

**UNITED STATES
FEDERAL DEPOSIT INSURANCE CORPORATION
Washington, D.C. 20429**

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934

Filed by the Registrant ☒ Filed by a Party other than the Registrant ☐

Check the appropriate box:

- ☐ Preliminary Proxy Statement
- ☐ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- ☒ Definitive Proxy Statement
- ☐ Definitive Additional Materials
- ☐ Soliciting Material Pursuant to §240.14a-12

First Republic Bank

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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- ☒ No fee required.
- ☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:



FIRST REPUBLIC BANK
111 Pine Street
San Francisco, California 94111
(415) 392-1400

To Our Shareholders:

You are cordially invited to attend the 2012 Annual Meeting of the Shareholders of First Republic Bank, to be held at 4:30 P.M., Eastern Daylight Time, on Tuesday, May 15, 2012, at the New York Yacht Club, 37 West 44th Street, New York, New York 10036.

Enclosed you will find a notice setting forth the business expected to come before the Annual Meeting, the Proxy Statement, your proxy card and a postage-paid envelope to return your proxy card. Also enclosed is our Annual Report on Form 10-K for the year ended December 31, 2011.

Your vote is very important to us. We hope you will plan to attend the annual meeting. However, in order that we may be assured of a quorum, we urge you to sign and return the enclosed proxy card in the postage-paid envelope provided, or otherwise vote your shares by telephone or on the Internet as described in the Proxy Statement, as promptly as possible, whether or not you plan to attend the meeting in person.

Sincerely,

James H. Herbert, II
Chairman and Chief Executive Officer

Katherine August-deWilde
President and Chief Operating Officer

April 13, 2012



FIRST REPUBLIC BANK
111 Pine Street
San Francisco, California 94111
(415) 392-1400

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
To Be Held May 15, 2012**

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders (the "Annual Meeting") of First Republic Bank, a California-chartered commercial bank ("First Republic" or the "Bank"), will be held at 4:30 P.M., Eastern Daylight Time, on Tuesday, May 15, 2012, at the New York Yacht Club, 37 West 44th Street, New York, New York 10036 for the following purposes:

1. To elect to the Bank's Board of Directors (the "Board") the ten nominees named in the Proxy Statement to serve until the 2013 Annual Meeting of Shareholders and until their respective successors have been duly elected and qualified;
2. To approve First Republic's 2012 Executive Incentive Plan;
3. To approve amendments to First Republic's 2010 Omnibus Award Plan;
4. To ratify the appointment of KPMG LLP as independent auditors of First Republic for the 2012 fiscal year;
5. To approve, by advisory (non-binding) vote, the compensation of the Bank's executive officers ("say on pay"); and
6. To transact such other business as may properly come before the Annual Meeting or any adjournment of the Annual Meeting.

Pursuant to the Bank's Bylaws, the Board has fixed the close of business on April 2, 2012 as the record date for the determination of shareholders entitled to receive notice of and to vote at the Annual Meeting.

We urge you to vote promptly by mail, telephone or Internet regardless of whether or not you plan to attend the Annual Meeting. To submit your vote by mail, please complete and sign the enclosed proxy card and return it promptly in the enclosed envelope (which requires no postage if mailed in the United States). Alternatively, you may vote by telephone using the toll-free telephone number indicated on the enclosed proxy card or you may vote on the Internet by visiting the website indicated on the enclosed proxy card. Voting by mail, telephone or Internet will not prevent you from voting in person, but it will help to ensure the presence of a quorum. If you do attend the Annual Meeting and desire to withdraw your proxy and vote in person, you may do so.

By Order of the Board of Directors

James H. Herbert, II
Chairman and Chief Executive Officer

Katherine August-deWilde
President and Chief Operating Officer

San Francisco, California
April 13, 2012

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**FIRST REPUBLIC BANK
111 Pine Street
San Francisco, California 94111
(415) 392-1400**

PROXY STATEMENT

**ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD MAY 15, 2012**

This Proxy Statement is being furnished to the holders of common stock of First Republic Bank, a California-chartered commercial bank, in connection with the solicitation of proxies by the Board of Directors of the Bank (the “Board”) for use at the Annual Meeting of Shareholders (the “Annual Meeting”) to be held at 4:30 P.M., Eastern Daylight Time, on Tuesday, May 15, 2012, at the New York Yacht Club, 37 West 44th Street, New York, New York 10036, and at any adjournments or postponements of the Annual Meeting. This Annual Meeting is the second such meeting since First Republic completed its initial public offering in December 2010.

This Proxy Statement, the Notice of Annual Meeting of Shareholders and the accompanying proxy card are first being mailed to shareholders on or about April 13, 2012. The Bank’s Annual Report on Form 10-K for the year ended December 31, 2011 (the “Annual Report on Form 10-K”) accompanies this Proxy Statement. Our Annual Report on Form 10-K shall not be deemed to be soliciting material or incorporated in this Proxy Statement by reference.

As used in this Proxy Statement, the terms “First Republic,” the “Bank,” “we,” “our” and “us” refer to First Republic Bank, a California-chartered commercial bank unless the context otherwise requires.

**Important Notice Regarding the Availability of Proxy Materials for the Shareholder
Meeting to Be Held on May 15, 2012.**

The Proxy Statement and our Annual Report on Form 10-K are also available at: <http://www.proxyvote.com>.

VOTING INSTRUCTIONS AND INFORMATION

What is the purpose of the Annual Meeting?

At the Annual Meeting, our shareholders will act upon the matters outlined in the Notice of Annual Meeting of Shareholders and described in this Proxy Statement. These matters include the election of directors, approval of the 2012 Executive Incentive Plan, approval of amendments to the 2010 Omnibus Award Plan, ratification of our independent auditor, and advisory (non-binding) approval of the compensation of our executive officers disclosed in this Proxy Statement.

Whether or not you expect to attend the Annual Meeting, our Board strongly encourages you to exercise your right to vote on these matters. Your vote is important. Voting early through the Internet, by telephone or by mail helps ensure that we receive a quorum of shares necessary to hold the meeting.

Who can vote at the Annual Meeting?

You are entitled to vote your shares of First Republic common stock (“common stock”) at the Annual Meeting if you were a shareholder as of the close of business on April 2, 2012, the record date for the Annual Meeting. As of the close of business on the record date, there were 130,238,201 shares of common stock issued and outstanding. A complete list of shareholders entitled to vote at the Annual Meeting is available during ordinary business hours at First Republic’s principal business offices, located at 111 Pine Street, San Francisco, California 94111, and will be available at the Annual Meeting.

What are my voting rights?

You are entitled to one vote for each share of common stock that you owned as of the close of business on the record date. Therefore a total of 130,238,201 votes are entitled to be cast on each matter brought before the Annual Meeting. There is no cumulative voting.

How many shares must be present to transact business at the Annual Meeting?

A quorum is required to transact business at the Annual Meeting. The holders of a majority of the outstanding shares of common stock as of the record date and entitled to vote, whether present in person or represented by proxy, will constitute a quorum. Both abstentions and broker non-votes (as discussed under “What vote is required to adopt each of the proposals before the Annual Meeting.”) will be counted toward the presence of a quorum.

How do I vote my shares?

If you are a shareholder of record of First Republic, you may vote your shares in any of the following ways:

- *By Mail.* Simply complete, date and sign the enclosed proxy card and return it to us using the pre-paid envelope enclosed with this Proxy Statement.
- *By Telephone.* Call the toll-free telephone number listed on the enclosed proxy card—1 (800) 690-6903.
- *By Internet.* Visit the website for Internet voting listed on the enclosed proxy card—www.proxyvote.com.
- *In Person at the Annual Meeting.* Attend and vote your shares at the Annual Meeting. Please see “—What do I need to do to attend the Annual Meeting?” for more information.

If you hold your shares of common stock beneficially in “street name,” then you will receive voting instructions from the record holder of your shares of common stock (including instructions on how to vote by telephone or through the Internet).

If you choose to vote by telephone or using the Internet, then you do not need to return the enclosed proxy card. The Internet and telephone voting procedures have been designed to authenticate your identity, to allow you to give voting instructions and to confirm that those instructions have been recorded correctly. To be valid, your vote by mail, telephone or the Internet must be received by the deadline specified on the enclosed proxy card. Please be aware that if you choose to submit voting instructions by accessing the Internet, you may incur costs such as telephone and Internet access charges for which you will be responsible.

Regardless of whether you plan to attend the Annual Meeting, we urge you to vote your shares of common stock early by mail or telephone or through the Internet to ensure we have a quorum and to avoid the need to incur additional proxy solicitation costs and to ensure that your vote will be counted if you later decide not to attend the Annual Meeting. You may revoke any previously submitted proxy and vote your shares of common stock at the Annual Meeting if you choose to attend.

Who is a holder of record, and what does it mean to hold shares of common stock in “street name”?

If your shares of common stock are registered in your name with our transfer agent, Computershare Shareowner Services, LLC, then you are the record holder with respect to those shares. If your shares are held indirectly through a bank, trust, broker or other nominee, then the bank, trust, broker or other nominee is the record holder with respect to those shares, you are the “beneficial owner” of those shares and the shares are held in “street name.”

If you are a record holder, then Computershare Shareowner Services, LLC is sending these proxy materials to you directly. If you hold your shares in street name, then these proxy materials are being sent to you by your bank, trust, broker or other nominee through which you hold your shares of common stock. If you hold your shares in street name, then you must comply with the instructions of your bank, trust, broker or other nominee concerning how to vote the shares of common stock that you beneficially own. Beneficial owners have the right to direct the record holder as to how such beneficial owner’s shares should be voted, and the record holder is required to vote such shares in accordance with the beneficial owner’s instructions.

Can I change my vote after submitting my proxy?

Yes, you may revoke your proxy and change your vote at any time before your proxy is voted at the Annual Meeting. If you are a record holder, you may revoke your proxy and change your vote by:

- Subsequently submitting a new proxy by telephone or through the Internet;
- Subsequently executing and mailing a new proxy card that is received no later than the beginning of the Annual Meeting as disclosed in this Proxy Statement;
- Giving written notice of your revocation to Edward J. Dobranski, Secretary of the Board, First Republic Bank, 111 Pine Street, 2nd Floor, San Francisco, California 94111 that is received no later than the beginning of the Annual Meeting as disclosed in this Proxy Statement; or
- Voting in person at the Annual Meeting.

If you hold your shares of common stock in street name, you should follow the instructions of the nominee holding your shares regarding the revocation of proxies.

If I submit a proxy by mail, telephone or Internet, how will my shares of common stock be voted?

If you properly submit your proxy and you do not subsequently revoke your proxy, your shares of common stock will be voted in accordance with your instructions.

If you submit your proxy but do not give voting instructions, your shares of common stock will be voted as follows:

- **FOR** the election of all nominees to serve as members of the Board;
- **FOR** the approval of the First Republic 2012 Executive Incentive Plan;
- **FOR** the approval of amendments to the First Republic 2010 Omnibus Award Plan;
- **FOR** the ratification of the appointment of KPMG LLP as our independent auditor for the 2012 fiscal year;
- **FOR** the advisory (non-binding) approval of the compensation of our executive officers disclosed in this Proxy Statement; and
- In accordance with the judgment of the persons voting the proxy on any other matter properly brought before the Annual Meeting.

If I hold shares in “street name” and do not provide voting instructions, can my broker still vote my shares?

Under New York Stock Exchange, Inc. (“NYSE”) rules, NYSE member-brokers (other than brokers affiliated with First Republic, such as First Republic Securities Company, LLC) that have not received voting instructions from their customers 10 days prior to the meeting date for the Annual Meeting may vote their customers’ shares in the brokers’ discretion on proposals deemed to be “discretionary” matters under NYSE rules. Such shares of common stock are considered “broker non-votes” and will be counted as present at the meeting for the purpose of determining whether a quorum exists. Among the proposals contained in the Notice of Annual Meeting of Shareholders, the ratification of the appointment of our independent auditor is considered to be a discretionary matter. If your broker is First Republic Securities Company LLC, NYSE policy specifies that, in the absence of your specific voting instructions, your shares of common stock may only be voted in the same proportion as other shares are voted with respect to each proposal.

Under NYSE rules, proposals for the election of directors, approval of the 2012 Executive Incentive Plan, approval of amendments to the 2010 Omnibus Award Plan and an advisory (non-binding) approval of the compensation of our executive officers are each considered to be “non-discretionary” matters, and NYSE-member brokers may not vote your shares of common stock on these matters without having received your instructions. Shareholder proposals are also considered to be non-discretionary matters under NYSE rules.

How does the Board recommend I vote?

The Board unanimously recommends that you vote:

- **FOR** the election of all nominees to serve as members of the Board;
- **FOR** the approval of the First Republic 2012 Executive Incentive Plan;
- **FOR** the approval of amendments to the First Republic 2010 Omnibus Award Plan;
- **FOR** the ratification of KPMG LLP as our independent auditor for the 2012 fiscal year; and
- **FOR** the advisory (non-binding) approval of the compensation of our executive officers disclosed in this Proxy Statement.

What vote is required to adopt each of the proposals before the Annual Meeting?

For Proposal 1, the ten nominees receiving the highest number of affirmative votes of the shares entitled to be voted for them will be elected as directors to serve until the next annual meeting of shareholders and until their successors are duly elected and qualified. You may vote “FOR” or “WITHHOLD” for each nominee. Votes withheld shall have no legal effect.

Approval of Proposals 2, 3, 4 and 5 requires the affirmative vote of (i) a majority of the shares entitled to vote and present or represented by proxy and voting at the Annual Meeting and (ii) a majority of the shares required to constitute the quorum. You may vote “FOR” or “AGAINST” each proposal or you may “ABSTAIN” from voting your shares.

Broker non-votes and abstentions are counted for purposes of determining whether a quorum is present. Only “FOR” and “AGAINST” votes are counted for purposes of determining the votes received in connection with each proposal, and therefore broker non-votes and abstentions have no effect on the proposal relating to the election of directors. In the case of Proposals 2, 3, 4 and 5, broker non-votes and abstentions have no effect on determining whether the affirmative vote constitutes a majority of the shares present or represented by proxy and voting at the Annual Meeting. Approval of these proposals also requires the affirmative vote of a majority of the shares necessary to constitute a quorum, however, and therefore broker non-votes and abstentions could prevent the approval of these other proposals because they do not count as affirmative votes. In order to minimize the number of broker non-votes, we encourage you to provide voting instructions to the organization that holds your shares by carefully following the instructions provided.

While First Republic and the Board will not be bound by the outcome of Proposal 5, the Board values shareholder input and will consider the outcome of this proposal when making decisions on compensation matters in the future.

What do I need to do to attend the Annual Meeting?

Attendance at the Annual Meeting is generally limited to our shareholders. You may be asked to present valid picture identification, such as a driver's license or passport, before being admitted to the Annual Meeting. If you hold your shares in street name, you will also need proof of ownership of shares of common stock to be admitted to the meeting, such as a brokerage statement or letter from your bank, trust, broker or other nominee attesting to your ownership of shares of common stock as of the record date for the Annual Meeting.

Please let us know whether you plan to attend the Annual Meeting by responding affirmatively when prompted during telephone or Internet voting.

If you need directions to the Annual Meeting, you may email us at investorrelations@firstrepublic.com or call us at 1-800-392-1400.

What do I need to do to vote my shares at the Annual Meeting?

If you are a record holder, you may vote your shares in person by completing a ballot at the Annual Meeting. Even if you currently plan to attend the Annual Meeting, we recommend that you also submit your vote by mail, telephone or the Internet as described above so that your vote will be counted if you later decide not to attend the meeting.

If you hold your shares of common stock in street name, you may vote your shares in person at the Annual Meeting only if you obtain a signed letter or other document from your broker, bank, trust or other nominee giving you the right to vote the shares at the Annual Meeting.

Who pays the expenses of this proxy solicitation?

We will pay the costs associated with the preparation of proxy materials and solicitation of proxies for the Annual Meeting, including reasonable charges and expenses of brokerage firms, banks, trusts or other nominees for forwarding proxy materials to street name holders. Proxies may also be solicited by directors, officers and employees of First Republic in person, by telephone or through other means. We will not pay these individuals any additional compensation for their services in soliciting proxies.

Can I have future proxy materials delivered electronically?

If you would like to help reduce our costs of printing and mailing future materials, you can consent to access future proxy statements and annual reports to shareholders over the Internet rather than receiving printed copies in the mail. If you hold your shares of common stock in street name, you can contact your account representative at the broker, bank, trust or other nominee through which you hold your shares for information regarding electronic delivery of future materials. Your consent to electronic delivery will remain in effect until you revoke it, and you are not required to sign up for electronic delivery of future materials. You may revoke your consent to receive future materials electronically by contacting your broker, bank, trust or other nominee if you hold your shares in street name.

Where can I get more information about First Republic?

A copy of our Annual Report on Form 10-K, which has been filed with the Federal Deposit Insurance Corporation ("FDIC"), accompanies this Proxy Statement. **Additional copies of our Annual Report on Form 10-K are available without charge to any shareholder upon request. All such requests should be directed to Investor Relations, First Republic Bank, 111 Pine Street, 2nd Floor, San Francisco, California 94111 or you may email us at investorrelations@firstrepublic.com or call us at 1-800-392-1400.**

Copies of our Annual Report on Form 10-K and other documents and information about First Republic, including the charters of the Audit, Compensation, and Corporate Governance and Nominating Committees of our Board, our Corporate Governance Guidelines and our Code of Ethics and Corporate Conduct, are available on the Investor Relations section of our website at <http://www.firstrepublic.com> or by emailing us at investorrelations@firstrepublic.com.

How can I communicate with the Board?

You may communicate with the Board by sending a letter addressed to the Board, the non-management directors, the lead independent director or specified individual directors care of our General Counsel to First Republic Bank, 111 Pine Street, 2nd Floor, San Francisco, California 94111.

All letters received in accordance with this process will be reviewed by the General Counsel to determine whether the communication requires immediate action. The General Counsel will pass on all communications received, or a summary of such communications, to the appropriate Board member. However, we reserve the right to disregard any communication that the Bank's General Counsel determines is unduly hostile, threatening or illegal, that does not reasonably relate to the Bank or its business, or is similarly inappropriate, and has the authority to discard or disregard any inappropriate communications or take other appropriate actions with respect to any such inappropriate communications.

PROPOSAL 1—ELECTION OF DIRECTORS

At the Annual Meeting, the Board will consist of ten directors. Pursuant to our Bylaws, members of the Board serve for one-year terms.

The legal predecessor to the Bank was formed in February 1985 and operated from June 1985 until September 1997 as First Republic Bancorp, a publicly-traded, non-bank holding company listed on the NYSE, when it merged into its subsidiary First Republic Bank, a Nevada-chartered bank, which was then also listed on the NYSE. In September 2007, First Republic Bank merged into Merrill Lynch Bank & Trust Company, F.S.B. (“MLFSB”), a subsidiary of Merrill Lynch & Co., Inc. (“Merrill Lynch”), which itself subsequently merged into Bank of America, N.A. (“BANA”), a subsidiary of Bank of America Corporation (“Bank of America”), in November 2009. While a division of MLFSB and BANA, we maintained a separate Advisory Board whose members were members of First Republic Bank’s board of directors immediately before our acquisition by MLFSB. On October 21, 2009, BANA, MLFSB and the current First Republic Bank (then in organization) entered into the Purchase Agreement designed to re-establish First Republic as an independent business entity with the same business model, management team and employee base (the “Transaction”). After close of business on June 30, 2010, the Transaction was consummated, and we completed the purchase of certain assets and operations and the assumption of deposits and most of the other liabilities of the First Republic division of BANA to re-establish First Republic as an independent entity. The current, newly-chartered First Republic Bank began operation on July 1, 2010.

