



FIRST REPUBLIC BANK

It's a privilege to serve you®

A MESSAGE TO CLIENTS

April 2012

Dear Clients,

We are pleased to present the consolidated balance sheet of First Republic Bank. Our overall financial strength is greater than ever and we continue to generate a very satisfactory level of profits.

STRONG CAPITAL LEVELS — First Republic has total equity of \$2.9 billion at March 31, 2012, and our capital ratios exceed the levels established by federal banking regulators to be well-capitalized. At March 31, 2012, our Tier 1 Leverage Ratio was 9.48% and our Total Risk-Based Capital Ratio was 14.47%.

SUPERIOR ASSET QUALITY — 67% of our loans are residential mortgage loans originated directly by our bankers and secured by homes of First Republic clients who have strong income, excellent credit, substantial liquid reserves and have generally borrowed a low percentage of their home value.

Total nonperforming loans and foreclosed real estate at March 31, 2012 were less than 1/8 of 1% of total assets, a level significantly below the national bank average.

SUBSTANTIAL LIQUIDITY — As shown in our balance sheet, the Bank has \$4.3 billion in cash, cash equivalents and investments. In addition, as a member of the Federal Home Loan Bank of San Francisco, we have access to significant unused borrowing capacity if needed for liquidity.

In recognition of the Bank's long and successful history, consistent management, profitability and conservative practices, the Bank has received long-term deposit ratings from Fitch of A- and Moody's of A3 (A- equivalent). Each rating carries a Stable Outlook.

We thank you for your business. It's a privilege to serve you.

James H. Herbert, II
Chairman & Chief Executive Officer

Katherine August-deWilde
President & Chief Operating Officer

FIRST REPUBLIC BANK CONSOLIDATED BALANCE SHEET MARCH 31, 2012

(\$ in millions)

ASSETS

Cash and Cash Equivalents	\$	1,429
Investments		2,905
Loans		
Single Family (1-4 Units)		14,229
Home Equity Lines of Credit		1,826
Multifamily (5+ Units)		2,570
Commercial Real Estate		2,630
Commercial Business Loans		1,800
Other Loans		879
Total Loans		23,934
Loan Discounts and Other		(443)
Allowance for Loan Losses		(82)
Loans, Net		23,409
Other Real Estate Owned		4
Investments in Life Insurance		591
Goodwill and Other Intangible Assets		154
Other Assets		1,227
Total Assets	\$	29,719

LIABILITIES

Deposits		
Noninterest-Bearing Accounts	\$	6,276
Interest-Bearing Checking Accounts		3,793
Money Market (MM) Checking Accounts		3,583
MM Savings and Passbook Accounts		6,030
Certificates of Deposit		3,573
Total Deposits		23,255
Borrowings		3,175
Other Liabilities		426
Total Liabilities		26,856

EQUITY

Bank Perpetual Preferred Stock		200
Common Equity		2,616
REIT Perpetual Preferred Stock		47
Total Equity		2,863
Total Liabilities and Equity	\$	29,719

Capital Ratios:

Tier 1 Leverage Ratio	9.48%
Tier 1 Risk-Based Capital Ratio	14.01%
Total Risk-Based Capital Ratio	14.47%

