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 17, 2012

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 2.02 Results of Operations and Financial Condition

Attached as Exhibit 99.1 and incorporated into this item by reference is a press release issued by First Republic Bank ("the Bank") on January 17, 2012, regarding its financial results for the fourth quarter and fiscal year ended December 31, 2011. The information furnished by the Bank pursuant to this item 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, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit 99.1	Press Release issued by the Bank, dated January 17, 2012, with respect to the Bank's financial results for the fourth quarter and fiscal year ended December 31, 2011

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 17, 2012.

First Republic Bank

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

EXHIBIT INDEX

Exhibit Number	Description
Exhibit 99.1	Press Release issued by the Bank, dated January 17, 2012, with respect to the Bank's financial results for the fourth quarter and fiscal year ended December 31, 2011

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

Press Release

FOR IMMEDIATE RELEASE

FIRST REPUBLIC BANK REPORTS RECORD NET INCOME

BOOK VALUE PER SHARE INCREASES 17% IN 2011

2011 Full Year Highlights

- Net income was a record $352.1 million and diluted earnings per share ("EPS") were $2.65.
- Non-GAAP net income was $222.9 million and diluted EPS were $1.68. [(1)]
- Book value per share increased by 17% to $19.46 per share.
- Loan originations were a record $10.2 billion.
- Loans outstanding were $23.1 billion at December 31, 2011, up 20%.
- Deposits were $22.5 billion at December 31, 2011, up 17%.
- Wealth management assets were $20.4 billion at December 31, 2011, up 21%.
- Year-end nonperforming assets were 11 basis points of total assets.

Fourth Quarter Highlights

- Net income was $90.7 million and diluted EPS were $0.68.
- Non-GAAP net income was $59.1 million and diluted EPS were $0.44, up 30% and 26%, respectively, from the fourth quarter a year ago. [(1)]
- Loan originations were our second highest quarter ever at $3.3 billion.
- Net interest margin was 4.53%, compared to 4.48% for the third quarter.
- The contractual net interest margin was 3.55%, compared to 3.41% for the third quarter. [(1)]
- The efficiency ratio was 50.2%, compared to 48.4% for the third quarter.
- The non-GAAP efficiency ratio was 59.9%, compared to 58.8% for the third quarter. [(1)]

(1) See non-GAAP reconciliation under section "Use of Non-GAAP Financial Measures."

–MORE–

San Francisco, California, January 17, 2012 – First Republic Bank ("First Republic") (NYSE: FRC) today announced financial results for the quarter and year ended December 31, 2011.

"We are very pleased with First Republic's strong performance in the fourth quarter and for all of 2011," said Jim Herbert, Chairman and Chief Executive Officer. "First Republic is successfully executing a very focused business model providing a single point-of-contact for banking and wealth management. Exceptional client service continues to be our hallmark."

Net income was $90.7 million for the fourth quarter of 2011, up 19% compared with the fourth quarter a year ago. Diluted EPS were $0.68 for the fourth quarter of 2011, up 13% compared with the fourth quarter a year ago.

Excluding the impact of purchase accounting and one-time costs in 2010, net income was $59.1 million for the fourth quarter of 2011, up 30% compared with the fourth quarter a year ago. On this basis, diluted EPS were $0.44 for the fourth quarter of 2011, up 26% compared with the fourth quarter a year ago. (1)

For the year ended December 31, 2011, net income was $352.1 million and diluted EPS were $2.65.

For the year ended December 31, 2011, excluding the positive effect of purchase accounting items, net income was $222.9 million and diluted EPS were $1.68. (1)

"First Republic achieved very solid performance in 2011, including significant growth in loans, deposits and wealth management assets," said Katherine August-deWilde, President and Chief Operating Officer. "Core earnings continue to grow nicely while asset quality remains very strong."

Asset Quality Remains Strong

The Bank's credit quality remains strong. At December 31, 2011, nonperforming assets were 11 basis points of total assets.

During the fourth quarter, the Bank recorded a provision for loan losses of $16.2 million. The Bank's provision for loan losses is related primarily to loans outstanding that have been originated since July 1, 2010. At December 31, 2011, the allowance related to these loans totaled $61.6 million, or 0.59% of such loans.

