

REPUBLIC BANCORP INC /KY/
Form DEF 14A
March 12, 2009

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant X

Filed by a Party other than the Registrant O

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
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Republic Bancorp, Inc.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
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 - (3) Filing Party:
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**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
OF REPUBLIC BANCORP, INC.
THURSDAY, APRIL 23, 2009**

To our shareholders:

You are cordially invited to attend the 2009 Annual Meeting of Shareholders of Republic Bancorp, Inc. The following are details for the meeting:

Date: Thursday, April 23, 2009

Time: 9:00 A.M., EDT

Place: Republic Bank Building

Lower Level Community Room

9600 Brownsboro Road

Louisville, Kentucky 40241

Items on the agenda:

1. To elect eight directors;
2. To ratify the appointment of Crowe Horwath LLP as the independent registered public accounting firm for 2009; and,
3. To transact such other business as may properly come before the meeting.

Record date: The close of business on February 17, 2009 is the record date for determining the shareholders entitled to notice of, and to vote at, the 2009 Annual Meeting of Shareholders.

Your vote is important. Whether or not you plan to attend the Annual Meeting of Shareholders, we hope you will vote as soon as possible. Please review the instructions with respect to each of your voting options as described in the proxy statement and the Notice of Internet Availability of Proxy Materials.

IF YOU PLAN TO ATTEND: Please note that space limitations make it necessary to limit attendance at the Annual Meeting of Shareholders. Shareholders holding stock in brokerage accounts (street name holders) may be asked to produce a copy of a brokerage statement reflecting stock ownership as of the record date. Cameras, recording devices or other like forms of electronic devices will not be permitted at the Annual Meeting of Shareholders.

Very truly yours,

Steven E. Trager

President and Chief Executive Officer

Louisville, Kentucky

This notice of annual meeting and proxy statement and form of proxy are being distributed and made available on or about March 13, 2009.

Important Notice Regarding the Availability of Proxy Materials

for the Shareholder Meeting to be Held on April 23, 2009.

The proxy statement and annual report to shareholders are available at www.investorvote.com/RBCAA.

REPUBLIC BANCORP, INC.

601 West Market Street

Louisville, Kentucky 40202

PROXY STATEMENT

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors of Republic Bancorp, Inc. (the Company or Republic). The proxies will be voted at the 2009 Annual Meeting of Shareholders (Annual Meeting) of Republic on April 23, 2009, and at any adjournments of the meeting.

This proxy statement, notice of annual meeting and form of proxy are first being mailed or made available to shareholders on or about March 13, 2009. As used in this document, the terms Republic, the Company, we, our and us refer to Republic Bancorp, Inc., a Kentucky corporation.

VOTING

Record date. You are entitled to notice of and to vote at the Annual Meeting, if you held of record, shares of our Class A Common Stock or Class B Common Stock at the close of business on February 17, 2009. On that date, 18,347,929 shares of Class A Common Stock and 2,310,405 shares of Class B Common Stock were issued and outstanding for purposes of the Annual Meeting.

Voting rights. Each share of Class A Common Stock is entitled to one (1) vote and each share of Class B Common Stock is entitled to ten (10) votes. Based on the number of shares outstanding as of the record date, the shares of Class A Common Stock are entitled to an aggregate of 18,347,929 votes, and the shares of Class B Common Stock are entitled to an aggregate of 23,104,050 votes at the Annual Meeting.

Voting by proxy. If you received the Notice of Internet Availability of Proxy Materials, you may follow the instructions on that notice to access the proxy materials and download the proxy or vote via the Internet. If you request a paper or electronic copy of the proxy materials, the proxy will be mailed or e-mailed to you along with the other proxy materials. If you received a paper copy of this proxy statement, the proxy is enclosed. If a proxy is properly executed, returned to Republic and not revoked, the shares represented by the proxy will be voted in accordance with the instructions set forth on the proxy. If no instructions are given, the shares represented will be voted for the Board of Director nominees named in this proxy statement, for the ratification of Crowe Horwath LLP as the Company's independent registered public accounting firm for 2009 and on other matters in accordance with the recommendations of the Board of Directors. The Board of Directors at present knows of no other business to be brought before the Annual Meeting. However, persons named in the enclosed proxy statement, or their substitutes, will have discretionary authority to vote on any other business which may properly come before the Annual Meeting and any adjournment thereof and will vote the proxies in accordance with the recommendations of the Board of Directors.

You may attend the Annual Meeting even though you have executed a proxy. You may revoke your proxy at any time before it is voted by delivering written notice of revocation to the Secretary of Republic, by delivering a subsequent dated proxy, by voting by telephone or through the Internet on a later date, or by attending the annual meeting and voting in person.

Quorum and voting requirements and counting votes. The presence in person or by proxy of the holders of a majority in voting power of the combined voting power of the Class A Common Stock and the Class B Common Stock will constitute a quorum for the transaction of business at the Annual Meeting. Abstentions and broker non-votes will be counted as being present or represented at the Annual Meeting for the purpose of establishing a quorum. A broker non-vote occurs when a nominee holding shares for a beneficial owner is otherwise present by proxy but does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received voting instructions from the beneficial owner.

The affirmative vote of a plurality of the votes duly cast is required for the election of directors. All other matters presented at the meeting will be approved if the votes cast in favor of the proposal exceed the votes cast opposing the proposal. Abstentions and broker non-votes are not counted as votes cast on any matter to which they relate.

