976 | \$ 5,651 | \$ 52,049 |
| Provision for expected credit loss expense | 5,857 | (3) | — | 5,854 | — | (12) | (12) | 5,842 |
| Mortgage banking income | — | — | 10,775 | 10,775 | — | — | — | 10,775 |
| Program fees | — | — | — | — | 643 | 844 | 1,487 | 1,487 |
| Other noninterest income | 7,138 | (21) | 21 | 7,138 | — | — | — | 7,138 |
| Total noninterest income | 7,138 | (21) | 10,796 | 17,913 | 643 | 844 | 1,487 | 19,400 |
| Total noninterest expense | 36,415 | 1,875 | 2,832 | 41,122 | 1,481 | 1,175 | 2,656 | 43,778 |
| Income (loss) from continuing operations before income tax expense | 3,619 | 5,452 | 8,264 | 17,335 | (163) | 4,657 | 4,494 | 21,829 |
| Income tax expense (benefit) | 558 | 1,226 | 1,736 | 3,520 | (40) | 1,074 | 1,034 | 4,554 |
| Income (loss) from continuing operations | 3,061 | 4,226 | 6,528 | 13,815 | (123) | 3,583 | 3,460 | 17,275 |
| Discontinued operations: | | | | | | | | |
| Income from discontinued operations before income taxes | — | — | — | — | 3,997 | — | 3,997 | 3,997 |
| Income tax expense | — | — | — | — | 883 | — | 883 | 883 |
| Income from discontinued operations, net of tax | — | — | — | — | 3,114 | — | 3,114 | 3,114 |
| Net income | \$ 3,061 | \$ 4,226 | \$ 6,528 | \$ 13,815 | \$ 2,991 | \$ 3,583 | \$ 6,574 | \$ 20,389 |
| Period-end assets | \$ 4,769,848 | \$ 1,026,790 | \$ 61,809 | \$ 5,858,447 | \$ 269,337 | \$ 112,662 | \$ 381,999 | \$ 6,240,446 |
| Net interest margin from continuing operations | 3.22 % | 3.41 % | NM | 3.25 % | NM | NM | NM | 3.57 % |
| Net-revenue concentration from continuing operations* | 64 % | 10 % | 16 % | 90 % | 2 % | 8 % | 10 % | 100 % |

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

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| | Nine Months Ended September 30, 2021 | | | | | | | |
|--|--------------------------------------|-------------------|------------------|--------------------|-----------------------------------|---------------------------|------------|---------------|
| | Core Banking | | | | Republic Processing Group ("RPG") | | | |
| | Traditional Banking | Warehouse Lending | Mortgage Banking | Total Core Banking | Tax Refund Solutions | Republic Credit Solutions | Total RPG | Total Company |
| <i>(dollars in thousands)</i> | | | | | | | | |
| Net interest income | \$ 119,677 | \$ 19,387 | \$ 802 | \$ 139,866 | \$ 665 | \$ 14,794 | \$ 15,459 | \$ 155,325 |
| Provision for expected credit loss expense | (126) | (530) | — | (656) | — | 5,037 | 5,037 | 4,381 |
| Mortgage banking income | — | — | 16,655 | 16,655 | — | — | — | 16,655 |
| Program fees | — | — | — | — | 2,374 | 7,930 | 10,304 | 10,304 |
| Other noninterest income | 22,862 | 43 | 140 | 23,045 | (7) | — | (7) | 23,038 |
| Total noninterest income | 22,862 | 43 | 16,795 | 39,700 | 2,367 | 7,930 | 10,297 | 49,997 |
| Total noninterest expense | 110,192 | 3,150 | 9,384 | 122,726 | 4,239 | 3,028 | 7,267 | 129,993 |
| Income (loss) from continuing operations before income tax expense | 32,473 | 16,810 | 8,213 | 57,496 | (1,207) | 14,659 | 13,452 | 70,948 |
| Income tax expense (benefit) | 6,718 | 3,919 | 1,807 | 12,444 | (373) | 3,637 | 3,264 | 15,708 |
| Income (loss) from continuing operations | 25,755 | 12,891 | 6,406 | 45,052 | (834) | 11,022 | 10,188 | 55,240 |
| Discontinued operations: | | | | | | | | |
| Income from discontinued operations before income taxes | — | — | — | — | 19,584 | — | 19,584 | 19,584 |
| Income tax expense | — | — | — | — | 4,840 | — | 4,840 | 4,840 |
| Income from discontinued operations, net of tax | — | — | — | — | 14,744 | — | 14,744 | 14,744 |
| Net income | \$ 25,755 | \$ 12,891 | \$ 6,406 | \$ 45,052 | \$ 13,910 | \$ 11,022 | \$ 24,932 | \$ 69,984 |
| Period-end assets | \$ 4,907,503 | \$ 750,266 | \$ 41,196 | \$ 5,698,965 | \$ 365,552 | \$ 123,117 | \$ 488,669 | \$ 6,187,634 |
| Net interest margin from continuing operations | 3.21 % | 3.47 % | NM | 3.24 % | NM | NM | NM | 3.46 % |
| Net-revenue concentration from continuing operations* | 70 % | 9 % | 9 % | 88 % | 1 % | 11 % | 12 % | 100 % |