Each of the individuals listed below has been a director of the Bank, a member of our Advisory Board or a director of our publicly-traded predecessor since the date indicated.

Information Concerning First Republic’s Directors and Nominees

The persons named below are the Bank’s current directors and nominees for election to the Board for terms expiring upon the election and qualification of their successors at the 2013 Annual Meeting of Shareholders. Unless otherwise indicated, each person has held his or her present position as set forth below for the past five years.

| Name | Director Since | Age | Position |
|--------------------------|----------------|-----|---|
| James H. Herbert, II | 1985 | 67 | Chairman and Founding Chief Executive Officer |
| Katherine August-deWilde | 1988 | 64 | President, Chief Operating Officer and Director |
| Thomas J. Barrack, Jr. | 2010 | 64 | Director |
| Frank J. Fahrenkopf, Jr. | 1985 | 72 | Director |
| William E. Ford | 2010 | 50 | Director |
| L. Martin Gibbs | 1985 | 74 | Lead Outside Director |
| Sandra R. Hernández | 2010 | 54 | Director |
| Pamela J. Joyner | 2004 | 54 | Director |
| Jody S. Lindell | 2003 | 60 | Director |
| George G.C. Parker | 2003 | 73 | Director |

James H. Herbert, II, *Chairman and Founding Chief Executive Officer (Director & Founding Chief Executive Officer since 1985)*. Mr. Herbert was the founding Chief Executive Officer and Director of First Republic Bancorp, the legal predecessor of First Republic Bank, in February 1985. From 1980 to 1985, Mr. Herbert was the founding President, Chief Executive Officer and a director of San Francisco Bancorp, a publicly-traded, multistate, industrial loan holding company. Mr. Herbert is a trustee of San Francisco Ballet Association (Chair and Co-Chair 2002–2008) and a director of Lincoln Center for the Performing Arts (New York), Joyce Theater Association (New York), San Francisco Film Society and The BASIC Fund. Mr. Herbert is a graduate of Babson College, B.S., 1966 and New York University, M.B.A., 1969. As a result of his extensive experience working for the Bank and its predecessors and working in the banking industry more generally, Mr. Herbert is well qualified to serve as a member of the Board.

Katherine August-deWilde, *President, Chief Operating Officer and Director (Director since 1988)*. Ms. August-deWilde has been a First Republic executive since 1985. Previously, she was Senior Vice President and Chief Financial Officer at PMI Group. She is a member of the Stanford Center on Longevity's Advisory Council, Stanford University's Michelle R. Clayman Institute for Gender Research and a trustee of the Boys & Girls Clubs of San Francisco. Ms. August-deWilde is a graduate of Goucher College, A.B., 1969 and Stanford University, M.B.A., 1975. As a result of her extensive experience working for the Bank and its predecessors and working in the banking industry more generally, Ms. August-deWilde is well qualified to serve as a member of the Board.

Thomas J. Barrack, Jr., *Director (Director from 2001 to 2007 and July 1, 2010 to date)*. Mr. Barrack is the Founder, Chairman, and Chief Executive Officer of Colony Capital, LLC. Mr. Barrack is also a director of Colony Financial, Inc. and Accor SA and served as a director of Continental Airlines, Inc. from 1994 until 2007. Prior to the formation of Colony Capital, LLC, Mr. Barrack was a principal with the Robert M. Bass Group, President of Oxford Development Ventures, Inc. and as a Senior Vice President of E.F. Hutton & Co. in New York. Mr. Barrack also served in the Reagan administration as Deputy Undersecretary of the Department of the Interior. Mr. Barrack is a graduate of the University of Southern California, B.A., 1969 and the University of San Diego, J.D., 1972. Mr. Barrack's extensive experience in and knowledge of the financial services industry makes him well qualified to serve as a member of the Board.

Frank J. Fahrenkopf, Jr., *Director (Director since 1985)*. Mr. Fahrenkopf is President and CEO of the American Gaming Association. Mr. Fahrenkopf is also of counsel in the Washington, D.C. law firm of Hogan Lovells LLP and is Co-Chairman of the Commission on Presidential Debates. From 1983 to 1989, he was Chairman of the Republican National Committee. Mr. Fahrenkopf is currently a director of Gabelli Dividend and Income Trust, Gabelli Equity Trust, Gabelli Utility Trust, Gabelli Global Multimedia Trust, and Gabelli Global Gold, Natural Resources and Income Trust. Mr. Fahrenkopf is a graduate of University of Nevada, Reno, B.A., 1962 and University of California, Berkeley, L.L.B., 1965. Mr. Fahrenkopf's prior experience working in regulated industries and his legal background make him well qualified to serve as a member of the Board.

William E. Ford, *Director (Director since July 1, 2010)*. Mr. Ford is Chief Executive Officer of General Atlantic LLC, a global growth equity firm, which he joined in 1991. Previously, Mr. Ford was an investment banker at Morgan Stanley & Co. Mr. Ford serves on the board of directors of several current portfolio companies of General Atlantic, including Markit, Mu Sigma, Inc., Oak Hill Advisors, L.P. and GETCO. He formerly served on the boards of a number of other General Atlantic portfolio companies, including NYSE Euronext, E*Trade, Priceline, NYMEX Holdings, Inc., and Computershare. Mr. Ford is a Trustee of Amherst College, Rockefeller University, the New Museum of Contemporary Art, and the Memorial Sloan-Kettering Cancer Center, and he is a member of the Stanford University Graduate School of Business Advisory Council. Mr. Ford is a graduate of Amherst College, B.A., 1983 and Stanford University, M.B.A., 1987. As a result of his knowledge of the financial services industry and prior experience serving as a director of various public and private companies, Mr. Ford is well qualified to serve as a member of the Board.

L. Martin Gibbs, *Director (Director since 1985)*. Mr. Gibbs is currently an investor who retired from his law practice on January 1, 2010. He previously represented First Republic from its inception through the end of 2009 and was a partner in the law firm of White & Case LLP, where he had a broad-based corporate legal practice with substantial experience in mergers and acquisitions, securitizations, real estate, private equity and banking transactions. Mr. Gibbs is a graduate of Brown University, A.B., 1959 and Columbia Law School, J.D., 1962. Mr. Gibbs's legal background, including his experience representing clients in the banking industry, make him well qualified to serve as a member of the Board and as the Lead Outside Director.

Sandra R. Hernández, M.D., *Director (Director since August 2010)*. Dr. Hernández is Chief Executive Officer of the San Francisco Foundation. Under her leadership, the foundation has grown to \$1 billion and granted over \$900 million. Dr. Hernández practices at San Francisco General Hospital's AIDS clinic and is a director of Blue Shield of California, The Bay Citizen, Mills College, the Federal Reserve Bank of San

Francisco's Economic Advisory Counsel and Yale University Council. She is the former director of Public Health, San Francisco. Dr. Hernández is a graduate of Yale University, B.A., 1979, Tufts University, M.D., 1984 and Harvard University's John F. Kennedy School of Government, 1992. Dr. Hernández's experience leading the San Francisco Foundation and her knowledge of the communities in which we operate make her well qualified to serve as a member of the Board.

Pamela J. Joyner, Director (Director since 2004). Ms. Joyner is a founding partner of Avid Partners L.L.C., strategic marketing consultant to alternative investment managers. Previously, Ms. Joyner led units at Bowman Capital Management, L.L.C. and was a senior executive at Capital Guardian Trust Company. She is a Trustee Emeritus of Dartmouth College, a member of the President's Committee on the Arts and Humanities, was a Co-Chair of the San Francisco Ballet Association (2005–2008) and is a trustee of the California HealthCare Foundation. Ms. Joyner is a graduate of Dartmouth College, B.A., 1979 and Harvard University, M.B.A., 1984 with an M.A. Honorary Degree, 2001, from Dartmouth College. Ms. Joyner's experience in the financial services industry, including her experience in significant leadership roles at her prior positions, makes her well qualified to serve as a member of the Board.

Jody S. Lindell, Director (Director since 2003). Ms. Lindell is President and Chief Executive Officer of S.G. Management Inc., an asset management company. Ms. Lindell has also served as a director and a member of both the audit and compensation committees of PDL BioPharma since March of 2009 and The Cooper Companies since March of 2006. Until August 2000, Ms. Lindell was a partner with KPMG LLP, where she served as Partner-In-Charge of the Industrial Markets and Healthcare and Life Sciences practices for the Western Area of the United States. Ms. Lindell is a graduate of Stanford University, B.A., 1973 and M.B.A., 1975 and is a Certified Public Accountant (inactive). Ms. Lindell is well qualified to serve as a member of the Board based on her prior service on the boards of other public companies and her financial and accounting expertise.

George G.C. Parker, Director (Director since 2003). Mr. Parker is the Dean Witter Distinguished Professor of Finance, Emeritus, formerly Senior Associate Dean for Academic Affairs, Director of the MBA Program and Director of Executive Education at the Graduate School of Business, Stanford University. Mr. Parker also served as the Faculty Chairman of the Advisory Panel on Investment Responsibility for the Board of Trustees of Stanford University from 2003 to 2008. He serves on the board of directors of iShares Mutual Funds, Tejon Ranch Company, Threshold Pharmaceuticals, Inc. and Colony Financial, Inc. (a public REIT). He was a director of Continental Airlines from 1996 to 2009 and Netgear, Inc. from 2005 to 2011. Mr. Parker is a graduate of Haverford College, B.A., 1960 and Stanford University, M.B.A. and Ph.D., 1967. As a result of his teaching and research interests in corporate finance, management of financial institutions and corporate governance and his experience gained through service on the boards of several other public companies, Mr. Parker is well qualified to serve as a member of the Board.

Board's Recommendation

The Board unanimously recommends you vote **FOR** the election of all nominees.

INFORMATION ABOUT OUR BOARD OF DIRECTORS

Meetings

In 2011, the Board held four regularly scheduled meetings and acted by telephonic board meeting six additional times, for a total of ten meetings. All directors attended at least 75% of all board meetings of the Bank, board committees and boards of First Republic subsidiaries on which they served during such fiscal year, other than Mr. Barrack, who attended all of the regularly scheduled board meetings but missed three telephonic board meetings and the majority of his committee meetings. In November 2011, Mr. Barrack submitted his resignation to the Bank's Compensation, Corporate Governance and Nominating, and Directors' Trust Committees. The Board meets in executive session without management present during each regularly scheduled meeting. L. Martin Gibbs was appointed to serve as lead outside director in September 2010 and presided over all executive sessions in 2011.

Director Nomination Process, Board Membership Criteria and Board Diversity

The Corporate Governance and Nominating Committee is responsible for recommending to the Board individuals to serve as our directors and on the various committees of the Board. In making such recommendations, the Corporate Governance and Nominating Committee considers such factors as it deems appropriate in light of criteria for directorship set forth in the Bank's Corporate Governance Guidelines, which are listed below. These factors may include judgment, skill, diversity, experience with businesses and other organizations comparable to us, the interplay of the candidate's experience with the experience of other members of the Board, and the extent to which the candidate would be a desirable addition to the Board and any committees.

Our Corporate Governance Guidelines specify that a director should have the following characteristics:

- Ability to comprehend our strategic goals and to help guide us towards the accomplishment of those goals;
- A history of conducting his/her personal and professional affairs with the utmost integrity and observing the highest standards of values, character and ethics;
- Time availability for in-person participation and to be present at annual meetings of shareholders as requested from time to time by the Chairman of the Board;
- Willingness to demand that our officers and employees insist upon honest and ethical conduct throughout the Bank;
- Knowledge of, and experience with regard to, at least some of: (i) real estate properties, loans and securities, including any lending and financing activities related thereto; (ii) public company regulations imposed by the Securities and Exchange Commission ("SEC") and NYSE, amongst others; (iii) portfolio and risk management; (iv) the major geographic locations within which the Bank operates; (v) sound business practices and (vi) accounting and financial reporting; and
- If applicable, ability to satisfy the criteria for independence established by the SEC and NYSE, respectively, as they may be amended from time to time.

Our Corporate Governance Guidelines also require that the Board must have at least three members who are financially literate, two of whom must have banking or related management experience, and one of whom must be a financial expert under criteria imposed by our regulators.

The Corporate Governance and Nominating Committee seeks to nominate candidates that bring diverse perspectives and experiences to our Board. In evaluating candidates, the Committee's practice is to consider, among other things, business experiences, the candidate's range of experiences with public companies and cultural diversity. Evaluation of potential candidates generally involves a review of the candidate's background and credentials by the Corporate Governance and Nominating Committee, interviews with all or some of the members of the Corporate Governance and Nominating Committee and discussions with the Corporate Governance and Nominating Committee and the Board. The Corporate Governance and Nominating Committee then recommends candidates to the Board which, in turn, selects candidates to be nominated for election by the shareholders or to be elected by the Board to fill a vacancy.

The Corporate Governance and Nominating Committee will also consider nominees for election as directors recommended by shareholders and mailed to our General Counsel. Shareholder recommendations for election to the Board should be sent to the attention of our General Counsel at the address appearing on the Notice of Annual Meeting of Shareholders accompanying this Proxy Statement, and should describe the candidate's qualifications and be accompanied by the candidate's written statement of willingness and affirmative desire to serve representing the interest of all shareholders. Shareholders may also make nominations directly by following the procedure specified in our Bylaws.

Candidates recommended by shareholders will be considered using the same criteria and in the same manner utilized by the Corporate Governance and Nominating Committee in considering all candidates for election to the Board.

Our Corporate Governance Guidelines are posted on the investor relations section of our website at www.firstrepublic.com and are available in print to any shareholder who requests it by contacting investorrelations@firstrepublic.com.

Shareholders' Agreement

In connection with our re-establishment as an independent institution, First Republic and certain of our investors entered into a shareholders' agreement (the "Shareholders' Agreement") that establishes various rights among those investors and limits those investors' ability to freely vote their shares of common stock. Subject to certain limitations, the Shareholders' Agreement specifies that the Board will consist of ten directors, including (i) one representative designated by Colony Capital, LLC and its affiliates, (ii) one representative designated by General Atlantic LLC and its affiliates, (iii) our Chief Executive Officer, (iv) another member of our senior management, currently the President and Chief Operating Officer, and (v) six independent directors. Mr. Barrack and Mr. Ford are the representatives of Colony Capital, LLC and General Atlantic LLC, respectively, designated pursuant to the Shareholders' Agreement. The Shareholders' Agreement also specifies that the Board have a Corporate Governance and Nominating Committee for the purpose of nominating experienced independent directors to serve on the Board. The Corporate Governance and Nominating Committee consists of five directors, of which each of Colony Capital, LLC and General Atlantic LLC have the right to designate its respective designee. The investors who are party to the Shareholders' Agreement have agreed to vote their shares to effectuate the terms and conditions of the Shareholders' Agreement, including taking all such actions as are necessary to ensure the election to the Board of any persons designated as directors pursuant to the Shareholders' Agreement.

Committees of the Board

The standing committees of our Board consist of an Audit Committee, a Compensation Committee and a Corporate Governance and Nominating Committee.

Audit Committee. The responsibilities of the Audit Committee include recommending to the Board a firm of independent certified public accountants to conduct the annual audit of our consolidated financial statements, reviewing with such accounting firm the scope and results of the annual audit, reviewing the performance by such independent accountants of professional services in addition to those which are audit related, and evaluating reports by the internal and independent auditors regarding the adequacy of our systems of internal controls. We have engaged KPMG LLP as our independent auditors. Historically, the Bank has engaged an independent third party to perform an independent credit review of our loan portfolio. The oversight for the services provided by each such firm is performed by the Audit Committee. The members of the Audit Committee, all of whom are independent directors and are financially literate as those terms are defined in the NYSE listing standards that are applicable to the Bank, are Ms. Lindell (Chair), Dr. Hernández and Messrs. Fahrenkopf and Parker. The Board has determined that Ms. Lindell and Mr. Parker are audit committee financial experts, as that term is defined in Item 407(d) of Regulation S-K under the Securities Exchange Act of 1934, as amended. Mr. Ford served on the Bank's Audit Committee until he submitted his resignation in March 2012.

Compensation Committee. The primary responsibilities of the Compensation Committee are to establish and review the compensation, both direct and indirect, to be paid to our directors and executive officers, to review and submit to the Board its recommendations with respect to executive compensation plans, and to establish and review periodically our policies relating to executive perquisites. The members of the Compensation Committee, all of whom are independent directors as that term is defined in the NYSE listing standards that are applicable to the Bank, are Ms. Joyner (Chair) and Messrs. Ford, Gibbs and Parker.

Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee is responsible for recommending to the Board individuals to serve as our directors and on the various committees of the Board. In making such recommendations, the Corporate Governance and Nominating Committee considers such factors as it deems appropriate. These factors may include judgment, skill, diversity, experience with businesses and other organizations comparable to us, the interplay of the candidate's experience with the experience of other members of the Board, and the extent to which the candidate would be a desirable addition to the Board and any committees. The Corporate Governance and Nominating Committee will also consider nominees for election as directors made by shareholders and mailed to the General Counsel. Additionally, the Corporate Governance and Nominating Committee is responsible for considering and recommending to the Board other actions relating to corporate governance matters. Mr. Fahrenkopf (Chair), Messrs. Ford, Gibbs and Parker, and Ms. Joyner, all of whom are independent directors as that term is defined in the NYSE listing standards that are applicable to the Bank, serve as its members.

In addition to these committees of the Board, the Bank has established certain committees comprised of directors, former directors and members of management to support the Board and management in the oversight of certain areas of the Bank's business. The standing committees are as follows:

Directors Loan Committee. The Directors Loan Committee is responsible for reviewing all new loans made by the Bank that exceed certain limits set forth in the Board approved loan policy. The Directors Loan Committee is composed of four current directors of the Bank and three former directors of First Republic. The members of the Directors Loan Committee are Mr. James J. Baumberger, Mr. James P. Conn, Mr. Fahrenkopf, Ms. Joyner, Ms. Lindell, Mr. Parker and Mr. Roger O. Walther. The Directors Loan Committee does not have a chairperson.

Investment Committee. The Investment Committee is responsible for monitoring the Bank's investment portfolio and recommending investment policies which, while striving to maximize portfolio performance, will keep the management of the portfolio within the bounds of good banking practices and satisfy the liquidity and legal requirements to which the Bank is subject. The Investment Committee is comprised of five current directors of the Bank and one former director of First Republic. The members of the Investment Committee are Ms. Joyner (Chair), Ms. August-deWilde, Mr. Conn, Mr. Ford and Mr. Herbert.

Directors Trust Committee. The Directors Trust Committee is responsible for overseeing the exercise of trust powers by the Bank through its First Republic Trust Company division. The Directors Trust Committee is comprised of five directors and two non-director members of the Bank's management team. The members of the Directors Trust Committee are Mr. Parker (Chair), Ms. August-deWilde, Mr. Ford, Ms. Lindell, Mr. Edward J. Dobranski and Mr. Robert L. Thornton.

