Republic Bancorp (RBCAA)

Updated February 6th, 2026 by Aristofanis Papadatos

Key Metrics

Current Price:	$74	**5 Year CAGR Estimate:**	4.6%	**Market Cap:**	$1.5 B
Fair Value Price:	$71	**5 Year Growth Estimate:**	3.0%	**Ex-Dividend Date:**	3/20/26
% Fair Value:	105%	**5 Year Valuation Multiple Estimate:**	-0.9%	**Dividend Payment Date:**	4/17/26
Dividend Yield:	2.7%	**5 Year Price Target**	$82	**Years Of Dividend Growth:**	25
Dividend Risk Score:	C	**Sector:** Financials		**Rating:**	Hold

Overview & Current Events

Republic Bancorp is a financial holding company that is headquartered in Louisville, Kentucky, and provides both traditional and non-traditional banking products to its customers. It has 47 full-service banking centers in five states, with most of the centers in Kentucky, and has a market cap of $1.5 billion. The bank offers savings, checking and money market accounts while it also originates residential mortgage loans, home equity loans, commercial real estate loans, and credit lines and offers personal and business banking services. Republic Bancorp is characterized by conservative management and thus it has raised its dividend for 25 consecutive years.

In late January, Republic Bancorp reported (1/30/26) financial results for the fourth quarter of 2025. Loans grew marginally while deposits grew 5% over the prior year's quarter. Net interest margin expanded from 3.64% in the prior year's quarter to 3.87% and net interest income grew 10%. Earnings-per-share grew 19%, from $0.98 to $1.17, though they missed the analysts' consensus by $0.17. The growth of earnings resulted from high growth of net interest margin while the earnings miss was caused by higher provisions for loan losses. The bank has beaten the analysts' estimates in 13 of the last 19 quarters. Net interest margin expanded for a sixth consecutive quarter.

Most banks faced material loan losses due to the pandemic in 2020, but Republic Bancorp proved resilient to that crisis thanks to its disciplined business model. The bank grew its earnings-per-share 3% in 2020 and 6% in 2021.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$2.22	$2.50	$3.74	$3.89	$3.99	$4.24	$4.59	$4.62	$5.21	$6.72	***$6.10***	***$7.07***
DPS	$0.83	$0.87	$0.97	$1.06	$1.14	$1.23	$1.36	$1.50	$1.63	$1.80	***$1.98***	***$2.28***
Shares[1]	21.0	21.0	21.1	21.1	21.1	20.8	20.0	19.7	19.8	19.8	***19.8***	***19.0***

Republic Bancorp has exhibited a solid performance record over the last decade. It has grown its earnings-per-share at a 13.1% average annual rate over the last decade and at an 11.0% average annual rate over the last five years. The bank is trying to grow by expanding its reach via digital channels and acquiring smaller peers, while it is also doing its best to reduce its operating costs. It faced a strong headwind from high interest rates in 2023 but its net interest margin has been in recovery mode in recent quarters. Lower interest rates will probably help Republic Bancorp enhance its net interest margin, i.e., the difference between the interest rate it charges on loans minus the interest rate it pays on deposits. Given the high comparison base formed by the expected earnings-per-share this year, we expect 3.0% average annual growth of earnings-per-share over the next five years.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	13.2	14.7	11.6	11.6	8.6	11.2	9.6	9.6	11.2	10.3	***12.1***	***11.6***
Avg. Yld.	2.8%	2.4%	2.2%	2.4%	3.3%	2.6%	3.1%	3.4%	2.8%	2.6%	***2.7%***	***2.8%***

[1] In millions.

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Republic Bancorp is currently trading at a price-to-earnings ratio of 12.1, which is higher than its 10-year average price-to-earnings ratio of 11.6. We expect the stock to trade at its average valuation level in five years. In such a case, the stock will incur a -0.9% annualized valuation drag.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	37%	35%	26%	27%	29%	29%	30%	32%	31%	27%	***32%***	***32%***