SHARE OWNERSHIP

The following table sets forth certain information regarding the beneficial ownership of the outstanding shares of Republic as of February 17, 2009, based on information available to the Board of Directors. The Class B Common Stock is convertible into Class A Common Stock on a share-for-share basis. In the following table, information in the column headed *Class A Common Stock* does not reflect the shares of Class A Common Stock issuable upon conversion of Class B Common Stock. Information is included for:

- (1) persons or entities who own more than 5% of the Class A Common Stock or Class B Common Stock outstanding;
- (2) directors placed in nomination;
- (3) the Chief Executive Officer (CEO), the Chief Financial Officer (CFO) and the other three executive officers of Republic who earned the highest total salary and bonus during 2008 (the Named Executive Officers or NEOs); and,
- (4) all named executive officers and directors of Republic as a group.

Except as otherwise noted, Republic believes that each person named below has the sole power to vote and dispose of all shares shown as owned by such person. Please note that the table provides information about the number of shares beneficially owned, as opposed to the voting power of those shares.

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Executive officers, directors and director nominees as a group (collectively 10 persons) hold 69% of the combined voting power of the Class A and Class B Common Stock which represents 53% of the total number of shares of Class A and Class B Common Stock outstanding as of February 17, 2009 as detailed below:

Name	Class A Common Stock		Class B Common Stock		Class A and Class B Common Stock Combined	
	Shares	Percent	Shares	Percent	Shares	Percent
Five Percent Shareholders:						
Bernard M. Trager						
601 West Market Street						
Louisville, Kentucky 40202						
	8,520,786(1)	46.4%	1,921,863(2)	83.2%	10,442,649	50.5%
Steven E. Trager						
601 West Market Street						
Louisville, Kentucky 40202						
	8,284,333(3)	45.1	1,125,744(4)	48.7	9,410,077	45.5
A. Scott Trager						
601 West Market Street						
Louisville, Kentucky 40202						
	8,185,662(5)	44.6	1,142,300(6)	49.4	9,327,962	45.1
Sheldon Gilman, Trustee						
for the grandchildren of						
Bernard M. Trager						
400 West Market Street						
Suite 2200						
Louisville, Kentucky 40202						
	7,967,392(7)	43.4	1,107,515(8)	47.9	9,074,907	43.9
Teebank Family						
Limited Partnership						
7413 Cedar Bluff Court						
Prospect, Kentucky 40059						
	7,165,051(9)	39.0	939,449(9)	40.7	8,104,500	39.2
The Jaytee Properties						
Limited Partnership						
	750,067(9)	4.1	168,066(9)	7.3	918,133	4.4

7413 Cedar Bluff Court

Prospect, Kentucky 40059

Directors, Nominees and Executive Officers:

Craig A. Greenberg	1,308(10)	*		*	1,308	*
Michael T. Rust	4,630(11)	*		*	4,630	*
Sandra Metts Snowden	23,953(12)	*		*	23,953	*
R. Wayne Stratton	18,411(13)	*	2,063(14)	*	20,474	*
Susan Stout Tammé	8,365(15)	*		*	8,365	*
Bernard M. Trager	8,520,786(1)	46.4	1,921,863(2)	83.2	10,442,649	50.5
Steven E. Trager	8,284,333(3)	45.1	1,125,744(4)	48.7	9,410,077	45.5
A. Scott Trager	8,185,662(5)	44.6	1,142,300(6)	49.4	9,327,962	45.1
William R. Nelson	1,601(16)	*		*	1,601	*
Kevin Sipes	50,075(17)	*	242	*	50,317	*

Directors, Nominees and All

Executive Officers (10 persons):	9,016,163	49.1%	1,977,181	85.6%	10,993,344	53.2%
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* - Represents less than 1.0% of total

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(1) Includes 7,165,051 shares held of record by Teebank Family Limited Partnership (Teebank) and 750,067 shares held of record by Jaytee Properties Limited Partnership (Jaytee). With respect to Teebank and Jaytee, Bernard M. Trager is a limited partner and his spouse, Jean S. Trager, is a limited partner and co-trustee of a trust which is a general partner of each of these limited partnerships. Also includes 252,724 shares held of record by the Trager Family Foundation, a charitable foundation organized under Section 501(c)(3) of the Internal Revenue Code of which Bernard M. Trager is a director. Bernard M. Trager shares voting and investment power over these shares with Jean S. Trager, Steven E. Trager, and Shelley Trager Kusman. Also includes 3,190 shares allocated to Bernard M. Trager under Republic's Employee Stock Ownership Plan (ESOP) and 7,891 shares held in a 401(k) plan.

(2) Includes 939,449 shares held of record by Teebank and 168,066 shares held of record by Jaytee. With respect to Teebank and Jaytee, Bernard M. Trager is a limited partner and his spouse, Jean S. Trager, is a limited partner and co-trustee of a trust which is a general partner of each of these limited partnerships. Also includes 142,764 shares owned by Jean S. Trager and 1 share held in a 401(k) plan.

(3) Includes 7,165,051 shares held of record by Teebank and 750,067 shares held of record by Jaytee. With respect to Teebank and Jaytee, Steven E. Trager is a general and limited partner, as well as co-trustee of a trust which is a general partner of each of these limited partnerships. Trusts for the benefit of, among others, Steven E. Trager's two minor children, are limited partners of both Teebank and Jaytee. Includes 7,478 shares held by Steven E. Trager's spouse. Includes 252,724 shares held of record by the Trager Family Foundation. Steven E. Trager shares voting and investment power over these shares with Jean S. Trager, Bernard M. Trager, and Shelley Trager Kusman. Also includes 3,989 shares allocated to Steven E. Trager under the ESOP and 7,573 shares held in a 401(k) plan.