During 2011, there were twelve meetings of the Audit Committee, four meetings of the Compensation Committee, one meeting of the Corporate Governance and Nominating Committee, six meetings of the Investment Committee and four meetings of the Directors' Trust Committee. The Board also held four meetings in executive session during 2011. The Board's policy regarding director attendance at the Annual Meeting is that directors are welcome to attend, and that the Bank will make all appropriate arrangements for directors that choose to attend.

The Audit, Compensation and Corporate Governance and Nominating Committee charters meet the standards of the NYSE. Copies of the committee charters for the Audit, Compensation, and Corporate Governance and Nominating Committees are posted on the investor relations section of our website at www.firstrepublic.com and are available in print to any shareholder who requests it by contacting investorrelations@firstrepublic.com.

CORPORATE GOVERNANCE

Director Independence Determination

The Board has adopted corporate governance guidelines that contain criteria for determining whether a director is deemed independent. Our guidelines are consistent with and conform to the criteria for determining independence established by the NYSE. Under these guidelines, in order to be independent, a director must not:

- Have a material relationship with the Bank (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Bank), the absence of which must be affirmatively determined by the Board;
- Be, or have been within the last three years, an employee, or have an immediate family member who is, or has been within the last three years, an executive officer, of the Bank;
- Be, or have been within the last three years, or have an immediate family member who is, or has been within the last three years, employed as an executive officer of another company where any of the Bank's present executive officers serve, or at the same time served, on that company's compensation committee;
- Be a current partner or employee of, or have an immediate family member who is a current partner of, the internal or external auditor of the Bank or of an affiliate of the Bank; or have an immediate family member who is a current partner or employee of such a firm and personally works on the Bank's audit; or have been, or have an immediate family member who was, within the last three years, a partner or employee of such a firm who personally worked on the Bank's audit within that time;
- Have received, or have an immediate family member who has received, during any twelve-month period within the last three years, more than \$120,000 per year in direct compensation from the Bank, other than director or committee fees and pension or other forms of deferred compensation for prior service (provided that such compensation is not contingent in any way on continued service); or
- Be an executive officer or an employee, or have an immediate family member who is an executive officer, of a company that makes payments to, or receives payments from, the Bank for property or services in an amount which, in any single fiscal year during the last three fiscal years, exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues.

The Board has determined that the following directors are independent: Mr. Barrack, Mr. Fahrenkopf, Mr. Ford, Mr. Gibbs, Dr. Hernández, Ms. Joyner, Ms. Lindell and Mr. Parker. Mr. Herbert and Ms. August-deWilde are current executive officers of the Bank and are not independent.

Board Leadership Structure and Role in Risk Management

The Board is led by a Chairman selected by the Board from time to time. Mr. Herbert, our Chief Executive Officer, is currently also Chairman of the Board. The Board does not have a policy on whether the role of Chairman and Chief Executive Officer should be separate or combined but currently believes that the most effective leadership structure for the Bank is to combine these responsibilities. The Board believes this structure currently reduces potential confusion and conflict over who leads the Bank, both internally and when dealing with investors, customers and counterparties, and the potential duplication of efforts that can result from the roles being separated. The Board also believes that combining these roles in one person enhances accountability for our performance. Furthermore, Mr. Herbert has the knowledge, expertise and experience to understand the opportunities and challenges facing the Bank, as well as the leadership and management skills to promote and execute the Bank's values and strategy, as a result of his service as the founding Chief Executive Officer since 1985. Pursuant to the amendment to his employment agreement effective as of February 27, 2012, as more fully described under "Executive Compensation—Compensation Discussion and Analysis—Overview of Compensation—Employment Agreements," from July 1, 2016 until December 31, 2019, Mr. Herbert will continue to serve as Chairman (subject to his election as a director by the shareholders and his appointment as

Chairman by the Board) but will no longer serve as Chief Executive Officer. The Board believes that the separation of the roles of Chairman and Chief Executive Officer during this period will assist in the transition of the chief executive officer at that time to assuming full leadership of the Bank and that the benefits of the separation during this period will outweigh any potential drawbacks. Currently, the Board has not determined whether the responsibilities would continue to be separated after 2019.

To help ensure strong oversight by our non-management directors, our Audit, Compensation, and Corporate Governance and Nominating Committees are composed only of independent directors. Additionally, Mr. Gibbs serves as our lead outside director and, as provided in our Bylaws, helps to coordinate the activities of the other outside independent directors and presides at all executive sessions of independent directors at which he is present. Mr. Gibbs remains fully informed of all activities of the Board and its committees through his service on the Board generally and his service as a member of the Compensation and the Corporate Governance and Nominating Committees.

The Board is responsible for overseeing all strategic aspects of the Bank's operations and management, including oversight of risk management. The Board receives regular reports on the Bank's operations and enterprise risk management activities, including a global risk assessment. Additionally, the Board maintains several standing committees through which it oversees risks within the Bank. The Audit Committee oversees Bank risk through its review of the Bank's internal reporting and accounting processes. The Audit Committee receives reports on, and reviews, the Bank's principal financial statement internal control risk exposures, including financial reporting, internal audit and information security. Bank management regularly discuss macro- and business-specific environmental factors with the Board, as well as the potential impact of these factors on our risk profile and financial situation. Bank management also periodically reviews with the Board and the Investment Committee specific risk analyses, such as interest rate sensitivity and earnings simulation scenario analyses. In addition, the Directors Loan Committee participates in credit risk management by reviewing all new loans made by the Bank that exceed policy limits; the Investment Committee monitors the Bank's investment portfolio and recommends investment policies and thereby participates in managing market risk and liquidity risk; and the Directors Trust Committee participates in market, operational and reputational risk management by overseeing the Bank's trust businesses. Further, the Bank's loan policies require approval of either the Director's Loan Committee or the Board for the larger loans and concentrations. The Compensation Committee reviews the compensation policies, incentive compensation arrangements and employment agreements to determine whether compensation is in line with prudent management practices, peer firms and industry standards, as well as to determine that such practices are not reasonably likely to have a material adverse effect on the Bank. The Corporate Governance and Nominating Committee assists the Board in fulfilling oversight responsibilities with respect to the risks associated with Board organization, membership, diversity and structure. The Board also interacts on a regular basis with the Bank's executive officers, including both those responsible for internal controls and those responsible for the Bank's various business lines. It is through these various channels that the Board seeks the information to oversee the Bank's risk management.

The Board recommended a proposal at the 2011 Annual Meeting that would provide shareholders the option of having an advisory (non-binding) vote approving the compensation of our named executive officers at every subsequent annual meeting. This proposal for annual frequency of review was passed by a majority vote of shareholders in May 2011. Accordingly, the Board has resolved to include the "Say-On-Pay" proposal as Proposal 5 herein.

Compensation Committee Interlocks and Insider Participation

During 2011, no member of the Compensation Committee was an employee, officer, or former officer of the Bank. None of our executive officers has served in 2011, 2010, or 2009 on the board of directors or compensation committee (or other committee serving an equivalent function) of any entity that had an executive officer serving as a member of the Board or Compensation Committee. As described under "—Transactions with Related Persons," some Compensation Committee members had banking or financial services transactions in the ordinary course of business with us or our subsidiaries.

Policies and Procedures for Review, Approval or Ratification of Transactions with Related Persons

The Board has adopted a written related-person transactions policy. We regularly monitor our business dealings and those of our directors and officers to determine whether any existing or proposed transactions would constitute a related-person transaction requiring approval under this policy. In addition, our Code of Ethics and Corporate Conduct requires any employee, officer or director who is aware of a conflict of interest or is concerned that a conflict of interest might develop to discuss the matter promptly with a manager or our General Counsel. Our directors and executive officers are also instructed and periodically reminded of their obligation to inform our General Counsel of any potential related-person transactions and are required to complete a questionnaire on an annual basis designed to elicit information regarding any such related-person transactions.

Any potential related-person transactions that are brought to our attention are analyzed by our General Counsel, in consultation with management and with outside counsel, as appropriate, to determine whether the transaction or relationship is, in fact, a related-person transaction requiring compliance with this policy. If a transaction is determined to be a related-person transaction requiring compliance with this policy, the management and our General Counsel, in consultation with outside counsel as appropriate, will determine, in their view, whether the related-person transaction should be permitted, modified to avoid any potential conflict of interest or terminated, or whether some other action should be taken.

At each of its meetings, the Corporate Governance and Nominating Committee will be provided with the details of each new, existing or proposed related-person transaction, including the terms of the transaction, the business purpose of the transaction and the benefits to the Bank and to the relevant related person. In determining whether to approve a related-person transaction, the Corporate Governance and Nominating Committee will consider, among other factors, the following:

- Whether the terms of the related-person transaction are fair to the Bank and on terms at least as favorable as would apply if the transaction did not involve a related person;
- Whether there are demonstrable business reasons for the Bank to enter into the related-person transaction;
- Whether the related-person transaction would impair the independence of an otherwise independent director under applicable stock exchange rules or applicable law;
- Whether the related-person transaction would present an improper conflict of interest for any director or executive officer of the Bank, taking into account (i) the size of the transaction, (ii) the overall financial position of the director, executive officer or related person, (iii) the direct or indirect nature of the director's, executive officer's or related person's interest in the transaction and (iv) the ongoing nature of any proposed relationship; and
- Any other factors the Corporate Governance and Nominating Committee deems relevant.

Any member of the Corporate Governance and Nominating Committee who has an interest in the transaction under discussion will abstain from voting on the approval of the related-person transaction, but may, if so requested by the chair of the Corporate Governance and Nominating Committee, participate in some or all of the Corporate Governance and Nominating Committee's discussions of the related-person transaction.

Service on the Audit Committees of Other Public Companies

If an Audit Committee member simultaneously serves on the audit committees of more than three public companies, the NYSE listing standards require the Board to determine that such simultaneous service does not impair the ability of such member to effectively serve on the Audit Committee and to disclose such determination with respect to any director nominee in its annual proxy statement. Mr. Parker serves on the audit committee of three public companies other than the Bank. In accordance with the NYSE listing standards, the Board has determined that Mr. Parker's simultaneous service on the audit committees of more than three public companies does not impair his ability to serve effectively on the Audit Committee.

Transactions with Related Persons

Certain of our directors and executive officers and their immediate family members are or were customers of, or have or had transactions with, us in the ordinary course of business. These transactions include deposit accounts, wealth management accounts, brokerage accounts and loans. Additional transactions are expected to occur in the future. Any outstanding loans to directors, executive officers and their immediate family members, and any transactions involving other financial products and services provided by us to such persons were made in the ordinary course of business, on substantially the same terms, including interest rates and collateral (where applicable), as those prevailing at the time for comparable transactions with persons not related to us, and did not involve more than normal risk of collection or present other unfavorable features and were in compliance with applicable regulatory requirements. Additionally, the spouse of Mr. Lichtman is a non-executive employee of First Republic primarily engaged in deposit gathering and related leadership functions and received compensation in 2011 of approximately \$925,000.

First Republic has engaged Capra Ibex Advisors LLC (“Capra Ibex”) to advise it on matters related to its investment portfolio, risk management and other financial matters pursuant to an agreement effective September 7, 2010. James P. Healy, a brother-in-law of Mr. Herbert, is the founder and sole owner of Capra Ibex, which employs or contracts for the services of a group of former senior investment bankers. Mr. Healy holds a Ph.D. from Princeton University and served as Global Head of the Fixed Income Division of Credit Suisse from 2003 to 2007, having been with that firm for 25 years in total. The consulting contract was negotiated at arm’s length by Bank management, which did not include Mr. Herbert. The consulting contract was for an initial period of one year, but may be terminated upon 30 days’ notice by either party or extended on a month to month basis. The Bank paid Capra Ibex approximately \$1.4 million for services in 2011 and expects to continue to engage Capra Ibex in 2012. The Bank believes that the consulting contract is on market terms.

Executive and Certain Other Officers

In addition to our employee directors listed above, the backgrounds of our executive officers are presented below.

Edward J. Dobranski, Executive Vice President, General Counsel and Secretary. (Age 61) Mr. Dobranski joined First Republic in 1992. Prior to that, Mr. Dobranski practiced banking, real estate and corporate law through positions held with the federal government, in private practice and as corporate counsel. Mr. Dobranski is a graduate of Coe College, B.A., 1972 and Creighton University, J.D., 1975.

David B. Lichtman, Executive Vice President and Chief Credit Officer. (Age 48) Mr. Lichtman has been employed by First Republic since 1986, holding positions in various phases of lending operations, and has held his current position since 1994. Mr. Lichtman is a graduate of Vassar College, B.A., 1985 and University of California, Berkeley, M.B.A., 1990.

Willis H. Newton, Jr., Executive Vice President and Chief Financial Officer. (Age 63) Mr. Newton joined First Republic in 1988 and has held his current position since then. From 1985 to August 1988, he was Vice President and Controller of Homestead Financial Corporation. Mr. Newton is a graduate of Dartmouth College, B.A., 1971 and Stanford University, M.B.A., 1976 and is a Certified Public Accountant (inactive).

Jason C. Bender, Senior Vice President, Finance. (Age 41) Mr. Bender has been with First Republic Bank since 1999 and currently manages the Bank’s finance department, where he is involved in strategic planning and analysis, corporate finance, treasury and asset-liability management. Prior to First Republic, Mr. Bender worked for Silicon Valley Bank. Mr. Bender is a graduate of Swarthmore College, B.A., 1992 and Stanford Graduate School of Business, M.B.A., 1999.

Michael J. Roffler, Senior Vice President and Deputy Chief Financial Officer. (Age 41) Mr. Roffler is Senior Vice President and Deputy Chief Financial Officer of First Republic and has held that position since he joined the Bank in November 2009. He serves as the Bank's Principal Accounting Officer. Previously, Mr. Roffler was a Certified Public Accountant with KPMG LLP for sixteen years, five of which were as an audit partner. Mr. Roffler is a graduate of Marquette University, B.S. Accounting, 1993.

The background of an additional officer employed by the Bank subsequent to December 31, 2011 is presented below.

Michael D. Selfridge, Senior Executive Vice President. (Age 44) Mr. Selfridge joined First Republic in March 2012. Previously, he was Head of Regional Banking and held various other positions over an 18 year period with Silicon Valley Bank. Mr. Selfridge is a graduate of California Polytechnic State University, San Louis Obispo, B.S., 1989, and University of San Francisco, M.B.A., 1995.

Code of Ethics and Corporate Conduct

We have a Code of Ethics and Corporate Conduct that applies to all our directors, officers (including the Chief Executive Officer, the Chief Financial Officer and the Principal Accounting Officer) and employees. Our Code of Ethics and Corporate Conduct is posted on the investor relations section of our website at www.firstrepublic.com and is available in print to any shareholder who requests it by contacting investorrelations@firstrepublic.com.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

As of April 2, 2012, 130,238,201 shares of our common stock, par value \$.01 per share, were outstanding and therefore entitled to receive notice of and to vote at the Annual Meeting.

Security Ownership of the Board and Management

The following table sets forth the beneficial ownership of our common stock as of April 2, 2012 by our directors and executive officers. As of April 2, 2012, 130,238,201 shares of common stock were issued and outstanding, and no shares were held as treasury stock.

| <u>Name of Beneficial Owner</u> | <u>Amount and Nature of Beneficial Ownership(1)</u> | <u>Percentage</u> |
|---|---|-------------------|
| Thomas J. Barrack, Jr.(2) | 13,419,453 | 10.3% |
| William E. Ford(3) | 13,282,908 | 10.2% |
| James H. Herbert, II(4) | 3,386,268 | 2.5% |
| Katherine E. August-deWilde(5) | 3,049,602 | 2.3% |
| David B. Lichtman(6) | 141,483 | * |
| Willis H. Newton, Jr. | 123,666 | * |
| Edward J. Dobranski | 107,627 | * |
| Pamela J. Joyner(7) | 37,082 | * |
| Frank J. Fahrenkopf, Jr. | 20,416 | * |
| Jody S. Lindell | 20,416 | * |
| George G.C. Parker | 17,083 | * |
| L. Martin Gibbs | 10,416 | * |
| Sandra R. Hernández | 3,750 | * |
| All Executive Officers and Directors as a group (composed of 15 individuals) | <u>33,726,284</u> | <u>24.8%</u> |

* Less than 1/10th of 1% of the common stock outstanding.

- (1) All shares of common stock not outstanding that may be acquired by a shareholder within 60 days of the Record Date, by exercise of any stock option or any other right are deemed to be outstanding for the purposes of calculating beneficial ownership and computing the percentage beneficially owned by such shareholder, but not by any other shareholder. Included in the above table are vested shares of common stock subject to outstanding stock options that are deemed to be beneficially owned by the holders thereof as follows: Mr. Herbert—2,602,202 shares; Ms. August-deWilde—2,602,202 shares; Mr. Lichtman—104,250 shares; Mr. Newton—45,000 shares; Mr. Dobranski—61,250 shares; and 3,750 shares each for Ms. Joyner, Mr. Fahrenkopf, Ms. Lindell, Mr. Parker, Mr. Gibbs, and Dr. Hernández; and all directors and executive officers as a group—5,508,654 shares. Totals displayed do not include shares of common stock subject to unvested stock options held by certain of our directors and executive officers in the following quantities: Mr. Herbert—1,469,375 shares; Ms. August-deWilde—1,469,375 shares; Mr. Lichtman—120,750 shares; Mr. Newton—55,000 shares; Mr. Dobranski—78,750 shares; and 11,250 shares each for Ms. Joyner, Mr. Fahrenkopf, Ms. Lindell, Mr. Parker, Mr. Gibbs and Dr. Hernández; and all directors and executive officers as a group—3,354,500 shares; in each case as of April 2, 2012. The above table includes shares of restricted stock that have been awarded as of the record date but not yet vested because the restrictions have not lapsed, as follows: Mr. Herbert—345,625 shares; Ms. August-deWilde—40,000 shares; Mr. Lichtman—15,000 shares; Mr. Newton—12,000 shares; Mr. Dobranski—12,000 shares; and all directors and executive officers as a group—448,625 shares.
- (2) Mr. Barrack's ownership percentage represents shares of common stock held by ColFin FRB Investor, LLC, an affiliate of Colony Capital, LLC. Mr. Barrack is the Chief Executive Officer of Colony Capital, LLC. Mr. Barrack disclaims beneficial ownership of the common stock listed except to the extent of his pecuniary interest therein. See footnote 1 to the table regarding Security Ownership of Certain Beneficial Owners for more information.
- (3) Mr. Ford's ownership percentage includes 13,282,908 shares held by affiliates of General Atlantic LLC, of which he is the Chief Executive Officer. Mr. Ford disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein. See footnote 2 to the table regarding Security Ownership of Certain Beneficial Owners for more information.
- (4) Totals displayed include 100,000 shares of common stock held a family partnership of which Mr. Herbert is a partner, 66,667 shares of common stock held by Mr. Herbert's wife and 26,666 shares of common stock held by Mr. Herbert's children, all of which are attributable to Mr. Herbert.
- (5) Totals displayed include 33,333 shares of common stock held by Ms. August-deWilde's husband, 40,000 shares of common stock held in a trust for her children and 20,000 shares of common stock held by her children, all of which are attributable to Ms. August-deWilde.
- (6) Totals displayed for Mr. Lichtman include 60,000 options to purchase shares of common stock attributable to his wife, who is a Bank officer, of which 30,000 are vested and 30,000 are unvested.
- (7) Totals displayed include 16,666 shares of common stock held by Ms. Joyner's husband, which are attributable to Ms. Joyner.

