

**FEDERAL DEPOSIT INSURANCE CORPORATION**  
Washington, D.C. 20429

**FORM 8-K**

**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): January 15, 2015

**FIRST REPUBLIC BANK**

(Exact name of registrant as specified in its charter)

**California**  
(State or other jurisdiction  
of incorporation)

**80-0513856**  
(I.R.S. Employer  
Identification No.)

**111 Pine Street, 2nd Floor**  
**San Francisco, CA 94111**  
(Address, including zip code, of principal executive office)

**Registrant's telephone number, including area code: (415) 392-1400**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

**Item 7.01 Regulation FD Disclosure**

Pursuant to Regulation FD, First Republic Bank (“the Bank”) hereby furnishes to the Federal Deposit Insurance Corporation slides that the Bank will present to analysts and investors on or after January 15, 2015. The slides are attached hereto as Exhibit 99.1. These slides will be available on the Bank’s website at [www.firstrepublic.com](http://www.firstrepublic.com).

The information furnished by the Bank pursuant to this item, including Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, (the “Exchange Act”) or otherwise subject to the liability of that section, and shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act.

**Item 9.01 Financial Statements and Exhibits**

**(d) Exhibits**

99.1 Slides presented by First Republic Bank to analysts and investors on or after January 15, 2015.

## SIGNATURES

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

Date: January 15, 2015.

First Republic Bank

By: /s/ Michael J. Roffler  
Name: Michael J. Roffler  
Title: Executive Vice President and  
Chief Financial Officer

## EXHIBIT INDEX

<b><u>Exhibit Number</u></b>	<b><u>Description</u></b>
Exhibit 99.1	Slides presented by First Republic Bank to analysts and investors on or after January 15, 2015.

Exhibit 99.1



FIRST REPUBLIC BANK  
It's a privilege to serve you®

# FIRST REPUBLIC BANK

*January 2015*

# WHY FIRST REPUBLIC?

---

- **Simple structure** – no holding company / only 4 subsidiaries
- **Focused business model** – single point-of-contact
- **Culture** – intense, client service-focused and team-based
- **Strong brand** – continuously expanding market recognition
- **Superior credit** – no migration in underwriting standards
- **Outperforming markets** – urban, coastal, knowledge-based
- **Attractive client base** – highly educated, urban professionals
- **Well-capitalized**
- **Consistent, broad-based leadership team**

# WHAT IS FIRST REPUBLIC TODAY?

---

- Profitable for 29 consecutive years (since inception)
- Total Bank Assets **\$48.4** billion – almost entirely organic growth
- Wealth Management Assets **\$53.4** billion
- Nonperforming Assets only 10 bps
- Tier 1 Leverage ratio of 9.43%
- 68 Bi-coastal Banking Offices in 7 urban coastal markets

# 2014 FULL YEAR HIGHLIGHTS

---

- Core revenue growth +17.1%
- Deposits +15.7%
- Loans +10.9%
- Wealth management assets +28.4%
- Loan originations \$17.0 billion, 2<sup>nd</sup> highest ever
- Loan sales \$4.4 billion
- Tier 1 capital +16.7% year-over-year
- Book value per share +14.2% year-over-year



# SIMPLE, CONSISTENT, PROVEN BUSINESS MODEL

- Single point-of-contact approach
- 50% + of yearly growth is from existing clients <sup>(1)</sup>
- Organic growth through satisfied clients' word-of-mouth referrals
- Jumbo home loan lead for client acquisition
- Incentive structure focused on relationships and strong credits

## Relationship-Based, Open Architecture Business Model



**8** Products Per New Loan Client <sup>(2)</sup>

(1) See slide 9.

(2) First Republic's product per client (PPC) data reflects the number of products sold to each client with a loan originated in 2013.

# KEY DRIVERS OF ORGANIC GROWTH

---

## Urban Coastal Markets

- Targeted urban, coastal markets = **outperform the U.S. economy**

## Extraordinary Service / Existing Clients

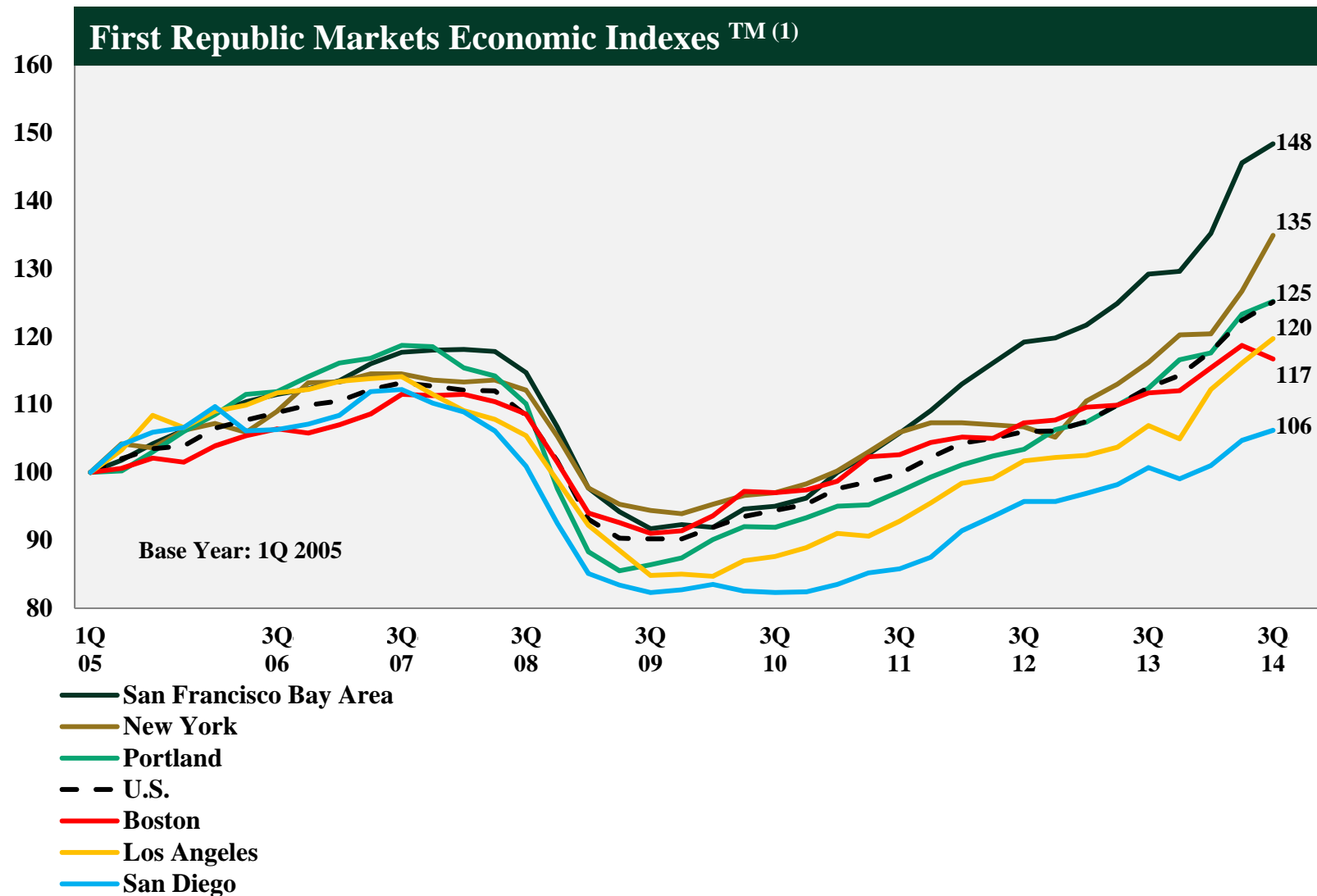
- Existing clients 1) strong financial growth rates, 2) higher retention rates, and 3) increasingly complex needs = **expanding existing relationships**
- Satisfied clients referring friends and businesses = **developing new relationships**



## Other New Client Sources

- Hire new, experienced relationship managers / investment professionals
- Very focused marketing

# OUTPERFORMING GEOGRAPHIC MARKETS

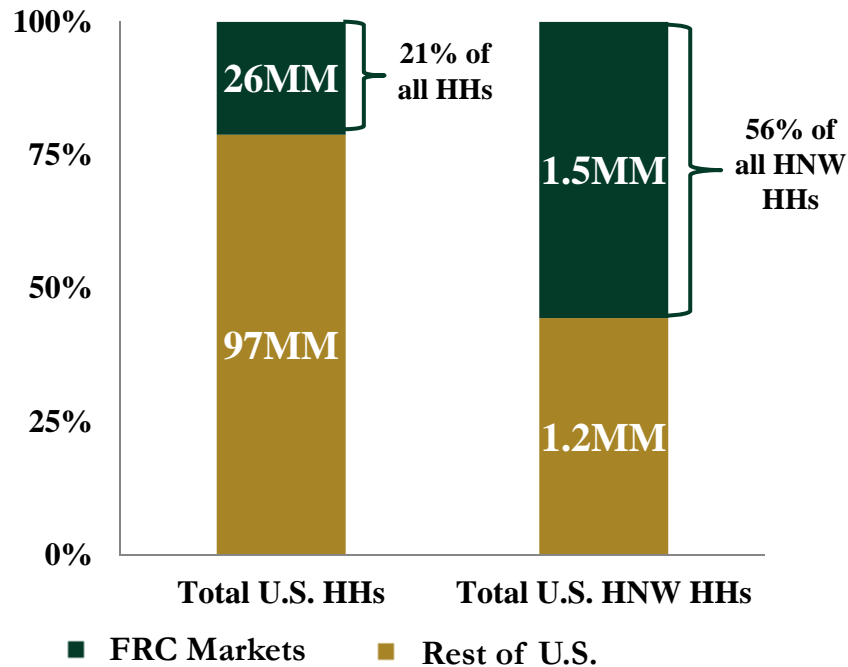


(1) The First Republic Markets Economic Index <sup>TM</sup> is a proprietary index, produced in conjunction with Rosen Consulting Group and designed to indicate aggregate economic performance of FRC's markets utilizing publicly regularly available regional economic data.

# ATTRACTIVE CLIENT OPPORTUNITY & BASE

## Continued Opportunity

FRC Key Markets <sup>(1)</sup> contain fully **56%** of all U.S. high net worth households (“HNW HHs”) <sup>(2)</sup>



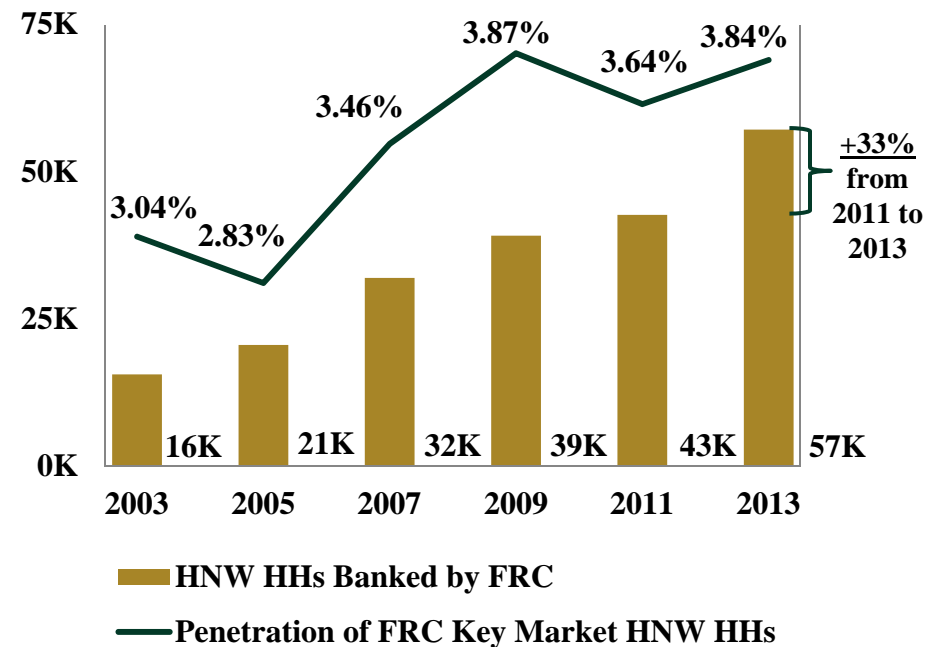
Source: FRC / Capgemini Consulting study (2013)

(1) FRC Key Markets include San Francisco, Los Angeles, San Diego, Portland, New York, Boston, Newport Beach, and Palm Beach.

(2) Consisting of those households with at least \$1 million of investable assets.

## Continued Growth

FRC continues to increase both the number of HNW HHs banked and overall market share over time



# CLIENT LOYALTY: A SERVICE ORGANIZATION

## 2014 Top Service-Focused Brands <sup>(1)</sup>

	<b>77%</b>	<b>First Republic - Lead Bank</b> <i>(+3 pts from 74% in 2013)</i>
	72%	Apple (Computer Hardware)
	64%	Amazon (Online Shopping)
	<b>62%</b>	<b>First Republic - Overall</b> <i>(+7 pts from 55% in 2013)</i>
	48%	Virgin America (Airlines)
	<b>34%</b>	<b>U.S. Banking Industry</b> <sup>(1)</sup>

- Net Promoter Score (“NPS”) measures client satisfaction, loyalty and likelihood to recommend.
- Confirms source of unusually low client attrition rates
- Represents a key driver of growth: word-of-mouth referrals

	PERSONAL BANKING		WEALTH MANAGEMENT		BUSINESS BANKING	
	First Republic	U.S. Banking Industry <sup>(2)</sup>	First Republic	U.S. Brokerage / Investment Industry <sup>(3)</sup>	First Republic	U.S. Top 10 Banks Mean <sup>(4)</sup>
<b>2014</b>	<b>59%</b> <small>77% when Lead Bank</small>	<b>34%</b>	<b>72%</b> <small>73% when Lead Bank</small>	<b>47%</b>	<b>68%</b> <small>72% when Lead Bank</small>	<b>43%</b>
<b>2013</b>	<b>53%</b> <small>75% when Lead Bank</small>	<b>18%</b>	<b>61%</b> <small>76% when Lead Bank</small>	<b>40%</b>	<b>67%</b> <small>73% when Lead Bank</small>	<b>28%</b>

Note: This data is based on preliminary findings.