(4) Includes 939,449 shares held of record by Teebank and 168,066 shares held of record by Jaytee. With respect to Teebank and Jaytee, Steven E. Trager is a general and limited partner as well as co-trustee of a trust which is a general partner of each of these limited partnerships. Trusts for the benefit of, among others, Steven E. Trager's two minor children are limited partners of both Teebank and Jaytee. Also includes 1,215 shares held in a 401(k) plan.

(5) Includes 7,165,051 shares held of record by Teebank and 750,067 shares held of record by Jaytee. A. Scott Trager is a limited partner with shared voting authority of both Teebank and Jaytee. Includes 51,697 shares held of record by a family trust of which A. Scott Trager is a co-trustee and a beneficiary. Also includes 3,989 shares allocated to A. Scott Trager under the ESOP, 32,172 shares held in a 401(k) plan and 12,154 shares for options that are exercisable within 60 days.

(6) Includes 939,449 shares held of record by Teebank and 168,066 shares held of record by Jaytee. A. Scott Trager is a limited partner with shared voting authority of both Teebank and Jaytee. Includes 4,107 shares held of record by a family trust of which A. Scott Trager is a co-trustee and a beneficiary. Also includes 1,190 shares held in a 401(k) plan.

(7) Includes 7,165,051 shares held of record by Teebank and 750,067 shares held of record by Jaytee. Sheldon Gilman, as trustee for the grandchildren of Bernard M. Trager, is a limited partner with shared voting authority of both Teebank and Jaytee. Also includes 39,307 shares held by Sheldon Gilman's spouse.

(8) Includes 939,449 shares held of record by Teebank and 168,066 shares held of record by Jaytee. Sheldon Gilman, as trustee for the grandchildren of Bernard M. Trager, is a limited partner with shared voting authority of both Teebank and Jaytee.

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(9) Teebank and Jaytee are limited partnerships of which Bernard M. Trager, Steven E. Trager, A. Scott Trager and Sheldon Gilman, as trustee for the grandchildren of Bernard M. Trager, are limited partners. Steven E. Trager is a general and limited partner of Teebank and Jaytee and is co-trustee with Jean S. Trager of a trust which is a general partner of Teebank and Jaytee. Steven E. Trager, A. Scott Trager and Sheldon Gilman, as trustee for the

grandchildren of Bernard M. Trager, share voting power with respect to the shares held by Teebank and Jaytee. The following table provides information about the units of Teebank and Jaytee owned by directors and officers of Republic. The number of units owned by the partners of Teebank and Jaytee are identical in each partnership.

Name	Number of Units	Percent of Units Outstanding
Bernard M. Trager	1,031,605(a)	51.6%
Steven E. Trager	348,389(b)	17.4
A. Scott Trager	5,281	*
Sheldon Gilman, as trustee	382,620	19.2

* - Represents less than 1.0% of total

(a) Includes 535,702 units held by Jean S. Trager and 20,000 units held by the Jean S. Trager Trust.

(b) Includes 327,583 units held in a revocable trust and 20,000 units held by the Jean S. Trager Trust.

(10) Includes 1,308 shares held by Craig A. Greenberg in a deferred compensation plan.

(11) Includes 2,585 shares held by Michael T. Rust in a deferred compensation plan.

(12) Includes 247 shares held by Sandra Metts Snowden s spouse. Also includes 3,234 shares held by Sandra Metts Snowden in a deferred compensation plan.

(13) Includes 5,352 shares held jointly by R. Wayne Stratton with his spouse and 11,423 shares held by R. Wayne Stratton s spouse. R. Wayne Stratton shares investment and voting power over these shares. Also includes 1,636 shares held by R. Wayne Stratton in a deferred compensation plan.

(14) Includes 849 shares held jointly by R. Wayne Stratton with his spouse and 1,214 shares held by R. Wayne Stratton s spouse. R. Wayne Stratton shares investment and voting power over these shares.

(15) Includes 2,653 shares held by Susan Stout Tamme in a deferred compensation plan.

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(16) Includes 1,601 shares allocated to William R. Nelson under the ESOP.

(17) Includes 3,497 shares allocated to Kevin Sipes under the ESOP and 12,154 shares for stock options held by Kevin Sipes that are exercisable within 60 days.

PROPOSAL ONE: ELECTION OF DIRECTORS

Republic's Board of Directors is comprised of one class of directors that are elected annually. Each director serves a term of one (1) year or until his or her successor is duly elected or qualified. Republic's Bylaws provide for not less than five (5) nor more than fifteen (15) directors. In accordance with the Company's Bylaws, the Board of Directors has fixed the number of directors to be elected at the 2009 Annual Meeting at eight (8). The Nominating Committee and the Board of Directors have nominated for election as directors: Bernard M. Trager, Steven E. Trager, A. Scott Trager, Craig A. Greenberg, Michael T. Rust, Sandra Metts Snowden, R. Wayne Stratton and Susan Stout Tamme. Each of the nominees is a current member of the Board of Directors.