Security Ownership of Certain Beneficial Owners

The following table sets forth the beneficial ownership of the common stock as of April 2, 2012 by any shareholder known to us, based on filings or information provided to us or made with the FDIC, to own 5% or more of the outstanding shares of our common stock.

| <u>Name and Address of Beneficial Owner</u> | <u>Amount and Nature of Beneficial Ownership</u> | <u>Percentage</u> |
|--|--|-------------------|
| ColFin FRB Investor, LLC(1) 2450 Broadway, 6th Floor Santa Monica, CA 90404 | 13,419,453 | 10.3% |
| Entities Affiliated with General Atlantic LLC(2) Three Pickwick Plaza Greenwich, CT 06830 | 13,282,908 | 10.2% |
| Maria De Lourdes Velasco(3) Attn: Pedro Vereá Hernandez 1155 René-Lévesque Blvd. West, 40th Floor Montréal, QC H3B 3V2, Canada | 3,479,733 | 2.7% |
| Roberta Hernandez Velasco(3) Attn: Pedro Vereá Hernandez 1155 René-Lévesque Blvd. West, 40th Floor Montréal, QC H3B 3V2, Canada | 3,479,733 | 2.7% |
| Andrea Hernandez Velasco(3) Attn: Pedro Vereá Hernandez 1155 René-Lévesque Blvd. West, 40th Floor Montréal, QC H3B 3V2, Canada | 3,479,733 | 2.7% |
| Entities Affiliated with GI Partners Fund III, L.P.(4) 2180 Sand Hill Road, Suite 210 Menlo Park, CA 94025 | 7,777,934 | 6.0% |

- (1) This information has been derived from Amendment No. 1 to Schedule 13G, dated as of February 24, 2012, by ColFin Investor, LLC (“ColFin”) and Thomas J. Barrack, which states that ColFin has sole voting and sole dispositive power over 19,617,953 shares and that Mr. Barrack has shared voting and shared dispositive power over 19,617,953 shares. ColFin is indirectly controlled by Colony Capital, LLC, which is controlled by Mr. Barrack, who serves as its Chief Executive Officer and sole managing member. The Schedule 13G states that Mr. Barrack may be deemed to have indirect beneficial ownership of the shares held by ColFin through ultimate control over the entities that own or control ColFin, but the filing of a Schedule 13G shall not be construed as an admission of such. This information is adjusted for the disposition of 6,198,500 shares as reported on Form 4 dated as of March 5, 2012.
- (2) This information has been derived from Amendment No. 1 to Schedule 13G, dated as of February 9, 2012, by General Atlantic LLC, General Atlantic GenPar, L.P., General Atlantic Partners 87, L.P., GAP Coinvestments III, LLC, GAP Coinvestments IV, LLC, GAP Coinvestments CDA, L.P., GAPCO Management GmbH, and GAPCO GmbH & Co. KG (collectively, the “Reporting Persons”), which states that each Reporting Person has shared voting and shared dispositive power over 19,564,553 shares. The Schedule 13G states that the Reporting Persons are a “group” within the meaning of Rule 13d-5 promulgated under the Securities Exchange Act of 1934, as amended, and may be deemed to beneficially own 19,564,553 shares. This information is adjusted for the disposition of 6,281,645 shares as reported on Form 4 dated as of March 7, 2012.
- (3) Based on information provided to First Republic, each of the three investing members of the Hernandez family holds her shares of common stock through her respective Canadian limited partnership beneficially owned by an individual trust created under the laws of Mexico of which she will be the grantor and primary beneficiary. If each such family member is deemed to share beneficial ownership with the others, she would hold approximately 8.0% of the outstanding shares of common stock. Each of the three investing members of the Hernandez family is unrelated to Dr. Hernández, a member of the Board.

- (4) This information has been derived from Schedule 13F dated as of January 26, 2012 by GI Partners Fund III L.P. (“GI III”), GI Partners Fund III-A L.P. (“GI III-A”), GI Partners Fund III-B L.P. (“GI III-B”), GI GP III L.P. (“GI GP LP”), GI Holdings III L.P. (“GI Holdings”), and GI GP III LLC (“GI GP LLC”) (collectively, the “Reporting Persons”), which states that each of the Reporting Persons has shared voting and shared dispositive power over 7,777,934 shares. The Schedule 13F states that each of GI III, GI III-A, GI III-B, GI GP LP, GI Holdings, and GI GP LLC disclaims beneficial ownership of such shares as to which they are not the record owner.

Compliance with Section 16(a) of the Securities Exchange Act

In accordance with Section 16(a) of the Securities Exchange Act of 1934, the FDIC requires our executive officers and directors and persons who beneficially own more than 10% of the registered class of our equity securities to file reports of ownership and changes in ownership with the FDIC. Executive officers, directors and greater than 10% beneficial owners are required to furnish us with copies of all Section 16(a) forms they file.

Based solely on its review of the copies of reports of ownership and changes in ownership provided to First Republic by certain reporting persons pursuant to Section 16(a) of the Securities Exchange Act of 1934, or written representations from certain reporting persons, we believe that during the 2011 fiscal year all Section 16(a) filing requirements applicable to our executive officers, directors and greater than 10% beneficial owners were complied with within the reporting deadlines, except for Mr. Lichtman, who did not timely report one sale of common stock, and Mr. Ford, who did not timely report one gift of common stock.

EXECUTIVE COMPENSATION

Compensation Committee Report to Shareholders

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with management. Based on its review and discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement and incorporated into First Republic’s Annual Report on Form 10-K for the year ended December 31, 2011.

THE COMPENSATION COMMITTEE

Pamela J. Joyner (Chair)

William E. Ford

L. Martin Gibbs

George G.C. Parker

Compensation Discussion and Analysis

Introduction

The compensation disclosure tables and associated narrative discussions which follow this Compensation Disclosure and Analysis provide information regarding compensation for the past three years, but this Compensation Discussion and Analysis primarily focuses on the compensation earned in the 2011 fiscal year by our Chairman and Chief Executive Officer, our Executive Vice President and Chief Financial Officer, and the three other highest paid executive officers of the Bank (together, our “named executive officers”). This section explains our executive compensation philosophy and objectives, our compensation determination process, the key components of our compensation program and the decisions related to compensation earned in 2011 and the last six months of 2010 for each of our named executive officers, including compensation decisions related to consummation of the Transaction.

Compensation for 2009 and the first half of 2010 was earned while we operated as a division of BANA and was based on employment agreements with and the compensation policies of MLFSB and BANA. During the first half of 2010, we did not have a separate independent board of directors or compensation committee. The

compensation of our Chairman and Chief Executive Officer (“CEO”) and our President and Chief Operating Officer (“President”) was set, in each case, by separate, three-year employment agreements negotiated with Merrill Lynch in May 2007, which expired in January 2010. Also, the compensation of our Executive Vice President and General Counsel (“General Counsel”) was set in a separate two-year agreement negotiated in May 2008. All three of these employment agreements expired prior to June 30, 2010 and the compensation policies of MLFSB and BANA are no longer applicable to the compensation of the named executive officers or other employees of the Bank. Compensation decisions for our other named executive officers were made by our CEO and President as the senior officers responsible for the First Republic division of BANA.

Following the Transaction to reestablish First Republic as an independent entity on July 1, 2010, the Compensation Committee of the Board has been and will continue to be responsible for establishing our compensation philosophy and programs and for determining appropriate payments and awards to our named executive officers subject to agreements put in place at the time of the Transaction. The Compensation Committee is responsible for reviewing and administering our policies governing compensation for our executive management team (our CEO, President, Executive Vice President and Chief Financial Officer (“CFO”), Executive Vice President and Chief Credit Officer (“Chief Credit Officer”), and General Counsel, and any other officer who is required to file beneficial ownership reports with respect to our stock under Section 16 of the Securities Exchange Act of 1934, as amended), in some cases, subject to approval or ratification by the Board. Four members of the Board sit on the Compensation Committee, all of whom are independent directors as defined in the corporate governance listing standards of the NYSE. The Compensation Committee’s function is more fully described in its charter which has been approved by the Board.

Effect of the Transaction on Executive Compensation in 2010 and 2011

The following events occurred in 2010 and in 2011 with respect to the compensation arrangements of the named executive officers as a result of the Transaction:

- Notwithstanding their termination of employment from BANA, certain Bank of America restricted stock units held by the named executive officers were deemed to be vested and will continue to be distributed according to their original schedule, subject to compliance with the terms and conditions of the BANA plan. Such shares are being distributed in 2011, 2012, and 2013.
- All of the shares of Bank of America restricted stock, and a portion of the Bank of America restricted stock units held by Mr. Herbert and Ms. August-deWilde, were immediately vested and paid out in cash by BANA in July 2010, as follows for named executive officer: Mr. Herbert (\$250,624); Mr. Newton (\$437,799); Ms. August-deWilde (\$809,741); Mr. Lichtman (\$395,675); and Mr. Dobranski (\$307,335).
- Pursuant to their employment agreements with MLFSB, during the first six months of 2010 Mr. Herbert received a cash retention bonus of \$1,125,000, and Ms. August-deWilde received a cash retention bonus of \$375,000.
- The named executive officers received cash payments in 2010 for unused vacation and Ms. August-deWilde, Mr. Newton and Mr. Dobranski received cash payments for unused sabbatical time as of June 30, 2010.
- Employment agreements of Mr. Herbert, Ms. August-deWilde and Mr. Dobranski with the First Republic division of MLFSB and BANA expired prior to or ceased to be in effect as of the date of the Transaction.
- Mr. Herbert and Ms. August-deWilde each entered into new employment agreements with the Bank, which became effective upon the closing of the Transaction, as described in “—Compensation Discussion and Analysis—Overview of Compensation—Employment Agreements.”
- Following the Transaction, each named executive officer received grants of stock options from the Bank, as described in “—Compensation Discussion and Analysis—Long-Term Incentives.”

Except as described above, the named executive officers did not receive any change in control payments or accelerated vesting of equity awards or other benefits as a result of the Transaction.

2011 Say on Pay Vote Results

At our 2011 annual meeting of shareholders held on May 17, 2011, as required by Section 14A(a)(1) of the Securities Exchange Act of 1934, as amended, our shareholders were presented an opportunity to vote on an advisory basis with respect to the compensation of our named executive officers. At that meeting 98% of the shareholders voted for the Bank's "say on pay" proposal. In light of the support the proposal received, the Bank's compensation policies and decisions continue to be focused on long-term financial performance to drive shareholder value. While this is a non-binding, advisory vote, the Committee intends to take into account the outcome of the vote when considering future executive compensation arrangements.

2011 Say on Frequency

At the same annual meeting, as required by Section 14A(a)(2) of the Securities Exchange Act of 1934, as amended, shareholders were presented with an opportunity to vote on an advisory basis whether the non-binding, advisory vote with respect to executive compensation should occur every one, two or three years. A majority of the voting shares were voted in favor of holding the non-binding, advisory vote on an annual basis and, in accordance with this shareholder preference, the Board determined that the non-binding, advisory vote with respect to executive compensation will be held on an annual basis.

Overview of Compensation

The following discussion describes our compensation approach as an independent entity and the material elements of our compensation programs for 2011. Also, this discussion generally applies to the last six months of 2010, following the completion of the Transaction on June 30, 2010. First Republic completed an initial public offering in December 2010, which affected certain elements of our compensation.

Our current compensation program includes features which we believe drive performance and excludes features we do not believe serve our shareholders' long-term interests. The table below highlights some of these features:

| Included Features | Excluded Features |
|---|--|
| <ul style="list-style-type: none"> ✓ At-risk Compensation—Our named executive officers receive the majority of their compensation in performance-based compensation (annual incentives, stock options and performance-contingent restricted stock implemented in early 2012). ✓ Stock Ownership Guidelines—In early 2012, we implemented guidelines whereby our executive officers and non-employee directors are expected to hold a multiple of their base salaries and annual retainer, respectively, in the Bank's common stock. ✓ Clawback Policy—Awards under the 2010 Omnibus Award Plan are subject to certain clawback and forfeiture provisions. ✓ No Pledging Policy—Our executive officers are prohibited from holding Bank securities in margin accounts or pledging Bank securities as collateral for loans. | <ul style="list-style-type: none"> ✓ No excise tax gross-ups—We do not provide tax gross-up payments for any excise tax imposed on certain so called "excess parachute payments" under the Code. ✓ No "single trigger" severance payments—We have no agreements which allow for severance payments to be made solely on account of the occurrence of a change in control event. ✓ No guaranteed base salary increases. ✓ No guaranteed minimum bonuses. ✓ No guaranteed equity awards. |

2011 Company Results

As highlighted below, the Bank performed strongly in 2011:

- The Bank has been profitable for 26 consecutive years, earning \$352 million in 2011;
- Total assets increased 24% to \$28 billion from \$22 billion a year ago;
- The Bank grew loan balances and deposits by 20% and 17%, respectively;
- Wealth management assets grew by 21%;
- Non-performing assets were less than 1/8th of one percent of total assets;
- Book value per share increased 17%; and
- The Tier 1 leverage ratio was 8.81% and total risk-based capital ratio was 13.65%.

Pay Levels and Benchmarking

In making determinations regarding executive compensation, the Compensation Committee expects to continue to engage the services of a compensation consultant. For 2010, the Compensation Committee retained Steven Hall & Partners (“SH&P”) to assist in a review of competitive compensation levels, including base salary, annual incentive (bonus) compensation, total cash compensation, long-term incentives, and other compensation. SH&P does not provide any other services to the Bank and its subsidiaries. The consultant summarizes certain data for the Compensation Committee and collects similar data on other companies. The data reflects compensation practices at companies that we, with input from the consultant, consider to be key competitors, with similar service offerings and includes banks comparable in total assets and managed assets (the “Peer Group”). The data provided also includes a summary of financial performance for us and the Peer Group. For 2010 the Peer Group included the following companies:

- | | |
|--------------------------------------|-----------------------------------|
| • Northern Trust Corporation | • People’s United Financial, Inc. |
| • Comerica Incorporated | • City National Corporation |
| • Marshall & Ilsley Corporation | • Commerce Bancshares, Inc. |
| • Zions Bancorporation | • TCF Financial Corporation |
| • Discover Financial Services | • Cullen/Frost Bankers, Inc. |
| • CME Group Inc. | • NYSE Euronext |
| • Visa Inc. | • BancorpSouth, Inc. |
| • First Horizon National Corporation | • CapitalSource Inc. |
| • BOK Financial Corporation | • Whitney Holding Corporation |
| • IntercontinentalExchange, Inc. | • NASDAQ OMX Group, Inc. |

During 2011, the Compensation Committee engaged Pearl Meyer & Partners to provide similar consulting services. The consultant summarizes certain data for the Compensation Committee and collects similar data on other companies. The data reflects compensation practices at companies that we, with input from the consultant, consider to be key competitors, with similar service offerings and includes banks comparable in total assets and managed assets (the “Peer Group”). The data provided also includes a summary of financial performance for us and the Peer Group. In 2011, our Compensation Committee reviewed and revised our Peer Group. Our Peer Group will be reviewed and updated periodically by the Compensation Committee. Our 2011 revised Peer Group excludes three prior peers which were acquired (Marshall & Ilsley Corp., Whitney Holding Corp. and Wilmington Trust Corp.) and three peers excluded due to business operations which were considered to be less aligned with the Bank’s operations (CapitalSource, Inc., CME Group Inc., and Visa Inc.). In place of these six companies, the Bank added four additional peer banks—M&T Bank Corporation, Privatebancorp, Inc., Signature Bank, and SVB Financial Group.

As disclosed in our 2011 Proxy Statement, the Bank filed the prior Peer Group compensation data and the proposed employment agreements of our CEO and President with the FDIC. Recommendations from the FDIC were incorporated into the final employment agreements which were reviewed by the FDIC as part of the regulatory approval of the Transaction. Subsequent to June 2010, the FDIC has not been actively involved in the Bank's compensation practices.

Pay levels and adjustments for named executive officers other than the CEO and President are determined by the Compensation Committee after considering the pay levels among the Peer Group as well as other factors including individual efforts and our performance against business plans approved by the Board. As part of the market benchmarking process, the Compensation Committee has considered and will regularly consider our financial performance in comparison with the companies in the Peer Group. The Compensation Committee generally targets total compensation at above average levels for above average performance, primarily with respect to total shareholder return and other return measures. The Compensation Committee also focuses on maintaining an above average share of compensation at risk through the use of performance-based compensation.

The Compensation Committee is responsible for evaluating performance of the named executive officers and determining compensation levels. The full Board reviews the Compensation Committee's recommendations regarding the annual salary, bonus and other compensation matters for the executives. The CEO and, as appropriate, other members of management generally attend Compensation Committee meetings to discuss individual and Bank performance goals and outcomes as well as desired compensation approaches for the Bank. However, only Compensation Committee members are allowed to vote on decisions made regarding executive compensation.

The Compensation Committee met with the CEO and President to discuss their own compensation packages, but ultimately decisions regarding these packages are made solely based upon the Compensation Committee's deliberations with input from its compensation consultant, and are subject to the provisions of their employment agreements with us (for additional information, see "—Compensation Discussion and Analysis—Employment Agreements"). Decisions regarding other named executive officers are made by the Compensation Committee after considering recommendations from the CEO, as well as input from our compensation consultant.

Compensation Philosophy & Objectives

Our compensation philosophy is based on the belief that executive compensation should closely reflect the achievement of results as measured by key indicators of our performance, including both short-term and long-term measures, and the development and implementation of effective strategic business plans approved by the Board annually. Incentive compensation programs have been developed to motivate and reward named executive officers for their contribution to our performance and the creation of value for shareholders through the use of financial measures of performance in our incentive compensation plans.

The compensation plan for named executive officers is based upon the following goals and policies:

- A significant portion of executive compensation should be incentive compensation that is directly linked to our strategy and our annual performance, which supports achievement of both our short-term and long-term financial safety and performance goals;
- Incentive compensation should be based on the measures of our performance that are most meaningfully related to the creation of value for shareholders, such as the level of earnings, return on equity, return on assets, asset quality, efficiency and regulatory criteria;
- Compensation programs should support our long-term strategic goals and objectives;
- Compensation programs should incentivize and reward individuals for outstanding contributions to our success, including performance under difficult economic circumstances; and

- Compensation programs should encourage financial safety and soundness and not encourage excess risk taking.

We utilize five main components of compensation:

- Base Salary—fixed pay established at levels that are comparable to salaries for executive officers performing similar duties for financial institutions of comparable size;
- Annual Incentives—variable pay that is designed to reward attainment of specified performance goals, with award opportunities generally expressed as a percentage of a total established pool or a percentage of a predetermined target;
- Long-Term Incentives—time-vested and performance-based stock options as well as performance-contingent and service-based vesting restricted stock (implemented in 2012), designed to induce named executive officers to remain with us and to provide them with long-term incentives for sustained high levels of performance;
- Retirement Benefits—401(k) plan, supplemental executive retirement plan and life insurance benefits provided consistent with practices of certain of our competitors and peer companies, and designed to serve as an executive retention tool; and
- Perquisites—additional benefits, comprising a modest proportion of total compensation, in accordance with the recognized market practice among our competitors and peer companies.