Capital Strength

The Bank's Tier 1 leverage and total risk-based capital ratios at December 31, 2011 were 8.81% and 13.65%, respectively. The Bank continues to exceed all regulatory guidelines for well-capitalized institutions.

Book Value Growth

Book value per share was $19.46 at December 31, 2011, a 17% increase during 2011.

Tangible book value per share was $18.23 at December 31, 2011, a 20% increase during 2011.

Continued Franchise Development

Asset growth continues

Total assets at December 31, 2011 were $27.8 billion. During the last year, loans increased $3.8 billion and investment securities increased $1.7 billion. These increases were funded primarily by deposit growth of $3.2 billion and a $1.5 billion increase in term, fixed-rate Federal Home Loan Bank ("FHLB") advances.

Loans outstanding were $23.1 billion at December 31, 2011, a 20% increase for the year.

Deposit growth strong - mix improves

Total deposits were $22.5 billion at December 31, 2011, a 17% increase for the year.

At December 31, 2011, total checking and savings accounts were 82% of total deposits, compared to 70% a year ago. Such accounts increased 38% during the year. At the same time, certificates of deposit ("CDs") represented 18% of total deposits at December 31, 2011, a decrease from 30% a year ago.

The contractual rate paid on all deposits averaged 0.50% during the fourth quarter, compared to 0.64% for the third quarter and 0.86% during the fourth quarter a year ago, with the improvement coming both from a better deposit mix and lower market rates of interest.

At December 31, 2011, core deposits were 95% of total deposits.

Wealth management expands

Wealth management assets, excluding sweep account balances, were $20.4 billion at December 31, 2011, an increase of 21% for the year. Fees earned on wealth management assets, including investment advisory, trust and brokerage fees, were up 13% in the fourth quarter of 2011 compared to last year.

The Bank offers investment management services for individuals, endowments, businesses and 401(k) plans through First Republic Investment Management. At December 31, 2011, clients had $7.9 billion of assets under management, a 22% increase for the year.

Client assets at First Republic Securities Company and our client's money market mutual fund balances were $7.8 billion at December 31, 2011, a 21% increase for the year.

The Bank also offers personal trust and custody services through First Republic Trust Company. At December 31, 2011, First Republic Trust Company administered $4.6 billion of trust and custody assets, of which approximately half were custody assets. This represents a 20% increase for the year.

Earnings Summary

Strong revenue growth

Total revenues were $314.9 million for the fourth quarter, compared to $299.2 million for the third quarter and $284.0 million for the fourth quarter a year ago.

Excluding the impact of purchase accounting, revenues were $254.5 million for the fourth quarter, compared to $236.7 million for the third quarter and $215.6 million for the fourth quarter of 2010, an 18% increase from a year ago. [(1)]

Net interest income grows

Net interest income was $285.5 million for the fourth quarter, compared to $268.9 million for the third quarter and $256.6 million for the fourth quarter a year ago. The increase was primarily due to increases in the average balances of loans and investment securities and an improved mix of deposits.

Excluding the impact of purchase accounting, contractual net interest income was $225.2 million for the fourth quarter, compared to $206.6 million for the third quarter and $188.2 million for the fourth quarter of 2010, a 20% increase from a year ago. [(1)]

Net interest margin

The Bank's net interest margin was 4.53% for the fourth quarter, compared to 4.48% for the third quarter and 4.90% for the fourth quarter a year ago. For the year ended December 31, 2011, the net interest margin was 4.63%.

Excluding the impact of purchase accounting, the net interest margin was 3.55% for the fourth quarter, compared to 3.41% for the third quarter. For the year ended December 31, 2011, the net interest margin was 3.53%. [(1)]

The increase in the net interest margin from the third quarter is due to the investing of excess cash balances in loans and investment securities, lower deposit costs due to market rates and an improvement in the deposit mix.

Noninterest income

Noninterest income for the fourth quarter was $29.4 million, compared to $30.3 million for the third quarter and $27.4 million for the fourth quarter a year ago. The 7% increase compared to last year was primarily due to increases in investment advisory fees, foreign exchange fee income, loan related fees and income from investments in life insurance.