Directors Bernard M. Trager, Steven E. Trager and A. Scott Trager also serve as directors of Republic Bank & Trust Company and Directors Steven E. Trager and A. Scott Trager also serve as directors of Republic Bank, a federally chartered thrift subsidiary based in Florida. Independent director nominees Craig A. Greenberg, Michael T. Rust, Sandra Metts Snowden, R. Wayne Stratton and Susan Stout Tamme comprise a majority of the Board of Directors and qualify as independent directors as defined in Rule 4200(a)(15) of the NASDAQ listing standards. While the Company is a controlled company as defined under the NASDAQ rules and thus is entitled to an exemption from the majority independence rule, the Company has not elected this exemption for its 2009 election of directors, but reserves the right to claim this exemption in the future.

Neither the Nominating Committee nor the Board of Directors has reason to believe that any nominee for director will not be available for election or to serve following election. However, if any of the nominees should become unavailable for election, and unless authority is withheld, the holders of the proxies solicited hereby will vote for such other individual(s) as the Nominating Committee or the Board of Directors may recommend.

The following table details the indicated information for each nominee and incumbent director and for the other currently serving executive officers who are listed in the compensation tables which follow but who are not nominees or incumbent directors:

Name and Principal Occupation for Past Five Years	Age	Director Since
Director Nominees:		
<i>Bernard M. Trager</i> serves as Chairman of Republic. Prior to 1998, he also served as CEO of Republic and as Chairman of Republic Bank & Trust Company, Republic's principal bank subsidiary.	80	1974
<i>Steven E. Trager</i> began serving as President and CEO of Republic and Chairman and CEO of Republic Bank & Trust Company in 1998. He also has served as Chairman of Republic Bank since October, 2006. From 1994 to 1997 he served as Vice Chairman and from 1994 to 1998 he served as Secretary of Republic.	48	1988
<i>A. Scott Trager</i> has served as Vice Chairman of Republic since 1994 and has served as President of Republic Bank & Trust Company since 1984. He has served as a director of Republic Bank since January, 2009.	56	1990
<i>Craig A. Greenberg</i> is an attorney with the law firm of Frost Brown Todd, LLC in Louisville, Kentucky, which firm provides general legal services. He is also a member of the development team of Museum Plaza, a planned 1.2 million square foot \$380 million mixed-use development on Louisville's waterfront. He served as a director of Republic Bank & Trust Company from November, 2006 to April, 2008 and has served as a director of Republic from April, 2008 to present.	35	2008
<i>Michael T. Rust</i> is President of Kentucky Hospital Association (KHA), located in Louisville, Kentucky. He served as a director of Republic Bank & Trust Company from May, 2001 to April, 2007 and has served as a director of Republic from April, 2007 to present.	58	2007
<i>Sandra Metts Snowden</i> is President of Metts Company Inc., d/b/a Realty World, Sandy Metts & Associates, a real estate sales, management, brokerage and development firm located in Louisville, Kentucky. She served as a director of Republic Bank & Trust Company from May, 1994 to April, 1999 and has served as a director of Republic from April, 1999 to present.	63	1999
<i>R. Wayne Stratton</i> is a Certified Public Accountant and a member-owner of the public accounting firm of Jones, Nale & Mattingly PLC located in Louisville, Kentucky. He served as a director of Republic Bank & Trust Company from November, 1994 to April, 1995 and has served as a director of Republic from April, 1995 to present.	61	1995
<i>Susan Stout Tamme</i> is President and CEO of Baptist Hospital East and Vice President of Baptist Healthcare System, Inc. located in Louisville, Kentucky. She served as a director of Republic Bank & Trust Company from March, 1999 to April, 2003 and has served as a director of Republic from April, 2003 to present.	58	2003

Name and Principal Occupation for Past Five Years	Age	Director Since
Non-Director Executive Officers:		
<p><i>Kevin Sipes</i> has served as Executive Vice President (EVP) and Treasurer of Republic and Republic Bank & Trust Company since January, 2002 and CFO of Republic and Republic Bank & Trust Company since October, 2000. He has served as a director of Republic Bank since October 2006. He began serving as Chief Accounting Officer and Controller of Republic in 2000. He joined Republic Bank & Trust Company in 1995 as an Assistant Vice President (AVP) of Finance.</p>	37	N/A
<p><i>William R. Nelson</i> has served as President, Tax Refund Solutions, of Republic Bank & Trust Company since 2007. He previously served as Director of Relationship Management of HSBC, Taxpayer Financial Services, in 2004 and was promoted to Group Director Independent Program in 2006 to 2007. He previously served as Director of Sales, Marketing and Customer Service with Republic Bank & Trust Company from 1999 through 2004.</p>	45	N/A

None of the directors placed in nomination hold any directorships in any other company with a class of securities registered pursuant to Section 12 of the Securities Exchange Act of 1934 or subject to the requirements of Section 15(d) of such Act or any company registered as an investment company under the Investment Company Act of 1940, as amended.

Republic's directors were elected at the most recent Annual Meeting held on April 23, 2008, to a one (1) year term. The Company's executive officers are selected by the Board of Directors and hold office at the discretion of the Board of Directors.

Bernard M. Trager, Steven E. Trager and A. Scott Trager are relatives. Bernard M. Trager is the father of Steven E. Trager and the uncle of A. Scott Trager; Steven E. Trager and A. Scott Trager are cousins.

The Board of Directors and its Committees

The Board

Each Director is expected to devote sufficient time, energy and attention to ensure diligent performance of his or her duties and to attend all Board, committee and stockholders' meetings. The Board of Directors held six (6) regularly scheduled board meetings during 2008. Each of the directors attended at least 75% of the total number of meetings of the Board of Directors and the committees on which such directors served during their respective terms of service in 2008.