Each component is discussed below in greater detail. We believe that the use of relatively few, straightforward compensation components promotes the effectiveness and transparency of our executive compensation program and enables us to be competitive in the banking industry. No formula or specific weightings or relationships are used with regard to the allocation of various compensation components. Under the Bank's compensation philosophy, the mix of base salary, annual incentive and long-term incentive varies with an executive's responsibilities and position. For the named executive officers, who set the overall strategy of our business and have the greatest ability to influence that strategy, a majority of compensation should be performance-based with the greatest compensation opportunities weighted toward long-term objectives. The compensation mix for Mr. Herbert and Ms. August-deWilde is substantially set by their employment agreements which were negotiated with investors and reviewed by the FDIC prior to the closing of the Transaction and were subsequently amended in February 2012. See "—Compensation Discussion and Analysis—Employment Agreements."

In 2010, the federal banking agencies jointly issued new guidance relating to incentive compensation policies at insured depository institutions. In general, the guidance is principles-based and requires insured depository institutions to seek to assure that their incentive compensation policies do not encourage undue risk taking by management officials and other employees. The Compensation Committee has given and intends to continue giving due regard to the principles of this guidance in developing and administering our compensation program for our named executive officers and other employees.

Base Salary

Salaries for named executive officers are established based on competitive pay levels for similar positions, as well as Bank and individual performance. Because our compensation philosophy places emphasis on incentive compensation, base salaries are intended to be comparable to median salaries for similarly situated executives within the Peer Group. The Compensation Committee will review base salaries every two years, or earlier if appropriate, including if the salary of any named executive officer falls significantly below the 50th percentile of the Peer Group.

The table below sets forth the base salary earned by our named executive officers for 2011 and for 2010 including the six months prior to the Transaction:

| <u>Title</u> | <u>Base Salary</u> | |
|---|--------------------|-------------|
| | <u>2011</u> | <u>2010</u> |
| James H. Herbert, II, CEO | \$750,000 | \$720,000 |
| Willis H. Newton, Jr., CFO | \$375,000 | \$325,000 |
| Katherine August-deWilde, President | \$750,000 | \$593,000 |
| David B. Lichtman, Chief Credit Officer | \$375,000 | \$350,000 |
| Edward J. Dobranski, General Counsel | \$350,000 | \$300,000 |

During the first six months of 2010, base salaries for Mr. Herbert and Ms. August-deWilde were paid on a basis consistent with the employment agreements negotiated with Merrill Lynch in early 2007, and the base salary for Mr. Dobranski was set in his 2008 employment agreement. The base salaries for 2010 of Willis H. Newton, Jr., our CFO, and David B. Lichtman, our Chief Credit Officer, were set by our CEO and President. Base salaries for Messrs. Newton and Lichtman were intended to be comparable to similarly situated employees in the financial services industry and relatively consistent with prior years.

Pursuant to the employment agreements between us and Mr. Herbert and Ms. August-deWilde, which became effective at the time of the Transaction on July 1, 2010, the annual base salary of each of Mr. Herbert and Ms. August-deWilde was increased to \$750,000. For additional information, see “—Compensation Discussion and Analysis—Employment Agreements.” Other than Mr. Herbert and Ms. August-deWilde, the 2010 annual base salaries of each of our named executive officers remained unchanged after the Transaction.

Following a peer group comparison review in November 2010, the CEO recommended and the Compensation Committee approved that the base salaries for Mr. Newton, Mr. Lichtman and Mr. Dobranski be increased for 2011, as indicated in the table above.

Annual Incentives

For the first six months of 2010, Mr. Herbert and Ms. August-deWilde received cash bonuses based on 50% of the aggregate annual amount due for the prior year. For the first six months of 2010, Mr. Dobranski was entitled to a guaranteed bonus pursuant to his 2008 employment agreement. These bonus payments were not based on performance measures or goals. These bonus amounts for the first six months of 2010 were \$2,655,000 for Mr. Herbert, \$2,282,000 for Ms. August-deWilde and \$500,000 for Mr. Dobranski.

Under their employment agreements with the Bank, Mr. Herbert and Ms. August-deWilde are each entitled to an annual cash bonus opportunity equal to a maximum of 0.5% of our pre-tax profit each fiscal year (prorated for 2010 from the date of the Transaction), subject to their continued employment. Pre-tax profit consists of our net income before tax and before bonuses paid to Mr. Herbert and Ms. August-deWilde, excluding all extraordinary or non-recurring items, including future business combinations. Under their agreements, the amount of the annual bonus opportunity is based upon (a) satisfaction of certain financial safety and soundness criteria relating to the quarterly average of nonperforming assets to total assets and certain regulatory criteria and (b) the attainment of specified levels of after-tax annual return on average tangible assets and average tangible equity. The Compensation Committee regards the performance measures relating to after-tax annual return on average tangible assets and average tangible equity as important financial benchmarks for measuring our performance. The performance measure relating to the ratio of nonperforming assets to total assets is included in order to emphasize asset quality. The performance measure relating to certain regulatory criteria is intended to emphasize the general operation of the Bank in a financially safe and sound manner. The Compensation Committee believes that this mix of financial safety and performance measures appropriately balances incentives for growth, financial performance and risk management for our CEO and President. Once the bonus opportunity is determined, the weightings of the corporate performance measures under each employment agreement is as follows: (1) average of the ratio of quarterly nonperforming assets to total assets—30%; (2) certain regulatory

criteria—30%; (3) annual after-tax return on average tangible assets—20%; and (4) annual after-tax return on average tangible equity—20%. For each of these performance measures, each employment agreement provides for threshold and higher levels of performance. If the threshold level of performance is achieved, Mr. Herbert and Ms. August-deWilde will each receive 25% of the calculated award (except for the regulatory rating criteria in which case 100% of the calculated award will be earned) with increasing percentages being earned upon further criteria being attained, up to 100% of the calculated award being earned if the highest performance criteria are attained.

The bonus opportunity for Mr. Herbert and Ms. August-deWilde was calculated as of and for the year ending December 31, 2011. The average of the ratio of quarterly nonperforming assets was approximately 0.11%, which was less than the target of 1.25% required to earn 100% for this measure. The regulatory criteria were met, resulting in earning 100% for this measure. The return on average tangible assets was 1.40%, which was in excess of the target 0.90% required to earn 100% for this measure. The return on average tangible equity was 16.2% which was in excess of the target of 12.0% required to earn 100% for this measure. 100% of the performance targets were achieved. It was determined that the cash bonus opportunity earned by Mr. Herbert and Ms. August-deWilde for 2011 was \$2,762,415 for each person.

With respect to the last six months of 2010, the performance targets were the same and the calculations of the bonus opportunity for Mr. Herbert and Ms. August-deWilde were similar to those described for 2011. Since all the performance targets were achieved, a cash bonus opportunity was earned by Mr. Herbert and Ms. August-deWilde of \$1,312,210 for the last six months of 2010. These calculations for 2011 and 2010 were reviewed by the Bank's independent auditors and approved by the Chairman of the Compensation Committee prior to payment. For additional information see “—Compensation Discussion and Analysis—Employment Agreements.”

In December 2009, Messrs. Newton, Lichtman and Dobranski each negotiated individual incentive compensation plans with our CEO and President with respect to their duties at First Republic for the 2010 fiscal year. These plans were assumed and continued by the Bank following the Transaction. On April 26, 2010, the Compensation Committee reviewed these incentive compensation plans and adopted them as plans of the Bank. One of the key considerations of the Compensation Committee in adopting the plans was that, as of the anticipated closing date of the Transaction (June 30, 2010), these plans would have been in place through approximately one-half of the year and each of the relevant named executive officers had a reasonable expectation that his plan would operate for the balance of 2010. The Compensation Committee also determined that each plan was generally consistent with our overall compensation philosophy because each plan linked the relevant named executive officer's compensation to our performance and is also individually tailored for each named executive officer to reward results in the areas where he can influence results. The CEO or the President made a determination of the incentive compensation to be paid under these plans for 2010 and submitted their recommendations to the Compensation Committee for approval prior to payment.

In addition, the Compensation Committee noted that each plan promotes our financial safety and soundness by reducing bonuses for a year when there are low earnings, asset quality problems or weak deposit growth. For each of the relevant named executive officers, the amount of bonuses earned in 2011 and 2010 could have been reduced by 10% in total if First Republic failed to achieve certain targets relating to return on equity, levels of nonperforming loans and non-CD deposit growth, none of which were individually weighted. The Bank earned a return on average tangible common equity for 2011 and 2010 of 15.0% and 16.9%, which exceeded the minimum target of 12.0%. Nonperforming loans and loans past due 60 days at December 31, 2011 and 2010 were 0.11% and 0.10% of total loans, which was lower than the maximum allowed amount of 1.25% of total loans. The average balances in the Bank's non-CD deposits for the fourth quarter of 2011 and 2010 were up 37% and 19% compared with the prior year, which exceeded the minimum growth target of 10.0%. Since each of these targets was achieved for each year, no reductions were made in the amount of annual incentive compensation paid to these three executive officers for 2011 and 2010.

Mr. Newton's target bonus for 2011 was \$850,000, subject to the possible 10% performance reduction described above. Our CEO evaluated the performance of Mr. Newton for 2011 as the senior financial executive. During the year, he continued to develop other financial executives, communicated effectively with third parties, contributed to the timely and accurate reporting of the Bank's financial results and helped to complete a secondary offering. As a result, the CEO determined and he advised the Compensation Committee that Mr. Newton would be awarded 100% of his target bonus for 2011, or \$850,000.

Mr. Lichtman's maximum bonus potential for 2011 was \$850,000. Mr. Lichtman's incentive compensation plan included subjective measures with a payout of up to \$100,000 and objective performance measures with a total payout of up to \$750,000. The incentive compensation plan included the following unweighted subjective measures of Mr. Lichtman's performance in the following areas: (1) keeping credit quality high by avoiding large, complex or unusual transactions; (2) ensuring a smooth and quick credit approval process; (3) playing a senior executive role in conflict resolution; (4) improving the effort and flexibility of the credit function; and (5) enhancing and expanding credit training.

Mr. Lichtman's objective performance measures for 2011 included minimizing the total value of all nonaccrual loans, REO, restructured performing loans, accruing single family loans over 90 days past due for balance sheet and sold loans, which was weighted at 70%; increasing our cross-selling to customers, which was weighted at 10%; and increasing checking accounts, which was weighted at 20%. The threshold bonus payable under these objective performance measures was \$500,000 and the maximum amount payable was \$650,000. Additionally, an objective bonus of \$100,000 could be earned by achieving an increase in smaller client, credit scored loan and deposit volume and having modest chargeoffs on the resulting loan portfolio. The achievement of these performance measures was evaluated by the President, who advised the Compensation Committee. It was determined by the President that Mr. Lichtman exceeded all of the subjective measures, and he was awarded a subjective bonus of \$122,500, or \$22,500 more than the original target for 2011. Mr. Lichtman was found to have achieved 100% of his performance goals for asset quality and Bank-wide checking growth, approximately 80% of his goal for cross-sell success, and approximately 90% of his goals for credit scored lending, resulting in an objective bonus award for 2011 under these measures of \$640,000 out of a possible bonus award of \$650,000. The Bank's nonperforming assets (as described above) as a percentage of total assets were 0.11% at December 31, 2011, which was below the target of 0.30% required to achieve 100% performance for this measure of \$455,000. The Bank's cross-sell success was 8.7 products per new home loan client, which resulted in a bonus of \$55,000 for this measure instead of a maximum of \$65,000. The average checking balances for the fourth quarter of 2011 was \$7.4 billion, which exceeded the target of \$6.0 billion required to achieve 100% performance for this measure of \$130,000. Additionally, smaller client growth was slightly below the target required to achieve 100% performance for this objective measure, so \$87,500 was earned. Collectively, Mr. Lichtman received objective bonus awards for 2011 of \$727,500, or an aggregate bonus award of \$850,000.

Mr. Dobranski's bonus for 2011 was based on the subjective, unweighted evaluation by our CEO, in the following areas: expanding our independent legal department; maintaining a high quality of regulatory liaison and completing all appropriate filings in a timely manner; managing our ability to operate as an independent legal entity in all markets; directing our governance as a public company; and establishing strong structure and personnel for the Bank's compliance risk management program. It was determined by our CEO, who advised the Compensation Committee, that Mr. Dobranski achieved all of the subjective measures and he was awarded a subjective bonus of \$725,000 for 2011.

Long-Term Incentives

Long-term incentives are used to retain and motivate named executive officers to improve long-term results and ultimately our book value and stock performance.

The First Republic Bank 2010 Omnibus Award Plan (the "Stock Award Plan") was adopted in connection with the Transaction, which was effective June 30, 2010, and expires by its terms on June 30, 2020. The Stock

Award Plan provides for the issuance of a maximum of 16,927,273 shares of common stock pursuant to awards. Under the Stock Award Plan, the Compensation Committee may award incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock, restricted stock units and other stock-based awards.

2010 Awards

Beginning in July 2010, we began to use stock options with service and performance-based vesting criteria as our primary long-term incentive vehicle for our named executive officers. Stock options were granted on July 1, 2010 to all named executive officers. These stock options have a ten-year term and consisted of the following three types of awards:

- Time-vested options, intended as a one-time award in connection with the Transaction, which vest over four years based on the continued employment of the relevant named executive officer, which are referred to as “service options”;
- Performance-vested options which vest based on our financial and operational performance over four performance years and also require continued employment of the relevant named executive officer, which are referred to as “performance options”; and
- For the Chairman and Chief Executive Officer and President and Chief Operating Officer, performance options which vest based on the return on investment in the Bank by the investors contributing capital to the Bank in connection with the Transaction (the “Initial Investors”), which are referred to as “super-performance options.”

All stock options were granted on July 1, 2010, with exercise prices equal to the fair market value of our common stock on the date of grant (determined by the Board to be \$15 per share, the amount paid per share by the Initial Investors on the date of the Transaction) and have value only to the extent our stock price is above \$15 per share.

Mr. Herbert and Ms. August-deWilde each were granted options to purchase 4,937,121 shares of our common stock at an exercise price of \$15 per share in July 2010. This award was divided into service options to purchase 1,410,606 shares, performance options to purchase 2,821,212 shares and super-performance options to purchase 705,303 shares. The number of shares and type of options granted were determined under the terms of the employment agreement with each of Mr. Herbert and Ms. August-deWilde. For additional information regarding such options, including the conversion of performance options into service options, see “—Executive Compensation Tables—Narrative to Summary Compensation Table and Grants of Plan-Based Awards Table.” There have been no additional grants of stock options to any of the named executive officers since July 1, 2010.

Also upon completion of the Transaction, service options and performance options were granted to Messrs. Newton, Lichtman, and Dobranski, covering 100,000, 165,000 and 140,000 shares, respectively. The exercise price was \$15 per share. The grants to Messrs. Newton and Lichtman consisted of 20% service options and 80% performance options and the grant to Mr. Dobranski consisted of 25% service options and 75% performance options. The percentage of service options awarded was generally based on the contributions of each individual in 2009 and 2010 towards the completion of the Transaction. Performance options granted to Messrs. Newton, Lichtman and Dobranski generally vest pro rata over a four year service period, subject to the attainment of three corporate performance goals, weighted at the date of grant according to the responsibilities of the executive. The performance options scheduled for vesting in a calendar year will only vest if the return on average tangible common equity exceeds 12%, if non-CD deposits, on average, grow by more than 10%, or if the average of nonperforming assets as the end of each quarter are less than 1.25% of total assets. For calendar years 2011 and 2010, each of these performance criteria were achieved: return on average tangible common equity was 16% and 18%; the growth in the average balance of non-CD deposits was 37% and 32%; and nonperforming assets averaged 0.11% and 0.54% of total assets, respectively.

As a result, all of the performance options for 2010 were earned and became vested and exercisable on June 30, 2011 and all of the performance options for 2011 were earned and will be vested and exercisable on April 30, 2012. The options are subject to accelerated vesting upon the occurrence of certain change in control transactions where the executive is terminated without cause. See “—Executive Compensation Tables—Narrative to Summary Compensation Table and Grants of Plan-Based Awards Table.”

2011 Awards

The Bank did not issue equity awards to the named executive officers during 2011, primarily due to the significant level of equity granted to the named executive officer in connection with the Transaction.

2012 Awards

In February 2012, the Compensation Committee recommended and the Board approved that future stock-based awards be in the form of restricted stock or restricted stock units to provide further balance in the compensation program and not rely on one measure or vehicle for compensation, as well as to balance upside opportunity from stock options with additional exposure to downside risk from restricted stock or restricted stock units. The Compensation Committee does not expect to continue to award service stock options or performance-based stock options to directors, named executive officers or to other key employees.

As further described in “—Compensation Discussion and Analysis—2012 Amendments to Employment Agreements,” Employment Agreement Section, the Bank amended the employment agreements with Mr. Herbert and Ms. August-deWilde. These amended employment agreements provide performance-contingent restricted stock awards with vesting extended through the desired service period, December 31, 2019 and December 31, 2016, for Mr. Herbert and Ms. August-deWilde, respectively. In approving, these additional equity awards the Committee considered the executives’ future role, time commitments, the desire to retain the executive through the transition period and market pay levels for each position.

Prior stock compensation gains are not generally considered in setting future compensation levels, although we do consider the number of stock option grants that have previously been awarded when considering future grants of equity awards. We also consider the Bank’s ability to retain executives at any given time, and how future equity awards balance the risk profile of outstanding awards. As a public company, the Bank does not make equity awards during special blackout periods and generally intends to follow the practice of granting awards once a quarter, with the exception of newly-hired personnel.

Retirement

401(k) Plan and Other

All employees of the Bank who have been employed by the Bank for more than six months, including each of the named executive officers, are eligible to participate in the Bank’s 401(k) Plan. The Internal Revenue Code of 1986, as amended (the “Internal Revenue Code”) establishes an annual limit on the amount of any voluntary employee contributions to a 401(k) plan (which, for 2010, was \$16,500 plus \$5,500 if the employee is 50 years old or more). The amount of the match under the BANA 401(k) Plan was a maximum of \$2,000 per year, plus up to \$14,700 for other retirement plans. Beginning July 1, 2010, the maximum match under the First Republic 401(k) Plan is 50% of eligible contributions up to \$6,125.

Life Insurance Death Benefits

Since 2004, we have been a party to an Endorsement Method Split-Dollar Agreement (the “Insurance Plan”) with each of the named executive officers. Pursuant to these agreements, we agree to maintain a life insurance policy and pay to the named executive officer’s designated beneficiary a portion of the proceeds payable upon the death of the named executive officer. For 2011, the death benefit payable to each named executive officer’s

beneficiary was \$2,700,000 in the case of Mr. Herbert, \$2,900,000 in the case of Ms. August-deWilde, \$2,500,000 in the case of Mr. Newton, \$2,700,000 in the case of Mr. Lichtman and \$1,250,000 in the case of Mr. Dobranski. The agreement to pay a portion of the death benefit will terminate at age 70 in the case of Mr. Herbert, Ms. August-deWilde and Mr. Newton, and at age 65 in the case of Mr. Lichtman and Mr. Dobranski. For a short period following termination of employment, each named executive officer will have the option to purchase the underlying life insurance policy from us. Initially, the named executive officers were entitled to a reduced death benefit if his or her employment was terminated prior to age 65. As a result of the acquisition of First Republic in 2007, we prepaid all premiums to the insurance carrier and each named executive officer became fully vested in benefits under the insurance plan; substantially all the premiums would be repaid by the named executive officer upon purchase of the policy.