(1) Satmetrix NPS. Please note: The brands listed under ‘Benchmark: 2014 Top Service-Focused Brands’ are luxury brands selected for comparison purposes.

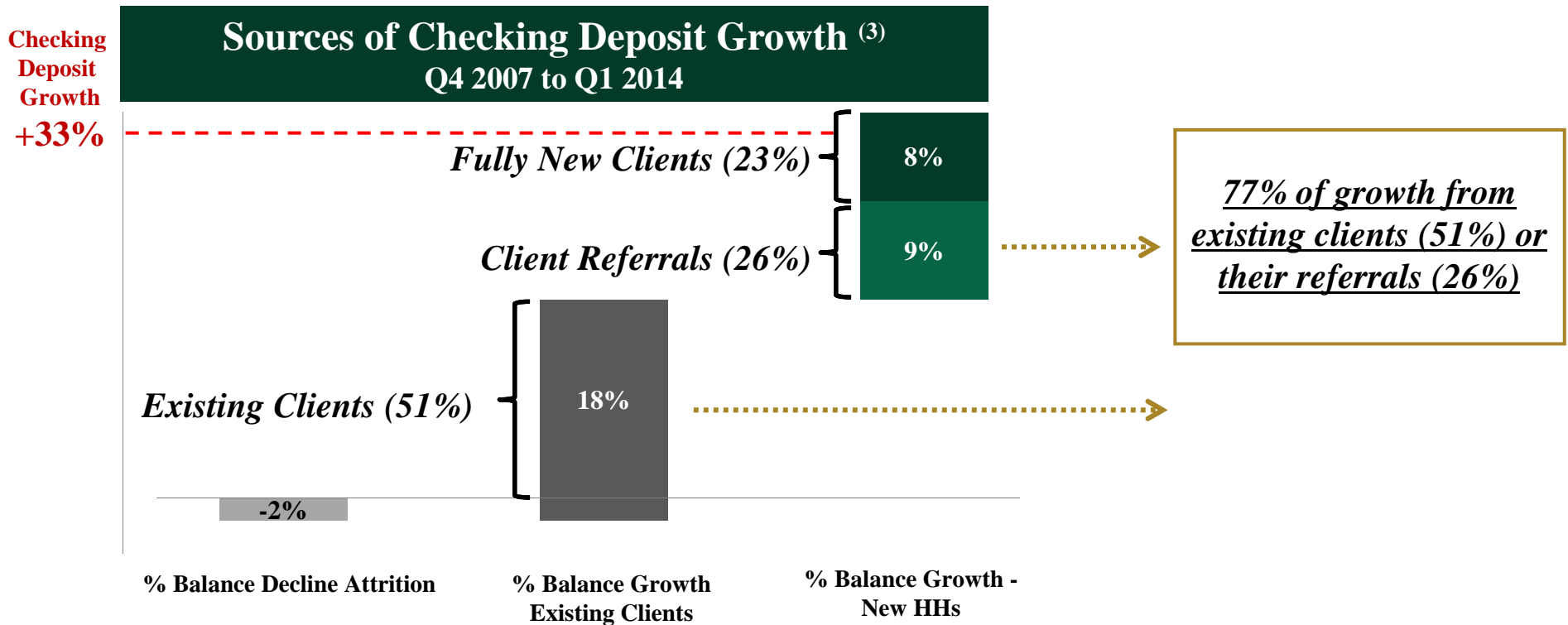
(2) Personal Banking Source: SATMETRIX Net Promoter U.S. Consumer Benchmarks 2012 / 2014.

(3) Wealth Management Source: SATMETRIX NPS: Benchmarks 2012 and 2014 U.S. Brokerage / Investments.

(4) Business Banking Source: Greenwich Associates NPS Competitive Dynamics 2011/12 and 2013/14 U.S. Business Banking.

# DEPOSIT GROWTH FROM EXISTING CLIENTS

- Six-year period (Q4 2007 to Q1 2014), annual checking deposit growth = 33%
- Over 3/4 growth came from existing clients or their referrals <sup>(1)</sup>
- Client attrition 2%, significantly lower than 10% attrition for U.S. banks <sup>(2)</sup>



Source: "FRC Client Growth Study" (Oliver Wyman Study; September 2014)

(1) Referrals as identified by FRC bankers.

(2) Attrition rates based on Oliver Wyman Study; September 2014.

(3) Checking defined as all business and consumer checking, excluding money market checking.

# LOAN ORIGINATION / SOURCES 2014

## Sources of New Loans <sup>(1)</sup>

*Loans to Fully New Clients  
(no referral)*

18%

*Loans Referred by  
Existing Clients <sup>(2)</sup>*

27%

55%

*Loans to Existing,  
Credit Proven Clients*

**Over 80% of New  
Balance Sheet Loans -  
Existing Clients and  
Their Referrals**

(1) Based on principal balance, for loans originated during the nine months ending September 30, 2014, excluding loans sold and held for sale.

(2) Referrals as identified by FRC bankers.

# RESULTS DRIVEN BY CULTURE

<b>Personal Responsibility</b>	<ul style="list-style-type: none"><li>• <i>First Republic's culture is based on personal responsibility – hire the best, then trust them</i></li></ul>
<b>Collective Success</b>	<ul style="list-style-type: none"><li>• <i>Team-based approach, flat structure, personal responsibility to deep investment in collective success</i></li></ul>
<b>Empowered and Enabled</b>	<ul style="list-style-type: none"><li>• <i>Employee base that is empowered to serve the client and respond quickly</i></li></ul>

- ✓ The Bank engages in many activities supporting culture, including the Culture Carrier Roundtable.
- ✓ Roundtable brings together, twice a year, a diverse group of approximately 80 participants, representing various tenures and departments, to discuss and reinforce the preservation of the Bank's culture.
- ✓ Culture Carriers chosen for active embodiment of First Republic's values and cultural leadership qualities.



# OUR CLIENTS SAY IT BEST

---



“First Republic created an innovative loan program that allows our employees to invest in Blackstone’s funds – it’s a creative concept, very efficiently executed.”

BLACKSTONE

Laurence Tosi, Senior Managing Director and CFO

# CROSSING \$50 BILLION IN TOTAL BANKING ASSETS ORGANICALLY

**Multiple work streams to enhance infrastructure and processes to meet heightened regulatory standards and expectations, including those that become applicable at \$50 Billion.**

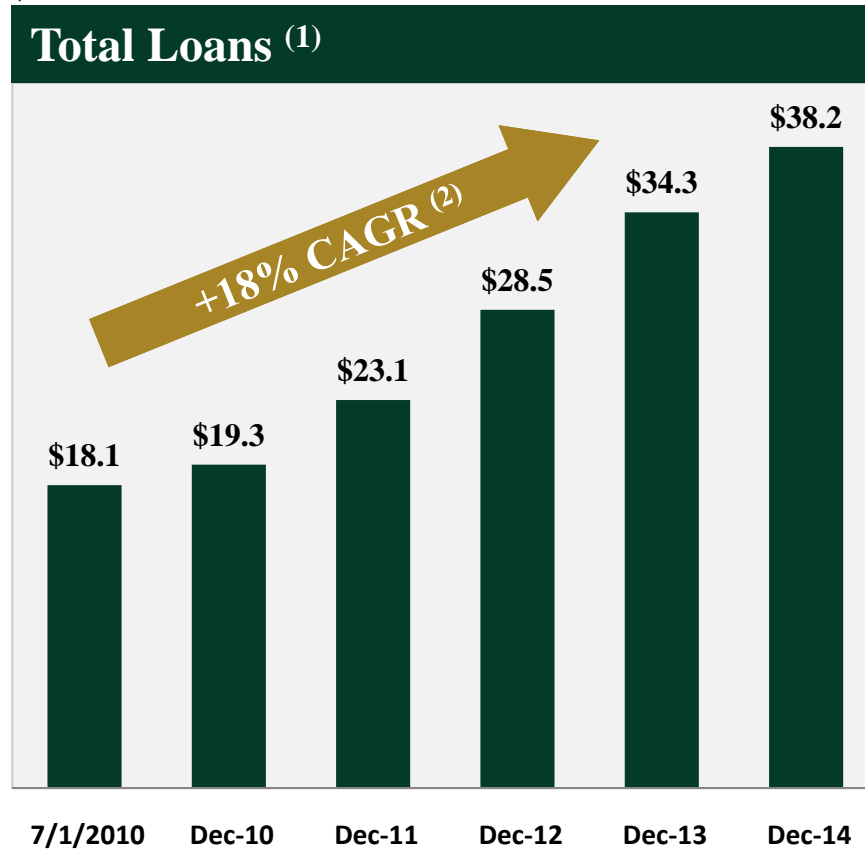
- |   |  |
|---|--|
| ✓ <b>Capital Stress Testing</b>             | ✓ <b>Increasing HQLA portfolio</b>                             |
| ✓ <b>Liquidity Stress Testing</b>           | ✓ <b>Volcker Rule Enhanced Compliance Program</b>              |
| ✓ <b>Enterprise Risk Management</b>         | ✓ <b>Resolution Plan or “Living Will”</b>                      |
| ✓ <b>Increased Emphasis on BSA/AML</b>      | ✓ <b>Dodd-Frank Mortgage Lending Regulation</b>                |
| ✓ <b>Enhanced Compliance Infrastructure</b> | ✓ <b>Enhanced Data Governance supporting these initiatives</b> |
| ✓ <b>Enhanced Internal Audit</b>            |  |

**First Republic continues to invest substantially in increased technology capabilities, permanent staff additions and consultants.**