| | Nine Months Ended September 30, 2020 | | | | | | | |
|--|--------------------------------------|-------------------|------------------|--------------------|-----------------------------------|---------------------------|------------|---------------|
| | Core Banking | | | | Republic Processing Group ("RPG") | | | |
| | Traditional Banking | Warehouse Lending | Mortgage Banking | Total Core Banking | Tax Refund Solutions | Republic Credit Solutions | Total RPG | Total Company |
| <i>(dollars in thousands)</i> | | | | | | | | |
| Net interest income | \$ 118,409 | \$ 17,715 | \$ 932 | \$ 137,056 | \$ 1,622 | \$ 17,655 | \$ 19,277 | \$ 156,333 |
| Provision for expected credit loss expense | 14,526 | 778 | — | 15,304 | — | 251 | 251 | 15,555 |
| Mortgage banking income | — | — | 23,968 | 23,968 | — | — | — | 23,968 |
| Program fees | — | — | — | — | 1,573 | 3,676 | 5,249 | 5,249 |
| Other noninterest income | 20,499 | 7 | 53 | 20,559 | (15) | — | (15) | 20,544 |
| Total noninterest income | 20,499 | 7 | 24,021 | 44,527 | 1,558 | 3,676 | 5,234 | 49,761 |
| Total noninterest expense | 109,750 | 3,489 | 7,517 | 120,756 | 5,360 | 2,972 | 8,332 | 129,088 |
| Income (loss) from continuing operations before income tax expense | 14,632 | 13,455 | 17,436 | 45,523 | (2,180) | 18,108 | 15,928 | 61,451 |
| Income tax expense (benefit) | 1,747 | 3,027 | 3,662 | 8,436 | (517) | 4,188 | 3,671 | 12,107 |
| Income (loss) from continuing operations | 12,885 | 10,428 | 13,774 | 37,087 | (1,663) | 13,920 | 12,257 | 49,344 |
| Discontinued operations: | | | | | | | | |
| Income from discontinued operations before income taxes | — | — | — | — | 17,550 | — | 17,550 | 17,550 |
| Income tax expense | — | — | — | — | 4,004 | — | 4,004 | 4,004 |
| Income from discontinued operations, net of tax | — | — | — | — | 13,546 | — | 13,546 | 13,546 |
| Net income | \$ 12,885 | \$ 10,428 | \$ 13,774 | \$ 37,087 | \$ 11,883 | \$ 13,920 | \$ 25,803 | \$ 62,890 |
| Period-end assets | \$ 4,769,848 | \$ 1,026,790 | \$ 61,809 | \$ 5,858,447 | \$ 269,337 | \$ 112,662 | \$ 381,999 | \$ 6,240,446 |
| Net interest margin from continuing operations | 3.41 % | 3.07 % | NM | 3.37 % | NM | NM | NM | 3.69 % |
| Net-revenue concentration from continuing operations* | 67 % | 9 % | 12 % | 88 % | 2 % | 10 % | 12 % | 100 % |

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

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

Footnotes:

- (1) *On May 13, 2021, the Bank entered into an Asset Purchase Agreement (the “Purchase Agreement”) with Green Dot providing for the purchase by Green Dot, upon the terms and subject to the conditions set forth therein, of substantially all of the assets and operations of the Bank’s Tax Refund Solutions business (the “Sale Transaction”).*

