FEDERAL DEPOSIT INSURANCE CORPORATION

Washington, DC 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 27, 2011

FIRST REPUBLIC BANK

(Exact name of registrant as specified in its charter)

California	**80-0513856**
(State or other jurisdiction of incorporation)	**(IRS 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 communication 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 the Registrant on January 27, 2011 regarding its financial results for the quarter ended December 31, 2010. The information furnished by the Registrant pursuant to this item shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, 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 or the Securities Exchange Act of 1934.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit 99.1	Press Release, dated January 27, 2011, with respect to the Registrant’s financial results for the quarter ended December 31, 2010

SIGNATURES

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

Date: January 27, 2011.

First Republic Bank

By: /s/ Willis H. Newton, Jr.
Name: Willis H. Newton, Jr.
Title: Executive Vice President and Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Description
Exhibit 99.1	Press Release, dated January 27, 2011, with respect to the Registrant's financial results for the quarter ended December 31, 2010

Press Release

FOR IMMEDIATE RELEASE

FIRST REPUBLIC BANK REPORTS SOLID FOURTH QUARTER RESULTS

San Francisco, California, January 27, 2011 – First Republic Bank ("First Republic") (NYSE:FRC) today announced financial results for the quarter and six months ended December 31, 2010.

Net income was $76.0 million for the fourth quarter of 2010 compared with $66.4 million for the prior quarter. Diluted earnings per share ("EPS") were $0.60 for the fourth quarter of 2010 compared to $0.53 for the prior quarter. In connection with First Republic's initial public offering ("IPO"), certain stock options became vested, resulting in additional compensation expense of $5.1 million after-tax, or $0.04 per share, during the fourth quarter.

Net income for the six months ended December 31, 2010 was $142.4 million and diluted EPS were $1.12 per share. During the six months ended December 31, 2010, one-time after-tax divestiture-related costs of $8.0 million and stock option expense items related to the IPO of $5.1 million reduced results by $0.10 per share.

"Results for the fourth quarter of 2010 reflect continued growth as we expand loans, deposits and assets under management. Credit quality remains strong, we are well capitalized and our net interest margin has improved," said Jim Herbert, Chairman and Chief Executive Officer.

Financial Highlights

- Bank assets grew to $22.4 billion at December 31, 2010, up 12% year over year.
- Deposits grew to $19.2 billion at December 31, 2010, up 12% year over year.
- Net interest margin was 4.90% for the fourth quarter of 2010, compared with 4.54% for the prior quarter. Net interest margin, excluding the impact of purchase accounting accretion and amortization, was 3.50% for the fourth quarter of 2010 compared to 3.31% for the third quarter.[1]
- Wealth Management assets were $17.8 billion at December 31, 2010, up 21% year over year.

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(1) See non-GAAP reconciliation under section "Use of Non-GAAP Financial Measures" beginning on page 13.

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- Loan originations were $6.5 billion during 2010, a 22% increase over the prior year.
- Loan originations were $2.3 billion during the fourth quarter of 2010, up 24% over the prior quarter.
- The efficiency ratio was 50.4% for the fourth quarter of 2010, compared with 53.4% for the prior quarter. Excluding the purchase accounting adjustments, one-time divestiture costs and stock option costs related to the IPO, the efficiency ratio was 59.4% for the fourth quarter of 2010.[(1)]

Asset Quality Remains Strong

The Bank's credit quality remains strong. At December 31, 2010, nonperforming assets were $19.0 million, or only 0.08% of total assets.

For the fourth quarter of 2010, the Bank recorded a provision for loan losses of $14.3 million as compared to $4.5 million for the third quarter. Following its reestablishment as an independent institution on July 1, 2010, the Bank provides for loan losses on newly originated loans. The increase in the provision for loan losses was due to an increase in the outstanding balances of loans originated since July 1, 2010. The Bank's allowance for loan losses was $18.8 million at December 31, 2010, or 0.64% of the $3.0 billion of loans outstanding that have been originated since July 1, 2010.

Capital Strength

The Bank's tier 1 leverage ratio was 9.24% at December 31, 2010. The Bank's total risk-based capital ratio was 14.61% at December 31, 2010. The Bank continues to exceed all regulatory guidelines required to be considered well-capitalized. Capital ratios increased from the third quarter due primarily to retained earnings and proceeds from the Bank's IPO, which raised approximately $109.6 million of equity.