# ORGANIC GROWTH SINCE DIVESTITURE

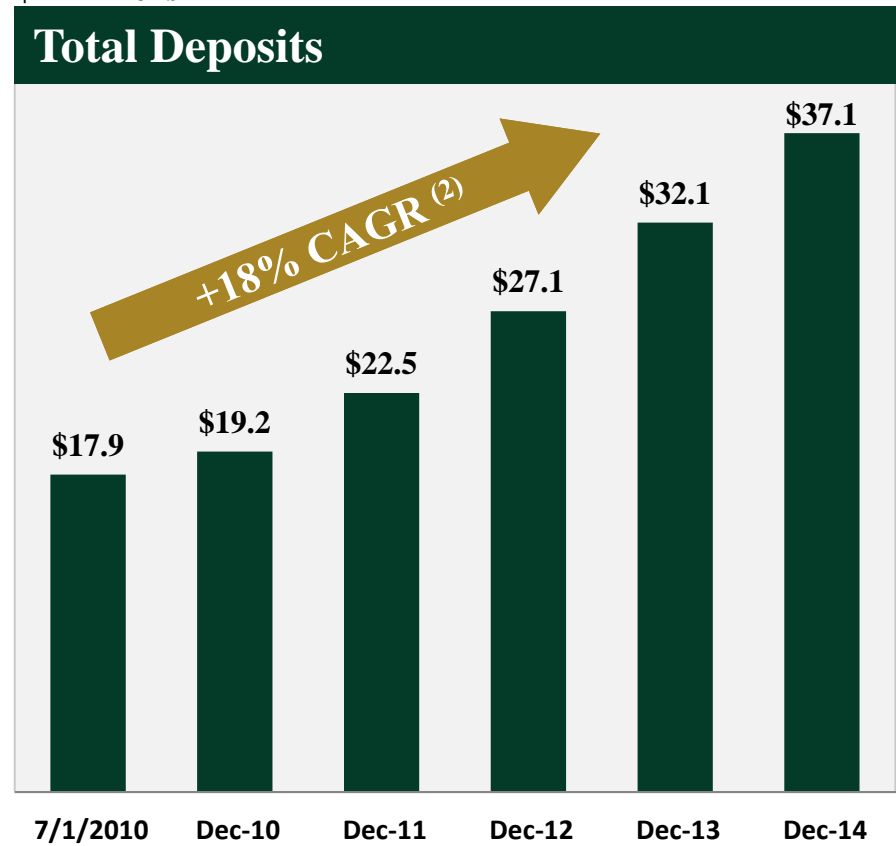
\$ in Billions

## Total Loans <sup>(1)</sup>



\$ in Billions

## Total Deposits

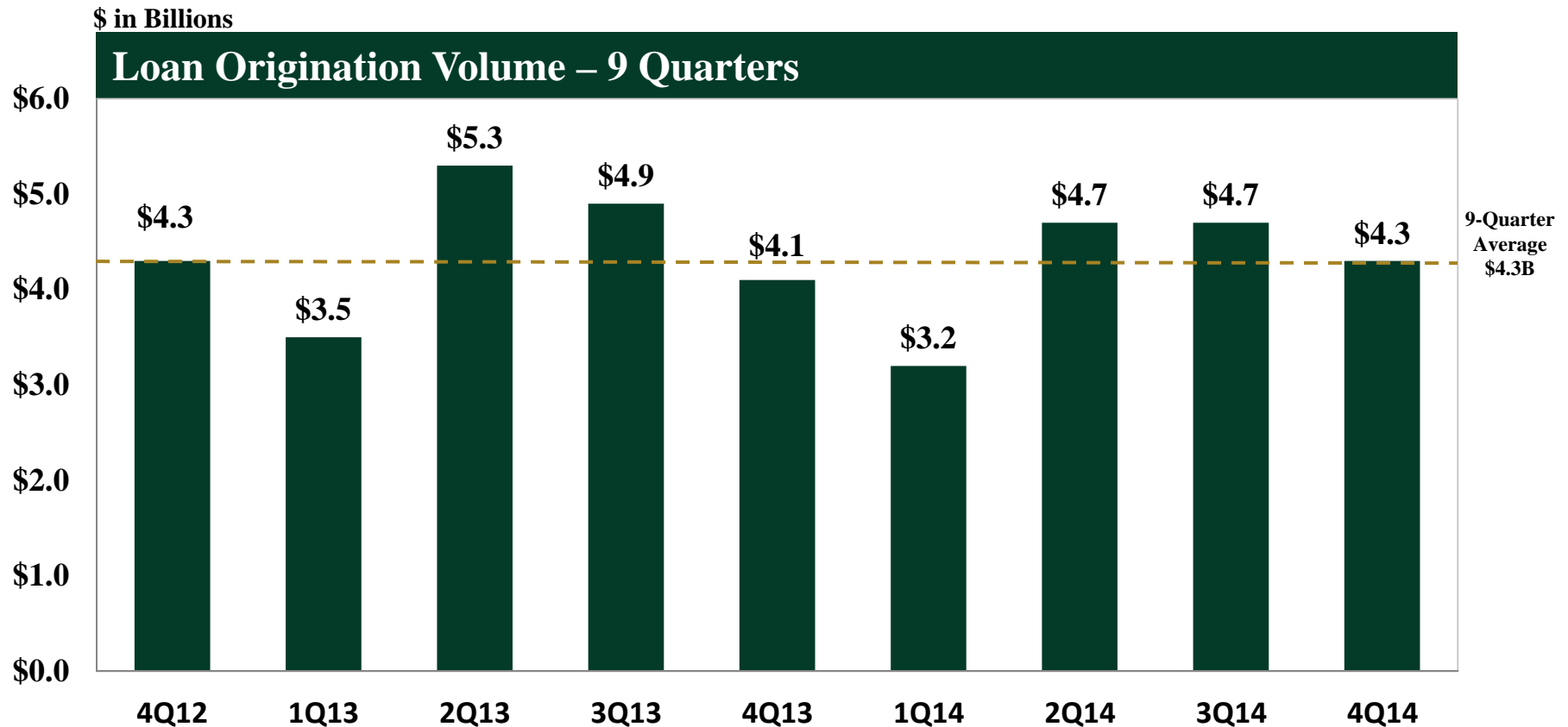


(1) Represents unpaid principal balance of loans including loans held for sale.

(2) 4.5-year CAGR from July 1, 2010 through December 31, 2014.



# LOAN ORIGINATION VOLUME



*Whether FRC holds a loan or sells it, the transaction creates an opportunity to satisfy an existing client or acquire a new one, and allows FRC to cross-sell other banking and wealth management products.*

# ACTIVE SECONDARY MARKET PARTICIPANT

\$ in Millions

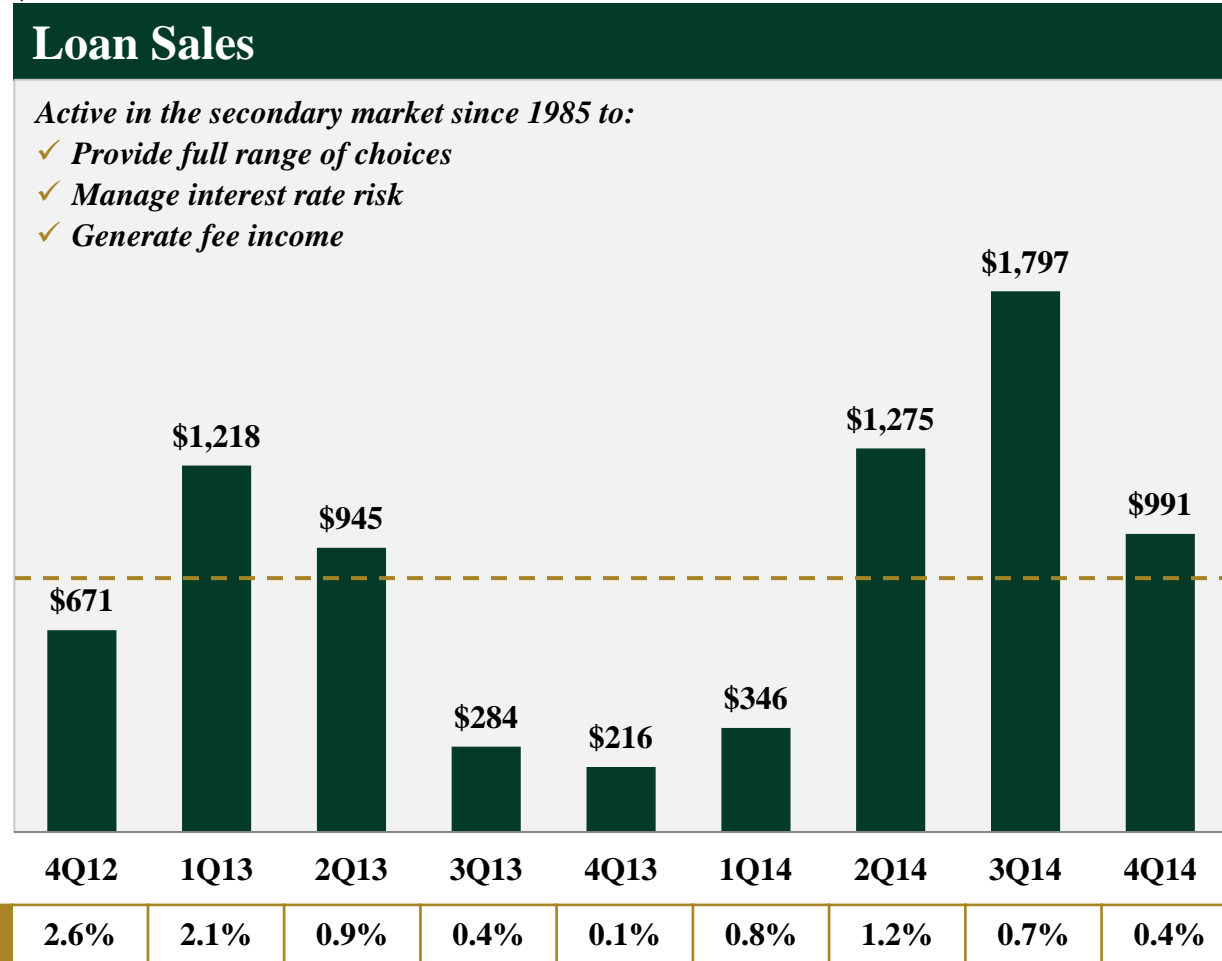
## Loan Sales

Active in the secondary market since 1985 to:

- ✓ Provide full range of choices
- ✓ Manage interest rate risk
- ✓ Generate fee income

----- 9-quarter average  
loan sales of \$860M

Average gain on sale 75  
bps <sup>(1)</sup>



(1) Excludes 4Q 2012 and 1Q 2013 gains since these amounts were significantly above the average historical trend.

# ATTRACTIVE HOME LOAN CLIENTS

## Attributes of FRC Home Loan Clients – originated 2013-2014

	<u>Median</u>
<b>Loan Size</b>	<b>\$711,000</b>
<b>Loan-to-value (“LTV”) (2)</b>	<b>61%</b>
<b>Liquidity</b>	<b>\$583,000</b>
<b>Net Worth</b>	<b>\$2.5M</b>
<b>Credit Score</b>	<b>774</b>

- All loans are fully underwritten and fully documented (1)

(1) Includes all originations even if sold / servicing retained.

(2) At origination.

# LOAN CHARACTERISTICS – MULTIFAMILY AND CRE

## Multifamily Real Estate Loan Characteristics <sup>(1)</sup>

	<u>Median</u>
<b>Loan / Commitment Size</b>	<b>\$1.2M</b>
<b>LTV <sup>(2)</sup></b>	<b>58%</b>

## Commercial Real Estate Loan Characteristics <sup>(1)</sup>

	<u>Median</u>
<b>Loan / Commitment Size</b>	<b>\$1.5M</b>
<b>LTV <sup>(2)</sup></b>	<b>52%</b>

Debt-service-coverage ratios for both MF and CRE are very strong.

(1) For term loans, balances are based on original loan amount. For lines of credit, amounts are based on total commitment. Financial data as of December 31, 2014.

(2) LTV at origination.

# SUPERIOR CREDIT QUALITY

## Historical Losses by Loan Type – 29 years – All Originated Loans

*Includes loss experience on loans left at Bank of America*

\$ in Millions

	Years of Origination	Total Originations (\$)	29 years Cumulative Net Losses (\$) <sup>(4)</sup>	29 years Cumulative Net Losses (%) <sup>(4)</sup>
<b>Single Family Residential <sup>(1)</sup></b>	<b>1985 – 2014</b>	<b>\$79,105</b>	<b>\$62.0</b>	<b>0.08%</b> ←
Construction	1990 – 2014	5,645	23.1	0.41
Commercial Real Estate	1989 – 2014	9,029	67.3	0.75
Multi-Family Residential <sup>(2)</sup>	1989 – 2014	9,260	72.6	0.78
Commercial Business Loans <sup>(3)</sup>	2000 – 2014	15,660	81.5	0.52
Unsecured Loans	2000 – 2014	2,962	6.7	0.23
Other Secured Loans	2000 – 2014	2,895	4.2	0.15
<b>Cumulative</b>	<b>1985 – 2014</b>	<b>\$124,556</b>	<b>\$317.4</b>	<b>0.25%</b> ←

(1) Originations include Single Family Mortgages, Home Equity Lines of Credit, Single Family Owner Occupied Construction Loans, as well as all SFR loans sold in Secondary Market. Includes a \$7.4MM loss in 2006/07 related to a Business Loan fraud in NY.

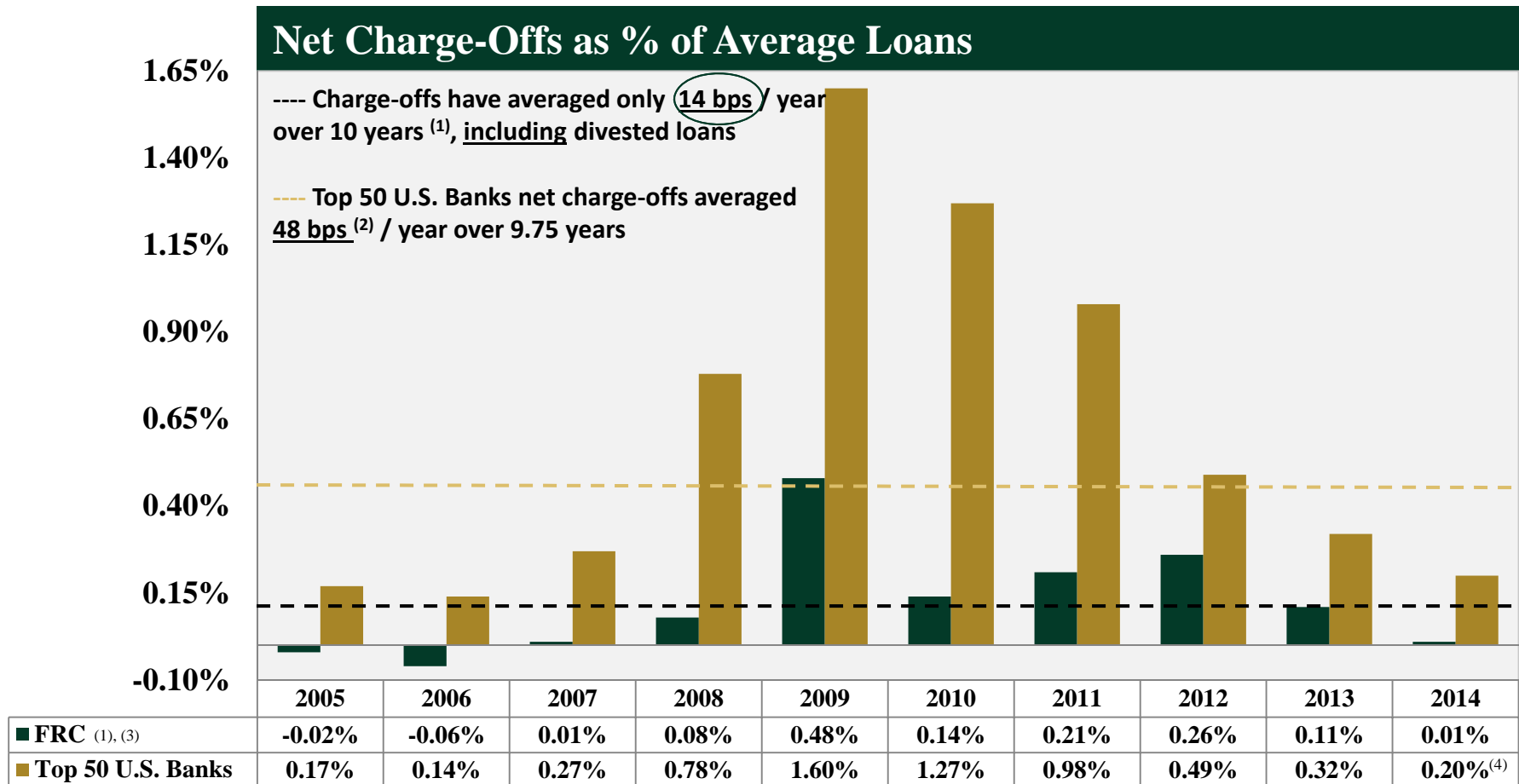
(2) Losses were concentrated in lower-end, brick apartment buildings in Los Angeles in the mid-1990s.

(3) Includes a business loan loss of \$40 million involving fraud.

(4) Includes estimated charge-offs on divested loans for period from July 1, 2010 to December 31, 2013.



# CHARGE-OFF EXPERIENCE – INCLUDING DIVESTED LOANS



(1) Includes estimated charge-offs on divested loans to First Republic's historical charge-offs for period from July 1, 2010 to December 31, 2013. See page A4 in the appendix.