Supplemental Executive Retirement Plan (“SERP”)

In 2004, we adopted a SERP covering the named executive officers. The purpose of the SERP is to provide supplemental retirement funds, which can be used by each named executive officer to purchase the life insurance policy under the Insurance Plan from us at its estimated cash surrender value. Initially, if the named executive officer remained employed by us until he or she reached age 65 (or if he or she became disabled prior to age 65), the named executive officer would be entitled to a lump sum payment approximately equal to \$1,700,000 in the case of Mr. Herbert, \$1,600,000 in the case of Ms. August-deWilde, \$1,400,000 in the case of Mr. Newton, \$900,000 in the case of Mr. Lichtman and \$410,000 in the case of Mr. Dobranski. The retirement benefit would be payable to Mr. Herbert, Ms. August-deWilde and Mr. Newton at age 70, and to Mr. Dobranski and Mr. Lichtman at age 65. As a result of the acquisition of First Republic by MLFSB in 2007, each named executive officer became fully vested in these SERP benefits even if his or her employment were terminated prior to age 65.

Perquisites

Our policy is to provide competitive compensation and benefit plans and to offer perquisites to our named executive officers which represent a very modest portion of their total compensation and which are usual and customary for similar corporate entities. In 2011, the perquisites provided to some of our named executive officers included a leased automobile or an auto allowance, daytime parking near corporate headquarters, financial planning and tax return preparation services and club membership dues.

Employment Agreements

In connection with the Transaction, we entered into employment agreements effective June 30, 2010 with Mr. Herbert and Ms. August-deWilde setting forth the terms and conditions of their employment with us. These employment agreements were approved by the Compensation Committee and the Board on April 26, 2010 and May 6, 2010, respectively. These employment agreements were also reviewed by the FDIC as part of its review and regulatory approval of the Transaction. While these employment agreements were the product of arm’s-length negotiation between the Initial Investors and the executives, the Compensation Committee and the Board also concluded that these agreements promote and are consistent with our philosophy on executive compensation.

The Compensation Committee and the Board believe that these employment agreements promote the retention of these two key executive officers of the Bank by providing an attractive overall compensation package, allowing Mr. Herbert and Ms. August-deWilde to share in our long-term success and providing stability of employment resulting from a guaranteed base salary and change in control provisions. Our philosophy regarding post-employment benefits, including following a change in control, is described in “—Compensation Discussion and Analysis—Policy on Post-Employment and Change in Control Benefits.” In addition, the Compensation Committee determined that these two named executive officers are best situated to influence our future success, for the benefit of our shareholders, employees and customers. As a result, these employment agreements provide for a mix of annual and long-term incentives designed to motivate and reward these named

executive officers for our performance. These incentives are designed to provide annual cash bonuses and stock options designed to provide long-term incentives to maximize shareholder value. As architects and promoters of our strong workplace culture, these named executive officers were given contractual provisions designed to encourage and empower them to continue to promote this culture.

The employment agreements with Mr. Herbert and Ms. August-deWilde provide for severance and other benefits, which are designed to provide economic protection so that the executive can remain focused on our business without undue personal concern in the event that his or her position is eliminated or, in some cases, significantly altered by the Bank, which is particularly important in light of the executives' leadership roles at the Bank. The Compensation Committee believes that providing these severance and change in control benefits is common among similarly situated companies and remains essential to recruiting and retaining key executives, which is a fundamental objective of our executive compensation program. For more information regarding the terms and conditions of Mr. Herbert's and Ms. August-deWilde's employment. See "—Executive Compensation Tables—Narrative to Summary Compensation Table and Grants of Plan-Based Awards Table." Additional description of the severance and change in control provisions of these employment agreements is included in "—Potential Payments Upon Termination or Change in Control—Employment Agreements."

2012 Amendments to Employment Agreements

Effective February 27, 2012, in connection with its ongoing succession planning objectives, the Bank and Mr. Herbert amended Mr. Herbert's employment agreement to extend the term of his employment agreement for five additional years beyond the original December 31, 2014 expiration date. The amendment provides for the extension of Mr. Herbert's position as Chairman and Chief Executive Officer through June 30, 2016, for which Mr. Herbert will continue to be compensated in accordance with his existing employment agreement, subject to a newly-imposed maximum annual cash incentive compensation cap in each of 2015 and 2016. From July 1, 2016 until December 31, 2019, Mr. Herbert will continue to serve as Chairman (subject to his election as a director by the shareholders and his appointment as Chairman by the Board) but will no longer serve as Chief Executive Officer. During this later period, Mr. Herbert will be required to devote up to 25% of his full working time to services to the Bank and will receive 20% of his annual salary and 20% of his annual cash incentive award under his original employment agreement, subject to a maximum annual cash incentive award cap in any fiscal year. As part of these arrangements, Mr. Herbert received a grant of 350,000 shares of restricted stock on February 27, 2012, which will vest quarterly during 2014 through 2019, subject to the Bank's achievement of certain performance goals and other conditions as set forth in Mr. Herbert's current bonus targets.

Similarly, effective February 27, 2012, the Bank and Ms. August-deWilde entered into an amendment to her employment agreement, pursuant to which Ms. August-deWilde agreed to serve as Vice Chairman of the Board (subject to her election as a director by the shareholders and her appointment as Vice Chairman by the Board) and Senior Advisor from January 1, 2015 through December 31, 2016 following the expiration of her existing employment agreement on December 31, 2014. Under the terms of a consulting agreement, effective as of January 1, 2015, Ms. August-deWilde, as Senior Advisor to the Bank, will provide up to 20% of her working time to consult with and assist management of the Bank with respect to strategic relationships with major clients and prospects and strategic initiatives in return for a monthly fee of \$37,500. As part of these arrangements, Ms. August-deWilde received a grant of 40,000 shares of restricted stock on February 27, 2012, which will vest ratably during the consulting period, subject to the Bank's achievement of certain performance goals and other conditions as set forth in Ms. August-deWilde's current bonus targets.

Policy on Post-Employment and Change in Control Benefits

Due to continuing consolidation in the financial services industry and for competitive and fairness reasons, we believe it is important to protect our named executive officers in the event of certain terminations of employment or a change in control of the Bank. We believe that the interests of the shareholders will be best served if the interests of our senior management are aligned with them. The occurrence or potential occurrence of a change in control would create uncertainty regarding the continued employment of our named executive officers and providing employment protection

should eliminate, or at least significantly reduce, any potential reluctance of our executives to pursue potential transactions that may be in the best interests of our shareholders. As a result, the stock option award agreements with all named executive officers provide for the accelerated vesting of options in the event of a change in control. In addition, our employment agreements and stock option award agreements with our CEO and President provide for the accelerated vesting of certain options upon a change in control, and accelerated vesting of certain options and severance pay in the event of termination of service in certain circumstances. We do not provide tax gross-ups for any excise tax that may be triggered by payments made in connection with a change in control. Additional description of the severance and change in control provisions of these employment and option agreements is included in “—Potential Payments Upon Termination or Change in Control—Employment Agreements.”

Stock Ownership Guidelines

The Bank’s stock ownership guidelines generally prohibit named executive officers from holding Bank securities in margin accounts or pledging Bank securities as collateral for loans.

In February 2012, the Compensation Committee recommended and the Board of Directors approved stock ownership guidelines to be attained over the next five years and then retained thereafter. Under this policy, both the CEO and the President are required to hold common stock equal in value to six times their annual salary. The other named executive officers have a stock ownership requirement of three times their annual salary.

Clawback Policy

Awards under the Bank’s Stock Award Plan are subject to certain clawback and forfeiture provisions which can be triggered by fraud or conduct contributing to any financial statement restatements or other irregularities and by violations of non-solicitation or non-competition agreements or other actions adverse to the Bank. We do not have any other plans, policies or agreements that specifically require recoupment of awards if performance measures are not achieved. However, under Section 304 of Sarbanes-Oxley, following completion of the Bank’s initial public offering in December 2010, if the Bank is required to restate its financial statements due to material noncompliance with any financial reporting requirements as a result of misconduct, the CEO and CFO must reimburse the Bank for (1) any bonus or other incentive-based or equity-based compensation received during the 12 months following the first public issuance of the non-complying document, and (2) any profits realized from the sale of securities of the Bank during those 12 months.

Accounting and Tax Consequences

In making decisions about executive compensation, we take into account certain tax and accounting considerations. For example, we consider Sections 409A and 280G of the Code. Section 409A, which governs the form and time of payment of deferred compensation, imposes additional significant taxes and penalties on a recipient of deferred compensation that does not comply with Section 409A. Section 280G also imposes additional significant taxes on recipients of payments or benefits in connection with a change in control that exceed certain limits, and we or our successor could lose a deduction on the amounts subject to the additional tax.

Section 162(m) of the Code did not apply to our compensation while we were a private company. Subsequent to the completion of our initial public offering in December 2010, Section 162(m) limits the deductibility of the annual compensation of our named executive officers (other than our CFO) to \$1 million per individual unless the compensation plan and awards meet certain requirements. We intend to rely on transitional relief that is available under Section 162(m) that exempts compensation paid under a plan that existed while we are private. This transitional relief will be available to us until the earliest to occur of: (1) the expiration of the plan; (2) the material modification of the plan; (3) the issuance of all available shares and other compensation that has been allocated under the plan; and (4) the first meeting of shareholders at which directors are to be elected that occurs after the close of the third calendar year following the calendar year in which the offering occurs (i.e., the first meeting of shareholders after December 31, 2013). While we will consider the implications of Section 162(m) and the limits of deductibility on compensation in excess of \$1 million as we design our compensation program going forward, we consider it important to retain the

flexibility to design a compensation program that is in the best long-term interests of us and our shareholders, particularly as we transition from a private company to a public company. As a result, we have not adopted a policy requiring that all compensation be deductible and our Compensation Committee may conclude that paying compensation at levels that are not deductible under Section 162(m) is nevertheless in the best long-term interests of us and our shareholders.

We have designed the Executive Incentive Bonus Plan and the amendment to the Stock Award Plan, which are subject to shareholder vote as Proposal No. 2 and Proposal No. 3 at this Annual Meeting, to contain features intended to meet the requirements of Section 162(m).

In making decisions about executive compensation, we also consider how various elements of compensation will affect our financial reporting. For example, we consider the impact of FASB Accounting Standards Codification Topic 718, “—Compensation—Stock Compensation,” which requires us to recognize the cost of employee services received in exchange for awards of equity instruments based upon the grant date fair value of those awards.

Executive Compensation Tables

The following tables set forth compensation information for our named executive officers and should be read in conjunction with the associated narratives and the Compensation Discussion and Analysis. As previously stated, during 2009 and the first half of 2010, First Republic operated as a division of Bank of America. The data shown in the following tables with respect to stock awards reflect awards under plans of Bank of America and Merrill Lynch prior to June 30, 2010 and, subsequent to July 1, 2010, include awards relating to the stock options of the Bank pursuant to the First Republic Omnibus Award Plan. In the Transaction, none of the previously granted stock awards by Bank of America or Merrill Lynch were converted into equity or equity awards of the Bank.

Summary Compensation Table

The following table sets forth the compensation earned by our named executive officers for services rendered to First Republic in all capacities in fiscal years 2011, 2010 and 2009, including compensation paid by BANA for the periods prior to July 1, 2010, the effective date of the Transaction.

| Name and Principal Position | Year | Salary(1) | Bonus(2) | Stock Awards(3) | Option Awards(4) | Non-Equity Incentive Plan Compensation(5) | Change in Pension Value and Nonqualified Deferred Compensation Earnings(6) | | All Other Compensation(7) | Total |
|---|------|-----------|-------------|-----------------|------------------|---|--|--|---------------------------|--------------|
| | | | | | | | | | | |
| James H. Herbert, II Chairman and Chief Executive Officer | 2011 | \$750,000 | \$ — | \$ — | \$ — | \$2,762,415 | \$ 51,297 | | \$131,993 | \$ 3,695,705 |
| | 2010 | \$720,000 | \$3,780,000 | \$2,655,000 | \$27,556,188 | \$1,312,210 | \$ 91,446 | | \$219,272 | \$36,334,116 |
| | 2009 | \$690,000 | \$3,780,000 | \$2,405,000 | \$ — | \$ — | \$ 55,430 | | \$240,824 | \$ 7,171,254 |
| Willis H. Newton, Jr. Executive Vice President and Chief Financial Officer | 2011 | \$375,000 | \$ 850,000 | \$ — | \$ — | \$ — | \$ 34,369 | | \$ 51,222 | \$ 1,310,591 |
| | 2010 | \$325,000 | \$1,075,000 | \$ — | \$ 576,000 | \$ — | \$ 90,151 | | \$125,585 | \$ 2,191,736 |
| | 2009 | \$325,000 | \$1,574,998 | \$ 200,000 | \$ — | \$ — | \$ 37,080 | | \$ 41,489 | \$ 2,178,567 |
| Katherine August-deWilde President and Chief Operating Officer | 2011 | \$750,000 | \$ — | \$ — | \$ — | \$2,762,415 | \$ 43,109 | | \$ 93,138 | \$ 3,648,662 |
| | 2010 | \$593,000 | \$2,657,000 | \$ 912,800 | \$27,556,188 | \$1,312,210 | \$104,121 | | \$251,659 | \$33,386,978 |
| | 2009 | \$436,000 | \$4,026,000 | \$ 813,000 | \$ — | \$ — | \$ 46,524 | | \$121,328 | \$ 5,442,852 |
| David B. Lichtman Executive Vice President and Chief Credit Officer | 2011 | \$375,000 | \$ 122,500 | \$ — | \$ — | \$ 727,500 | \$ 15,453 | | \$ 17,521 | \$ 1,257,974 |
| | 2010 | \$350,000 | \$ 100,000 | \$ — | \$ 950,400 | \$ 620,000 | \$ 67,357 | | \$ 30,361 | \$ 2,118,118 |
| | 2009 | \$350,000 | \$ 274,998 | \$ 200,000 | \$ — | \$ 825,000 | \$ 16,658 | | \$ 28,454 | \$ 1,695,110 |
| Edward J. Dobranski Executive Vice President and General Counsel | 2011 | \$350,000 | \$ 725,000 | \$ — | \$ — | \$ — | \$ 11,823 | | \$ 18,422 | \$ 1,105,245 |
| | 2010 | \$300,000 | \$1,150,000 | \$ — | \$ 806,400 | \$ — | \$ 23,920 | | \$108,850 | \$ 2,389,170 |
| | 2009 | \$300,000 | \$1,118,000 | \$ 125,000 | \$ — | \$ — | \$ 12,769 | | \$ 26,892 | \$ 1,582,661 |

(1) For a discussion of changes in salary for 2011 or 2010, see “—Effect of the Transaction on Executive Compensation” and—“Overview of Compensation—Base Salary.”

(2) Includes the following:

- The cash portion of bonuses are consistent and in accordance with employee agreements for the first six months of 2010 and for 2009 paid by the Bank as a Division of Bank of America as follows: \$2,655,000 and \$2,655,000 for Mr. Herbert, \$2,282,000 and \$3,651,000 for Ms. August-deWilde and \$500,000 and \$500,000 for Mr. Dobranski;
- Discretionary cash bonuses paid by the Bank for 2011 and 2010 and the Bank as a Division of Bank of America for 2009 as follows: \$850,000, \$1,075,000 and \$1,500,000 for Mr. Newton, \$222,500, \$100,000 and \$274,500 for Mr. Lichtman, and \$725,000, \$650,000 and \$600,000 for Mr. Dobranski; and
- Aggregate cash retention bonuses paid by the Bank as a Division of Bank of America as follows for 2010 and 2009: \$1,225,000 and \$1,225,000 for Mr. Herbert, \$0 and \$74,988 for Mr. Newton and for Mr. Lichtman, and \$375,000 and \$375,000 for Ms. August-deWilde, and \$0 and \$18,000 for Mr. Dobranski.

(3) Amounts included in stock awards reflect our estimate of the grant date fair value recognized by Bank of America for financial statement reporting purposes in accordance with FASB ASC Topic 718 and consist of Bank of America restricted stock units as follows for 2010 and 2009: \$2,655,000 and \$2,405,000 for Mr. Herbert, \$0 and \$200,000 for Mr. Newton and Mr. Lichtman, \$912,800 and \$813,000 for Ms. August-deWilde, and \$0 and \$125,000 for Mr. Dobranski. We believe that Bank of America generally calculates the grant date fair value of restricted stock units based on the closing price of its common stock on the applicable grant date. The amount calculated is based on Bank of America’s reported closing share prices of \$14.90 on February 12, 2010 and \$5.57 on February 13, 2009 multiplied by the number of restricted stock units. These restricted stock units are settled in shares of Bank of America common stock issued by Bank of America on a one-for-one basis. The restricted stock units are also entitled to receive from Bank of America any cash dividends paid to holders of Bank of America common shares. Cash dividends with respect to unvested restricted share units are included in the “All Other

Compensation” column of the Summary Compensation Table. The restricted stock units have no voting rights. For Mr. Herbert and Ms. August-deWilde, amounts represent the portion of their 2009 bonus paid in Bank of America restricted stock units granted in February 2010 and the portion of their 2008 bonus paid in Bank of America restricted stock units granted in February 2009.

- (4) Amounts shown reflect the grant date fair value recognized by First Republic for financial statement reporting purposes in accordance with FASB ASC Topic 718. See Note 19 to the First Republic financial statements as of December 31, 2011 included in First Republic’s Annual Report on Form 10-K for the year ended December 31, 2011 for a discussion of the measurement of stock options issued under the Bank’s Stock Award Plan.
- (5) Represents annual incentives under their employment agreements with First Republic of \$2,762,415 for 2011 and \$1,312,210 for the last six months of 2010, each for Mr. Herbert and Ms. August-deWilde and for the objective component under his compensation plans for Mr. Lichtman.
- (6) Under the First Republic SERP, each named executive officer is entitled to receive a lump sum cash payment at his or her normal retirement date. The amount of the payment has been fixed since inception of the SERP and generally equates to the estimated book value of the Bank’s life insurance policy on each executive as of the normal retirement date. The amounts included above represent the change in the present value of these benefits over each calendar year.
- (7) All Other Compensation includes the following for 2011:
 - Estimated dollar value of the benefit from the Split-Dollar Life insurance premiums paid by the Bank: \$17,779 for Mr. Herbert, \$8,356 for Mr. Newton, \$10,988 for Ms. August-deWilde, \$2,607 for Mr. Lichtman, and \$3,754 for Mr. Dobranski;
 - Automobile costs for leased vehicles, auto allowances and/or parking paid by the Bank: \$24,259 for Mr. Herbert, (\$19,759 for auto and \$4,500 for parking), \$8,700 for Mr. Newton (\$4,200 for auto and \$4,500 for parking), \$17,189 for Ms. August-deWilde (\$12,689 for auto and \$4,500 for parking), \$7,500 for Mr. Lichtman (\$3,000 for auto and \$4,500 for parking), and \$4,680 for Mr. Dobranski for parking;
 - Tax return preparation and financial planning services paid by the Bank as follows: \$68,130 (including certain tax preparation costs for 2010 paid in 2011) for Mr. Herbert, \$23,998 for Mr. Newton and \$51,692 for Ms. August-deWilde;
 - Club dues paid by the Bank as follows: \$1,000 for Mr. Herbert, and \$4,110 for Ms. August-deWilde;
 - Dividends on restricted stock units and restricted stock shares paid by Bank of America as follows for: \$10,509 for Mr. Herbert, \$479 for Mr. Newton, \$3,580 for Ms. August-deWilde, \$479 for Mr. Lichtman and \$299 for Mr. Dobranski;
 - Excess group term life insurance premiums paid by the Bank as follows: \$4,191 for Mr. Herbert, \$3,564 for Mr. Newton, \$3,564 for Ms. August-deWilde, \$810 for Mr. Lichtman and \$3,564 for Mr. Dobranski; and
 - Contributions by the Bank to retirement plans: \$6,125 for Mr. Herbert, \$6,125 for Mr. Newton, \$6,125 for Ms. August-deWilde, \$6,125 for Mr. Lichtman and \$6,125 for Mr. Dobranski.