Noninterest expense

Noninterest expense for the fourth quarter was $158.0 million, compared to $144.8 million for the third quarter and $143.0 million for the fourth quarter a year ago, an 18% increase year over year (excluding $9.0 million of one-time 2010 stock option costs). Noninterest expense has grown over the past year primarily due to an increase in personnel to support loan, deposit and wealth management growth, increased occupancy costs as the Bank continues to add offices and higher technology costs to invest in efficiency and client service.

Efficiency ratio steady

The Bank's efficiency ratio, or noninterest expense as a percentage of net interest income and noninterest income, was 50.2% for the fourth quarter, compared to 48.4% for the third quarter and 50.4% for the fourth quarter a year ago. For the year ended December 31, 2011, the efficiency ratio was 48.7%.

Excluding the impact of purchase accounting, the Bank's efficiency ratio was 59.2% for all of 2011 and 59.9% for the fourth quarter, compared to 58.8% for the prior quarter. (1)

Income tax rate declines

The Bank's effective tax rate for 2011 was 35.7%. The decline in the tax rate in 2011 was a result of a higher level of tax-exempt securities, bank-owned life insurance and tax credit investments.

Conference Call Details

First Republic Bank's fourth quarter 2011 earnings conference call is scheduled for January 17, 2012 at 11:00 a.m. PST / 2:00 p.m. EST. To listen to the live call by telephone, please dial (877) 941-2068 approximately 10 minutes prior to the start time (to allow time for registration) and use conference ID #4501640. International callers should dial (480) 629-9712. The call will also be broadcast live over the Internet and can be accessed in the Investor Relations section of First Republic's website at www.firstrepublic.com. To listen to the live webcast, please visit the site at least 15 minutes prior to the start of the call to register, download and install any necessary audio software. A replay of the call will also be available for 90 days on the website. For those unable to participate in the live presentation, a replay will be available beginning January 17, 2012, at 2:00 p.m. PST / 5:00 p.m. EST, through January 24, 2012, at 8:59 p.m. PST / 11:59 p.m. EST. To access the replay, dial (877) 870-5176 (U.S.), and use conference ID #4501640. International callers should dial (858) 384-5517 and enter the same conference ID number. The Bank's press releases are available after release on the Bank's website at www.firstrepublic.com.

About First Republic Bank

First Republic Bank and its subsidiaries provide private banking, private business banking and private wealth management. Founded in 1985, First Republic specializes in exceptional, relationship-based service offered through preferred banking or wealth management offices primarily in San Francisco, Palo Alto, Los Angeles, Santa Barbara, Newport Beach, San Diego, Portland, Boston, Greenwich and New York City. First Republic offers a complete line of banking products for individuals and businesses, including deposit services, as well as residential, commercial and personal loans. First Republic is a component of the S&P Total Market Index, the Wilshire 5000 Total Market Index℠, the Russell 1000 ®, Russell 3000 ® and Russell Global indices and six Dow Jones indices. More information is available on the Bank's website at www.firstrepublic.com.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Statements in this press release that are not historical facts are hereby identified as "forward-looking statements" for the purpose of the safe harbor provided by Section 21E of the Securities Exchange Act of 1934. Any statements about our expectations, beliefs, plans, predictions, forecasts, objectives, assumptions or future events or performance are not historical facts and may be forward-looking. These statements are often, but not always, made through the use of words or phrases such as "anticipates," "believes," "can," "could," "may," "predicts," "potential," "should," "will," "estimates," "plans," "projects," "continuing," "ongoing," "expects," "intends" and similar words or phrases and include statements about economic performance in our markets, growth in our loan originations and wealth management assets, and our projected tax rate. Accordingly, these statements 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. Factors that could cause actual results to differ from those discussed in the forward-looking statements include, but are not limited to: our ability to compete for banking and wealth management customers; earthquakes and other natural disasters in our markets; changes in interest rates; our ability to maintain high underwriting standards; economic conditions in our markets; and conditions in financial markets and economic conditions generally; regulatory restrictions on our operations and current or future legislative or regulatory changes affecting the banking and investment management industries. For a discussion of these and other risks and uncertainties, see First Republic's FDIC filings, including, but not limited to, the risk factors in First Republic's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. These filings are available in the Investor Relations section of our website. All forward-looking statements are necessarily only estimates of future results, and there can be no assurance that actual results will not differ materially from expectations, and, therefore, you are cautioned not to place undue reliance on such statements. Further, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events.