(2) Comprised of the median for the top 50 U.S. banks by asset size as of September 30, 2014.

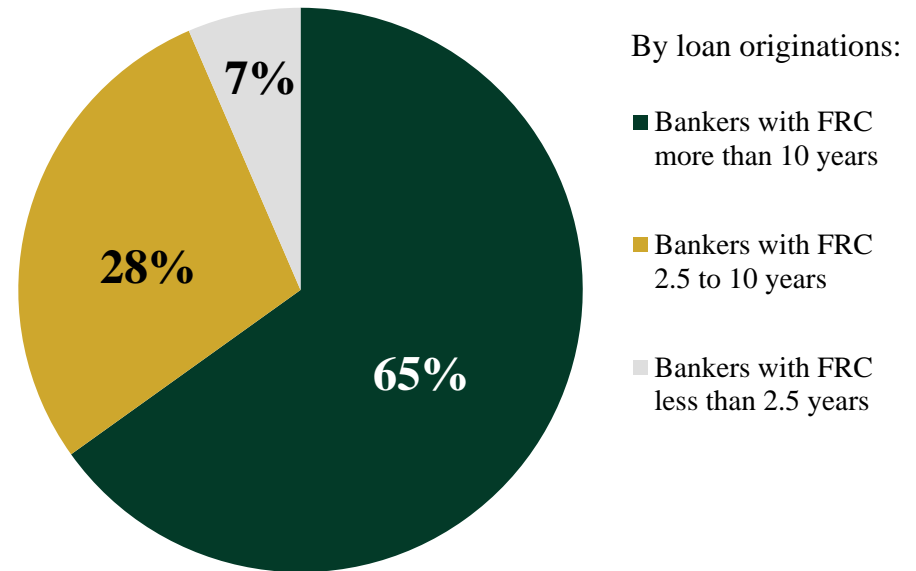
(3) Beginning in 2009, net charge-offs include charge-offs against unaccreted loan discounts, if any.

(4) Calculated on an annualized basis. For nine months ended September 30, 2014.

# BANKER STABILITY

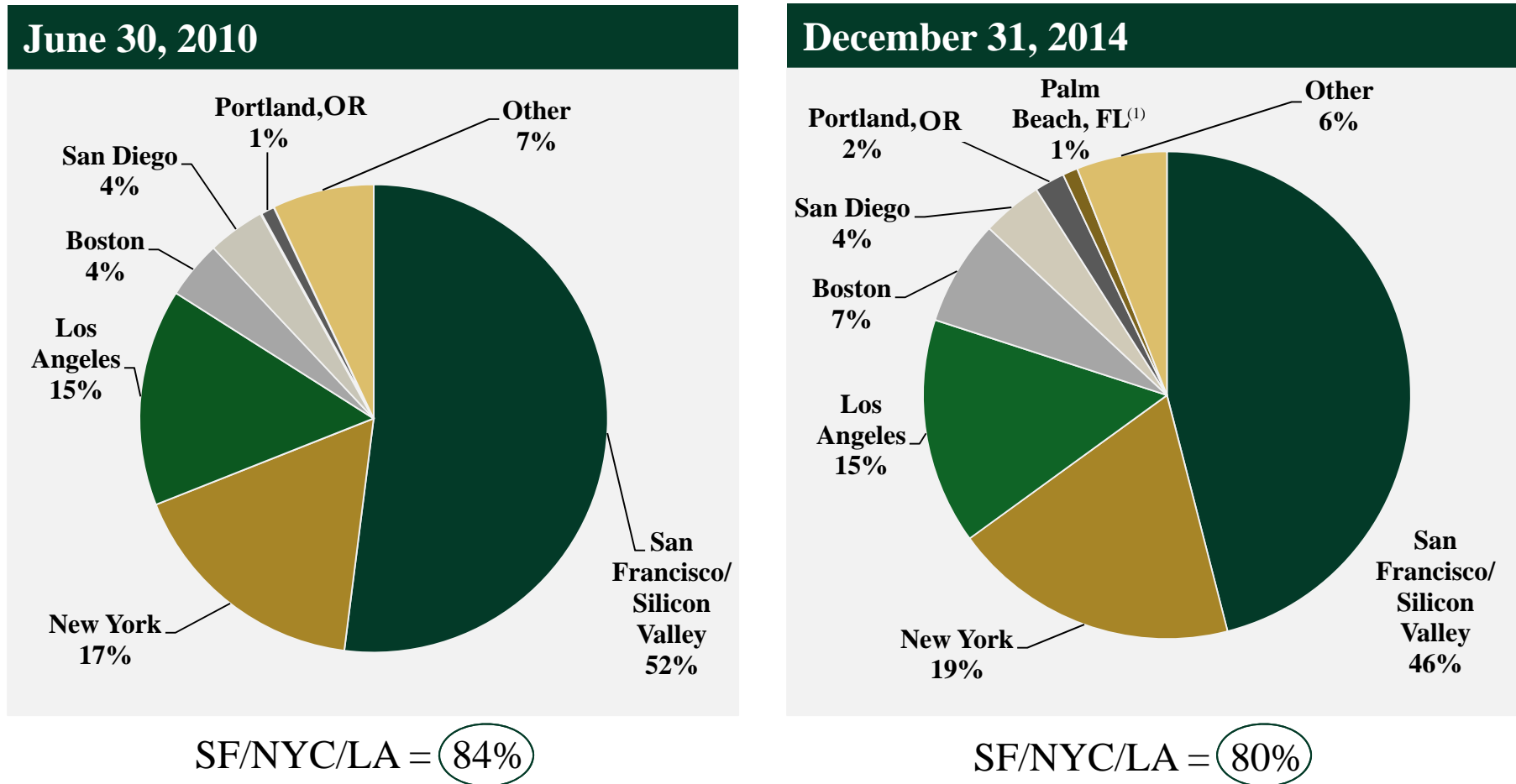
- Stability of people is integral to our high-touch, relationship banking model.
- First Republic’s culture results in a higher workforce retention rate, a key to client service excellence and superior credit quality.
- Since 1985, First Republic has originated \$124.6 billion in loans, with cumulative charge-offs of only 25 bps.

**90% of all loans, since 1985, were originated by bankers still with First Republic**



# CONSISTENCY IN LENDING – GEOGRAPHIES

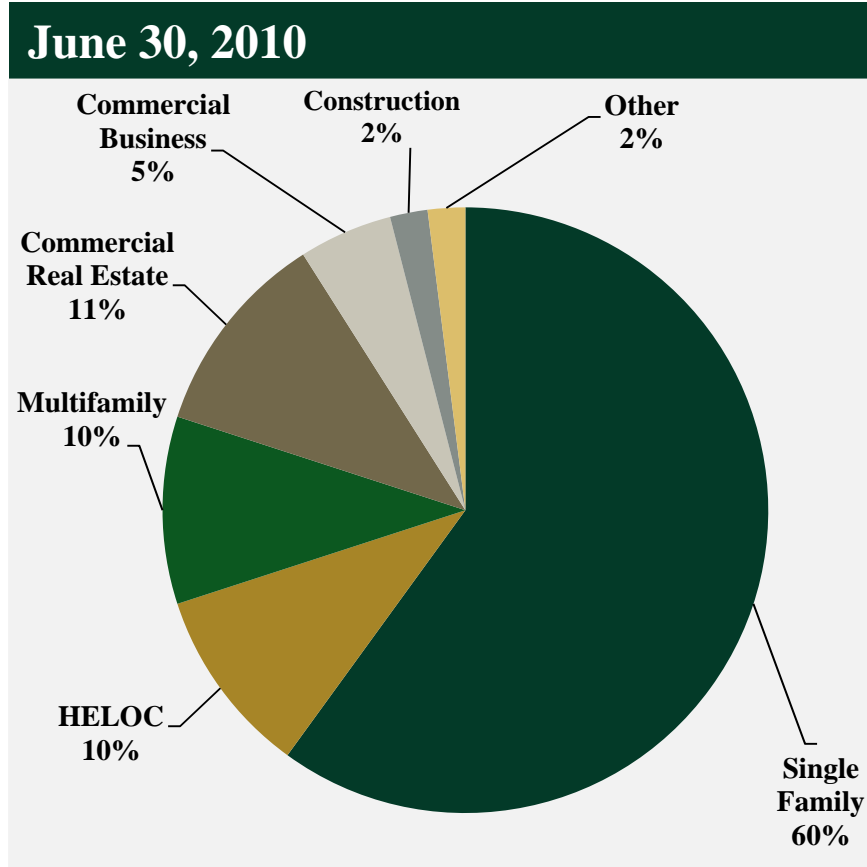
- Consistent origination – same urban markets – no change in risk



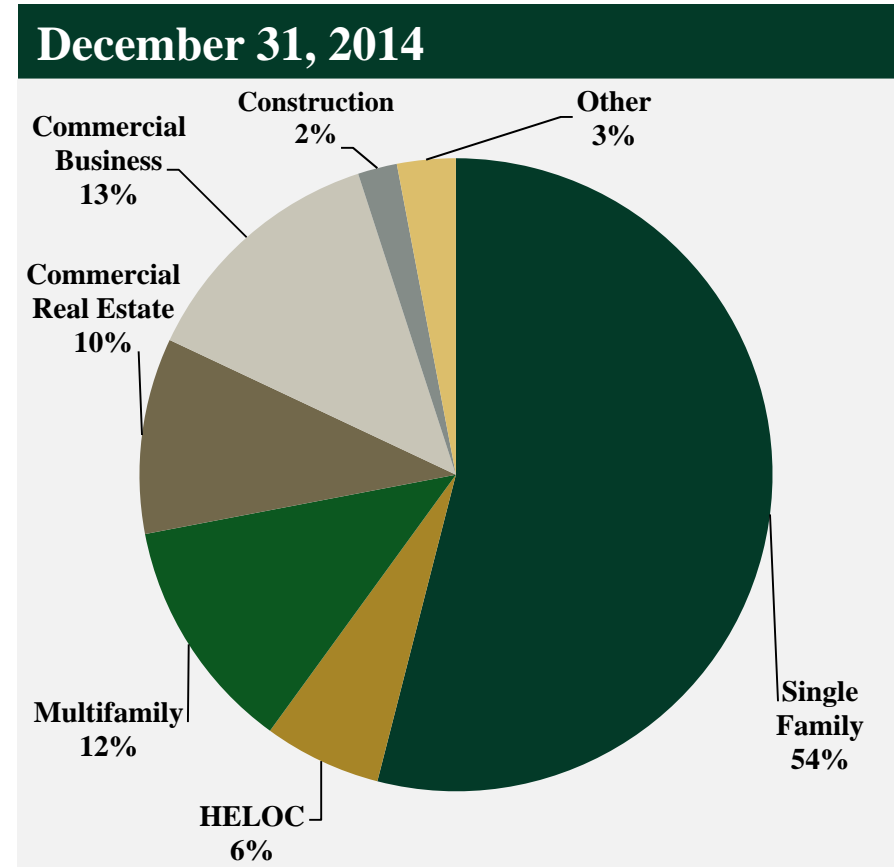
(1) Entered Palm Beach, FL, following NYC and Boston clients, in 2013.

# CONSISTENCY IN LENDING – TYPES AND MIX

- Essentially same loan types and mix



**SFR = 70% / Multi = 10% / CRE = 11%**



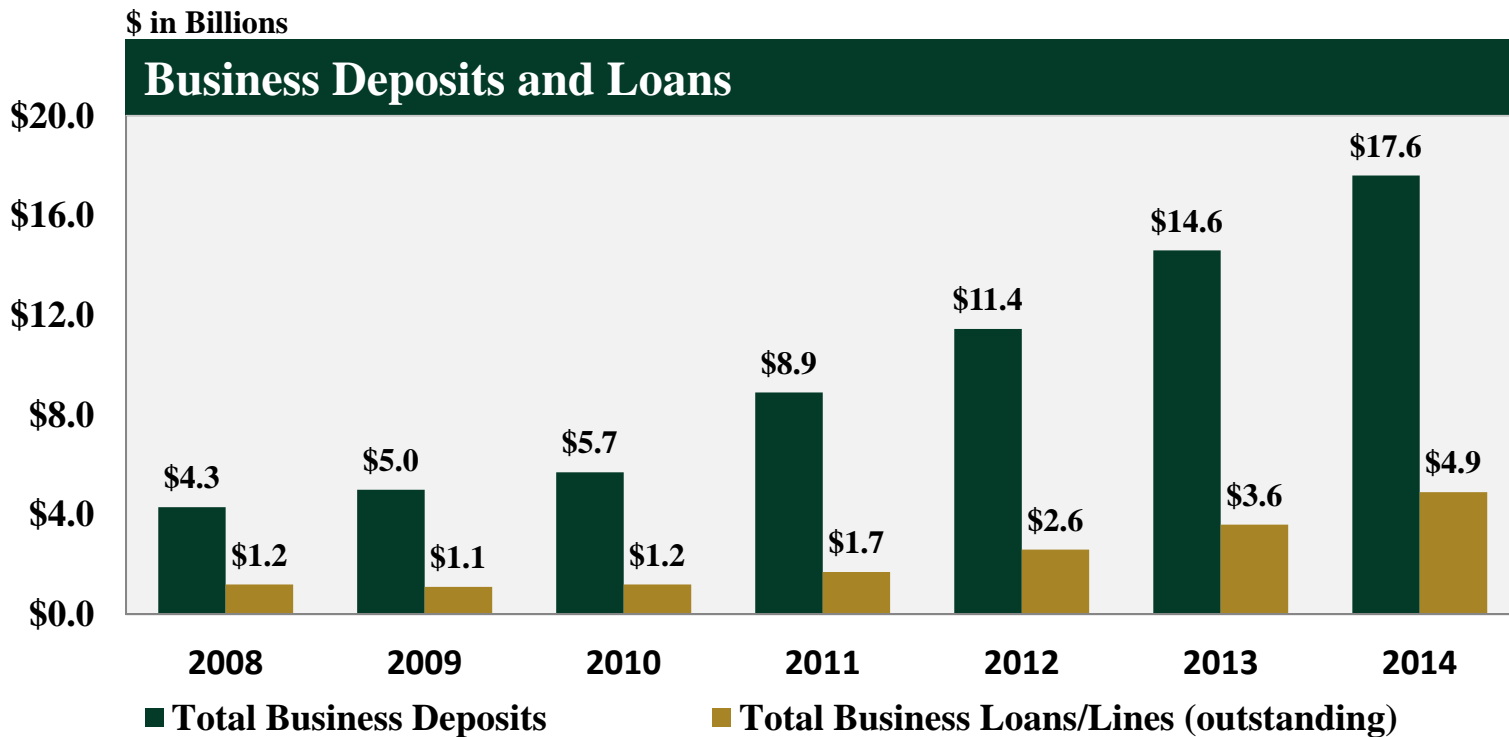
**SFR = 60% / Multi = 12% / CRE = 10%**

# BUSINESS BANKING

A substantial portion of Business Banking is the direct result of very satisfied personal banking clients leading us to their businesses or non-profits