Book Value Growth

Book value and tangible book value per common share were $16.59 and $15.18, respectively, at December 31, 2010.

Continued Franchise Development

Deposits

Total deposits increased to $19.2 billion at December 31, 2010 from $17.2 billion at December 31, 2009, or 12%. Since July 1, 2010, total deposits have increased $1.3 billion, or an annualized rate of 15%.

At December 31, 2010, balances in business and personal checking accounts were $5.8 billion, or 30% of total deposits. Total liquid accounts, consisting of checking, money market and passbook accounts were 70% of total deposits at December 31, 2010 and have increased 19% in the past year. The contractual rate paid on deposits averaged 0.86% during the fourth quarter.

Assets

Total assets at December 31, 2010 were $22.4 billion, a 12% increase as compared to the prior year end. The increase in total assets during the year was primarily due to increased cash balances as a result of growth in deposits, equity capital raised on July 1, 2010 as part of the reestablishment of the Bank as an independent institution, and the Bank's IPO.

Loans outstanding were $19.2 billion at December 31, 2010 compared to $19.5 billion at December 31, 2009. However, excluding the loans retained by Bank of America, loans outstanding increased $2.0 billion since December 31, 2009, or 12%. Loans outstanding have increased $1.2 billion since July 1, 2010, or a 13% annualized growth rate.

The Bank has begun to establish an investment portfolio since July 1, 2010. Investment securities were $1.1 billion at December 31, 2010, representing 5% of total assets. The Bank has invested cash in investment securities, loans and bank-owned life insurance since July 1, 2010. Cash and equivalents were $1.5 billion, or 7% of total assets at December 31, 2010.

In addition to loans in its portfolio, the Bank sells loans to third parties and retains the related servicing. Serviced loans totaled $3.8 billion at December 31, 2010, up from $3.7 billion at September 30, 2010.

Wealth Management

Wealth management assets are managed or administered by the Bank's wealth management businesses, First Republic Securities Company ("FRSC"), First Republic Trust Company and First Republic Investment Management ("FRIM"). Such assets totaled $17.8 billion at December 31, 2010 compared with $14.8 billion a year ago, a 21% increase.

The Bank offers investment management services for individuals and institutions in equities, fixed income and balanced accounts through FRIM. At December 31, 2010, clients had $6.5 billion of assets under management, a 22% increase from the prior year. In the fourth quarter of 2010, investment advisory fees were $9.3 million, up 11% compared with the third quarter.

The Bank offers money market mutual funds and conducts its clients' brokerage activities through FRSC, a broker-dealer subsidiary. Clients' assets were $7.2 billion at December 31, 2010, a 24% increase compared with the prior year. In the fourth quarter of 2010, fees from brokerage activities were $3.0 million, up 39% compared with the third quarter.

The Bank offers personal trust and custody services through First Republic Trust Company. At December 31, 2010, we administered $4.1 billion of trust and custody assets, a 14% increase compared with the prior year. Fees from trust services were $1.8 million in the fourth quarter, a 40% increase from the third quarter.

Earnings Summary

Net interest income

Net interest income was $256.6 million for the fourth quarter of 2010, an increase of 9% compared with the third quarter. The increase was primarily related to the higher average balance of loans and investments and an increase of $10.3 million in purchase accounting accretion and amortization due to increased payoffs of loans acquired on July 1, 2010.

The Bank's net interest margin was 4.90% for the fourth quarter of 2010 compared with 4.54% for the third quarter of 2010. The contractual net interest margin, which excludes the impact of purchase accounting accretion of loan discounts and amortization of liability premiums, was 3.50% for the fourth quarter of 2010 compared to 3.31% for the prior quarter.(1) The increase in the contractual net interest margin during the current quarter was due to the continued investing of cash balances in investment securities and loans as well as lower deposits costs, partially offset by lower loan yields.

Noninterest income

Noninterest income for the fourth quarter of 2010 was $27.4 million, an increase of $8.4 million, or 44%, compared to the prior quarter. The increase was due to a $2.3 million increase in investment advisory, brokerage and investment and trust fees as assets under management grew due to market conditions and assets from new clients. Also, we invested in bank-owned life insurance near the end of the third quarter of 2010 and recorded an increase in income on such investments of $2.4 million during the fourth quarter. Gain on sales of loans also increased by $2.8 million during the fourth quarter due to higher loan sale volumes and improved pricing.

