

REPUBLIC BANCORP INC /KY/
Form 11-K
June 29, 2007

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

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

For the fiscal year ended December 31, 2006

Commission file number 0-24649

REPUBLIC BANCORP 401(K)/PROFIT SHARING PLAN AND TRUST

(Full title of the plan)

REPUBLIC BANCORP, INC.

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

601 West Market Street

Louisville, Kentucky 40202

(Address of principal executive office)

REPUBLIC BANCORP 401(k)/PROFIT SHARING

PLAN AND TRUST

FINANCIAL STATEMENTS

December 31, 2006 and 2005

REPUBLIC BANCORP 401(k)/PROFIT SHARING PLAN

Louisville, Kentucky

FINANCIAL STATEMENTS

December 31, 2006 and 2005

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Plan Administrator

Republic Bancorp 401(k)/Profit Sharing Plan and Trust

Louisville, Kentucky

We have audited the accompanying statements of net assets available for benefits of the Republic Bancorp 401(k)/Profit Sharing Plan and Trust (the Plan) as of December 31, 2006 and 2005, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2006 and 2005, and the changes in net assets available for benefits for the years then ended in conformity with U.S. generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at year end) is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan s management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic 2006 financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic 2006 financial statements taken as a whole.

/s/ Crowe Chizek and Company LLC

Louisville, Kentucky

June 29, 2007

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REPUBLIC BANCORP 401(k)/PROFIT SHARING PLAN AND TRUST

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2006 and 2005

	2006	2005
ASSETS		
Investments, at fair value:		
Principal money market	\$ 1,268,969	\$ 469,780
Republic Bancorp, Inc. Common Stock (Class A & B)	3,287,640	2,372,713
Mutual funds	13,455,310	12,617,723
Participant Self-Directed Brokerage Accounts:		
Principal money market	788,560	986,678
Republic Bancorp, Inc. Common Stock (Class A & B)	2,133,353	2,105,779
Other stocks	1,609,925	1,533,832
Mutual funds	2,347,478	1,648,238
Total Investments, at fair value	24,891,235	21,734,743
Accrued income receivable		56,185
NET ASSETS AVAILABLE FOR BENEFITS	\$ 24,891,235	\$ 21,790,928

See accompanying notes to Financial Statements.

REPUBLIC BANCORP 401(k)/PROFIT SHARING PLAN AND TRUST

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Years ended December 31, 2006 and 2005

	2006	2005
Additions to net assets attributed to:		
Investment income:		
Net appreciation (depreciation) in fair value of investments	\$ 2,309,695	\$ (308,460)
Interest and dividends	562,150	666,102
	2,871,845	357,642
Contributions:		
Employer match	606,562	579,209
Employer bonus match		300,172
Participants	2,093,182	2,006,166
Rollover	324,665	198,571
	3,024,409	3,084,118
Total additions	5,896,254	3,441,760
Deductions from net assets attributed to:		
Benefits paid to participants	2,751,986	1,904,481
Return of excess contributions		34,864
Administrative expenses	43,961	6,091
	2,795,947	1,945,436
Net increase	3,100,307	1,496,324
Net assets available for benefits:		
Beginning of year	21,790,928	20,294,604
End of year	\$ 24,891,235	\$ 21,790,928

See accompanying notes to Financial Statements.

REPUBLIC BANCORP 401(k)/PROFIT SHARING PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS

December 31, 2006 and 2005

NOTE 1 PLAN DESCRIPTION

The following brief description of the Republic Bancorp 401(k)/Profit Sharing Plan and Trust (the Plan) is provided for general information. Participants should refer to the Plan Agreement for a complete description of the Plan's provisions. The sponsor of the Plan is Republic Bancorp, Inc. (the Company or Employer).

General: The Plan is a defined contribution plan covering all employees of the Company who have completed 30 days of service and are age 21 or older. The employer match begins after six months of completed service and the Company discretionary match, if applicable, will be awarded to eligible participants who are actively employed at the last day of the plan year and have completed 1,000 hours of service during the plan year. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions: Participants in the Plan may contribute up to the maximum legal limit. If a participant elects to make a contribution to the Plan, the Employer may make a matching contribution of 50% of the first 5% of the participant's annual contributions. In addition, the Employer may award a discretionary bonus match for meeting certain corporate financial performance goals. The bonus match for the year ended December 31, 2006 and 2005 was \$0 and \$300,172, respectively.

Participant Accounts: Each participant's account is credited with the participant's contribution, the Company's contribution, and an allocation of plan earnings and forfeitures of terminated participants' nonvested accounts. Income is allocated on a basis proportional to account balances, and forfeitures are allocated on a basis proportional to Employer matching contributions. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

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

Vesting: Participants are immediately vested in their voluntary contributions plus actual earnings thereon. Vesting in the remainder of their account plus earnings thereon is based on years of continuous service. A participant is 0% vested until two years of service is completed, and vesting increases 20% each year thereon. Upon completion of six years, participants are 100% vested.

Payment of Benefits: On termination of service, a participant may elect to receive either a lump-sum amount equal to the value of their vested interest in the account, or periodic installments over a period not exceeding the life expectancy of the participant or joint lives of the participant and spouse. If a participant's account balance exceeds \$5,000, no portion of the account balance will be distributed as a lump sum without the participant's consent.

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Investment Valuation and Income Recognition: The Plan's investments are stated at fair value. Quoted market prices are used to value Company Stock and mutual funds. Money market funds are reported at cost, which approximates fair value.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Payment of Benefits: Benefits are recorded when paid.

Reclassifications: Some items in the prior year financial statements may have been reclassified to conform with the current year presentation.

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

NOTE 3 INVESTMENTS

Kentucky Trust Company was the custodian of the Plan as of December 31, 2005. Effective July 1, 2006, Nationwide Investment Company became the Plan custodian. Kentucky Trust Company acted as plan custodian from January 1, 2006 through June 30, 2006 at which time the custodian was changed to Nationwide Investment Company. Nationwide Investment Company was the plan custodian from July 1, 2006 through December 31, 2006. The custodian of the Plan held investment assets and executed transactions therein.

Investments, at fair value, that represent 5% or more of the Plan's net assets in either year are presented below:

Investments at fair value	December 31,	
	2006	2005
Principal money market	\$ 2,057,529	\$ 1,456,458
Republic Bancorp, Inc. Common Stock (Class A & B)(1)	5,420,993	4,478,492
Mutual Funds:		
Dodge & Cox Balanced		1,145,081
Federated Capital Preservation Fund		1,669,210
Oakmark Equity & Income Fund		1,189,000
Vanguard Wellington Fund		1,122,847
Gdmnscs Short Dur Govt A	2,746,190	
Growth Fund of America		