CONSOLIDATED STATEMENT OF INCOME

(in thousands, except per share amounts)	Three Months Ended December 31, 2011	Three Months Ended December 31, 2010	Three Months Ended September 30, 2011	Twelve Months Ended December 31, 2011
Interest income:				
Interest on loans	$ 288,226	$ 275,069	$ 278,770	$ 1,104,504
Interest on investments	25,338	6,372	19,962	73,178
Interest on cash equivalents	1,197	1,538	1,609	5,275
Total interest income	314,761	282,979	300,341	1,182,957
Interest expense:				
Interest on customer deposits	17,628	21,730	21,573	83,268
Interest on FHLB advances and other borrowings	11,035	4,035	9,295	31,671
Interest on subordinated notes	561	584	567	2,279
Total interest expense	29,224	26,349	31,435	117,218
Net interest income	285,537	256,630	268,906	1,065,739
Provision for loan losses	16,159	14,309	15,531	52,329
Net interest income after provision for loan losses	269,378	242,321	253,375	1,013,410
Noninterest income:				
Investment advisory fees	11,897	9,270	12,663	47,030
Brokerage and investment fees	2,219	2,977	2,776	9,496
Trust fees	1,729	1,750	1,588	6,737
Foreign exchange fee income	3,298	1,820	2,689	10,235
Deposit customer fees	3,169	3,636	3,786	14,368
Loan servicing fees, net	(341)	(823)	(400)	(168)
Loan and related fees	1,801	849	1,501	4,951
Gain on sale of loans	335	3,800	1,301	6,417
Income from investments in life insurance	4,785	3,233	3,536	16,143
Other income	510	900	825	2,721
Total noninterest income	29,402	27,412	30,265	117,930
Noninterest expense:				
Salaries and related benefits	74,352	71,734	67,780	275,086
Occupancy	18,595	15,383	17,088	67,609
Information systems	16,065	11,568	14,905	57,695
Advertising and marketing	8,567	5,716	6,883	28,812
FDIC and other deposit assessments	5,552	8,439	5,161	23,910
Professional fees	4,711	5,493	4,205	16,359
Amortization of intangibles	5,444	6,073	5,602	22,723
Other expenses	24,715	18,627	23,165	84,414
Total noninterest expense	158,001	143,033	144,789	576,608
Income before provision for income taxes	140,779	126,700	138,851	554,732
Provision for income taxes	49,016	49,535	49,986	198,039
Net income before noncontrolling interests	91,763	77,165	88,865	356,693
Less: Net income from noncontrolling interests	1,072	1,198	1,072	4,605
First Republic Bank Net Income	$ 90,691	$ 75,967	$ 87,793	$ 352,088
Basic earnings per common share	$ 0.70	$ 0.61	$ 0.68	$ 2.73
Diluted earnings per common share	$ 0.68	$ 0.60	$ 0.66	$ 2.65
Weighted average shares - basic	129,313	125,109	129,207	129,061
Weighted average shares - diluted	132,939	127,546	132,437	132,724