As of 12/31/14:

- Average business loan: **\$2.3M**
- Average business deposit: **\$269K**
- **3.6 to 1** deposits/loans outstanding
- Business deposits cost 4Q14 = **2** bps



# BUSINESS BANKING LOAN PORTFOLIO

Loan Type <sup>(1)</sup>	%
Schools / Non-Profit Organizations	40%
Private Equity / Venture Capital Funds	23%
Entertainment Industry	6%
Investment Firms	6%
Real Estate Related Entities	5%
Aviation / Marine	4%
Professional Service Firms	4%
Clubs and Membership Organizations	3%
Vineyards / Wine	3%
Other	<u>6%</u>
<b>Total</b>	<b>100%</b>

As of 12/31/14:

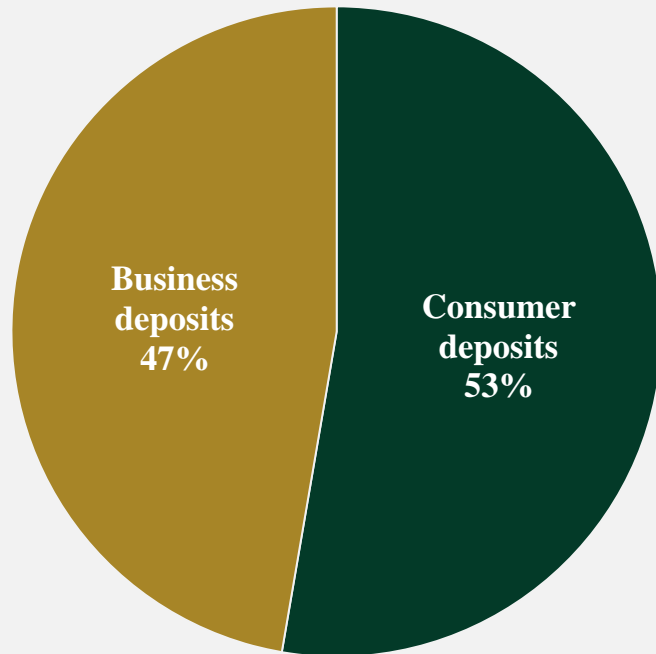
- Business loans represent 13% of total loan portfolio <sup>(2)</sup>
- Business deposits represent 47% of total deposits or 3.6x business loans outstanding

(1) Breakdown by loan type based on unpaid principal balance before reserves and discounts.

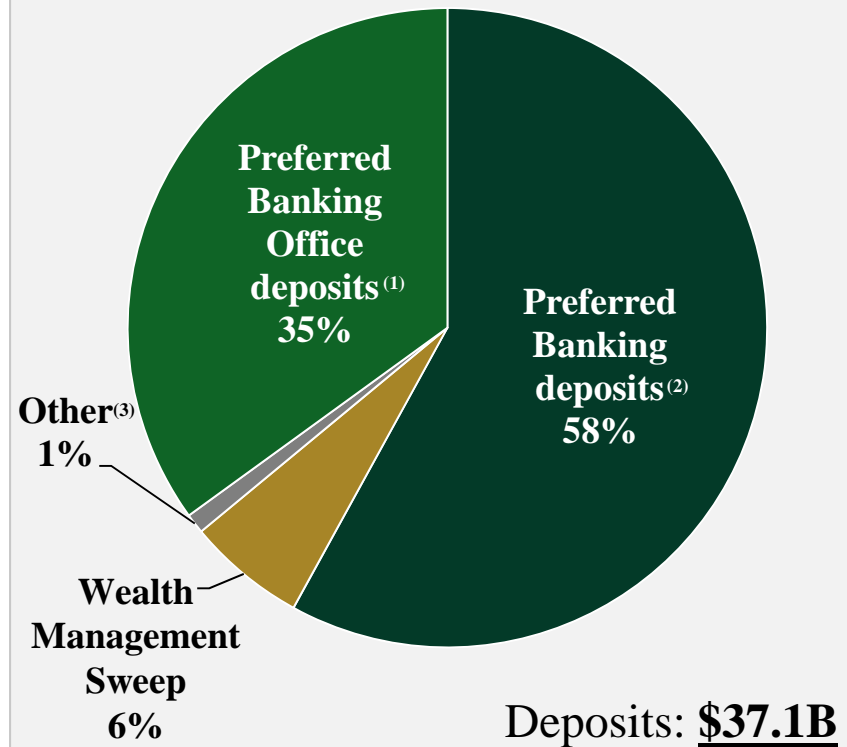
(2) Unpaid principal balance before reserves or discounts.

# DEPOSIT BASE – DIVERSIFIED SOURCES

By Client Type as of 12/31/14



By Channel as of 12/31/14



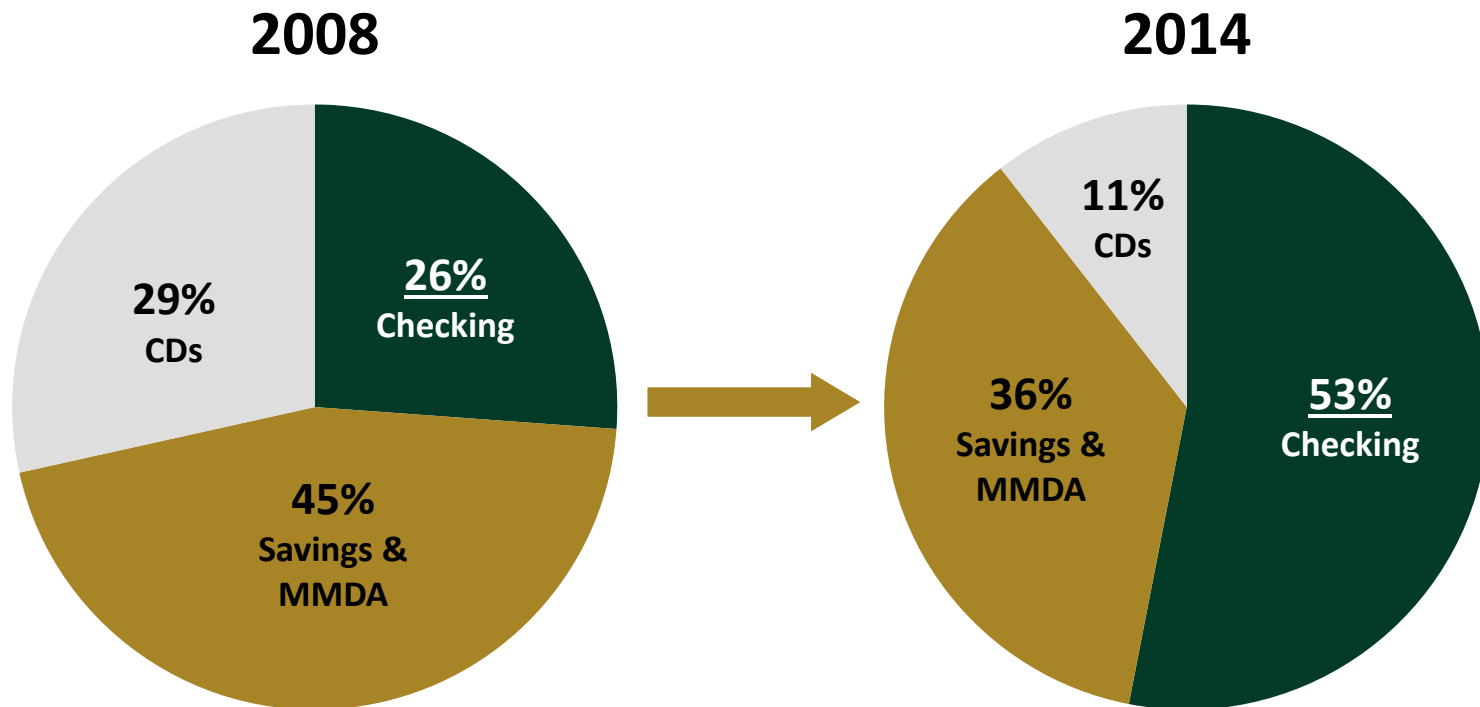
(1) Preferred Banking Office deposits refers to our retail locations that gather deposits.

(2) Preferred Banking deposits are sourced from relationship managers, business bankers, preferred bankers or wealth management professional clients.

(3) Other deposits consist primarily of institutional and operational deposits not attributable to any specific deposit location.

# DEPOSIT MIX OVER TIME

Deposit Mix <sup>(1)</sup> Improved Over Time,  
from 26% Checking in 2008 to 53% Checking in 2014



(1) Based on average deposits for the full years indicated.



## DEPOSIT FRANCHISE – PERSPECTIVE ON OPERATIONAL SIZE

	# of Deposit Accounts
<b>First Republic Bank</b>	<b>292,000</b>
	vs.
<b>U.S. Industry Average Banks with total assets of \$35-65 billion</b>	<b>1,363,000</b>

- First Republic has **less than 1/4** the number of accounts of U.S. banks with total assets of \$35-65 billion
- Less accounts translates to:
  - A greater ability for oversight per account, and
  - A greater ability to provide extraordinary service per relationship

Source: SNL Financial and Company Analysis; data as of September 30, 2014.

# PRIVATE WEALTH MANAGEMENT

---

## Investment Management, Brokerage and Trust

- Integrated model / One brand
- Open architecture / Unbiased perspective
- Financial Planning

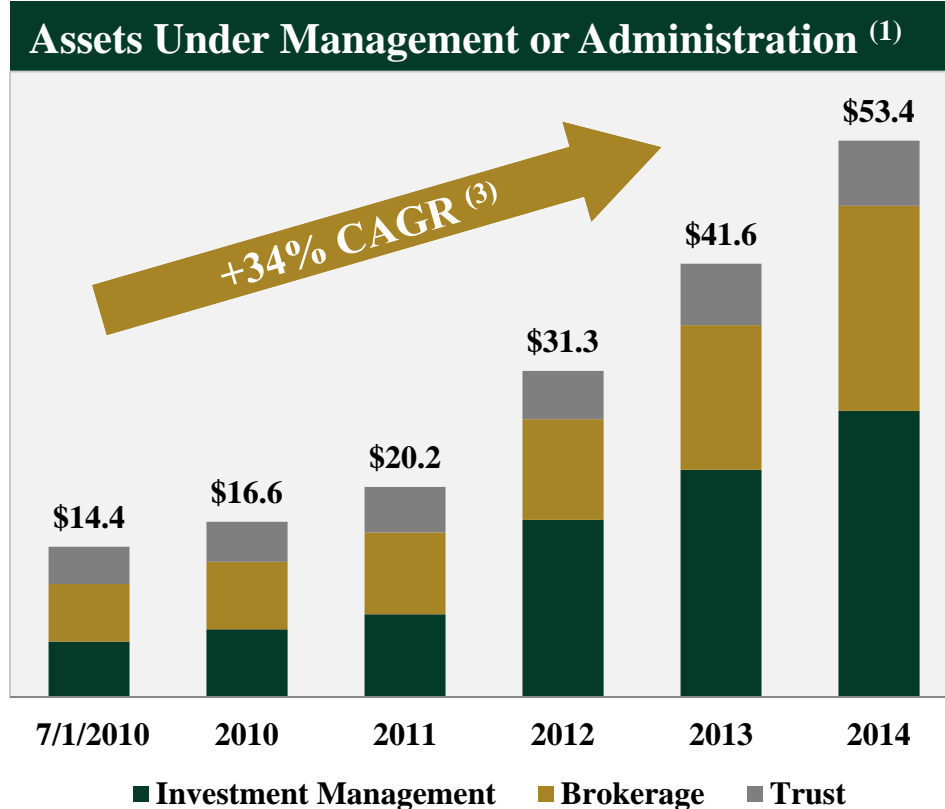
## Consistently Growing Franchise

- Existing wealth management professionals are adding client assets – AUM up 28% for the year, with wealth management revenues up 29%
- Strong referrals and cross-selling to bank clients

