



FIRST REPUBLIC BANK

It's a privilege to serve you®

A MESSAGE TO CLIENTS

January 2019

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 December 31, 2018, and our capital ratios exceeded the levels established by federal banking regulators to be well-capitalized. At December 31, 2018, our Common Equity Tier 1 Ratio was 10.38% and our Total Risk-Based Capital Ratio was 13.43%.

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 December 31, 2018 were only 5 basis points of total assets, reflecting the Bank's exceptional credit quality.

SUBSTANTIAL LIQUIDITY — As shown in our balance sheet, the Bank has \$19.0 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 DECEMBER 31, 2018

(\$ in millions)

ASSETS	
Cash and Cash Equivalents	\$ 2,811
Investments	16,235
Loans	
Single Family (1-4 Units)	38,041
Home Equity Lines of Credit	2,543
Multifamily (5+ Units)	10,371
Commercial Real Estate	6,677
Business	10,999
Other Loans	7,333
Total Loans	75,964
Allowance for Loan Losses	(439)
Loans, Net	75,525
Other Real Estate Owned	—
Investments in Life Insurance	1,377
Goodwill and Other Intangible Assets	274
Other Assets	2,983
Total Assets	\$ 99,205

LIABILITIES	
Deposits	
Non-Interest-Bearing Checking	\$ 30,034
Interest-Bearing Checking	17,090
Money Market Checking	10,317
Money Market Savings and Passbooks	10,245
Certificates of Deposit	11,377
Total Deposits	79,063
Borrowings	10,474
Other Liabilities	990
Total Liabilities	90,527

EQUITY	
Perpetual Preferred Stock	940
Common Equity	7,738
Total Equity	8,678
Total Liabilities and Equity	\$ 99,205

Capital Ratios:	
Tier 1 Leverage Ratio	8.68%
Common Equity Tier 1 Ratio	10.38%
Tier 1 Risk-Based Capital Ratio	11.70%
Total Risk-Based Capital Ratio	13.43%



First Republic is a constituent of the S&P 500 Index and KBW Nasdaq Bank Index.