CONSOLIDATED BALANCE SHEET

($ in thousands)	As of December 31, 2011	As of September 30, 2011	As of December 31, 2010
ASSETS			
Cash and cash equivalents	$ 630,780	$ 2,064,245	$ 1,528,075
Securities purchased under agreements to resell	4,890	4,890	-
Investment securities available-for-sale	722,280	558,832	75,602
Investment securities held-to-maturity	2,097,198	1,709,782	1,017,402
Loans:			
Single family (1-4 units)	13,538,218	12,759,861	11,493,879
Home equity lines of credit	1,878,969	1,829,992	1,755,556
Commercial real estate	2,504,791	2,429,259	2,175,256
Multifamily (5+ units)	2,437,169	2,272,048	1,993,317
Single family construction	183,863	185,652	168,336
Multifamily/commercial construction	122,885	98,568	115,169
Commercial business loans	1,656,795	1,439,357	1,220,863
Other secured	169,502	152,393	167,354
Unsecured loans and lines of credit	224,069	157,838	113,773
Stock secured	103,208	92,403	24,612
Total unpaid principal balance	22,819,469	21,417,371	19,228,115
Net unaccreted discount	(493,895)	(542,319)	(679,050)
Net deferred fees and costs	10,020	8,894	1,435
Allowance for loan losses	(68,113)	(53,304)	(18,809)
Loans, net	22,267,481	20,830,642	18,531,691
Loans held for sale	305,881	59,374	51,126
Investments in life insurance	585,956	486,101	391,750
Prepaid expenses and other assets	878,842	763,695	480,770
Premises, equipment and leasehold improvements, net	118,365	112,562	97,051
Goodwill	24,604	24,604	24,604
Other intangible assets	134,574	140,018	157,297
Mortgage servicing rights	17,269	20,089	21,640
Other real estate owned	3,681	3,533	625
Total Assets	$ 27,791,801	$ 26,778,367	$ 22,377,633
LIABILITIES AND EQUITY			
Liabilities:			
Customer deposits:			
Noninterest-bearing accounts	$ 6,115,571	$ 5,242,610	$ 3,056,515
Interest-bearing checking accounts	3,675,813	2,794,413	2,757,319
Money Market (MM) checking accounts	3,139,448	3,454,128	2,767,826
MM savings and passbooks	5,520,558	5,424,025	4,821,262
Certificates of deposit	4,007,869	4,854,864	5,832,827
Total customer deposits	22,459,259	21,770,040	19,235,749
FHLB advances	2,200,000	2,100,000	600,000
Subordinated notes	65,711	66,386	68,374
Debt related to variable interest entity	63,259	21,891	25,471
Other liabilities	408,550	330,931	223,283
Total Liabilities	25,196,779	24,289,248	20,152,877
Equity:			
First Republic Bank stockholders' equity			
Common stock	1,294	1,293	1,289
Additional paid-in capital	2,020,832	2,014,020	1,994,457
Retained earnings	494,450	403,759	142,362
Accumulated other comprehensive income (loss), net	1,186	(7,213)	78
Total First Republic Bank stockholders' equity	2,517,762	2,411,859	2,138,186
Noncontrolling interests	77,260	77,260	86,570
Total Equity	2,595,022	2,489,119	2,224,756
Total Liabilities and Equity	$ 27,791,801	$ 26,778,367	$ 22,377,633

($ in thousands)	Three Months Ended December 31, 2011	Three Months Ended December 31, 2010	Three Months Ended September 30, 2011	Twelve Months Ended December 31, 2011
Operating Information				
Loans originated	$ 3,312,813	$ 2,282,762	$ 2,628,081	$ 10,239,273
Loans sold	$ 52,137	$ 405,159	$ 171,493	$ 728,669
Net income to average assets (2)	1.30%	1.35%	1.33%	1.39%
Net income to average common equity (2)	14.49%	14.99%	14.61%	15.04%
Efficiency ratio	50.2%	50.4%	48.4%	48.7%
Efficiency ratio (non-GAAP) (3)	59.9%	59.4%	58.8%	59.2%
Yields/Rates (2)				
Cash and cash equivalents	0.26%	0.28%	0.26%	0.26%
Securities purchased under agreements to resell	0.08%	-	0.00%	0.05%
Investment securities (4)	5.52%	5.29%	5.50%	5.67%
Loans (4)	5.31%	6.03%	5.50%	5.57%
Total interest-earning assets	4.98%	5.40%	4.99%	5.12%
Customer deposits	0.31%	0.45%	0.40%	0.40%
Borrowings	2.06%	2.64%	1.83%	2.12%
Total interest-bearing liabilities	0.47%	0.53%	0.53%	0.52%
Net interest spread	4.51%	4.87%	4.46%	4.60%
Net interest margin	4.53%	4.90%	4.48%	4.63%
Net interest margin (non-GAAP) (3)	3.55%	3.50%	3.41%	3.53%
Net interest income (tax-equivalent basis)	$ 298,768	$ 260,287	$ 279,518	$ 1,105,703

(2) For the periods less than a year, ratios are annualized.
(3) For a reconciliation of these ratios to the equivalent GAAP ratios, see "Use of Non-GAAP Financial Measures."
(4) Yield is calculated on a tax-equivalent basis.