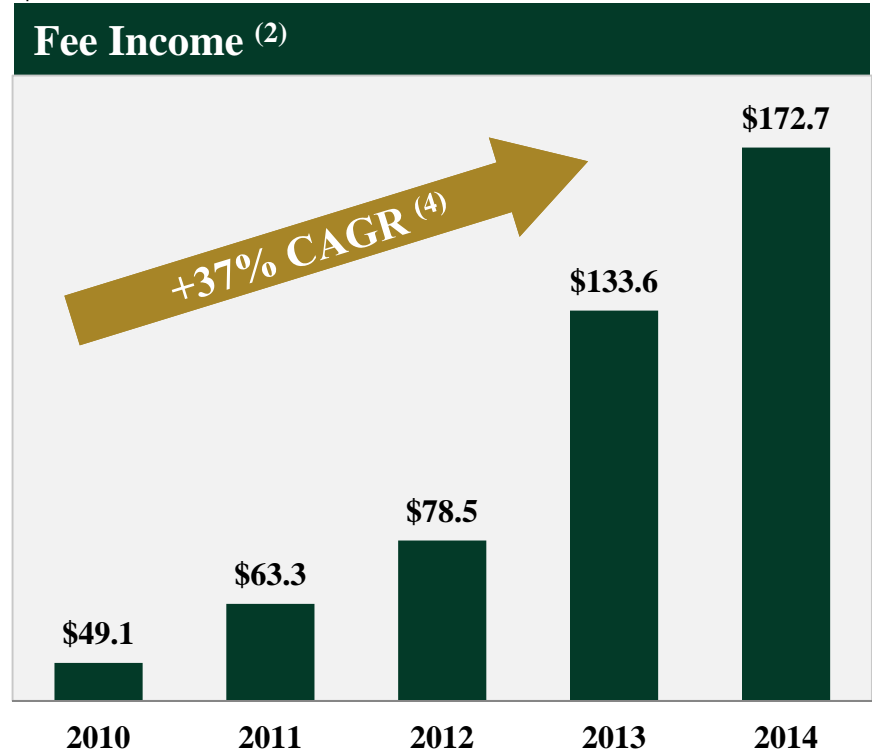
# CONTINUED FOCUS ON PRIVATE WEALTH MANAGEMENT

- Growth in professionals, improved cross-sell and new AUMs driving increase in fee income

\$ in Billions



\$ in Millions



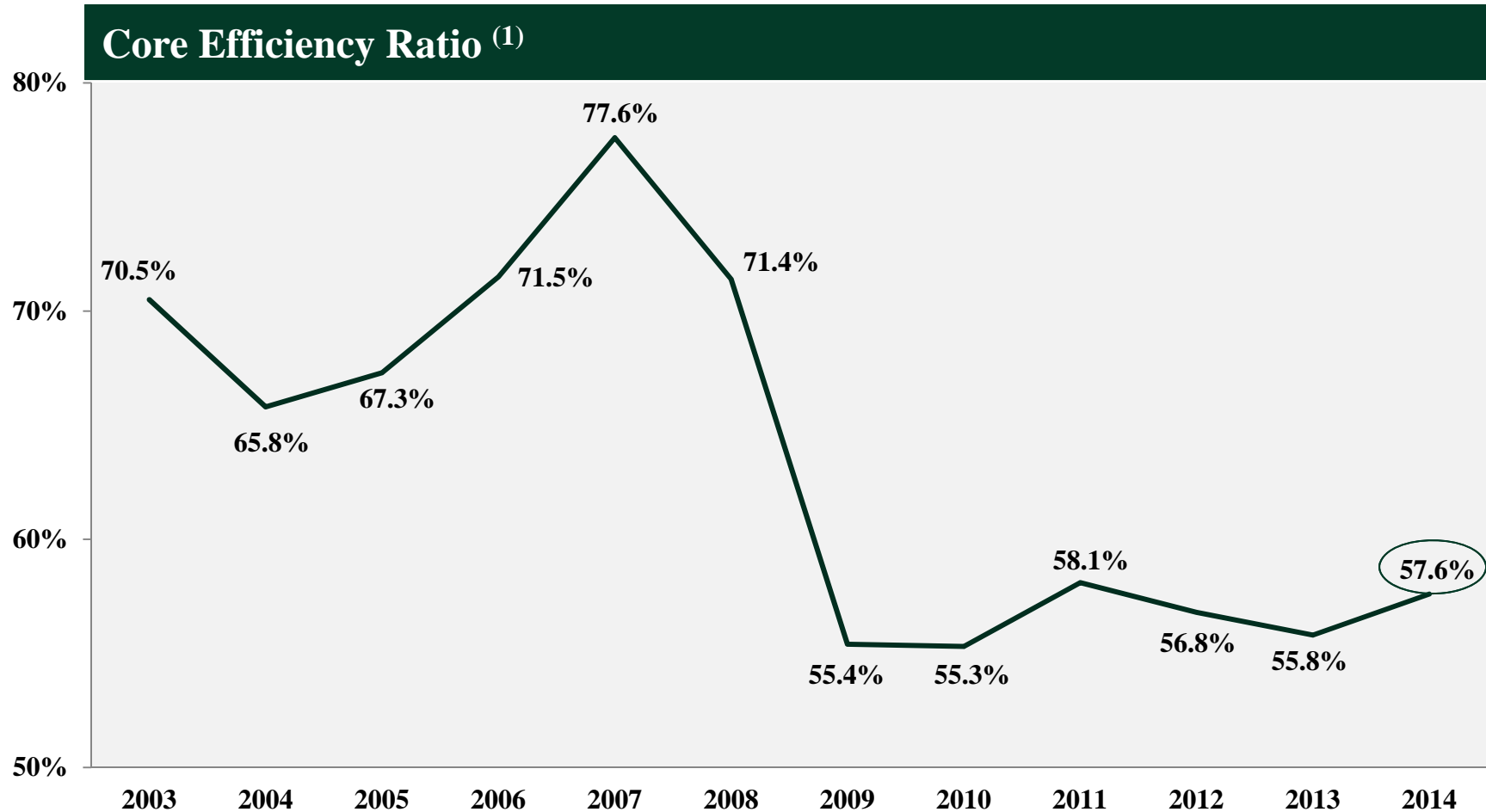
(1) Excluding account balances that are swept into Bank deposits and safekeeping assets from the Bank's private equity and venture capital clients.

(2) Private Wealth Management fee income includes investment advisory fees, brokerage and investment fees, and trust fees.

(3) 4.5-year CAGR from July 1, 2010 through December 31, 2014.

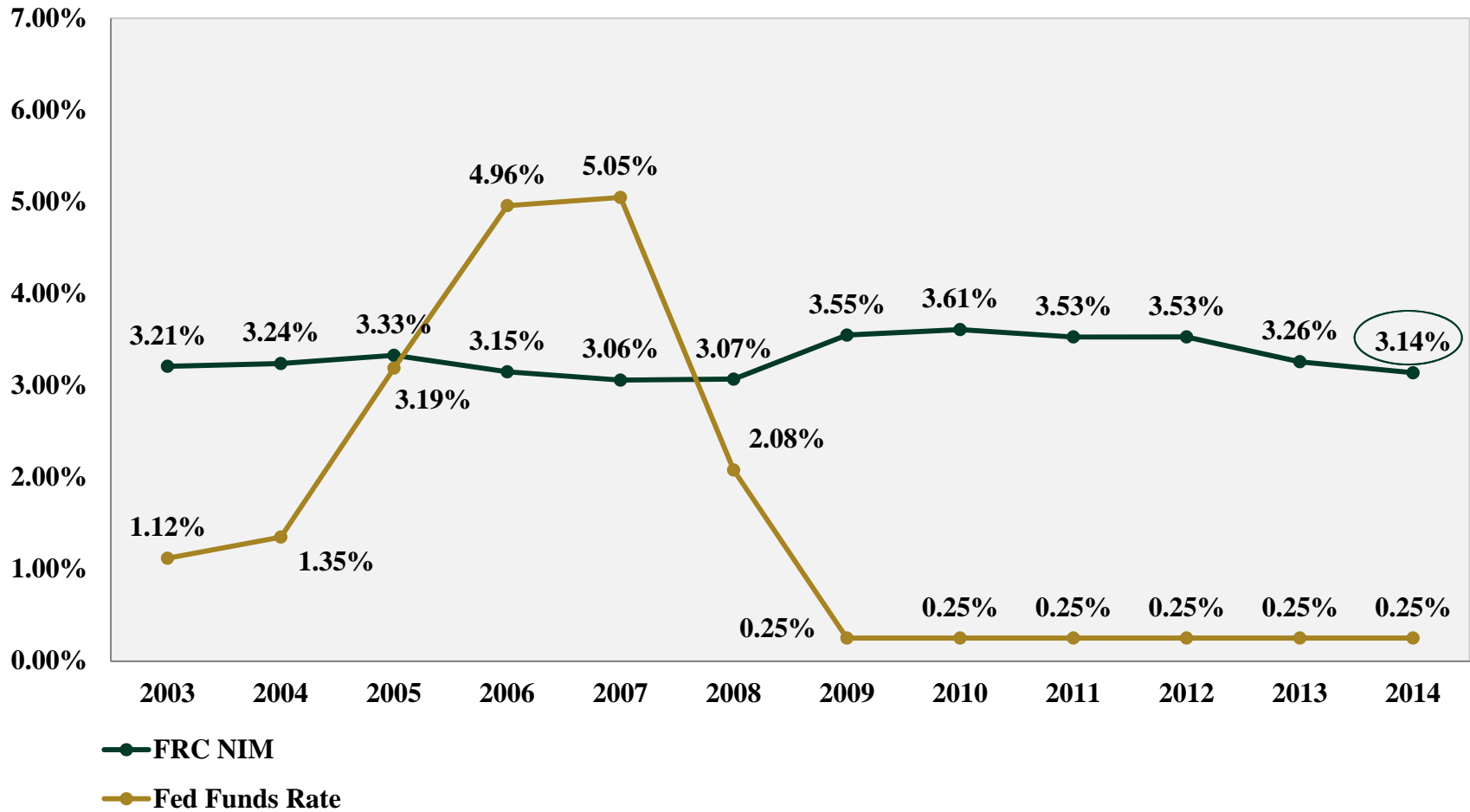
(4) 4-year CAGR for the period ended December 31, 2010 through December 31, 2014.

# CORE EFFICIENCY RATIO



(1) Efficiency Ratio is calculated by dividing noninterest expense by the sum of net interest income and noninterest income. Core Efficiency Ratio is a non-GAAP financial measure that excludes purchase accounting entries beginning in 2007. The efficiency ratio also excludes merger-related costs and other one-time items in 2007 and divestiture-related and IPO costs in 2010.

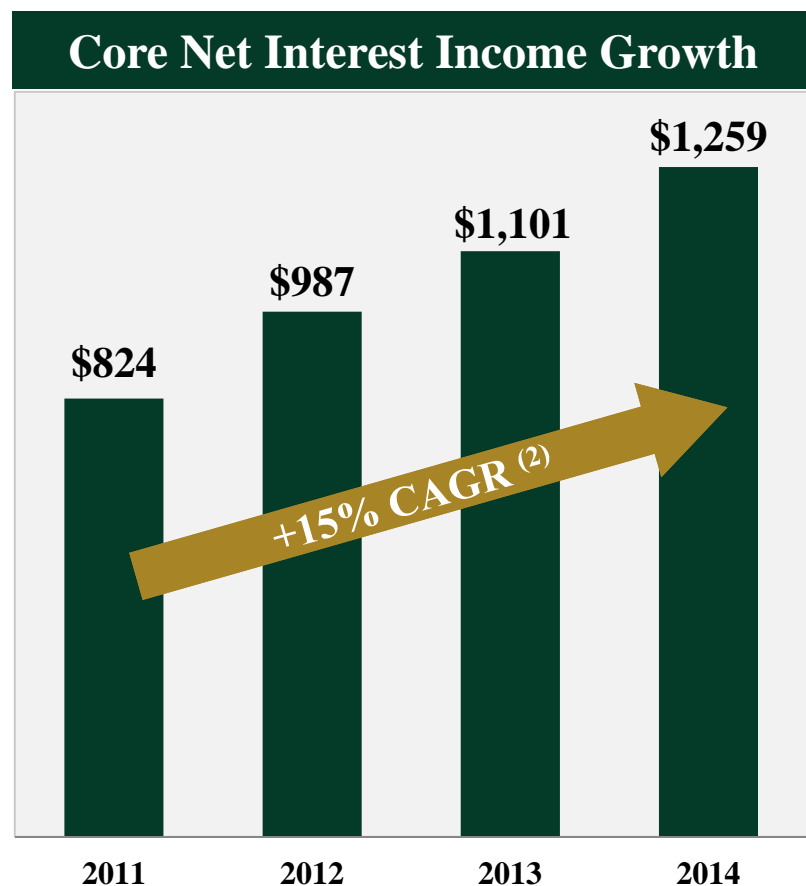
# STABLE CORE NET INTEREST MARGIN



Note: Beginning in 2007, Core NIM excludes effect of purchase accounting entries. For 2014, the reported NIM, based on GAAP, was 3.32%.