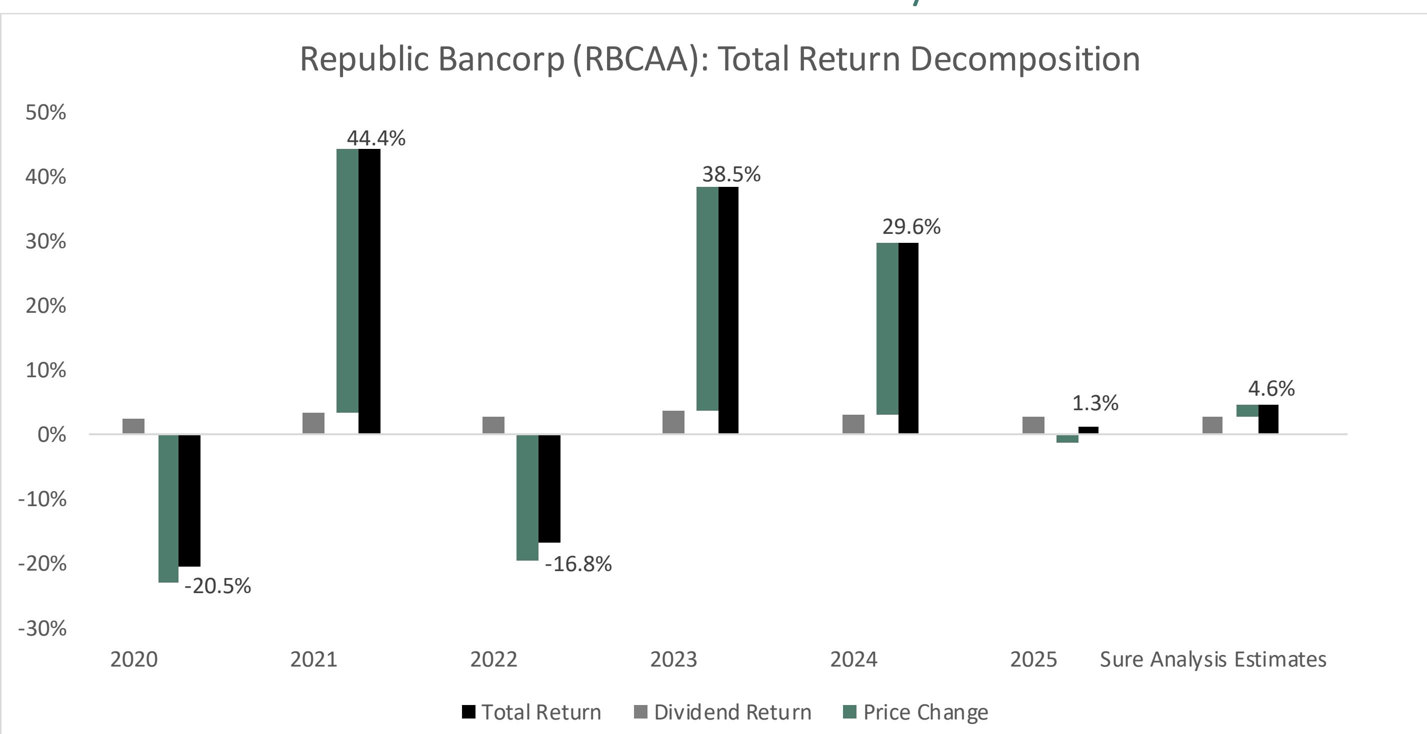
Republic Bancorp is characterized by disciplined management, which is focused on maintaining pristine credit quality metrics. Non-performing loans are 0.45% of total loans while net loan charge-offs are only 0.03% of total loans. Thanks to its prudent strategy, the company has proved resilient to recessions. In the Great Recession, the worst financial crisis of the last 90 years, when most banks incurred severe losses and cut their dividends, Republic Bancorp continued growing its earnings and its dividend. The bank proved resilient throughout the pandemic as well.

The conservative strategy of the bank results in slower growth during boom times but much more reliable performance during downturns. This helps explain the superior dividend growth record of Republic Bancorp. The bank just raised its dividend by 10% and hence it has raised its dividend for 25 consecutive years. Given its solid payout ratio of 32% and its defensive business model, the bank can keep raising its dividend for many more years.

Final Thoughts & Recommendation

Republic Bancorp is a high-quality bank, which has proved resilient to recessions. The stock came under pressure in 2023 due to the collapse of a few banks but it has endured the downturn and it has rallied 51% in the last two years. As a result, it has become less attractive. It could offer a 4.6% average annual return over the next five years thanks to 3.0% earnings-per-share growth and its 2.7% dividend, partly offset by a -0.9% annualized valuation headwind. The stock receives a hold rating. Investors should be aware of the low trading volume of this small-cap stock.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	209	253	285	298	315	302	309	354	379	418
SG&A Exp.	87	103	113	130	140	145	120	127	131	---
D&A Exp.	9	10	11	11	13	12	10	15	15	---
Net Profit	46	46	78	92	83	87	91	90	101	131
Net Margin	21.9%	18.0%	27.3%	30.7%	26.4%	28.7%	29.4%	25.4%	26.7%	31.3%
Free Cash Flow	41	65	109	92	72	94	151	102	143	---
Income Tax	23	33	16	21	19	24	26	23	26	34

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	4,816	5,085	5,240	5,620	6,168	6,094	5,836	6,595	6,847	7,042
Cash & Equivalents	289	299	351	385	486	757	314	317	432	220
Goodwill & Int. Ass.	16	16	16	16	16	16	16	41	41	41
Total Liabilities	4,212	4,453	4,550	4,856	5,345	5,259	4,979	5,682	5,855	5,940
Long-Term Debt	844	779	851	791	276	25	95	380	395	538
Shareholder's Equity	604	632	690	764	823	834	857	913	992	1,102
LTD/E Ratio	1.40	1.23	1.23	1.04	0.34	0.03	0.11	0.42	0.40	0.57

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	1.0%	0.9%	1.5%	1.7%	1.4%	1.4%	1.5%	1.5%	1.5%	1.9%
Return on Equity	7.8%	7.4%	11.8%	12.6%	10.5%	10.5%	10.8%	10.2%	10.6%	12.5%
ROIC	3.3%	3.2%	5.3%	5.9%	6.3%	8.9%	10.1%	8.1%	7.6%	8.1%
Shares Out.	21.0	21.0	21.1	21.1	21.1	20.8	20.1	19.4	19.74	19.81
Revenue/Share	9.99	12.04	13.53	14.12	14.95	14.57	15.36	18.30	19.20	26.32
FCF/Share	1.94	3.11	5.19	4.37	3.41	4.51	7.53	5.12	7.33	---

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.