The following table separates our loan portfolio as of December 31, 2011 between loans acquired on July 1, 2010 and loans originated since July 1, 2010:

	Composition of Loan Portfolio		
($ in thousands)	Loans acquired on July 1, 2010	Loans originated since July 1, 2010	Total loans at December 31, 2011
Single family (1-4 units)	$ 7,268,879	$ 6,269,339	$ 13,538,218
Home equity lines of credit	1,331,972	546,997	1,878,969
Commercial real estate	1,679,972	824,819	2,504,791
Multifamily (5+ units)	1,239,103	1,198,066	2,437,169
Single family construction	59,910	123,953	183,863
Multifamily/commercial construction	35,299	87,586	122,885
Commercial business loans	553,707	1,103,088	1,656,795
Other secured	100,873	68,629	169,502
Unsecured loans and lines of credit	64,429	159,640	224,069
Stock secured	12,756	90,452	103,208
Total unpaid principal balance	12,346,900	10,472,569	22,819,469
Net unaccreted discount	(492,947)	(948)	(493,895)
Net deferred fees and costs	(6,644)	16,664	10,020
Allowance for loan losses	(6,483)	(61,630)	(68,113)
Loans, net	$ 11,840,826	$ 10,426,655	$ 22,267,481

(in thousands, except per share amounts)	As of December 31, 2011	As of September 30, 2011	As of December 31, 2010
Book Value			
Number of shares of stock outstanding	129,372	129,259	128,858
Book value per share	$ 19.46	$ 18.66	$ 16.59
Tangible book value per share	$ 18.23	$ 17.39	$ 15.18
Capital Ratios			
Tier 1 leverage ratio	8.81%	8.95%	9.24%
Tier 1 common equity ratio [5]	12.84%	13.36%	13.77%
Tier 1 risk-based capital ratio	13.25%	13.81%	14.38%
Total risk-based capital ratio	13.65%	14.15%	14.61%

[5] Tier 1 common equity ratio represents common equity less goodwill and intangible assets divided by risk-based assets.

($ in millions)	As of December 31, 2011	As of September 30, 2011	As of December 31, 2010
Assets Under Management [6]			
First Republic Investment Management	$ 7,940	$ 7,390	$ 6,516
Brokerage and Investment:			
Brokerage	6,806	6,529	5,573
Money Market Mutual Funds	1,037	580	904
Total Brokerage and Investment	7,843	7,109	6,477
Trust Company:			
Trust	1,963	1,868	1,504
Custody	2,641	2,100	2,333
Total Trust Company	4,604	3,968	3,837
Total Wealth Management Assets	20,387	18,467	16,830
Loans serviced for investors	3,381	3,751	3,781
Total fee-based assets	$ 23,768	$ 22,218	$ 20,611

[6] Assets under management are presented excluding sweep deposits.

($ in thousands)	As of December 31, 2011	As of September 30, 2011	As of December 31, 2010
Asset Quality Information			
Nonperforming assets:			
Nonaccrual loans	$ 26,373	$ 27,843	$ 18,343
Other real estate owned	3,681	3,533	625
Total nonperforming assets	$ 30,054	$ 31,376	$ 18,968
Nonperforming assets to total assets	0.11%	0.12%	0.08%
Accruing loans 90 days or more past due	$ -	$ -	$ -
Restructured performing loans	$ 6,674	$ 5,169	$ 1,669