2011 Grants of Plan-Based Awards

There were no awards of stock options of First Republic made to the named executive officers under the Bank's Stock Award Plan during fiscal year 2011. The following table presents information concerning the non-equity incentive awards paid in cash by First Republic to Mr. Herbert, Ms. August-deWilde and Mr. Lichtman.

| Name | Grant Date(2) | Estimated Possible Payouts Under Non-Equity Incentive Plan Awards(1) | | | Estimated Future Payouts Under Equity Incentive Plan Awards | | | All Other Stock Awards: Number of Shares of Stock or Units | All Other Option Awards: Number of Securities Underlying Options | Exercise or Base Price of Option Awards | Grant Date Fair Value of Stock And Option Awards |
|------------------------------------|---------------|--|-------------|-------------|---|--------|----------|--|--|---|--|
| | | Thres-hold | Target | Maxi-mum | Thres-hold | Target | Maxi-mum | | | | |
| James H. Herbert, II | — | \$1,650,000 | \$2,350,000 | \$2,762,415 | \$— | \$— | \$— | — | — | \$— | \$— |
| Willis H. Newton, Jr. | — | \$— | \$— | \$— | \$— | \$— | \$— | — | — | \$— | \$— |
| Katherine August-deWilde | — | \$1,650,000 | \$2,350,000 | \$2,762,415 | \$— | \$— | \$— | — | — | \$— | \$— |
| David B. Lichtman | 1/1/11 | \$ 550,000 | \$ 650,000 | \$ 750,000 | \$— | \$— | \$— | — | — | \$— | \$— |
| Edward J. Dobranski | — | \$— | \$— | \$— | \$— | \$— | \$— | — | — | \$— | \$— |

- (1) Represents incentive compensation for Mr. Herbert and Ms. August-deWilde that is calculated pursuant to quantifiable measures in their employment agreements for 2011. For Mr. Lichtman, represents the objective component under his compensation plan for 2011.
- (2) Incentive compensation for Mr. Herbert and Ms. August-deWilde for 2011 was calculated pursuant to their employment agreements, which were entered into on July 1, 2010.

Narrative to Summary Compensation Table and Grants of Plan-Based Awards Table

Employment Agreements with BANA—2010 and 2009

Prior to the Transaction, Mr. Herbert, our CEO, and Ms. August-deWilde, our President, served under three-year employment agreements with MLFSB and BANA, which were entered into in early 2007. These agreements, which terminated in January 2010, entitled Mr. Herbert and Ms. August-deWilde to annual base salaries of \$690,000 and \$436,000 respectively, and guaranteed 2009 bonuses of \$5,310,000 and \$4,564,000, respectively. At the option of MLFSB and BANA, a portion of these guaranteed bonuses could be paid in Bank of America restricted share units. In 2010, \$2,655,000 and \$912,800 of the guaranteed 2009 bonuses for Mr. Herbert and Ms. August-deWilde, respectively, were paid in Bank of America restricted share units which were granted on February 12, 2010. In addition, pursuant to their employment agreements with MLFSB entered into in 2007, Mr. Herbert received cash retention bonuses of \$1,125,000 in each of 2010 and 2009, and Ms. August-deWilde received cash retention bonuses of \$375,000 in each of 2010 and 2009. Also, pursuant to his employment agreement with MLFSB, Mr. Dobranski received a guaranteed bonus of \$500,000 in each of 2010 and 2009. Cash bonuses are generally included in the Summary Compensation Table for the year in which they were earned while stock-based awards are included in the Summary Compensation Table and Grants of Plan-Based Awards Table for the year in which they were granted. As a result, we include the cash portion of each executive's 2009 bonus and the Bank of America restricted stock units granted during 2009 in the 2009 row of the Summary Compensation Table and include the Bank of America restricted stock units granted to each executive during 2010 as partial payment of their 2009 bonuses in the Bank's 2010 Summary Compensation Table.

Post-Transaction Employment Agreements with First Republic Bank

Effective upon the closing of the Transaction on June 30, 2010, we entered into employment agreements with Mr. Herbert, our CEO, and Ms. August-deWilde, our President. The material terms of these agreements are largely identical and are summarized below:

- Term: The agreements have a term from June 30, 2010 until December 31, 2014 with automatic one year renewals, unless either the named executive officer or the Bank provides 120 days advance notice of non-renewal to the other party.

- Title: Mr. Herbert is appointed CEO and Ms. August-deWilde is appointed President.
- Board Election: Each of these executive officers will serve as a member of the Board.
- Base Salary: Each of these executive officers is entitled to a base salary of \$750,000 per annum, subject to periodic review and possible increase.
- Annual Cash Bonus: Mr. Herbert and Ms. August-deWilde are each entitled to an annual cash bonus opportunity equal to up to 0.5% of our pretax profit each fiscal year (the bonus opportunity for the period from July 1, 2010 to December 31, 2010 was based on the pretax profit for that six month period), subject to the continued employment of these executive officers with us. Under their agreements, the amount of the annual bonus opportunity to which the executive will be entitled will be based upon (a) satisfaction by us of certain safety and soundness criteria relating to the quarterly average of nonperforming assets to total assets and certain regulatory criteria and (b) the attainment by us of specified levels of after-tax annual return on average tangible assets and average tangible equity. See “—Compensation Discussion and Analysis—Overview of Compensation—Annual Incentives.”
- Stock Option Grant as of July 1, 2010: Mr. Herbert and Ms. August-deWilde were each granted an option to purchase 4,937,121 shares of our common stock at an exercise price of \$15 per share pursuant to the Stock Award Plan. This award was divided into service options to purchase 1,410,606 shares, performance options to purchase 2,821,212 shares and super-performance options to purchase 705,303 shares. The options expire on the tenth anniversary of the date of grant.
 - *Service Options:* Initially, the service options vested and became exercisable on a monthly basis. Pursuant to the terms of these agreements, all of the remaining unvested service options became vested and exercisable upon the consummation of the initial public offering in December 2010.
 - *Performance Options:* Mr. Herbert and Ms. August-deWilde were each awarded an option to purchase a total of 2,821,212 shares of the Bank’s common stock which would vest and become exercisable based on our performance. Options to purchase 705,303 shares of common stock would vest and become exercisable at the end of four consecutive calendar years, commencing December 31, 2010, upon the achievement of specified performance goals based on our operations. These performance measures include achieving certain specified targets for return on average tangible common equity, non-CD deposit growth and level of nonperforming assets. If we did not achieve a performance goal the previous performance year, the performance options which did not vest in that year due to the performance goal not being met will vest and become exercisable the following year if the Compensation Committee determines that we have achieved the cumulative average of such performance goal for the current and previous performance year. Pursuant to the terms of these agreements, upon the consummation of the initial public offering in December 2010, the performance vesting provisions of the options converted into time vesting options. 2.0833% of these options vested and became exercisable for each of the 18 calendar months elapsed from the grant date of the option to December 31, 2011. Thereafter, 2.0833% of these options which were converted into service options will vest and become exercisable for each calendar month that each of these two executive officers remains an employee of us, until the options have fully vested or otherwise expired or been accelerated pursuant to the terms of the agreements.
 - *Super-Performance Options:* Mr. Herbert and Ms. August-deWilde were each awarded an option to purchase 705,303 shares of the Bank’s common stock which vest based upon the Initial Investors receiving a specified return on or prior to the second anniversary of the grant of two times on their initial investment in the Bank in connection with the Transaction. The necessary specified returns increased after the second and third anniversary of the option grant (to 2.5 times and 2.85 times, respectively). Following the initial public offering in December 2010, the Initial Investors were deemed to have received proceeds equal to the average of the closing prices of a share of our common stock over any period of 30 consecutive trading days with respect to all of the shares of common stock then held by the Initial Investor and this resulted in the complete vesting of all the super-performance options in the second quarter of 2011.

- *Acceleration:* The options granted to Mr. Herbert and Ms. August-deWilde are subject to accelerated vesting in certain events, including a change in control and certain terminations of service.
- *Shareholders' Agreement:* The shares of our common stock received by Mr. Herbert and Ms. August-deWilde upon the exercise of options will be subject to the Shareholders' Agreement, as described in "—Potential Payments upon Termination or Change in Control."
- *Initial Investment:* Mr. Herbert and Ms. August-deWilde were each given the right to purchase approximately \$6.1 million in shares of the Bank's common stock in the Transaction through use of their personal funds and each officer made such an investment at the time of the Transaction.
- *Employee Benefit Plans:* Each named executive officer is entitled to participate in our welfare benefit plans consistent with past practice.
- *Retirement:* The agreements provide that we assume all obligations under the SERP and the Split-Dollar Agreement. For a description of retirement benefits, see "—Executive Compensation Tables—2011 Pension Benefits" and "—Potential Payments upon Termination or Change in Control."

Other Benefits: The agreements entitle each named executive officer to minimum paid vacation days on an annual basis, reimbursement of business expenses and indemnification and directors and officers liability insurance.

Stock Option Awards to Other Named Executive Officers

In July, 2010, we entered into Stock Option Agreements whereby performance options were granted to Messrs. Newton, Lichtman and Dobranski, covering 100,000, 165,000 and 140,000 shares, respectively. The exercise price was \$15 per share. The grants to Messrs. Newton and Lichtman consisted of 20% service options and 80% performance options and the grant to Mr. Dobranski consisted of 25% service options and 75% performance options. The service options vest ratably over four years. The performance options vest ratably over four performance years in amounts predetermined by the attainment of performance goals. Vesting of the performance options also requires the continued employment of the named executive officers. The performance goal categories for these options are return on average tangible common equity, percentage of non-CD deposit growth and level of average nonperforming assets. Performance options awarded to Messrs. Newton, Lichtman and Dobranski in 2010 will terminate and expire if not vested at the time of termination of their service and they will not be eligible for catch-up payments for previous performance periods following their termination of employment. In the event of termination due to death or disability, Messrs. Newton, Lichtman and Dobranski will have six months following termination to exercise their vested options. In the event of termination by us without cause, Messrs. Newton, Lichtman and Dobranski will have three months to exercise their vested options. These options also contain provisions which would result in the options fully vesting upon the occurrence of certain change in control transactions where the executive is terminated without cause. In the event of termination by us for cause, all outstanding options will be terminated and cancelled. All unexercised options will expire 10 years after the date of grant. See "—Compensation Discussion and Analysis—Overview of Compensation—Long-Term Incentives" for more information about the awards to Messrs. Newton, Lichtman and Dobranski.

The shares of our common stock received by each of Mr. Herbert and Ms. August-deWilde upon the exercise of stock options will be subject to the Shareholders' Agreement. The Shareholders' Agreement provides that Mr. Herbert and Ms. August-deWilde, as parties thereto, may each own not more than 9.9% of our outstanding common stock. The Shareholders' Agreement also provides Mr. Herbert and Ms. August-deWilde with demand registration rights and piggyback registration rights. These provisions will remain in place for the term of the Shareholders' Agreement, which is 25 years, unless terminated earlier by consent of the parties to the Shareholders' Agreement.

2011 Outstanding Equity Awards at Fiscal Year-End

The following table shows outstanding equity awards held by the named executive officers as of December 31, 2011. The number of shares included in the “Equity Incentive Plan Awards” column represent performance options for the other named executive officers. Bank of America restricted stock units held by our named executive officers are not included in the table below because all service requirements with respect these restricted stock units have been met as of December 31, 2011.

| Name | Option Awards | | | | |
|--------------------------|---|--|---|--------------------------|------------------------|
| | Number of Securities Underlying Unexercised Options Exercisable | Number of Securities Underlying Unexercised Options Unexercisable(1) | Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options(2) | Option Exercise Price(3) | Option Expiration Date |
| James H. Herbert, II | 2,782,809 | 1,763,262 | — | \$15.00 | 6/30/20 |
| Willis H. Newton, Jr. | 25,000 | 15,000 | 60,000 | \$15.00 | 6/30/20 |
| Katherine August-deWilde | 2,782,809 | 1,763,252 | — | \$15.00 | 6/30/20 |
| David B. Lichtman | 41,250 | 24,750 | 99,000 | \$15.00 | 6/30/20 |
| Edward J. Dobranski | 35,000 | 26,250 | 78,750 | \$15.00 | 6/30/20 |

- (1) Represents unvested service options, including, in the case of Mr. Herbert and Ms. August-deWilde, performance options that became service options in accordance with their terms upon completion of our initial public offering in December 2010. 58,775 service options held by each of Mr. Herbert and Ms. August-deWilde will vest at the end of each month until June 30, 2014. With respect to service options held by Messrs. Newton, Lichtman and Dobranski, 25% will vest per year.
- (2) Represents performance options in the case of Messrs. Newton, Lichtman and Dobranski. The performance options will generally vest 25% per year subject to continued employment and the attainment of performance goals.
- (3) Reflects the market value of the Bank’s common stock of \$15.00 on June 30, 2010 as offered to all initial investors as part of the Transaction.

2011 Option Exercises and Stock Vested

The following table sets forth information concerning value realized upon the exercise of stock option awards of First Republic during our 2011 fiscal year by each of the named executive officers. The value realized is based upon the market price on the date of exercise.

| Name | Option Awards | | Stock Awards | |
|--------------------------|---------------------------------------|----------------------------|--------------------------------------|---------------------------|
| | Number of Shares Acquired on Exercise | Value Realized on Exercise | Number of Shares Acquired on Vesting | Value Realized on Vesting |
| James H. Herbert, II | 391,050 | \$6,550,088 | — | \$ — |
| Willis H. Newton, Jr. | — | \$ — | — | \$ — |
| Katherine August-deWilde | 391,050 | \$6,550,088 | — | \$ — |
| David B. Lichtman | — | \$ — | — | \$ — |
| Edward J. Dobranski | — | \$ — | — | \$ — |

2011 Pension Benefits

The following table shows the actuarial present value of the accumulated retirement benefits payable upon normal retirement age (estimated at age 65) to each of the named executive officers, computed as of December 31, 2011. The amounts disclosed are based upon benefits provided to the named executive officers under the SERP.

| <u>Name</u> | <u>Plan Name</u> | <u>Number of Years Credited Service</u> | <u>Present Value of Accumulated Benefits</u> | <u>Payments During Last Fiscal Year</u> |
|------------------------------------|--|---|--|---|
| James H. Herbert, II | Supplemental Executive Retirement Plan | — | \$1,527,437 | \$ — |
| Willis H. Newton, Jr. | Supplemental Executive Retirement Plan | — | \$1,050,820 | \$ — |
| Katherine August-deWilde | Supplemental Executive Retirement Plan | — | \$1,309,450 | \$ — |
| David B. Lichtman | Supplemental Executive Retirement Plan | — | \$ 498,938 | \$ — |
| Edward J. Dobranski | Supplemental Executive Retirement Plan | — | \$ 354,724 | \$ — |

Each executive is eligible for benefits provided under the SERP, which specifies a Full Benefits Date (based on attainment of a certain age), and a Payment Date, ranging from 0 to 5 years from the Full Benefits Date. As a result of the acquisition of First Republic in 2007, the named executive officers became eligible for full benefits and continue as of December 31, 2011, to be eligible for Full Benefits under the agreements. The amount above represents the Full Benefit that would be payable to each executive as of December 31, 2011, present valued from the Payment Date using the December 2011 Applicable Federal Rates. See “—Compensation Discussion and Analysis—Overview of Compensation—Retirement—Supplemental Executive Retirement Plan.”

2011 Nonqualified Deferred Compensation Plan

While the Bank does not offer a nonqualified deferred compensation plan, each of the named executive officers hold Bank of America restricted stock units that were deemed to be vested in connection with the Transaction, but continue to pay-out in accordance with their original schedule. For purposes of the table below, these restricted stock awards constitute nonqualified deferred compensation. The shares held as of December 31, 2011 were distributed to the named executive officers in February 2012, except for 59,396 shares owed to Mr. Herbert and 20,420 shares owed to Ms. August-deWilde which will be distributed in February 2013.

| <u>Name</u> | <u>Executive Contribution in Last FY</u> | <u>Registrant Contribution in Last FY</u> | <u>Aggregate Earnings in Last FY(1)</u> | <u>Aggregate Withdrawals/ Distributions(2)</u> | <u>Aggregate Balance at Last FYE(3)</u> |
|------------------------------------|--|---|---|--|---|
| James H. Herbert, II | \$ — | \$ — | \$(2,043,946) | \$3,003,066 | \$1,460,712 |
| Willis H. Newton, Jr. | \$ — | \$ — | \$ (93,119) | \$ 176,782 | \$ 66,548 |
| Katherine August-deWilde | \$ — | \$ — | \$ (696,271) | \$1,020,238 | \$ 497,592 |
| David B. Lichtman | \$ — | \$ — | \$ (93,119) | \$ 176,782 | \$ 66,548 |
| Edward J. Dobranski | \$ — | \$ — | \$ (58,194) | \$ 110,494 | \$ 41,589 |

- (1) Represents the decline in value of shares of Bank of America restricted stock units from December 31, 2010 to December 31, 2011.
- (2) Represents the value of shares distributed by Bank of America during 2011 as of the dates distributed, as follows: Mr. Herbert—203,322 shares; Ms. August-deWilde—69,075 shares; Mr. Newton and Mr. Lichtman—11,969 shares for each; and Mr. Dobranski—7,481 shares.
- (3) Represents the number of shares of Bank of America restricted stock units which are valued at \$5.56 per share, the closing price on December 30, 2011. Does not represent a future obligation of First Republic Bank.

Potential Payments upon Termination or Change in Control

This section provides a narrative discussion and tables describing post-employment payments to each named executive officer assuming each individual named executive officer had ended his or her employment with the Bank on December 31, 2011. The benefits payable to each named executive officer, as described below, were based on the plans and arrangements in place at that time.

Employment Agreements

Under their employment agreements with us effective with the Transaction, if Mr. Herbert or Ms. August-deWilde terminates employment with us due to death or disability, or for “good reason,” or if either is terminated by us “without cause,” at any time during the term of their respective employment agreements, and without regard to whether a change in control has occurred, he or she will be entitled to an annual bonus of 0.5% of our pretax profits for each completed fiscal quarter in the year of termination of employment, and 0.5% of our pretax profits for the quarter in which such termination occurred, prorated for the number of days in the quarter in which he or she was employed by us prior to such termination. In addition, Mr. Herbert and Ms. August-deWilde will each be entitled to severance pay equal to two times the sum of:

- The executive officer’s annual salary; and
- 0.5% of our budgeted pre-tax profits for the year in which such termination occurs.