Noninterest expense

Noninterest expense for the fourth quarter of 2010 was $143.0 million, including approximately $9.0 million of one-time expense for stock options that became vested as a result of the Bank's IPO. Noninterest expense for the third quarter of 2010 was $136.2 million, including $13.8 million of one-time divestiture-related costs.

As a result of being reestablished as an independent and now public company, certain operating expenses have increased, such as information systems and personnel costs related to new technology projects and initiatives. Additionally, in the fourth quarter, higher costs were recorded in connection with loan and deposit growth, new hires and insurance.

The Bank's operating efficiency ratio, or noninterest expense as a percentage of net interest income and noninterest income, was 50.4% for the fourth quarter of 2010 compared with 53.4% for the third quarter of 2010.

Excluding the purchase accounting accretion and amortization, and the one-time costs related to divestiture and acceleration of stock option expense due to the IPO, the efficiency ratio was 59.4% and 59.0% for the fourth and third quarters of 2010, respectively.(1)

Income Taxes

The effective tax rate for the fourth quarter of 2010 was 39.1% compared to 41.0% for the third quarter of 2010. The lower tax rate in the current quarter reflects an increased level of tax-exempt income and tax credits that resulted from investments.

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 primary wealth management offices 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. More information is available on the Bank's website at http://www.firstrepublic.com.

Corporate History and Reestablishment of First Republic as an Independent Entity

From 1985 until 2007, First Republic operated as an independent financial institution which was publicly traded for over 20 years. Following its merger with a banking subsidiary of Merrill Lynch & Co. in September 2007, First Republic operated as a separate division of Merrill Lynch Bank and Trust Company, F.S.B. and subsequently of Bank of America, N.A. following Bank of America's acquisition of Merrill Lynch & Co. As a separate division of these entities, First Republic continued to maintain its own market identity, office network, management team, operated its own systems and offered banking products and wealth management services to clients under the First Republic brand.

In October 2009, the current First Republic Bank entered into an agreement with Bank of America, N.A. to reestablish First Republic as an independent business entity with the same business model, management team, employee and client bases ("the Transaction"). Following receipt of necessary regulatory approvals, the Transaction was completed upon the close of business on June 30, 2010, at which time the current First Republic acquired substantially all the operations and assets and assumed substantially all of the liabilities of the First Republic division and received a capital contribution of $1.86 billion from a management-led investor group.

As a result of the Transaction, all assets and liabilities of First Republic were measured at fair value in accordance with generally accepted accounting principles. Intangible assets and goodwill were recorded at initial amounts of $194 million. In addition, significant loan discounts and liability premiums were established due to the low interest rate environment and other market conditions; the majority of these discounts and premiums will be accreted or amortized over the life of the instruments, resulting in an increase to future net interest income. Instead of retaining an allowance for loan losses on the loans acquired in the Transaction, a portion of the loan discounts have been assigned to protect against credit exposures for specific loans. The level of loan discount accretion into interest income is substantially dependent on the repayment rate of the loans acquired in the Transaction.

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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 “anticipate,” “believes,” “can,” “could,” “may,” “predicts,” “potential,” “should,” “will,” “estimate,” “plans,” “projects,” “continuing,” “ongoing,” “expects,” “intends” and similar words or phrases. 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; changes in interest rates; the interests of our significant investors; our ability to maintain high underwriting standards; our ability to maintain our reputation and customer satisfaction; economic conditions in our markets; regulatory restrictions on our operations; conditions in financial markets and economic conditions generally; legal action by our customers; terrorist attacks in our markets; the effects of the Dodd-Frank Wall Street Reform and Consumer Protection Act; our ability to manage our growth; the loss of larger customers; conditions in the commercial real estate and construction markets; our ability to sell loans in the secondary market; our increased lending to businesses; management’s selection of accounting methods and assumptions and estimates; the adequacy of our allowance for loan losses; our ability to attract and retain key personnel; the soundness of other financial institutions; the reliability of our vendors, internal control systems, and information systems; the accuracy and completeness of information about our clients and counterparties; our liquidity position; the review of our tax strategies or filing positions; the qualification of certain of our subsidiaries as real estate investment trusts; future legislative or regulatory changes affecting the banking and investment management industries; and increases in Federal Deposit Insurance Corporation (FDIC) insurance premiums. 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 Registration Statement on Form 10. 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.