# CORE NET INTEREST INCOME AND REVENUE GROWTH <sup>(1)</sup>

\$ in Millions



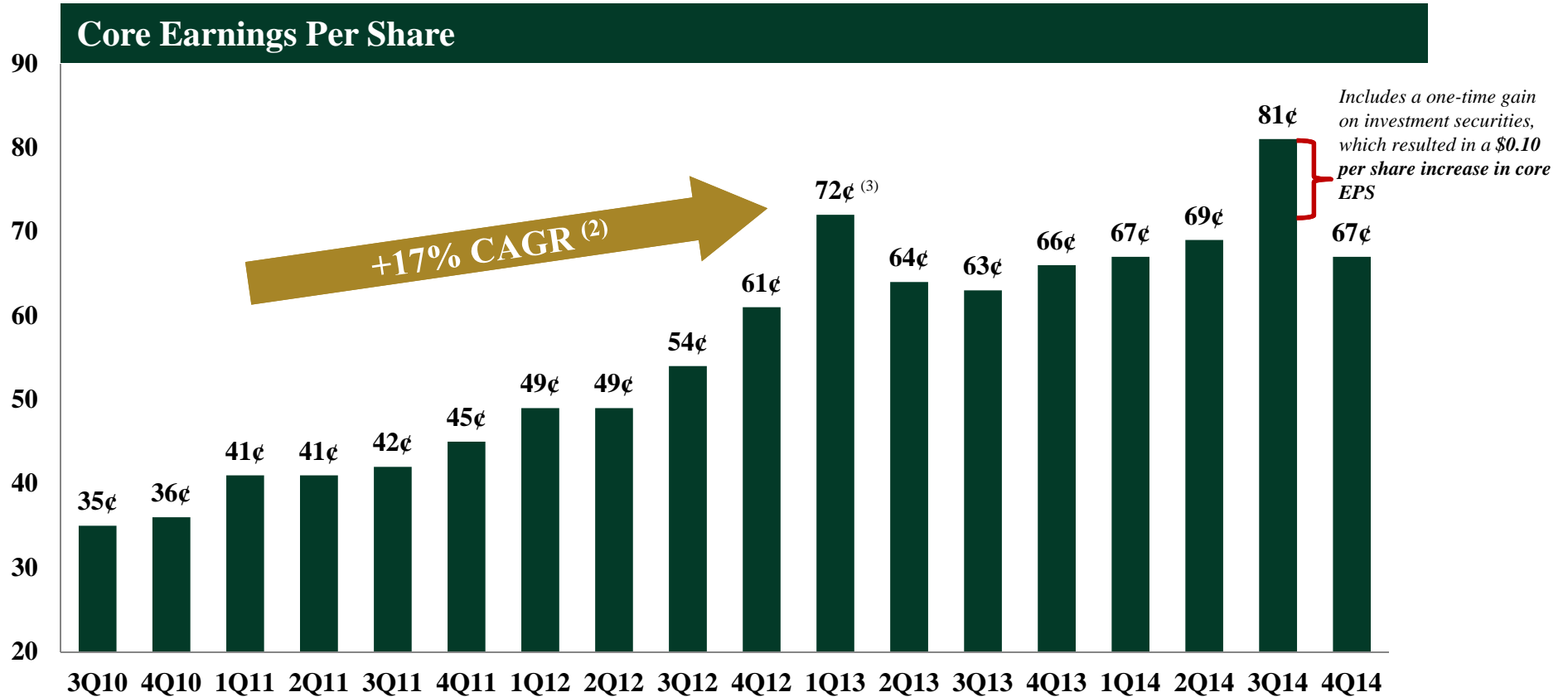
\$ in Millions



(1) Core net interest income and core revenues are non-GAAP financial measures that exclude the positive impact of purchase accounting.

(2) 3-year CAGR for the period ended December 31, 2011 through December 31, 2014.

# CORE EPS GROWTH (1)

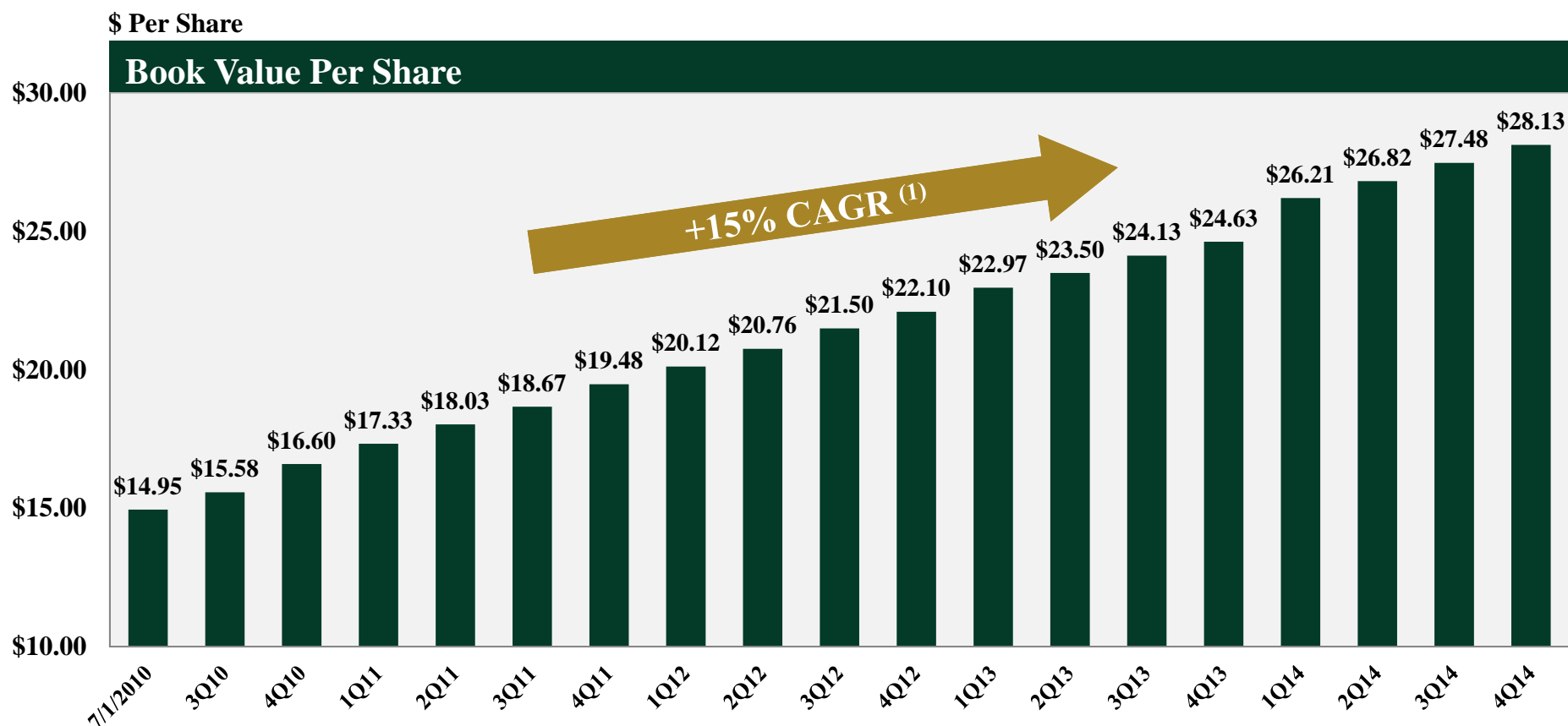


(1) Core EPS is a non-GAAP financial measure that reduces reported GAAP EPS by excluding the positive impact of purchase accounting from the Bank's re-establishment as an independent institution, and in 2010, one-time divestiture-related and IPO costs.

(2) 4.25-year CAGR from third quarter 2010 through fourth quarter 2014.

(3) The higher level of core EPS in 1Q13 was primarily driven by a significantly higher than average gain on sale of loans.

# BOOK VALUE PER SHARE



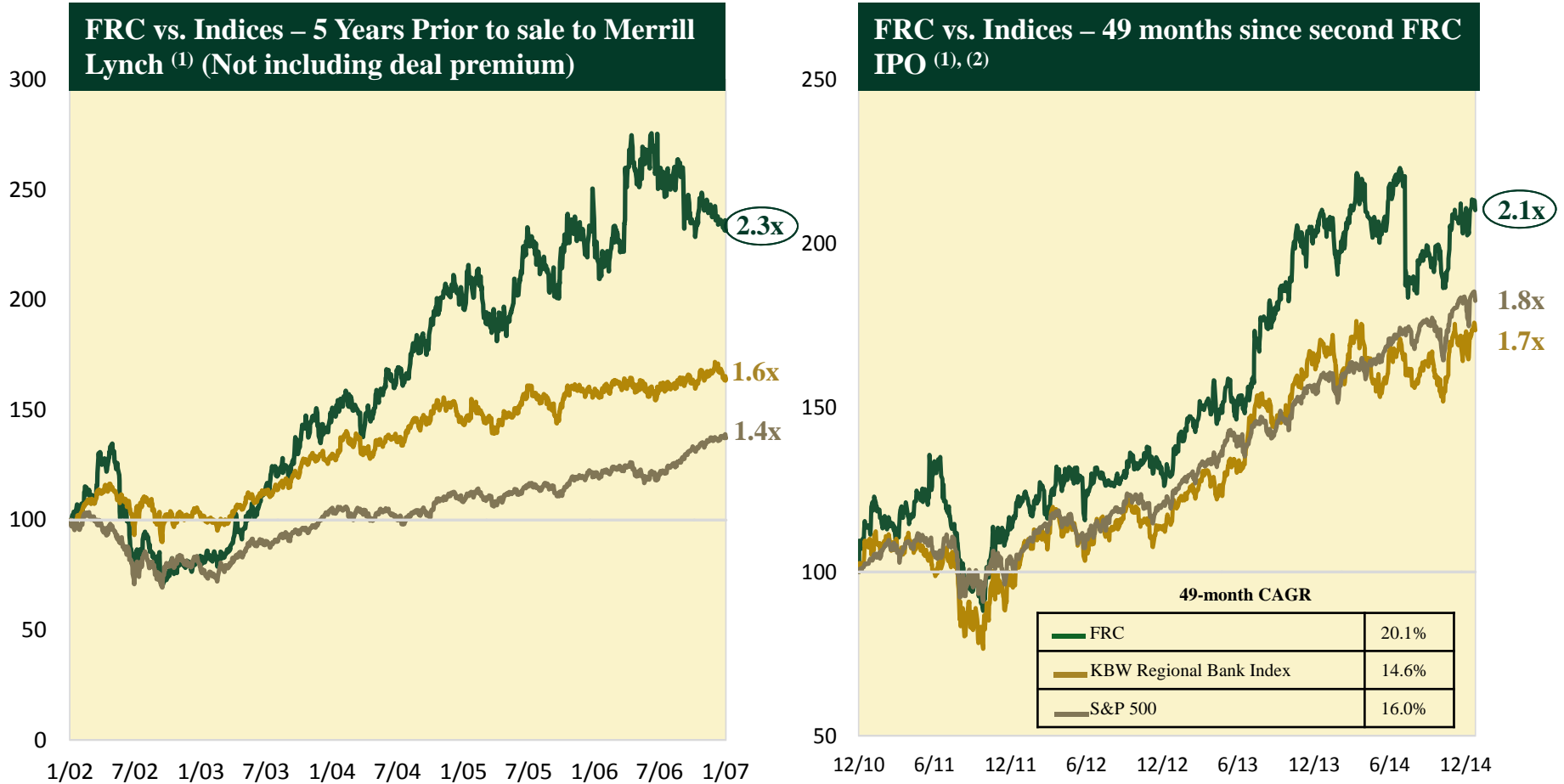
GAAP ROE	13.77%	15.12%	16.35%	14.86%	14.77%	14.65%	13.90%	11.96%	13.80%	14.18%	15.62%	13.36%	12.69%	12.51%	12.11%	11.67%	12.80%	10.37%
Core ROE (2)	9.23%	9.06%	10.03%	9.52%	9.33%	9.60%	10.24%	9.89%	10.37%	11.32%	13.31%	11.20%	10.81%	11.04%	11.05%	10.59%	11.98%	9.68%

(1) 4.5-year CAGR from July 1, 2010 through December 31, 2014.

(2) Core ROE is a non-GAAP financial measure that excludes the positive impact of purchase accounting from the Bank's re-establishment as an independent institution and in 4Q10, one-time IPO costs.



# FRC PERFORMANCE VERSUS INDICES



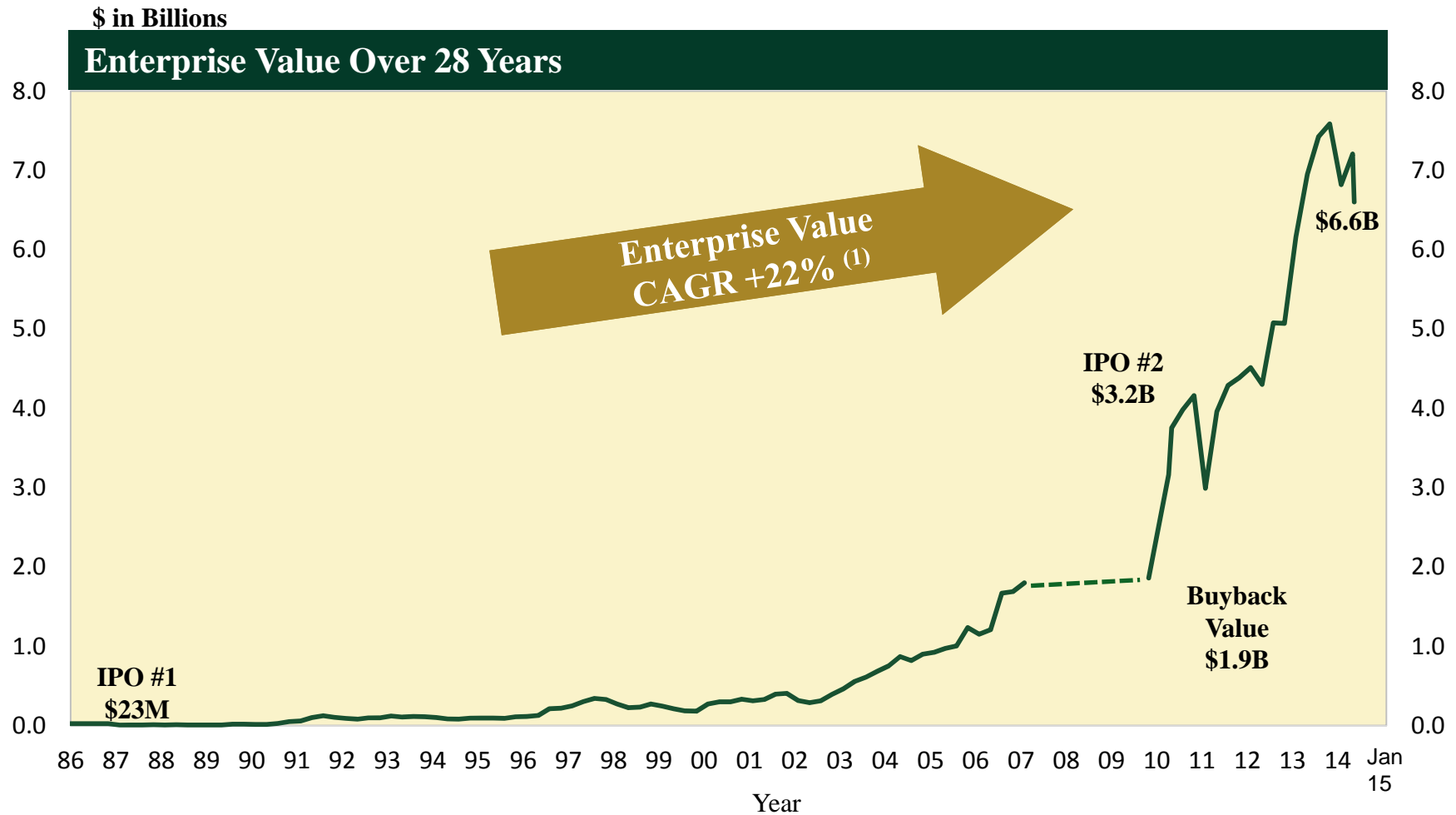
(1) All calculations include reinvestment of dividends into the same stock (FRC) or index (S&P 500 and KBW Regional Bank Index).