As a result of the Purchase Agreement and the Sale Transaction, the results for the Company, RPG, and its TRS segment are presented within this press release to reflect continuing versus discontinued operations. RPG’s continuing operations include its Republic Credit Solutions (“RCS”) segment, its Republic Payment Solutions (“RPS”) division, and certain overhead costs previously allocated to TRS that will remain with RPG. Discontinued operations are those contracted to be sold. These discontinued operations have historically contained the majority of TRS’s revenue and expense. Interest income and expense for continuing and discontinued operations also include intercompany interest charged and earned based on the Company’s funds transfer pricing methodology.

For all periods presented, loans for discontinued operations and deposits of discontinued operations are presented separately on the Company’s balance sheet. Average Balance Sheet Data for continuing operations excludes average assets, average liabilities, interest income, and interest expense for discontinued operations; however, loans to and borrowings from discontinued operations are included along with their related income and expense based on the Company’s funds transfer pricing methodology.

On October 4, 2021, Green Dot announced that it had been unable to obtain the Federal Reserve’s approval of or non-objection to the Sale Transaction and that, as a result, Green Dot would not consummate the Sale Transaction. On October 5, 2021, the Bank filed a lawsuit against Green Dot in the Delaware Court of Chancery alleging breach of contract. In so doing, the Bank seeks, among other relief, specific performance to require that Green Dot proceed with the Sale Transaction as the parties had agreed to in the Purchase Agreement. Due to the inherent uncertainties of legal proceedings, the Company cannot predict the outcome of these proceedings at this time.

- (2) *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 from continuing operations was \$11.3 million and \$7.8 million for the quarters ended and \$31.6 million and \$23.1 million for the nine months ended September 30, 2021 and 2020.*

The amount of loan fee income included in total interest income from continuing operations per quarter was as follows: \$11.3 million (quarter ended September 30, 2021); \$9.0 million (quarter ended June 30, 2021); \$11.3 million (quarter ended March 31, 2021); \$10.8 million (quarter ended December 31, 2020); and \$7.8 million (quarter ended September 30, 2020).

Included in the above totals, fee income recognized on PPP loans was \$5.2 million and \$2.1 million for the quarters ended and \$14.6 million and \$3.7 million for the nine months ended September 30, 2021 and 2020. Fee income recognized on PPP loans by quarter was \$5.2 million (quarter ended September 30, 2021); \$3.7 million (quarter ended June 30, 2021); \$5.8 million (quarter ended March 31, 2021); \$4.8 million (quarter ended December 31, 2020); and \$2.1 million (quarter ended September 30, 2020).

Loan fees included in discontinued operations totaled \$76,000 and \$135,000 for the quarters ended and \$14.8 million and \$21.0 million for the nine months ended September 30, 2021 and 2020. Loan fees per quarter included in discontinued operations totaled \$76,000 (quarter ended September 30, 2021); \$298,000 (quarter ended June 30, 2021); \$14.4 million (quarter ended March 31, 2021); \$68,000 (quarter ended December 31, 2020); and \$135,000 (quarter ended September 30, 2020).

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- (3) *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.*