Conference Call Details

First Republic Bank's fourth quarter 2010 earnings conference call is scheduled for January 27, 2011 at 11:00 AM PST / 2:00 PM EST. Investors may listen to the conference call live on the Bank'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 in order to register, download and install any necessary audio software. A replay of the call with also be available for ninety days on the web site. A replay of the conference call will also be available beginning on January 27, 2011 at 2 p.m. PST / 5 p.m. EST, through February 3, 2011, at 8:59 p.m. PST / 11:59 p.m. EST. To access the replay, dial (877) 870-5176 (U.S.) and (858) 384-5517 for international participants. The conference ID number for both is #4397132. The Bank's press releases are available after release on the Bank's website at www.firstrepublic.com.

CONSOLIDATED STATEMENT OF INCOME

(in thousands, except per share amounts)	Three Months Ended December 31, 2010	Three Months Ended September 30, 2010	Six Months Ended December 31, 2010
Interest income:			
Interest on real estate and other loans	$ 275,069	$ 260,176	$ 535,245
Interest on investments	6,372	1,939	8,311
Interest on cash equivalents	1,538	1,713	3,251
Total interest income	282,979	263,828	546,807
Interest expense:			
Interest on customer deposits	21,730	23,386	45,116
Interest on FHLB advances and other borrowings	4,035	3,613	7,648
Interest on subordinated notes	584	589	1,173
Total interest expense	26,349	27,588	53,937
Net interest income	256,630	236,240	492,870
Provision for credit losses	14,309	4,500	18,809
Net interest income after provision for credit losses	242,321	231,740	474,061
Noninterest income:			
Investment advisory fees	9,270	8,339	17,609
Brokerage and investment fees	2,977	2,149	5,126
Trust fees	1,750	1,249	2,999
Deposit customer fees	3,636	3,671	7,307
Loan servicing fees, net	(823)	(863)	(1,686)
Loan and related fees	849	715	1,564
Gain on sale of loans	3,800	1,033	4,833
Income from investments in life insurance	3,233	838	4,071
Other income	2,720	1,897	4,617
Total noninterest income	27,412	19,028	46,440
Noninterest expense:			
Salaries and related benefits	71,734	59,016	130,750
Occupancy	15,383	15,186	30,569
Information systems	11,568	9,147	20,715
Advertising and marketing	5,716	5,872	11,588
Professional fees	5,493	5,774	11,267
FDIC and other deposit assessments	8,439	8,205	16,644
Amortization of intangibles	6,073	6,230	12,303
Divestiture-related expenses	-	13,768	13,768
Other expenses	18,627	13,005	31,632
Total noninterest expense	143,033	136,203	279,236
Income before provision for income taxes	126,700	114,565	241,265
Provision for income taxes	49,535	46,972	96,507
Net income before noncontrolling interests	77,165	67,593	144,758
Less: Net income from noncontrolling interests	1,198	1,198	2,396
First Republic Bank Net Income	$ 75,967	$ 66,395	$ 142,362
Basic earnings per common share	$ 0.61	$ 0.53	$ 1.14
Diluted earnings per common share	$ 0.60	$ 0.53	$ 1.12
Weighted average shares - basic	125,109	124,133	124,621
Weighted average shares - diluted	127,546	125,858	126,776

