

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)

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

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SUPPLEMENT TO
PROXY STATEMENT FOR ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD MAY 10, 2016

This document supplements our Proxy Statement dated March 28, 2016 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 10, 2016, at the New York Yacht Club, 37 West 44th Street, New York, New York 10036.

EXPLANATORY STATEMENT

Say on Pay – Vote “For” Recommendation

The Board of Directors strongly and unanimously recommends a vote FOR the advisory resolution approving executive compensation or “say-on-pay”. Recently, the proxy advisory firm Glass, Lewis & Co., Inc. also recommended a vote FOR our advisory resolution on “say-on-pay”.

However, much to our surprise and disappointment, Institutional Shareholder Services Inc. (ISS) recently recommended a vote against this advisory resolution. This recommendation is based solely on qualitative judgment, not quantitative measures or results. In that same document, ISS reported that our pay and performance are in alignment.

In its report, ISS suggests that the compensation committee had “insufficient response” to shareholder concerns. We strongly disagree.

We believe our robust shareholder outreach program demonstrates a high level of responsiveness to shareholders. In recent years, we have strengthened the Bank’s compensation program in direct response to shareholder feedback. This includes eliminating single trigger vesting upon a change of control, eliminating paying dividends on performance-based stock awards until vested, limiting the use of special, large one-time equity awards, and eliminating financial and tax advisory perquisites. We have continued our shareholder engagement efforts and, throughout 2015, the Bank met with shareholders representing over 65% of our outstanding shares and there were no material changes to our compensation program recommended by any shareholders.

ISS further commented that the Bank’s incentive compensation for the CEO has a relatively high annual cap. The Bank’s 2012 Executive Incentive Plan (the 2012 Plan), which was approved by over 98% of shareholders on May 15, 2012, provides for a maximum cash bonus annual cap of \$5,750,000. Practically speaking, in order for our CEO to earn such a maximum payout permitted under the 2012 Plan, the Bank’s pre-tax income would need to be \$1.15 billion, which is fully 40% higher than our 2015 reported pre-tax income. Clearly, if the Bank were to achieve such an extraordinary level of pre-tax income, all shareholders would benefit significantly.

Notwithstanding the terms of the 2012 Plan, Mr. Herbert has voluntarily requested that the cap on his 2016 cash incentive compensation be lowered by \$1,000,000, so that his maximum cash incentive payment for this year would be limited to \$4,750,000 (even if he earned a higher amount based on the Bank’s performance).

Most importantly of all, is our pay aligned with our performance? The Bank continues to create significant value for its shareholders in both absolute and relative terms: First Republic has delivered shareholder return of 18.7% per annum from December 31, 2010 to December 31, 2015, versus 9.1% for the KBW Bank Index, or twice the industry benchmark, and 12.6% for the S&P 500 Index. First Republic has consistently delivered superior shareholder results.

For the reasons set forth above and in the Proxy Statement dated March 28, 2016, the Board of Directors strongly and unanimously recommends a vote FOR the advisory resolution approving executive compensation.