	Average Balance Sheet			
	Three Months Ended December 31,		Three Months Ended September 30,	Twelve Months Ended December 31,
($ in thousands)	**2011**	**2010**	**2011**	**2011**
Assets:				
Cash equivalents	$ 1,820,229	$ 2,212,101	$ 2,424,963	$ 2,038,407
Securities purchased under agreements to resell	4,912	-	5,979	6,425
Investment securities	2,671,429	757,700	2,133,224	1,909,515
Loans	21,656,992	18,079,552	20,165,475	19,930,099
Total interest-earning assets	26,153,562	21,049,353	24,729,641	23,884,446
Noninterest-earning assets	1,621,175	1,231,614	1,471,588	1,429,815
Total Assets	$ 27,774,737	$ 22,280,967	$ 26,201,229	$ 25,314,261
Liabilities and Equity:				
Checking	$ 9,198,227	$ 5,365,900	$ 7,406,764	$ 7,313,369
Other liquid deposits	8,881,723	7,819,659	8,947,218	8,610,827
CDs	4,502,482	6,028,134	4,955,129	5,087,128
Total deposits	22,582,432	19,213,693	21,309,111	21,011,324
FHLB advances	2,102,174	600,000	2,053,261	1,500,274
Subordinated notes	66,039	68,691	66,713	67,036
Debt related to variable interest entity	71,105	25,498	22,173	35,397
Total borrowings	2,239,318	694,189	2,142,147	1,602,707
Total interest-bearing liabilities	24,821,750	19,907,882	23,451,258	22,614,031
Noninterest-bearing liabilities	392,236	276,029	288,943	277,929
Equity before noncontrolling interests	2,483,491	2,010,486	2,383,768	2,341,751
Noncontrolling interests	77,260	86,570	77,260	80,550
Total Liabilities and Equity	$ 27,774,737	$ 22,280,967	$ 26,201,229	$ 25,314,261

Purchase Accounting Accretion and Amortization

The following table presents the impacts of purchase accounting for the periods indicated, including the amount of purchase accounting loan discount accretion and liability premium amortization, which increased net interest income, accretion of loan commitments and recognition of discounts established in purchase accounting on loans sold, which increased noninterest income. The table also includes the amortization of intangible assets, which increased noninterest expense.

($ in thousands)	Three Months Ended December 31, 2011	Three Months Ended December 31, 2010	Three Months Ended September 30, 2011	Twelve Months Ended December 31, 2011
Accretion/amortization to net interest income:				
Loans	$ 48,936	$ 48,233	$ 48,903	$ 184,921
Deposits	10,744	19,540	12,755	54,572
Borrowings	675	652	668	2,663
Total	$ 60,355	$ 68,425	$ 62,326	$ 242,156
Noninterest income:				
Gain on sale of loans	$ -	$ -	$ -	$ 3,827
Loan commitments	109	-	143	1,472
Total	$ 109	$ -	$ 143	$ 5,299
Amortization to noninterest expense:				
Intangible assets	$ 5,444	$ 6,073	$ 5,602	$ 22,723

Use of Non-GAAP Financial Measures

Our accounting and reporting policies conform to GAAP and the prevailing practices in the banking industry. However, due to the application of purchase accounting, and costs associated with the Bank's initial public offering ("IPO"), management uses certain non-GAAP measures and ratios which exclude these items to evaluate our performance, including net income, earnings per share, net interest margin and the efficiency ratio.

Our net income, earnings per share, net interest margin and efficiency ratio are significantly impacted by accretion and amortization of the fair value adjustments recorded in purchase accounting. The subsequent accretion and amortization affect our net income, earnings per share and certain operating ratios as we accrete loan discounts to interest income; loan commitments to noninterest income; recognize discounts established in purchase accounting on the sale of loans, which increase gain on sale of loans; amortize premiums on liabilities such as CDs and subordinated debt to interest expense; and amortize intangible assets to noninterest expense. In addition, in connection with the Bank's IPO in December 2010, we recorded one-time stock option costs of $9.0 million.

We believe these non-GAAP measures and ratios, when taken together with the corresponding GAAP measures and ratios, provide meaningful supplemental information regarding our performance. Our management uses, and believes that investors benefit from referring to, these non-GAAP measures and ratios in assessing our current operating results and related trends, and when planning and forecasting future periods. However, these non-GAAP measures and ratios should be considered in addition to, not as a substitute for or preferable to, ratios prepared in accordance with GAAP. In the financial tables below, we have provided a reconciliation of, where applicable, the most comparable GAAP financial measures and ratios to the non-GAAP financial measures and ratios used in this press release, or a reconciliation of the non-GAAP calculation of the financial measure.