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CONSOLIDATED BALANCE SHEET

	As of		
($ in thousands)	**December 31, 2010**	**September 30, 2010**	**July 1, 2010**
ASSETS			
Cash and cash equivalents	$ 1,528,075	$ 2,461,276	$ 2,297,920
Investment securities available-for-sale	75,602	89,028	-
Investment securities held-to-maturity	1,017,402	434,840	3,562
Loans:			
Single family (1-4 units)	11,493,879	11,195,085	10,904,427
Home equity credit lines	1,755,556	1,743,803	1,718,805
Commercial real estate	2,175,256	2,147,625	2,076,411
Multifamily (5+ units) mtgs	1,993,317	1,858,842	1,830,358
Multifamily/commercial construction	115,169	126,079	162,765
Single family construction	168,336	167,322	182,045
Commercial business loans	1,220,863	882,715	845,681
Other secured	167,354	166,344	179,578
Unsecured loans and lines of credit	113,773	126,069	102,001
Stock secured	24,612	31,039	25,367
Total unpaid principal balance	19,228,115	18,444,923	18,027,438
Net unaccreted discount	(679,050)	(726,561)	(763,322)
Net deferred fees and costs	1,435	1,644	-
Allowance for loan losses	(18,809)	(4,500)	-
Loans, net	18,531,691	17,715,506	17,264,116
Loans held for sale	51,126	139,330	27,732
Investments in life insurance	391,750	378,448	2,540
Prepaid expenses and other assets	400,999	354,243	274,754
Premises, equipment and leasehold improvements, net	97,051	98,315	97,197
Deferred tax assets	79,771	72,764	67,406
Goodwill	24,604	24,604	24,604
Other intangible assets	157,297	163,370	169,600
Mortgage servicing rights	21,640	21,677	23,371
Other real estate owned	625	667	930
Total Assets	$ 22,377,633	$ 21,954,068	$ 20,253,732
LIABILITIES AND EQUITY			
Liabilities:			
Customer deposits:			
Non-interest bearing accounts	$ 3,056,515	$ 2,707,234	$ 2,485,052
NOW checking accounts	2,757,319	2,417,718	2,108,723
Money Market (MM) checking accounts	2,767,826	2,665,983	2,557,304
MM savings and passbooks	4,821,262	5,029,553	4,630,745
Certificates of deposit	5,832,827	6,144,275	6,134,202
Total customer deposits	19,235,749	18,964,763	17,916,026
Federal Home Loan Bank (FHLB) advances	600,000	600,000	130,823
Subordinated notes	68,374	69,026	69,672
Debt related to variable interest entity	25,471	25,528	32,684
Other liabilities	223,283	274,012	161,963
Total Liabilities	20,152,877	19,933,329	18,311,168
Equity:			
First Republic Bank stockholders' equity:			
Common stock	1,289	1,241	1,241
Additional paid-in capital	1,994,457	1,868,021	1,859,921
Retained earnings	142,362	66,395	(5,168)
Accumulated other comprehensive income (loss), net	78	(1,488)	-
Total First Republic Bank stockholders' equity	2,138,186	1,934,169	1,855,994
Noncontrolling interests	86,570	86,570	86,570
Total Equity	2,224,756	2,020,739	1,942,564
Total Liabilities and Equity	$ 22,377,633	$ 21,954,068	$ 20,253,732

($ in thousands)	Three Months Ended December 31, 2010	Three Months Ended September 30, 2010	Six Months Ended December 31, 2010
Operating Information [1]			
Loans originated	$ 2,282,762	$ 1,835,573	$ 4,118,335
Loans sold	$ 405,159	$ 200,018	$ 605,177
Net income to average assets	1.35%	1.22%	1.29%
Net income to average common equity	14.99%	13.78%	14.40%
Efficiency ratio	50.4%	53.4%	51.8%
Efficiency ratio (non-GAAP) [2]	59.4%	59.0%	59.2%
Yields/Rates [1]			
Cash equivalents	0.28%	0.24%	0.25%
Investment securities	5.29%	4.05%	4.94%
Loans	6.03%	5.89%	5.96%
Total interest-earning assets	5.40%	5.08%	5.24%
Customer deposits	0.45%	0.50%	0.47%
Borrowings	2.64%	2.60%	2.62%
Total interest-bearing liabilities	0.53%	0.57%	0.55%
Net interest spread	4.87%	4.51%	4.69%
Net interest margin	4.90%	4.54%	4.72%
Net interest margin (non-GAAP) [2]	3.50%	3.31%	3.41%

[1] Three and six-month data is annualized.

[2] For a reconciliation of these ratios to the equivalent GAAP ratios, see "Use of Non-GAAP Financial Measures" beginning on page 13.

