



FIRST REPUBLIC BANK

It's a privilege to serve you®

A MESSAGE TO CLIENTS

October 2018

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 \$8.7 billion at September 30, 2018, and our capital ratios exceeded the levels established by federal banking regulators to be well-capitalized. At September 30, 2018, our Common Equity Tier 1 Ratio was 10.47% and our Total Risk-Based Capital Ratio was 13.90%.

SUPERIOR ASSET QUALITY — 53% 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, 2018 were only 4 basis points of total assets, reflecting the Bank's exceptional credit quality.

SUBSTANTIAL LIQUIDITY — As shown in our balance sheet, the Bank has \$19.3 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 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

Hafize Gaye Erkan
President

Michael J. Roffler
Executive Vice President and
Chief Financial Officer

FIRST REPUBLIC BANK CONSOLIDATED BALANCE SHEET SEPTEMBER 30, 2018

(\$ in millions)

ASSETS	
Cash and Cash Equivalents	\$ 3,014
Investments	16,314
Loans	
Single Family (1-4 Units)	36,219
Home Equity Lines of Credit	2,544
Multifamily (5+ Units)	10,049
Commercial Real Estate	6,460
Business	10,382
Other Loans	6,949
Total Loans	72,603
Allowance for Loan Losses	(416)
Loans, Net	72,187
Other Real Estate Owned	—
Investments in Life Insurance	1,361
Goodwill and Other Intangible Assets	278
Other Assets	2,940
Total Assets	\$ 96,094

LIABILITIES	
Deposits	
Non-Interest-Bearing Checking	\$ 29,318
Interest-Bearing Checking	15,518
Money Market Checking	9,708
Money Market Savings and Passbooks	8,961
Certificates of Deposit	11,254
Total Deposits	74,759
Borrowings	11,373
Other Liabilities	1,295
Total Liabilities	87,427

EQUITY	
Perpetual Preferred Stock	1,140
Common Equity	7,527
Total Equity	8,667
Total Liabilities and Equity	\$ 96,094

Capital Ratios:	
Tier 1 Leverage Ratio	8.94%
Common Equity Tier 1 Ratio	10.47%
Tier 1 Risk-Based Capital Ratio	12.14%
Total Risk-Based Capital Ratio	13.90%