Committees of the Board

The Board has three (3) standing committees to facilitate and assist the Board in the execution of its responsibilities. The Board committees currently consist of the Audit Committee, the Compensation Committee and the Nominating Committee. In accordance with NASDAQ listing standards, all the committees are comprised solely of non-employee, independent Directors (as defined in Rule 4200(a)(15) of the NASDAQ listing standards and Rule 10A-3(b)(1) under the Securities Exchange Act of 1934). Charters for each committee, as well as the Code of Conduct and Ethics, are available on the Company's website at www.republicbank.com. Please note, however, that the information contained on the website is not incorporated by reference in, or considered to be a part of, this proxy statement.

The table below details current membership for each of the standing Board committees:

Audit Committee	Compensation Committee	Nominating Committee
Michael T. Rust	Craig A. Greenberg	Craig A. Greenberg
Sandra Metts Snowden	Sandra Metts Snowden*	Sandra Metts Snowden*
R. Wayne Stratton, CPA*	Susan Stout Tamme	Susan Stout Tamme

* - *Denotes Committee Chairperson*

The *Audit Committee*, held twelve (12) meetings during 2008. The Board of Directors has evaluated the credentials of and designated and appointed R. Wayne Stratton, CPA, as Chairman of the Audit Committee and as the audit committee financial expert as required by Section 407 of the Sarbanes-Oxley Act of 2002.

Republic's Board of Directors adopted a written charter for the Audit Committee, which sets out the functions and responsibilities of the Audit Committee. As described in the charter, the Audit Committee, among other things, is directly responsible for the selection, oversight and compensation of the Company's independent registered public accounting firm. It is also responsible for the oversight of the accounting and financial reporting processes of the Company, audits of the financial statements and pre-approval of any non-audit services of the independent registered public accounting firm. The Audit Committee is responsible for making recommendations to the Board of Directors with respect to: the review and scope of audit arrangements; the independent registered public accounting firm's suggestions for strengthening internal accounting controls; matters of concern to the Audit Committee, the independent registered public accounting firm, or management relating to Republic's consolidated financial statements or other results of the annual audit; the review of internal accounting procedures and controls with Republic's financial and accounting staff; the review of the activities and recommendations of Republic's Internal Auditor and compliance auditors; and the review of the consolidated financial statements and other financial information published by Republic. Auditors for the Company are required to report directly to the Audit Committee. The Audit Committee is required to pre-approve all audit and permitted non-audit services provided by its independent registered public accounting firm.

The *Compensation Committee* held five (5) meetings during 2008. The Compensation Committee makes recommendations to the Board of Directors as to the amount and form of NEO compensation and option awards, if any. The Compensation Committee also reviews and approves Republic's Management Succession Plan on an annual basis. The Compensation Committee did not utilize the services of an independent consultant in 2008. The Chairman and CEO make recommendations to the Compensation Committee with respect to NEO compensation. The Compensation Committee has recommended and the Board of Directors has approved and adopted a Code of Conduct and Ethics Policy that applies to all directors, officers and employees, including the principal executive and financial officers, the controller and the principal accounting officer. The Company intends to post amendments to, or waivers from, its Code of Conduct and Ethics Policy, if any, that apply to the principal executive and financial officers, the controller or the principal accounting officer on its website.

The *Nominating Committee* held one (1) meeting in 2008. In 2009, the Nominating Committee and the entire Board of Directors approved the director nominees to be considered for election at the Annual Meeting. All nominees served as directors during 2008. No candidates for director nominees for the 2009 Annual Meeting were submitted to the Nominating Committee or the Board of Directors for consideration by any non-management shareholder.

The Nominating Committee will consider candidates for director nominees at the 2010 Annual Meeting put forth by security holders. Security holders should submit nominations, if any, to the Company's Secretary, Michael A. Ringswald at 601 West Market Street, Louisville, Kentucky 40202 no later than November 13, 2009. The Nominating Committee will consider candidates who have a strong record of community leadership in Republic's markets. Candidates should possess a strong record of achievement in both business and civic endeavors, possess strong ethics and display leadership qualities including the ability to analyze and interpret both banking and other endeavors of an entrepreneurial nature and be able to attract new Company relationships. Board diversity as a whole is also considered. Recommendations of the Trager Family Members (generally defined to include Bernard M. Trager, Jean S. Trager and their descendants, and companies, partnerships or trusts in which they are majority owners or beneficiaries), as well as prior services and performance as a director, will be strongly considered. The Company does not pay a third party fee to assist in identifying and evaluating director nominees, but the Company does not preclude the potential for utilizing such services, if needed, as may be determined at the discretion of the Nominating Committee. No candidate that was recommended by a beneficial owner of more than five percent (5%) of the Company's voting Common Stock was rejected. The Trager Family Members recommended all director nominees submitted to the Nominating Committee and the Company's Board of Directors. The Nominating Committee received no other recommendations for any director nominees.

All Company directors and director nominees of record attended the 2008 Annual Meeting which was held on April 23, 2008. All Company directors and director nominees are requested and are expected to attend the 2009 Annual Meeting to be held on April 23, 2009.

COMPENSATION DISCUSSION AND ANALYSIS

The Compensation Committee, which is comprised entirely of independent directors, is responsible for establishing the compensation of, and compensation policies for, NEOs of Republic. The Holding Company does not separately compensate its executive officers, all of whom are also executive officers of Republic Bank & Trust Company and are compensated directly by Republic Bank & Trust Company for their services.