Composition of Loan Portfolio

($ in thousands)	Loans acquired on July 1, 2010	Loans originated since July 1, 2010	Total loans at December 31, 2010
Single family (1-4 units)	$ 9,661,987	$ 1,831,892	$ 11,493,879
Home equity credit lines	1,602,238	153,318	1,755,556
Commercial real estate	1,971,206	204,050	2,175,256
Multifamily (5+ units) mtgs	1,737,047	256,270	1,993,317
Multifamily/commercial construction	100,303	14,866	115,169
Single family construction	135,628	32,708	168,336
Commercial business loans	807,675	413,188	1,220,863
Other secured	153,365	13,989	167,354
Unsecured loans and lines of credit	84,210	29,563	113,773
Stock secured	17,417	7,195	24,612
Total unpaid principal balance	16,271,076	2,957,039	19,228,115
Net unaccreted discount	(677,792)	(1,258)	(679,050)
Net deferred fees and costs	(2,178)	3,613	1,435
Allowance for loan losses	-	(18,809)	(18,809)
Loans, net	$ 15,591,106	$ 2,940,585	$ 18,531,691

(in thousands, except per share amounts)	As of December 31, 2010	As of September 30, 2010	As of July 1, 2010
Book Value			
Number of shares of common stock outstanding	128,858	124,133	124,133
Book value per common share	$ 16.59	$ 15.58	$ 14.95
Tangible book value per common share	$ 15.18	$ 14.07	$ 13.39
Capital Ratios			
Tangible common equity ratio	8.81%	8.02%	8.28%
Tier 1 leverage ratio	9.24%	8.58%	8.71%
Tier 1 risk-based capital ratio	14.38%	13.60%	13.56%
Total risk-based capital ratio	14.61%	13.73%	13.76%

($ in millions)	As of December 31, 2010	As of September 30, 2010	As of December 31, 2009
Assets Under Management (Net of Bank Assets Managed)			
Assets managed by First Republic Investment Management	$ 6,516	$ 5,743	$ 5,335
Assets in brokerage accounts and money market mutual funds	7,167	6,802	5,786
Assets administered by First Republic Trust Company	4,132	4,621	3,630
Total Wealth Management assets	17,815	17,166	14,751
Loans serviced for investors	3,781	3,670	3,999
Total fee-based assets	$ 21,596	$ 20,836	$ 18,750

($ in thousands)	As of December 31, 2010	As of September 30, 2010
Asset Quality Information		
Nonperforming assets:		
Nonaccrual loans	$ 18,343	$ 15,465
Other real estate owned	625	667
Total nonperforming assets	$ 18,968	$ 16,132
Nonperforming assets to total assets	0.08%	0.07%
Accruing loans 90 days or more past due	$ -	$ 5,059
Restructured performing loans	$ 1,669	$ 1,484

	Average Balance Sheet		
	Three Months Ended		Six Months Ended
($ in thousands)	December 31, 2010	September 30, 2010	December 31, 2010
Assets:			
Cash equivalents	$ 2,212,101	$ 2,871,154	$ 2,541,627
Investment securities	757,700	299,848	528,774
Loans	18,079,552	17,532,619	17,806,085
Total interest-earning assets	21,049,353	20,703,621	20,876,486
Noninterest-earning assets	1,231,614	867,662	1,049,639
Total Assets	$ 22,280,967	$ 21,571,283	$ 21,926,125
Liabilities and Equity:			
Checking accounts	$ 5,365,900	$ 4,910,205	$ 5,138,053
Other liquid deposits	7,819,659	7,649,015	7,734,336
Certificates of deposits	6,028,134	6,159,855	6,093,995
Total deposits	19,213,693	18,719,075	18,966,384
FHLB advances	600,000	542,816	571,408
Subordinated notes	68,691	69,342	69,017
Debt related to variable interest entity	25,498	31,035	28,266
Total borrowings	694,189	643,193	668,691
Total interest-bearing liabilities	19,907,882	19,362,268	19,635,075
Noninterest-bearing liabilities	276,029	211,522	243,776
Equity before noncontrolling interests	2,010,486	1,910,923	1,960,704
Noncontrolling interests	86,570	86,570	86,570
Total Liabilities and Equity	$ 22,280,967	$ 21,571,283	$ 21,926,125

Purchase Accounting Accretion and Amortization

The following table presents the amount of purchase accounting loan discount accretion and liability premium amortization, which increased net interest income, as well as the amortization of intangible assets, which increased noninterest expense, included in our income statement for the periods indicated:

($ in thousands)	Three Months Ended December 31, 2010	Three Months Ended September 30, 2010	Six Months Ended December 31, 2010
Accretion/amortization to net interest income:			
Loans	$ 48,233	$ 36,000	$ 84,233
Deposits	19,540	21,520	41,060
Borrowings	652	646	1,298
Total	$ 68,425	$ 58,166	$ 126,591
Amortization to noninterest expense:			
Intangible assets	$ 6,073	$ 6,230	$ 12,303

Use of Non-GAAP Financial Measures

Our accounting and reporting policies conform to generally accepted accounting principles (GAAP) and the prevailing practices in the banking industry. However, due to the application of purchase accounting recorded in connection with the Transaction, certain costs incurred with respect to the reestablishment of First Republic as an independent institution and costs associated with the Bank's 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 in the Transaction on July 1, 2010. The subsequent accretion and amortization affect our net income, earnings per share and certain operating ratios as we accrete loan discounts to interest income; amortize premiums on liabilities such as CDs, FHLB advances and subordinated debt to interest expense; and amortize intangible assets created in the Transaction to noninterest expense.

Also, in connection with the reestablishment of First Republic as an independent institution, we recorded $13.8 million of one-time divestiture-related costs in the third quarter of 2010. As part of the Bank's initial public offering in December 2010, certain stock options became fully vested, resulting in an acceleration of compensation cost of $9.0 million in the fourth quarter of 2010.

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.

Non-GAAP earnings	Three Months Ended December 31, 2010	Three Months Ended September 30, 2010	Six Months Ended December 31, 2010
(in thousands, except per share amounts)			
Net income	$ 75,967	$ 66,395	$ 142,362
Accretion / amortization added to net interest income	(68,425)	(58,166)	(126,591)
Amortization of intangible assets	6,073	6,230	12,303
Stock option costs related to IPO	8,950	-	8,950
Divestiture-related costs	-	13,768	13,768
Add back tax impact of the above items	22,696	16,307	39,003
Non-GAAP net income	$ 45,261	$ 44,534	$ 89,795
GAAP earnings per share-diluted	$ 0.60	$ 0.53	$ 1.12
Impact of purchase accounting, net of tax	$ (0.29)	$ (0.24)	$ (0.51)
Impact of stock option costs related to IPO, net of tax	$ 0.04	$ -	$ 0.04
Impact of divestiture-related costs, net of tax	$ -	$ 0.06	$ 0.06
Non-GAAP earnings per share-diluted	$ 0.35	$ 0.35	$ 0.71
Weighted average diluted common shares outstanding	127,546	125,858	126,776

Net interest margin	Three Months Ended December 31, 2010	Three Months Ended September 30, 2010	Six Months Ended December 31, 2010
($ in thousands)			
Net interest income	$ 256,630	$ 236,240	$ 492,870
Less: Accretion / amortization	(68,425)	(58,166)	(126,591)
Adjusted net interest income (non-GAAP)	$ 188,205	$ 178,074	$ 366,279
Average interest earning assets	$ 21,049,353	$ 20,703,621	$ 20,876,486
Add: Average unamortized loan discounts	713,593	745,836	729,714
Adjusted average earning assets	$ 21,762,946	$ 21,449,457	$ 21,606,200
Net interest margin – reported	4.90%	4.54%	4.72%
Adjusted net interest margin (non-GAAP)	3.50%	3.31%	3.41%

Efficiency ratio	Three Months Ended December 31, 2010	Three Months Ended September 30, 2010	Six Months Ended December 31, 2010
($ in thousands)			
Net interest income	$ 256,630	$ 236,240	$ 492,870
Less: Accretion / amortization	(68,425)	(58,166)	(126,591)
Adjusted net interest income (non-GAAP)	$ 188,205	$ 178,074	$ 366,279
Noninterest income	$ 27,412	$ 19,028	$ 46,440
Total revenue	$ 284,042	$ 255,268	$ 539,310
Total revenue (non-GAAP)	$ 215,617	$ 197,102	$ 412,719
Noninterest expense	$ 143,033	$ 136,203	$ 279,236
Less: Intangible amortization	(6,073)	(6,230)	(12,303)
Stock option costs related to IPO	(8,950)	-	(8,950)
Divestiture-related costs	-	(13,768)	(13,768)
Adjusted noninterest expense (non-GAAP)	$ 128,010	$ 116,205	$ 244,215
Efficiency ratio	50.4%	53.4%	51.8%
Efficiency ratio (non-GAAP)	59.4%	59.0%	59.2%

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