| <i>(dollars in thousands, except per share data)</i> | Quarterly Comparison | | | | |
|---|-----------------------------|----------------------|----------------------|----------------------|----------------------|
| | Sep. 30, 2021 | Jun. 30, 2021 | Mar. 31, 2021 | Dec. 31, 2020 | Sep. 30, 2020 |
| Total stockholders' equity - GAAP (a) | \$ 838,657 | \$ 845,090 | \$ 837,709 | \$ 823,323 | \$ 810,362 |
| Less: Goodwill | 16,300 | 16,300 | 16,300 | 16,300 | 16,300 |
| Less: Mortgage servicing rights | 8,867 | 8,335 | 7,711 | 7,095 | 6,674 |
| Less: Core deposit intangible | — | — | 53 | 189 | 283 |
| Tangible stockholders' equity - Non-GAAP (c) | <u>\$ 813,490</u> | <u>\$ 820,455</u> | <u>\$ 813,645</u> | <u>\$ 799,739</u> | <u>\$ 787,105</u> |
| Total assets - GAAP (b) | \$ 6,187,634 | \$ 6,183,310 | \$ 6,476,540 | \$ 6,168,325 | \$ 6,240,446 |
| Less: Goodwill | 16,300 | 16,300 | 16,300 | 16,300 | 16,300 |
| Less: Mortgage servicing rights | 8,867 | 8,335 | 7,711 | 7,095 | 6,674 |
| Less: Core deposit intangible | — | — | 53 | 189 | 283 |
| Tangible assets - Non-GAAP (d) | <u>\$ 6,162,467</u> | <u>\$ 6,158,675</u> | <u>\$ 6,452,476</u> | <u>\$ 6,144,741</u> | <u>\$ 6,217,189</u> |
| Total stockholders' equity to total assets - GAAP (a/b) | 13.55 % | 13.67 % | 12.93 % | 13.35 % | 12.99 % |
| Tangible stockholders' equity to tangible assets - Non-GAAP (c/d) | 13.20 % | 13.32 % | 12.61 % | 13.02 % | 12.66 % |
| Number of shares outstanding (e) | <u>20,205</u> | <u>20,587</u> | <u>20,826</u> | <u>20,896</u> | <u>20,915</u> |
| Book value per share - GAAP (a/e) | \$ 41.51 | \$ 41.05 | \$ 40.22 | \$ 39.40 | \$ 38.75 |
| Tangible book value per share - Non-GAAP (c/e) | 40.26 | 39.85 | 39.07 | 38.27 | 37.63 |

- (4) *The efficiency ratio for continuing operations, 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 Sep. 30, | | Nine Months Ended Sep. 30, | |
|---|------------------------------------|------------------|-----------------------------------|-------------------|
| | 2021 | 2020 | 2021 | 2020 |
| Net interest income - GAAP | \$ 52,309 | \$ 52,049 | \$ 155,325 | \$ 156,333 |
| Noninterest income - GAAP | 17,995 | 19,400 | 49,997 | 49,761 |
| Less: Net gain (loss) on sales, calls, and impairment of debt and equity securities | (10) | 5 | (46) | 61 |
| Total adjusted income - Non-GAAP (a) | <u>\$ 70,314</u> | <u>\$ 71,444</u> | <u>\$ 205,368</u> | <u>\$ 206,033</u> |
| Noninterest expense - GAAP (b) | <u>\$ 42,594</u> | <u>\$ 43,778</u> | <u>\$ 129,993</u> | <u>\$ 129,088</u> |
| Efficiency Ratio from continuing operations- Non-GAAP (b/a) | 61 % | 61 % | 63 % | 63 % |

| <i>(dollars in thousands)</i> | Three Months Ended | | | | |
|---|---------------------------|----------------------|----------------------|----------------------|----------------------|
| | Sep. 30, 2021 | Jun. 30, 2021 | Mar. 31, 2021 | Dec. 31, 2020 | Sep. 30, 2020 |
| Net interest income - GAAP | \$ 52,309 | \$ 49,638 | \$ 53,378 | \$ 55,028 | \$ 52,049 |
| Noninterest income - GAAP | 17,995 | 15,761 | 16,241 | 16,697 | 19,400 |
| Less: Net gain (loss) on sales, calls, and impairment of debt and equity securities | (10) | (1) | (35) | (12) | 5 |
| Total adjusted income - Non-GAAP (a) | <u>\$ 70,314</u> | <u>\$ 65,400</u> | <u>\$ 69,654</u> | <u>\$ 71,737</u> | <u>\$ 71,444</u> |
| Noninterest expense - GAAP (b) | <u>\$ 42,594</u> | <u>\$ 43,290</u> | <u>\$ 44,109</u> | <u>\$ 45,734</u> | <u>\$ 43,778</u> |
| Efficiency Ratio from continuing operations- Non-GAAP (b/a) | 61 % | 66 % | 63 % | 64 % | 61 % |

- (5) *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.*

- (6) *“Core Bank” or “Core Banking” operations consist of the Traditional Banking, Warehouse Lending, and Mortgage Banking segments.*

- (7) *FTEs – Full-time-equivalent employees.*

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

(9) *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.*

NM – Not meaningful

NA – Not applicable

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