Objectives of Republic's Compensation Program. The purpose of Republic's Compensation Program is to establish and maintain suitable financial compensation and financial rewards for job performance that principally focuses on profit. Other goals are assigned and attributed to the NEOs in the primary areas of loan and deposit growth, risk management and regulatory control, customer service and operations.

With respect to the NEOs in the Summary Compensation Table included in this proxy statement, the Committee also establishes specific goals in order to provide incentives for the NEOs to perform in the best interests of the Company and its shareholders and to provide measurable components against which the NEO's performance can be evaluated. While other goals are defined and reviewed, gross operating profit is the central and most important goal. Therefore, if profitability goals are met, compensation increases and bonuses will normally be awarded even if other goals are not fully achieved.

The NEOs are currently comprised of Bernard M. Trager, Chairman of the Board (the Chairman); Steven E. Trager, President and Chief Executive Officer (CEO); A. Scott Trager, Vice Chairman (VC); Kevin Sipes, Executive Vice President, Chief Accounting Officer and Chief Financial Officer (CFO); and William R. Nelson, President/Tax Refunds Solutions (PRES/TRS).

Compensation Elements. The Company's executive compensation program has three principal components: base salary, the NEO incentive compensation program or bonus program, and stock options. The NEOs also participate in Company-wide employee benefit plans and are rewarded, as part of their base compensation, additional selected business-related perquisites such as, by way of example, car allowances and country club memberships.

Purpose of Republic's Compensation Elements. The primary purpose of the base salary component of Republic's compensation program is to provide base compensation for ordinary living expenses. The Company wants to provide its NEOs with a base salary that supports a reasonable lifestyle that is comparable to their high and visible standing in the community, that supports the demands from the community given that standing and their community visibility and also provides reasonable compensation for the performance of their duties and responsibilities directly associated with their executive officer status. As long as the Company's financial performance is deemed acceptable, additions to base salary are typically granted annually in response to cost of living factor increases and as a reward for performance. While the Committee considers cost of living adjustments when evaluating base pay, such

adjustments are not automatic, but are also dependent on satisfactory earnings. The Committee, in making this determination, uses its collective judgment and does not apply any particular formula or measurement.

Bonus potentials are used to provide the NEOs with an incentive to improve short-term and long-term Company performance. Stock options are also granted from time to time to provide the NEOs with an incentive to maximize the Company's financial performance, as well as to provide a retention incentive.

Establishment of Compensation Levels. Republic's compensation elements are designed to be generally competitive with similar employment opportunities or positions in similar sized companies in the metropolitan Louisville, Kentucky area. The Compensation Committee, however, does not rely on benchmarking to determine its compensation elements; rather, the Compensation Committee gives strong consideration to the recommendations of the Chairman and the CEO, whose recommendations are based upon those officers' subjective judgment, along with the knowledge and general awareness of the members of the Compensation Committee as active members of the metropolitan Louisville, Kentucky business community. The Compensation Committee does review various benchmarking publications to determine if compensation levels are within reasonable ranges as compared to those benchmarks, but they are not used to set compensation. The Compensation Committee has not previously engaged a third-party executive compensation consultant and has no immediate plans to do so in the future.

The Chairman and CEO make specific executive compensation recommendations to the Compensation Committee on all compensation elements. The Chairman recommends his own compensation, which, if reasonable in the subjective judgment of the Compensation Committee, is normally and historically accepted and approved by the Compensation Committee and ultimately the Board of Directors without change. The CEO's compensation is also largely, if not exclusively, dependent on the recommendation of the Chairman and, if reasonable in the subjective judgment of the Compensation Committee, it also is normally accepted and approved by the Compensation Committee and ultimately the Board of Directors without change. The compensation of the remaining NEOs is principally recommended by the CEO with input from the Chairman. All salary and bonus executive compensation is approved by the Board of Directors after recommendation by the Compensation Committee.

NEO Incentive Compensation Program. The NEO incentive compensation program is designed to reward those individuals who contribute through their own performance and their influence on others to achieve and exceed Republic's financial goals. NEO incentive compensation is tied principally to the annual gross operating profit (before taxes) achieved as compared to the internal annual budget. The gross operating profit objective for 2008 was approximately \$57.4 million. The profit goal is designed to be a challenge to meet, but not impractical or impossible. It is designed to provide an incentive for NEOs to achieve desired budgeted financial results. The profit goal should not be relied upon by any investor as an indication of management's prediction of its future performance. The gross operating profit objective for 2009 is approximately \$84.2 million. In its discretion, the Company may modify

its budgeted goals and the Compensation Committee may elect to exclude any extraordinary income or other items from its determination as to whether or not the financial goal was, in fact, met or substantially met.

The Compensation Committee, on recommendation of the Chairman and the CEO, sets individual bonus potential at the end of each fiscal year to be applied to the next fiscal year for all NEOs except for the PRES/TRS. The PRES/TRS' bonus potential is set at the end of each fiscal year and is applied to the Company's tax season, which occurs substantially during the first quarter of the next fiscal year. The bonus potential for 2008 was \$175,000 for the Chairman, \$185,000 for the CEO, \$175,000 for the VC, \$300,000 for the PRES/TRS and \$110,000 for the CFO. The bonus potential for all NEOs remains unchanged for 2009 except for the CFO, whose bonus potential was increased to \$125,000 and for the PRES/TRS, whose bonus potential was increased to \$400,000. By written agreement with each NEO, the bonus potential is subject to amendment either upward or downward at the discretion of the Compensation Committee; however, no such amendment to established bonus potential awards has previously occurred.