(2) From second IPO date of December 8, 2010 through December 31, 2014.

Note: From September 2007 to June 30, 2010, First Republic Bank was a division of Merrill Lynch Bank & Trust Company, F.S.B. and subsequently Bank of America, N.A. No trading data is available on FRC during this time as the stock was not listed on any exchange.

Source: Bloomberg

# GROWTH IN ENTERPRISE VALUE



(1) 28.39-year CAGR of total market value of common equity from August 31, 1986 (first IPO) through January 14, 2015.

Note: From September 2007 to June 30, 2010, First Republic Bank was a division of Merrill Lynch Bank & Trust Company, F.S.B. and subsequently Bank of America, N.A. No trading data is available on FRC during this time as the stock was not listed on any exchange.

Source: Bloomberg



FIRST REPUBLIC BANK

It's a privilege to serve you®

*For further information,  
please visit the Investor Relations section of  
[www.firstrepublic.com](http://www.firstrepublic.com)*

*or contact us at  
[investorrelations@firstrepublic.com](mailto:investorrelations@firstrepublic.com).*

# APPENDIX – EARNINGS RECONCILIATION

in 000's, except per share amounts	Three Months Ended					Year Ended
	December 31, 2013	March 31, 2014	June 30, 2014	September 30, 2014	December 31, 2014	December 31, 2014
<b>Non-GAAP earnings</b>						
Net income	\$ 115,299	\$ 114,704	\$ 120,832	\$ 136,011	\$ 115,459	\$ 487,006
Accretion/amortization added to net interest income	(25,158)	(19,538)	(21,262)	(15,800)	(15,399)	(71,999)
Discounts recognized in gain on sale of loans	-	-	-	(1,679)	-	(1,679)
Amortization of intangible assets	4,289	4,127	3,968	3,808	3,649	15,552
Add back tax impact of the above items	8,869	6,550	7,350	5,810	4,994	24,704
<b>Non-GAAP net income</b>	<b>\$ 103,299</b>	<b>\$ 105,843</b>	<b>\$ 110,888</b>	<b>\$ 128,150</b>	<b>\$ 108,703</b>	<b>\$ 453,584</b>
Dividends on preferred stock	(12,800)	(13,889)	(13,889)	(13,889)	(13,889)	(55,556)
<b>Non-GAAP net income available to common shareholders</b>	<b>\$ 90,499</b>	<b>\$ 91,954</b>	<b>\$ 96,999</b>	<b>\$ 114,261</b>	<b>\$ 94,814</b>	<b>\$ 398,028</b>
<b>GAAP earnings per common share - diluted</b>	<b>\$ 0.75</b>	<b>\$ 0.73</b>	<b>\$ 0.76</b>	<b>\$ 0.86</b>	<b>\$ 0.72</b>	<b>\$ 3.07</b>
Impact of purchase accounting, net of tax	(0.09)	(0.06)	(0.07)	(0.05)	(0.05)	(0.24)
<b>Non-GAAP earnings per common share-diluted</b>	<b>\$ 0.66</b>	<b>\$ 0.67</b>	<b>\$ 0.69</b>	<b>\$ 0.81</b>	<b>\$ 0.67</b>	<b>\$ 2.83</b>
Weighted average diluted common shares outstanding	136,522	137,295	141,473	141,548	141,753	140,497
<b>Net interest margin</b>						
Net interest income	\$ 314,824	\$ 320,703	\$ 333,213	\$ 335,989	\$ 340,855	\$ 1,330,760
Add: Tax-equivalent adjustment	23,919	25,853	26,994	27,710	28,766	109,323
Net interest income (tax-equivalent basis)	\$ 338,743	\$ 346,556	\$ 360,207	\$ 363,699	\$ 369,621	\$ 1,440,083
Less: Accretion/amortization	(25,158)	(19,538)	(21,262)	(15,800)	(15,399)	(71,999)
<b>Non-GAAP net interest income (tax-equivalent basis)</b>	<b>\$ 313,585</b>	<b>\$ 327,018</b>	<b>\$ 338,945</b>	<b>\$ 347,899</b>	<b>\$ 354,222</b>	<b>\$ 1,368,084</b>
Average interest-earning assets	\$ 40,448,974	\$ 41,008,749	\$ 42,478,833	\$ 44,479,559	\$ 45,723,915	\$ 43,438,577
Add: Average unaccreted loan discounts	234,580	214,055	196,082	177,380	161,556	187,097
<b>Average interest-earning assets (non-GAAP)</b>	<b>\$ 40,683,554</b>	<b>\$ 41,222,804</b>	<b>\$ 42,674,915</b>	<b>\$ 44,656,939</b>	<b>\$ 45,885,471</b>	<b>\$ 43,625,674</b>
Net interest margin - reported	3.32%	3.37%	3.38%	3.25%	3.21%	3.32%
Net interest margin (non-GAAP)	3.06%	3.17%	3.16%	3.09%	3.06%	3.14%

# APPENDIX – EFFICIENCY RATIO RECONCILIATION

\$ in 000's	Three Months Ended					Year Ended
	December 31, 2013	March 31, 2014	June 30, 2014	September 30, 2014	December 31, 2014	December 31, 2014
<b>Efficiency ratio</b>						
Net interest income	\$ 314,824	\$ 320,703	\$ 333,213	\$ 335,989	\$ 340,855	\$ 1,330,760
Less: Accretion/amortization	(25,158)	(19,538)	(21,262)	(15,800)	(15,399)	(71,999)
<b>Net interest income (non-GAAP)</b>	<b>\$ 289,666</b>	<b>\$ 301,165</b>	<b>\$ 311,951</b>	<b>\$ 320,189</b>	<b>\$ 325,456</b>	<b>\$ 1,258,761</b>
Noninterest income	\$ 56,200	\$ 61,012	\$ 76,838	\$ 104,671	\$ 75,834	\$ 318,355
Less: Discounts recognized in gain on sale of loans	-	-	-	(1,679)	-	(1,679)
<b>Noninterest income (non-GAAP)</b>	<b>\$ 56,200</b>	<b>\$ 61,012</b>	<b>\$ 76,838</b>	<b>\$ 102,992</b>	<b>\$ 75,834</b>	<b>\$ 316,676</b>
Total revenue	\$ 371,024	\$ 381,715	\$ 410,051	\$ 440,660	\$ 416,689	\$ 1,649,115
Total revenue (non-GAAP)	\$ 345,866	\$ 362,177	\$ 388,789	\$ 423,181	\$ 401,290	\$ 1,575,437
Noninterest expense	\$ 200,929	\$ 217,491	\$ 222,728	\$ 238,377	\$ 244,150	\$ 922,746
Less: Intangible amortization	(4,289)	(4,127)	(3,968)	(3,808)	(3,649)	(15,552)
<b>Noninterest expense (non-GAAP)</b>	<b>\$ 196,640</b>	<b>\$ 213,364</b>	<b>\$ 218,760</b>	<b>\$ 234,569</b>	<b>\$ 240,501</b>	<b>\$ 907,194</b>
Efficiency ratio	54.2%	57.0%	54.3%	54.1%	58.6%	56.0%
Efficiency ratio (non-GAAP)	56.9%	58.9%	56.3%	55.4%	59.9%	57.6%

# APPENDIX – BUSINESS ACTIVITIES NOT UNDERTAKEN

First Republic’s simple, focused business model and structure allow for 1) **better risk oversight and mitigation**, along with 2) **easier implementation and maintenance of the systems and procedures needed** in an enhanced regulatory environment.

1. No domestic or foreign holding company and no holding company subsidiaries
2. No proprietary trading
3. No complex, highly transactional or structured products
4. No credit card, corporate card, auto loans
5. No no-doc or low-doc, subprime loans
6. No underwriting transactions in debt and equity markets
7. No securities lending or borrowing to or from financial institutions
8. No VIE or other off-balance sheet investment activity except approximately \$1 million REMICs
9. No insurance risk taking
10. No trading assets or liabilities
11. No credit derivatives
12. Limited counterparty credit risk exposure (FX positions); substantially all exposures collateralized with cash/treasuries
13. No cross-currency swaps
14. No foreign sovereign debt
15. No junk bond investments
16. Minimal equity investments (less than \$2 million as of 12/31/14)
17. No holdings of securities issued by other financial institutions
18. No collateral underlying operating leases for which the Bank is the lessor
19. No internet deposit gathering
20. Minimal leveraged lending
21. No loans denominated in foreign currency
22. No purchased credit card relationships and nonmortgage servicing rights
23. No loans to foreign governments
24. No negative amortization loans (minimal amount in run-off)
25. No whole loan purchases (except certain CRA loans)
26. No sale of loan servicing
27. No trade letters of credit
28. No reverse mortgages
29. No factoring
30. Minimal asset-based lending
31. No servicing of loans originated by other institutions
32. No conduit securities lending transactions
33. No clearing or execution services
34. No deposits in foreign offices
35. No cross-jurisdictional claims or liabilities
36. No depository institution, foreign bank, and credit union debt positions
37. Minimal repo or reverse repo with other financial institutions

# APPENDIX – CREDIT RECORD OF LOANS DIVESTED

---

- When First Republic became independent on 7/1/10, the seller agreed to retain a portion of the Bank’s loan portfolio (“divested loans”)
- Characteristics of the loans divested at 7/1/10:
  - 1,500 loans totaling \$2.03 billion
  - 19% (\$381 million) nonperforming
  - 90% real estate secured
- The loss experience on the divested portfolio has been thoroughly researched by the Bank and validated by an independent third party: <sup>(1)</sup>
  - 85% are either paid off with no loss or are nonperforming
  - 15% resulted in losses of \$138 million
- If all divested loans had been retained by First Republic, the cumulative net income less funding and all operating costs through December 31, 2013 would have been approximately \$70 million higher

(1) As of December 31, 2013.

# APPENDIX – STRONG CAPITAL RATIOS

	<b>First Republic 12/31/14</b>	<b>“Well-Capitalized” Minimums</b>
<b>Tier 1 Leverage Ratio</b>	<b>9.43%</b>	<b>5.00%</b>
<b>Tier 1 Common Equity Ratio</b>	<b>10.90%</b>	<b>6.50% <sup>(1)</sup></b>
<b>Tier 1 Risk-Based Capital Ratio</b>	<b>13.55%</b>	<b>6.00%</b>
<b>Total Risk-Based Capital Ratio</b>	<b>14.20%</b>	<b>10.00%</b>

As a condition of being a newly-chartered institution, First Republic is required to maintain a minimum Tier 1 Leverage Ratio of 8.0% until June 30, 2017.

(1) Represents level to be considered “well-capitalized” under Basel III final rules in Federal Register, Vol. 78, No. 198.



# APPENDIX – EXPANSION OF EXECUTIVE LEADERSHIP

<u>Name</u>	<u>Title and Year Hired</u>	<u>Prior Experience</u>
<b>Mike Roffler</b>	EVP, Chief Financial Officer (joined 2009)	KPMG
<b>Rosana Han</b>	SVP, Fair and Responsible Lending (joined in 2010)	East West Bank
<b>Hugh Westermeyer</b>	SVP, Deputy Chief Information Officer (joined 2011)	Charles Schwab
<b>Howard Noble</b>	SVP, Deputy Chief Credit Officer (joined 2012)	Wells Fargo
<b>Mike Selfridge</b>	Chief Operating Officer (joined 2012)	Silicon Valley Bank
<b>Susie Cranston</b>	SVP, Private Wealth Management (joined 2013)	McKinsey & Co
<b>Doug Fritz</b>	Chief Technology Officer for Private Wealth Management (joined 2013)	Wells Fargo
<b>Ravi Mallela</b>	SVP, Finance (joined 2013)	BMO Harris & Wells Fargo
<b>Angela Osborne</b>	COO for Private Wealth Management (joined 2013)	Blackrock
<b>Jonathan Santelli</b>	SVP, Deputy General Counsel (joined 2013)	BofA / Merrill Lynch
<b>Bill Ward</b>	EVP, Chief AML/BSA Officer (joined 2014)	Union Bank
<b>Gaye Erkan</b>	SVP, Chief Investment Officer and Co-Chief Risk Officer (joined 2014)	Goldman Sachs
<b>Helene Jepson</b>	Chief Compliance Officer for Private Wealth Management (joined in 2014)	White Oak Global Advisers

# NOTICE

---

This presentation may contain forward-looking statements. You are cautioned not to place undue reliance on such statements, which speak only as of the date on which they are made and which are only predictions and involve estimates, known and unknown risks, assumptions and uncertainties that could cause actual results to differ materially from those expressed in them. For a discussion of these and other risks and uncertainties, see First Republic's FDIC filings, including First Republic's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. These filings are available in the Investor Relations section of our website, [www.firstrepublic.com](http://www.firstrepublic.com).

The information provided herein may include certain non-GAAP financial measures. The reconciliation of such measures to the comparable GAAP figures are included in First Republic's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

