



**Item 2.06 - Material Impairments.**

On September 17, 2008, at its regularly scheduled meeting, the board of directors of Republic Bancorp, Inc. (“Republic” or the “Company”) reviewed with executive management the market valuation of the Company’s non-agency mortgage backed security portfolio. Management estimates the Company will record a non-cash “Other-Than-Temporary-Impairment” charge of approximately \$3.3 million for one of its non-agency mortgage backed securities with an amortized cost of \$11.1 million. This security was downgraded during the quarter by Moody’s from a rating of “Aa1” to a rating of “Baa2”. The Company’s impairment write-down is based on August 31, 2008 estimated market values received by the Company on September 16, 2008.

In determining that this non-agency mortgage backed security was Other-Than-Temporarily-Impaired, the Company gave considerable weight to the significant downgrade of this security by Moody’s. The significance of the downgrade raised doubt about the ability of the Company to continue to collect the future principal and interest of the security in accordance with its original terms.

In addition to the charge recorded for the above non-agency mortgage backed security, the Company will also record a non-cash Other-Than-Temporary-Impairment charge of \$1.4 million during the third quarter related to its holding of Federal Home Loan Mortgage Corporation (“Freddie Mac”) preferred stock.

The estimated after tax effect to third quarter net income of both impairment charges will be approximately \$3.1 million with an impact to diluted earnings per Class A Common share of \$0.15. The Company expects to be able to utilize the tax benefit of the impairment loss as a result of prior-year capital gains and from other tax planning strategies. The Company will finalize its estimates for these impairment charges in connection with the preparation of its third quarter 2008 financial statements. For the first six months of 2008, Republic reported net income of \$28.5 million with diluted earnings per Class A Common share of \$1.38.

*For additional discussion of Republic’s Other-Than-Temporary-Impairment analyses, see “Footnote 2. Securities” in the Company’s Form 10-Q filed August 5, 2008.*

**Forward Looking Statements**

*Statements in this 8-K relating to Republic’s plans, objectives, or future performance are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are based on management’s current expectations. Republic’s actual strategies and results in future periods may differ materially from those currently expected due to various risks and uncertainties, including those discussed in Republic’s 2007 Form 10-K and subsequent 10-Qs filed with the Securities and Exchange Commission.*

---

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Republic Bancorp, Inc.  
(Registrant)

Date: September 19, 2008

By: /s/ Kevin Sipes

---

Kevin Sipes  
Executive Vice President, Chief Financial  
Officer & Chief Accounting Officer

---