	Three Months Ended December 31,		**Three Months Ended September 30,**	**Twelve Months Ended December 31,**
(in thousands, except per share amounts)	**2011**	**2010**	**2011**	**2011**
Non-GAAP earnings				
Net income	$ 90,691	$ 75,967	$ 87,793	$ 352,088
Accretion / amortization added to net interest income	(60,355)	(68,425)	(62,326)	(242,156)
Discounts recognized in gain on sale of loans	-	-	-	(3,827)
Accretion added to noninterest income	(109)	-	(143)	(1,472)
Amortization of intangible assets	5,444	6,073	5,602	22,723
Stock option costs related to IPO	-	8,950	-	-
Add back tax impact of the above items	23,384	22,696	24,169	95,512
Non-GAAP net income	$ 59,055	$ 45,261	$ 55,095	$ 222,868
GAAP earnings per share-diluted	$ 0.68	$ 0.60	$ 0.66	$ 2.65
Impact of purchase accounting, net of tax	(0.24)	(0.29)	(0.24)	(0.97)
Impact of stock option costs related to IPO, net of tax	-	0.04	-	-
Non-GAAP earnings per share-diluted	$ 0.44	$ 0.35	$ 0.42	$ 1.68
Weighted average diluted common shares outstanding	132,939	127,546	132,437	132,724

	Three Months Ended December 31,		**Three Months Ended September 30,**	**Twelve Months Ended December 31,**
($ in thousands)	**2011**	**2010**	**2011**	**2011**
Net interest margin				
Net interest income	$ 285,537	$ 256,630	$ 268,906	$ 1,065,739
Less: Accretion / amortization	(60,355)	(68,425)	(62,326)	(242,156)
Adjusted net interest income (non-GAAP)	$ 225,182	$ 188,205	$ 206,580	$ 823,583
Average interest earning assets	$ 26,153,562	$ 21,049,353	$ 24,729,641	$ 23,884,446
Add: Average unamortized loan discounts	528,104	713,593	574,706	595,378
Adjusted average earning assets	$ 26,681,666	$ 21,762,946	$ 25,304,347	$ 24,479,824
Net interest margin – reported	4.53%	4.90%	4.48%	4.63%
Adjusted net interest margin (non-GAAP)	3.55%	3.50%	3.41%	3.53%

($ in thousands)	Three Months Ended December 31, 2011	Three Months Ended December 31, 2010	Three Months Ended September 30, 2011	Twelve Months Ended December 31, 2011
Efficiency ratio				
Net interest income	$ 285,537	$ 256,630	$ 268,906	$ 1,065,739
Less: Accretion / amortization	(60,355)	(68,425)	(62,326)	(242,156)
Adjusted net interest income (non-GAAP)	$ 225,182	$ 188,205	$ 206,580	$ 823,583
Noninterest income	$ 29,402	$ 27,412	$ 30,265	$ 117,930
Less: Accretion of loan commitments	(109)	-	(143)	(1,472)
Discounts recognized in gain on sale of loans	-	-	-	(3,827)
Adjusted noninterest income (non-GAAP)	$ 29,293	$ 27,412	$ 30,122	$ 112,631
Total revenue	$ 314,939	$ 284,042	$ 299,171	$ 1,183,669
Total revenue (non-GAAP)	$ 254,475	$ 215,617	$ 236,702	$ 936,214
Noninterest expense	$ 158,001	$ 143,033	$ 144,789	$ 576,608
Less: Intangible amortization	(5,444)	(6,073)	(5,602)	(22,723)
Stock option costs related to IPO	-	(8,950)	-	-
Adjusted noninterest expense (non-GAAP)	$ 152,557	$ 128,010	$ 139,187	$ 553,885
Efficiency ratio	50.2%	50.4%	48.4%	48.7%
Efficiency ratio (non-GAAP)	59.9%	59.4%	58.8%	59.2%

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