There are some occasions when an NEO other than the Chairman or the CEO may be awarded bonus compensation based on factors such as competitive information about the salaries or bonuses paid for similar positions at other local companies or achievements other than profit, although no such bonuses above the stated bonus potential for any NEO were awarded in 2008. Bonus awards are not payable until March 15th of the following fiscal year for which the bonuses, if any, were earned for all NEOs except the PRES/TRS, whose bonus, if approved, is paid half in August and the remaining half is paid in December of the Company's fiscal year. An additional requirement for bonus payment is that the NEO receiving a bonus payment must be an employee in good standing as of the March 15th payment date or, in the case of the PRES/TRS, in August for the first half of the payout and December for the second half of the payout, or the bonus is not paid by the Company.

Overall Company stock performance is not a component of evaluation for the purpose of NEO incentive compensation. Republic's stock is not heavily traded and thus may be subject to market fluctuations beyond the reasonable control of management. Also, in the Compensation Committee's view, the significant stock holdings of the Chairman and the CEO provide, in and of themselves, material executive management motivation to not only preserve but to grow shareholder value, particularly long-term shareholder value.

Ultimately, the Compensation Committee believes that reasonable and consistent earnings over time will translate into appropriate and favorable stock performance. The Compensation Committee's policies are not designed to encourage Republic's NEOs to manage the Company on a quarter to quarter time horizon or even solely over a one year time period. Investment in capital improvements, product development and new market expansion can act to reduce short-term profits while providing for a larger future, longer-term profit potential and/or provide for the long-term soundness and sustainability of the Company's operations and, thus, its long-term profit potential. All of these factors are taken into account by the Compensation Committee in its subjective annual evaluation process and deliberations.

All NEO incentive compensation is tied to the Company's current year budgeted gross operating profit goal as described above except for the PRES/TRS. The PRES/TRS has goals expressly tied to the profitability of the Company's Tax Refund Solutions business operating segment.

Results Rewarded under Republic's Compensation Program. The principal result rewarded under Republic's Compensation Program with respect to incentive based compensation is the degree of attainment of Company profit goals as determined by the budgeted income objectives. Consideration is given if profit objectives are not fully met due to factors beyond the control of the respective NEO. Such factors have historically included economic factors, regulatory changes impacting profit objectives, or management decisions that may impact current profitability in return for the potential for greater long-term profitability. These decisions may include such things as banking center expansion or technology upgrades or other similar circumstances that were not evident when the budget was initially approved by Republic's Board of Directors. The NEO incentive compensation program is flexible and will take into account factors beyond the control of any NEO in determining the amount of compensation to be paid in any given year. In 2008, the Compensation Committee took into account the effect of portfolio investment security write-downs, which were deemed by the Compensation Committee to be largely attributable to broad-based economic deterioration beyond the reasonable control of management. If the Company's budgeted gross operating profit goal is not achieved, then a percentage of the potential bonus payout may be awarded based on any intervening factors that may have been outside the control of the respective NEO, or as a result of meaningful profitability performance even though the budgeted profitability goal may not have been fully met or even materially met. Nonetheless, Republic's compensation program does not automatically result in incentives being paid based on a percentage of any particular goal attainment. Given the Company's overall financial performance in 2008, all NEOs received their full potential bonus awards and a modest salary increase effective January 1, 2009.

Equity Compensation. The Company's primary form of equity-based incentive compensation is incentive stock options. This form of compensation has been historically used by the Company due to previously favorable accounting and tax treatment. Stock options are also granted by the Company's competitors and the Compensation Committee believes stock options have been an expectation of business executives in Republic's marketplace. Despite the ramifications from the adoption of the Statement of Financial Accounting Standards (SFAS) No. 123(R) *Share Based Payment*, the Compensation Committee believes that stock options continue to provide a strong retention factor to enhance the Company's ability to maintain the employment of its high performing executives. Additionally, Republic's standard form of stock option agreement provides for a two (2) year prohibition, following the termination of employment of a stock option recipient, on the solicitation of any customer or the recruitment and hiring of any Company associate. The Company's stock option agreement also has confidentiality requirements which act to protect the Company's proprietary information. A violation of those provisions allows the Company to require a forfeiture of the option stock or

the profits derived from the sale of that stock if sold. All options granted have a change in control provision providing for immediate vesting of any unexercised option grants.

With the exception of new hires or promotions, stock option grants recommended to the Compensation Committee by the Chairman and the CEO are normally reviewed during the last calendar quarter when NEO performance during that calendar year can also be considered. In choosing the date for the grant of stock options, the Compensation Committee gives no consideration to market events; any relationship between the option grant date and the price of the Company's stock on that date is strictly coincidental. Stock options were granted to the VC for 15,000 shares, to the CFO for 15,000 shares and to the PRES/TRS for 4,000 shares in 2008. Even though the gross operating profit goal was essentially met, the Chairman and CEO did not recommend, and, as a result, the Compensation Committee did not grant, any stock options to the Chairman or CEO in 2008. This decision was not based on any failure of the Chairman or CEO to meet any performance objective.

