



# FIRST REPUBLIC BANK

It's a privilege to serve you®

## A MESSAGE TO CLIENTS

October 2016

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 had total equity of \$6.4 billion at September 30, 2016, and our capital ratios exceeded the levels established by federal banking regulators to be well-capitalized. At September 30, 2016, our Common Equity Tier 1 Ratio was 10.52% and our Total Risk-Based Capital Ratio was 14.34%.

**SUPERIOR ASSET QUALITY** — 56% 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 assets at September 30, 2016 were only 8 basis points of total assets, a level significantly below the national bank average.

**SUBSTANTIAL LIQUIDITY** — As shown in our balance sheet, the Bank has \$14.2 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 A1 (A+ equivalent).

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

James H. Herbert, II  
Chairman and  
Chief Executive Officer

Michael J. Roffler  
Executive Vice President and  
Chief Financial Officer

## FIRST REPUBLIC BANK CONSOLIDATED BALANCE SHEET SEPTEMBER 30, 2016

(\$ in millions)

### ASSETS

Cash and Cash Equivalents	\$	1,387
Investments		12,805
Loans		
Single Family (1-4 Units)		25,438
Home Equity Lines of Credit		2,575
Multifamily (5+ Units)		6,227
Commercial Real Estate		5,206
Business		7,129
Other Loans		3,824
Total Loans		50,399
Loan Discounts and Other		(26)
Allowance for Loan Losses		(296)
Loans, Net		50,077
Other Real Estate Owned		1
Investments in Life Insurance		1,266
Goodwill and Other Intangible Assets		290
Other Assets		2,168
<b>Total Assets</b>	<b>\$</b>	<b>67,994</b>

### LIABILITIES

Deposits		
Noninterest-Bearing Checking	\$	20,965
Interest-Bearing Checking		12,748
Money Market Checking		8,382
Money Market Savings and Passbooks		8,127
Certificates of Deposit		4,840
Total Deposits		55,062
Borrowings		5,612
Other Liabilities		875
<b>Total Liabilities</b>		<b>61,549</b>

### EQUITY

Perpetual Preferred Stock		1,140
Common Equity		5,305
<b>Total Equity</b>		<b>6,445</b>
<b>Total Liabilities and Equity</b>	<b>\$</b>	<b>67,994</b>

### Capital Ratios:

Tier 1 Leverage Ratio	9.26%
Common Equity Tier 1 Ratio	10.52%
Tier 1 Risk-Based Capital Ratio	12.89%
Total Risk-Based Capital Ratio	14.34%

