

UNITED STATES
FEDERAL DEPOSIT INSURANCE CORPORATION
Washington, D.C. 20429

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934

Filed by the Registrant Filed by a Party other than the Registrant

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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First Republic Bank

(Name of Registrant as Specified In Its Charter)

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**SUPPLEMENT TO
PROXY STATEMENT FOR ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD MAY 12, 2015**

This document supplements our Proxy Statement dated March 31, 2015 related to the Annual meeting of Shareholders of First Republic Bank (the “Bank”), which will be held at 9:30 A.M., Eastern Time, on Tuesday, May 12, 2015, at the New York Yacht Club, 37 West 44th Street, New York, New York 10036.

EXPLANATORY STATEMENT

Employment Agreements

The Bank is providing supplemental information in connection with the disclosure related to the Bank’s employment agreement with Mr. James H. Herbert, II, the Bank’s Chairman and Chief Executive Officer, which was amended in February 2012 to extend the term of his employment and provide for non-compete agreements. See “Employment Agreements” on pages 24 and 25 of the Proxy Statement.

As an inducement for entering into the amended employment agreement in February 2012, Mr. Herbert received a one-time award of 350,000 shares of restricted stock that vest over an extended eight-year period. Importantly, the award is performance-based and contingent upon future service, and fully 70% of this award vests during or after 2015, the beginning of the extension period of Mr. Herbert’s employment. In making compensation decisions, the Bank’s Compensation Committee takes into account the value that is delivered under the performance restricted stock grant as and when the stock vests.

In accordance with the rules and regulations of the Securities and Exchange Commission (“SEC”), the entire fair value of this multi-year award was reported as if value delivery all occurred in 2012. The vesting of this restricted stock award, however, is contingent upon the Bank’s achievement of performance goals and Mr. Herbert’s continued service to the Bank. As a result, compensation value under this performance-restricted stock grant is delivered only if (and when) the award vests. Accordingly, the Bank’s Compensation Committee believes that a more meaningful evaluation of the compensation for Mr. Herbert with respect to the 2012 long-term equity awards should also consider the value of such equity awards if (and when) they actually vest, and should not focus on the total fair value of such multi-year vesting in the single year of grant.

If viewed in terms of when compensation is actually realized under the 2012 performance restricted stock grant, the summary compensation table disclosure overstates the value of the performance restricted stock award delivered in the grant year and understates the value of the award delivered in later years when the performance restricted stock award vests. As a result, the summary compensation table does not highlight the relative balance between shorter-term and longer-term incentive compensation as value is delivered over the course of the award’s eight-year vesting schedule.

The table below presents the grant date fair value of the 2012 performance-based restricted stock awards of \$11,130,000, by year of potential vesting (assuming complete vesting is earned), for Mr. Herbert:

<u>Name</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
James H. Herbert, II.....	\$556,500	\$556,500	\$2,226,000	\$3,339,000	\$2,782,500	\$556,500	\$556,500	\$556,500

As evidenced by the Bank’s granting practices in 2013 and 2014, the Compensation Committee has adopted a regular pattern of annual or periodic grants which should reduce the impact to current period (and three-year average) compensation reported under SEC rules in 2012.

Performance Goals for the 2014 Performance Share Unit Awards

In addition, the Bank is providing supplemental information in connection with the disclosure related to the performance criteria for the award of Performance Share Units (PSUs) to named executive officers in 2014 that is reported on page 28 of the Proxy Statement. It is important to note that our PSU awards provide for ***no upside leverage***. The Compensation Committee selected absolute and relative Return on Equity (“ROE”) along with regulatory capital in order to balance metrics that are (i) important to operating the business; (ii) acceptable to regulators from a safety and soundness perspective; and (iii) shareholder friendly.

The number of PSUs earned by the named executive officer will be determined at the end of the performance period in the third quarter of 2017 based on the level of achievement of two separate performance goals (with 50% of the PSUs subject to each performance goal) in accordance with the following schedule:

1. Absolute and Relative Return on Equity

50% of the PSUs subject to the target award will be earned in accordance with the following schedule based upon the Bank’s reported ROE averaged over the 12 calendar quarters during the performance period as an absolute percentage and in relation to the median ROE reported over the performance period by all institutions comprising the Keefe, Bruyette & Woods Regional Bank Index (or comparable successor index) (“KBW median”). ROE for a quarter is calculated by dividing Net Income Available to Common Shareholders for the quarter by the average Common Shareholders’ Equity for the quarter. If the 12-quarter average of the reported ROE of the Bank is less than either 10% or such median for peer group institutions, none of this 50% portion of the PSUs will be earned.

Bank’s 12-quarter average ROE during the performance period	Percentage of the 50% which vest	Percentage of total PSUs which vest
Less than 10% or not above KBW median	0	0
At least 10% (but less than 10.5%) and above KBW median	50% of 50%	25%
At least 10.5% (but less than 11%) and above KBW median	75% of 50%	37.50%
At least 11% and above KBW median	100% of 50%	50%

2. Leverage Capital Regulatory Requirement

The remaining 50% of the PSUs subject to the target award will be earned only if the quarterly reported Tier I Leverage Capital is maintained at a minimum level of 8.0% for the entire performance period. If the quarterly reported Tier I Leverage Capital is not maintained at this level or above for the entire performance period, none of this 50% portion of the PSUs will be earned.

Annual Incentives

Furthermore, the Bank is providing supplemental information in connection with the disclosure related to annual incentive arrangements for Mr. Herbert and Ms. Katherine August-deWilde, the Bank's President, as described on pages 26 and 27 of the Proxy Statement.

The annual cash bonus opportunity for Mr. Herbert and Ms. August-deWilde is established based upon their employment agreements and their 2014 incentive plans, and is paid under (and in accordance with the terms of) the Bank's 2012 Executive Incentive Plan (the "Executive Incentive Plan"), which was approved by shareholders on May 15, 2012. Pursuant to their employment agreements, the annual bonus opportunity equals a maximum of 0.5% of the Bank's pre-tax profit for each fiscal year, and the terms of the bonus payments are governed by the Executive Incentive Plan. Section 5(d) of the Executive Incentive Plan states that the bonus payable to any single participant (including bonuses paid to Mr. Herbert and Ms. August-deWilde) shall not exceed \$5,750,000 for any performance period, which, for the 2014 annual incentive payment, was defined by the Compensation Committee as the 2014 calendar year.