Post-Employment Benefits. As described under the heading *Post-Employment Compensation* elsewhere in this proxy statement, Republic has entered into Officer Compensation Continuation Agreements with each of the NEOs, with the exception of Bernard M. Trager. As described herein, the Officer Compensation Continuation Agreements provide for the payment to an NEO terminated following a change in control equal to up to 24 months of the NEO's base salary and benefits. The Company deems the agreements necessary for the maintenance of sound management and essential to protecting the best interests of the Company and its shareholders. The agreements are intended to encourage the NEOs to remain in the employment of the Company and to continue to perform their assigned duties without distraction in the face of potentially disruptive events that would normally surround a Company change in control. Potential payments and benefits under these arrangements have no bearing on the Compensation Committee's deliberations regarding all other compensation elements. The Company has modified these agreements to conform them to changes in law under Section 409A of the Internal Revenue Code of 1986, as amended.

Republic Bank & Trust Company entered into a death benefit agreement with Chairman Bernard M. Trager, effective September 10, 1996. The agreement provides for payment as described in more detail elsewhere in this proxy statement if Bernard M. Trager is a full-time employee in good standing at the date of his death.

COMPENSATION COMMITTEE REPORT

The Compensation Committee of the company has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussions, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement.

Members of the Compensation Committee:

Sandra Metts Snowden, Chairperson

Craig A. Greenberg

Susan Stout Tamme

DIRECTOR COMPENSATION

During 2008, non-employee directors of Republic and its principal banking subsidiary received fees of \$2,000 for each board meeting attended and fees ranging from \$125 to \$500, based on the particular committee, for each committee meeting attended. On occasion, brief, typically single-issue telephonic meetings may be held for which there is no compensation. Non-employee directors have the option of allocating their fees into a Director Deferred Compensation Plan. Compensation paid or deferred to directors of Republic during 2008 for services as a director of Republic were as follows:

DIRECTOR SUMMARY COMPENSATION TABLE

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Name(1)	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings(2)	All Other Compensation (\$)	Total (\$)
Charles E. Anderson (3)	12,675				19,874		32,549
Craig A. Greenberg (4)	12,300				8,677		20,977
Michael T. Rust	16,500				53,806		70,306
Sandra Metts Snowden	17,600				23,136		40,736
R. Wayne Stratton	16,063				12,044		28,107
Susan Stout Tamme	12,100				19,210		31,310

(1) Bernard M. Trager, Steven E Trager and A. Scott Trager are not included in this table as they are employees of the Company and thus receive no compensation for their services as directors. The compensation received by these individuals is included in the *Summary Compensation Table*.

(2) The amounts in column (f) reflect cash dividends and stock value appreciation on deferred compensation balances, which are deemed by the plan to be invested in Republic stock. Cash dividends are accumulated and converted into stock equivalents on a quarterly basis.

(3) Charles E. Anderson served as a director of Republic through April 22, 2008, after which he was appointed to the honorary position of Director Emeritus of Republic Bank & Trust Company. He was paid \$8,000 for board meeting attendance after April 22, 2008.

(4) Craig A. Greenberg earned \$4,000 as a director of Republic Bank & Trust Company prior to being elected as a director of Republic.

CERTAIN INFORMATION AS TO MANAGEMENT

The following table contains information concerning the compensation received by Republic's CEO, CFO and the other three most highly compensated executive officers of Republic for the fiscal year ended December 31, 2008:

SUMMARY COMPENSATION TABLE

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Name and Principal Position	Year	Salary (\$)	Bonus (\$)(1)	Stock Awards (\$)	Option Awards (\$)(2)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)(3)	Total (\$)
Bernard M. Trager, <i>Chairman and Director</i>	2008	587,000	175,000					32,988	794,988
	2007	587,000						29,825	616,825
Steven E. Trager, <i>President, CEO, and Director</i>	2008	310,000	185,000					50,089	545,089
	2007	310,000						43,397	353,397
A. Scott Trager, <i>Vice Chairman and Director</i>	2008	300,000	175,000		22,375			43,106	816,456
	2007	300,000			28,370			36,262	336,262
William R. Nelson, <i>President, Tax Refund Solutions</i>	2008	245,000	300,000		9,028			19,075	643,635
	2007	163,702			6,958			2,156	388,458
Kevin Sipes, <i>EVP, CFO and Chief Accounting Officer</i>	2008	225,000	110,000		22,375			29,850	663,200
	2007	225,000			28,370			25,455	250,455

(1) The amounts in column (d) reflect bonuses awarded and paid after fiscal year-end 2008 for achievement of corporate, individual and departmental goals during 2008.

(2) The amounts in column (f) reflect the value of stock options granted in 2008 and earlier years to A. Scott Trager, William R. Nelson and Kevin Sipes, determined in accordance with SFAS 123(R). The value of these options is reflected over their vesting period. Assumptions used in the calculation of this value are included in Footnote 17 Stock Plans and Stock Based Compensation of the Company's audited financial statements for the fiscal year ended

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December 31, 2008, included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 6, 2009.

(3) The amounts in column (i) include the following:

Name	401(k) Matching Contributions (\$)	Life Insurance Policies (\$)	Club Memberships (\$)	Auto Allowance or Personal Use of Company Owned Vehicles (\$)	Employee Stock Ownership Plan Allocation (\$)*	Total (\$)
Bernard M. Trager	8,625	521	10,517	4,837	11,613	36,113
Steven E. Trager	8,625	1,860	18,086	9,600	15,103	53,274
A. Scott Trager	8,625	1,860	17,718	2,925	15,103	46,231
William R. Nelson						