Each of these executive officers will also be entitled to continued participation in our welfare benefit plans for a period of two years.

In addition, pursuant to the terms of their stock option award agreements, upon termination due to death or disability or by us without cause or by Mr. Herbert or Ms. August-deWilde for good reason, 100% of the unvested service options held by each of these executive officers will become vested and remain exercisable for 12 months. Upon termination for any reason other than death, disability, termination by us without cause or termination by Mr. Herbert or Ms. August-deWilde for good reason, vested options will remain exercisable for 12 months following termination and unvested options will generally terminate and expire upon the date of termination.

Mr. Herbert and Ms. August-deWilde may terminate their employment with us for “good reason” in the following situations:

- Relocation without the named executive officer’s consent outside of San Francisco;
- Material diminution of title, authority or reporting relationship;
- Reduction in annual salary or cash bonus opportunity;
- A change in control with respect to the Bank, provided that each of the executive officers, if requested, will remain employed for up to three months following the change in control;
- We fail to perform our material obligations under the employment agreement; or
- For Ms. August-deWilde, failure to be appointed successor Chief Executive Officer.

We may terminate the employment of Mr. Herbert or Ms. August-deWilde “for cause” in the following situations:

- Failure by each of the executive officers, other than for reasons of death or disability, to substantially perform his or her duties or failure to carry out the reasonable instructions of the Board;
- Material, continuing and uncorrected breach by the named executive officer of the rules or regulations of any regulatory authority of the Bank;

- Gross misconduct;
- Failure to comply with the material terms of his or her employment agreement after notice and an opportunity to cure;
- Conviction or plea of *nolo contendere* to any fraudulent act or criminal offense;
- Failure by each of the executive officers to maintain any necessary license necessary to perform their duties with the Bank; or
- Being disqualified by the SEC or FDIC from serving as an officer or director of an insured depository institution or public company.

Under their agreements, a change in control generally means any of the following events:

- Subject to certain exceptions, the acquisition by any person or group of 33% or more of the voting securities of the Bank;
- Members of the Board at the date of the Transaction or directors nominated by a majority of those directors cease to constitute at least a majority of the members of the Board; or
- A reorganization, merger or consolidation, or sale or other disposition of all or substantially all of our assets unless, (1) the beneficial owners of our common stock prior to the transaction own more than 50% of the surviving entity; and (2) our directors prior to the transaction constitute more than a majority of the members of the board of directors of the surviving entity.

After termination of employment, Mr. Herbert and Ms. August-deWilde will remain subject to confidentiality, non-competition and non-solicitation obligations. Each of these executive officers are prohibited from using or disclosing our confidential information for 120 days after termination of employment. They are also prohibited from contacting any of our customers for purposes of soliciting their business for 14 days after termination of employment, or five business days after we publicly announce such termination. Upon termination of employment, each of these executive officers are required to return all confidential information to us. For up to 12 months following a change in control in which each of these executive officers have disposed of all equity securities in the Bank and the executive officer's employment with us is terminated, Mr. Herbert and Ms. August-deWilde may not:

- Hold a 10% or greater ownership interest in a competing enterprise;
- Associate with a competing enterprise, or in connection with such association, manage or supervise any personnel engaged in activities substantially similar to the executive officer's activities at the Bank or the activities managed or supervised by the executive officer at the Bank;
- Attempt to solicit any client to transact business with a competing enterprise or to refrain from doing business with us; or
- Attempt to recruit our employees.

See also—"2012 Amendments to Employment Agreements."

2010 Stock Option Awards

Except for Mr. Herbert and Ms. August-deWilde, whose termination and acceleration provisions are discussed above, performance options awarded to our named executive officers in 2010 will terminate and expire if not vested at the time of termination of their service and our other named executive officers will not be eligible for catch-up payments for previous performance periods following their termination of employment. In the event of termination due to death or disability, the other named executive officers will have six months following termination to exercise their vested options. In the event of termination by us without cause, the other named

executive officers will have three months to exercise their vested options. These options also contain provisions which would result in the options fully vesting upon the occurrence of certain change in control transactions where the other named executive officer is terminated without cause. In the event of termination by us for cause, all outstanding options will be terminated and cancelled. "Cause" is defined by the Stock Award Plan to mean (1) continued neglect of duties to the Bank; (2) conduct that is injurious to the Bank; (3) commission of a felony or any crime involving fraud or dishonesty; (4) failure to follow the lawful instructions of the Board or direct supervisors; or (5) violation of the rules, regulations, procedures or instructions relating to the conduct of officers of the Bank.

SERP

Upon termination of employment, each of our named executive officers will be entitled to a lump sum payment under our SERP. The lump sum payment is approximately equal to \$1,700,000 in the case of Mr. Herbert, \$1,600,000 in the case of Ms. August-deWilde, \$1,400,000 in the case of Mr. Newton, \$900,000 in the case of Mr. Lichtman and \$410,000 in the case of Mr. Dobranski. The retirement benefit will be payable to Mr. Herbert, Ms. August-deWilde and Mr. Newton at age 70, and it will be payable to Mr. Dobranski and Mr. Lichtman at age 65. As a result of the acquisition of First Republic in 2007, each named executive officer became fully vested in these SERP benefits even if his or her employment is terminated prior to age 65. The SERP remains in effect after the Transaction. For a short period after termination for any reason, the named executive officer will have the option to purchase the underlying life insurance policy from the Bank at an amount equivalent to the Bank's carrying value.

Insurance Plan

At December 31, 2011, the death benefit payable to each named executive officer's beneficiary under our Insurance Plan was \$2,700,000 in the case of Mr. Herbert, \$2,900,000 in the case of Ms. August-deWilde, \$2,500,000 in the case of Mr. Newton, \$2,700,000 in the case of Mr. Lichtman and \$1,250,000 in the case of Mr. Dobranski. The agreement to pay a portion of the death benefit will terminate at age 70 in the case of Mr. Herbert, Ms. August-deWilde and Mr. Newton, and at age 65 in the case of Mr. Lichtman and Mr. Dobranski. For a short period after termination of employment for any reason, each named executive officer will have the option to purchase the underlying life insurance policy from us at an amount equivalent to our carrying value.

Other

In all cases of termination of employment, the named executive officer or the estate of the deceased named executive officer would have been entitled to all earned and unpaid salary and unused vacation or leave time and payment of all unreimbursed business expenses. Named executive officers may also have qualified for continued coverage under welfare benefit plans, including medical, dental and vision on the same terms generally available to all of our full time employees. There were no employment agreements or arrangements whereby named executive officers would have received tax gross-up payments in the event of termination.

Summary Tables of Potential Payments Upon Various Termination Events

The tables below reflect the amount of compensation to each of our named executive officers as of December 31, 2011 under their agreements and arrangements then in effect in the event of termination of such executive's employment. Named executive officers were not entitled to any payments upon termination by the Bank for cause except benefits and payments which had already accrued at the time of such termination. Amounts shown for Restricted Stock and Stock Options are valued at the closing market price per share of Bank of America and First Republic common stock on December 31, 2011.

| Payment | Voluntary Termination | Death | Disability | Termination Without Cause | Termination for Cause | Change in Control (Single Trigger)(1) | Termination following a Change in Control (Double Trigger)(1) |
|---------------------------------|-----------------------|---------------------|---------------------|---------------------------|-----------------------|---------------------------------------|---|
| James H. Herbert, II | | | | | | | |
| Severance(2) | \$ — | \$ 7,024,830 | \$ 7,024,830 | \$ 7,024,830 | \$ — | \$ — | \$ 7,024,830 |
| Stock Options(3) | 27,524,520 | 27,524,520 | 27,524,520 | 27,524,520 | 27,524,520 | 27,524,520 | 27,524,520 |
| SERP(4) | 1,681,105 | — | 1,681,105 | 1,681,105 | 1,681,105 | 1,681,105 | 1,681,105 |
| Insurance Plan(5) | — | 2,700,000 | — | — | — | — | — |
| Total | <u>\$29,205,625</u> | <u>\$37,249,350</u> | <u>\$36,230,455</u> | <u>\$36,230,455</u> | <u>\$29,205,625</u> | <u>\$29,205,625</u> | <u>\$36,230,455</u> |
| Willis H. Newton, Jr. | | | | | | | |
| Severance(6) | \$ — | \$ — | \$ — | \$ 850,000 | \$ — | \$ — | \$ 850,000 |
| Stock Options(3) | — | — | — | — | — | 1,170,750 | 1,170,750 |
| SERP(4) | 817,359 | — | 1,362,265 | 1,362,265 | 1,362,265 | 1,362,265 | 1,362,265 |
| Insurance Plan(5) | — | 2,500,000 | — | — | — | — | — |
| Total | <u>\$ 817,359</u> | <u>\$ 2,500,000</u> | <u>\$ 1,362,265</u> | <u>\$ 2,212,265</u> | <u>\$ 1,362,265</u> | <u>\$ 2,533,015</u> | <u>\$ 3,383,015</u> |
| Katherine August-deWilde | | | | | | | |
| Severance(2) | \$ — | \$ 7,024,830 | \$ 7,024,830 | \$ 7,024,830 | \$ — | \$ — | \$ 7,024,830 |
| Stock Options(3) | 27,524,520 | 27,524,520 | 27,524,520 | 27,524,520 | 27,524,520 | 27,524,520 | 27,524,520 |
| SERP(4) | 1,087,275 | — | 1,630,913 | 1,630,913 | 1,630,913 | 1,630,913 | 1,630,913 |
| Insurance Plan(5) | — | 2,900,000 | — | — | — | — | — |
| Total | <u>\$28,611,795</u> | <u>\$37,449,350</u> | <u>\$36,180,263</u> | <u>\$36,180,263</u> | <u>\$29,155,433</u> | <u>\$29,155,433</u> | <u>\$36,180,263</u> |
| David B. Lichtman | | | | | | | |
| Severance(6) | \$ — | \$ — | \$ — | \$ 850,000 | \$ — | \$ — | \$ 850,000 |
| Stock Options(3) | — | — | — | — | — | 1,931,738 | 1,931,738 |
| SERP(4) | 223,471 | — | 893,885 | 893,885 | 893,885 | 893,885 | 893,885 |
| Insurance Plan(5) | — | 2,700,000 | — | — | — | — | — |
| Total | <u>\$ 223,471</u> | <u>\$ 2,700,000</u> | <u>\$ 893,885</u> | <u>\$ 1,743,885</u> | <u>\$ 893,885</u> | <u>\$ 2,825,623</u> | <u>\$ 3,675,623</u> |
| Edward J. Dobranski | | | | | | | |
| Severance(6) | \$ — | \$ — | \$ — | \$ 725,000 | \$ — | \$ — | \$ 725,000 |
| Stock Options(3) | — | — | — | — | — | 1,639,050 | 1,639,050 |
| SERP(4) | 223,268 | — | 409,325 | 409,325 | 409,325 | 409,325 | 409,325 |
| Insurance Plan(5) | — | 1,250,000 | — | — | — | — | — |
| Total | <u>\$ 223,268</u> | <u>\$ 1,250,000</u> | <u>\$ 409,325</u> | <u>\$ 1,134,325</u> | <u>\$ 409,325</u> | <u>\$ 2,048,375</u> | <u>\$ 2,773,375</u> |

- (1) Assumes a Change in Control in which our named executive officers retain their current position (Single Trigger) or are terminated following the Change in Control (Double Trigger).
- (2) Under the terms of their employment agreement, a cash severance payment of two times annual salary plus annual bonus for the year in which such termination occurs in the event of a termination due to death, disability or termination without cause. For purposes of this calculation, the annual bonus component is based upon the actual amount earned under their employment agreement for the calendar year 2011.

- (3) Represents the value of unvested stock options which would vest in the event of termination. Service options held by Mr. Herbert and Ms. August-deWilde will vest upon all termination situations.
- (4) Represents the estimated present value of fully vested future payments under the Bank's SERP that the Executive would have been entitled to as a result of termination.
- (5) Represents value of death benefit under the Insurance Plan.
- (6) Represents unpaid annual bonus as of December 31, 2011.

Equity Compensation Plan Information

The following table sets forth information regarding our equity compensation plans as of December 31, 2011:

| <u>Plan Category</u> | <u>(a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights</u> | <u>(b) Weighted Average Exercise Price of Outstanding Options, Warrants and Rights</u> | <u>(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column(a))</u> |
|---|--|--|---|
| Equity compensation plans approved by security holders | 14,754,981 | \$15.29(1) | 3,096,568(2) |
| Equity compensation plan not approved by security holders | — | — | — |
| Total | <u>14,754,981</u> | <u>\$15.29</u> | <u>3,096,568</u> |

- (1) Represents the weighted average exercise price on outstanding stock options issued under the Stock Award Plan.
- (2) The number of shares remaining available for future issuance consists of 1,957,953 shares reserved for future purchases under the Bank's Employee Stock Purchase Plan and 1,138,615 shares reserved for future awards under the Bank's Stock Award Plan.

Director Compensation

| <u>Name(1)</u> | <u>Fees Earned or Paid in Cash</u> | <u>All Other Compensation</u> | <u>Total Director Compensation</u> |
|-------------------------------|--|-----------------------------------|--|
| Frank J. Fahrenkopf, Jr. | \$101,000 | \$ — | \$101,000 |
| L. Martin Gibbs | \$101,000 | \$ — | \$101,000 |
| Sandra R. Hernández | \$ 81,500 | \$ — | \$ 81,500 |
| Pamela J. Joyner | \$122,500 | \$ — | \$122,500 |
| Jody S. Lindell | \$110,500 | \$ — | \$110,500 |
| George G.C. Parker | \$116,500 | \$ — | \$116,500 |

- (1) Mr. Herbert, our CEO, and Ms. August-deWilde, our President, are not included in this table because they are Named Executive Officers of First Republic and receive no compensation for their services as directors. Mr. Barrack and Mr. Ford, as representatives of Colony and General Atlantic, respectively, received no compensation for their services as directors in 2011; however, they began to receive the same compensation as other directors effective January 1, 2012.

Following the transaction re-establishing First Republic as an independent entity on June 30, 2010, the following compensation policies for non-employee directors were approved and continued to be in place for 2011:

- An annual retainer for all non-employee directors of \$50,000, paid on a quarterly basis, beginning July 1, 2010;
- Annual retainers, paid quarterly, of \$12,500 for the Chair of the Audit Committee and \$10,000 for the Chairs of all other committees;
- For all non-employee directors, a fee of \$3,000 for each regularly scheduled meeting of the Board and \$1,500 for telephonic meetings attended;
- For members of committees, a fee of \$2,000 per regularly scheduled committee meeting attended and \$1,000 for telephonic meetings which last one hour or less; and
- Members of the Board are reimbursed for their out-of-pocket expenses incurred in connection with attendance at Board or committee meetings in accordance with established policy.

In lieu of paying higher directors' fees in cash to our non-employee directors, to closely match their long-term interests with those of other shareholders, and to properly compensate directors for the responsibilities and risks they undertake from a legal, business and regulatory perspective, as a board member of a large, FDIC-insured public bank, we intend from time to time to grant stock options or shares of restricted stock to non-employee directors.

During 2011, our non-employee directors were not issued a stock award or stock options. Directors received stock option grants during 2010, in connection with our re-establishment as an independent entity. The Bank granted to each non-employee director (other than Messrs. Barrack and Ford) an option to purchase 15,000 shares of the Bank's common stock at an exercise price of \$15 per share (the amount paid per share by all investors on the date of the transaction re-establishing us as an independent entity). Such options vest over a four-year period based upon the director's continued service through August 2014. As of December 31, 2011, each of Mr. Fahrenkopf, Mr. Gibbs, Ms. Hernandez, Ms. Joyner, Ms. Lindell and Mr. Parker had 15,000 options previously awarded and outstanding, of which 3,750 were vested.

L. Martin Gibbs receives an annual retainer of \$20,000 for serving as our lead outside director.

In February 2012, the Board approved the granting to each independent, non-executive director shares of restricted stock units with a value of approximately \$100,000. These restricted stock units, which would vest at the end of a one-year service period, were granted on March 7, 2012, resulting in 3,320 shares being awarded to each such director. At that same meeting, the Board approved a director stock ownership guideline, requiring that independent directors hold common stock with a value of five times their annual retainer amount within five years.

AUDIT COMMITTEE REPORT

The Audit Committee is responsible for providing independent, objective oversight of the Bank's accounting functions and internal controls. The Audit Committee is composed of five directors, each of whom is independent as defined by the standards of the NYSE and the FDIC. The Audit Committee operates under a written charter approved by the Board of Directors.

The Bank has engaged the independent firm of Deloitte & Touche LLP to perform selected internal audit services on an outsourced basis. In 2011, an independent consulting firm also performed an independent review of the Bank's loan portfolio. All reports of such independent firms are provided to the Audit Committee. The Bank and the Audit Committee believe that the use of independent firms for these services strengthens the review of internal controls.

Management is responsible for the Bank's internal controls and financial reporting process. KPMG LLP, the Bank's independent auditors, are responsible for performing an independent audit of the Bank's consolidated financial statements in accordance with auditing standards generally accepted in the United States of America and to issue a report thereon. The Audit Committee's responsibility is to monitor and oversee these processes.

In connection with these responsibilities, the Audit Committee met with management and the independent auditors to review and discuss the December 31, 2011 financial statements. The Audit Committee also discussed with the independent auditors the matters required by Statement on Auditing Standards No. 61 (Communication with Audit Committees), as amended, and as adopted by the Public Company Accounting Oversight Board (the "PCAOB") in Rule 3200T. The Audit Committee also received written disclosures from the independent auditors required by applicable requirements of the PCAOB regarding KPMG's communications with the Audit Committee. The Audit Committee discussed with the independent auditors that firm's independence and met in executive session with the independent auditors.

Based upon the Audit Committee's discussions with management and the independent auditors, and the Audit Committee's review of the representations of management and the independent auditors, the Audit Committee recommended that the Board of Directors include the audited consolidated financial statements in the Bank's Annual Report on Form 10-K for the year ended December 31, 2011, filed with the FDIC.

THE AUDIT COMMITTEE

Jody S. Lindell (Chair)

Frank J. Fahrenkopf

Sandra R. Hernández

George G.C. Parker

PROPOSAL 2—APPROVAL OF THE FIRST REPUBLIC 2012 EXECUTIVE INCENTIVE PLAN

At the Annual Meeting, the shareholders are being asked to vote on a proposal to approve the adoption of the First Republic Bank 2012 Executive Incentive Plan (the “Incentive Plan”). The Incentive Plan was adopted by the Compensation Committee of the Board on March 19, 2012 and approved by the Board on March 22, 2012, subject to shareholder approval. If approved by our shareholders, the Incentive Plan will become effective as of January 1, 2012.

The principal features of the Incentive Plan as we propose to enact it are summarized below. The summary below is qualified in its entirety by the complete text of the Incentive Plan, which is attached hereto as Annex A. Unless otherwise defined hereto, capitalized terms used in this proposal are defined in the Incentive Plan.

The purpose of the Incentive Plan is to promote the Banks’s growth and profitability by providing incentives for those key executives whose efforts and accomplishments contribute to the successful management of the Bank.

The Incentive Plan is being submitted to shareholders for their approval so that payments of bonuses under the Incentive Plan would be tax-deductible as “qualified performance-based compensation,” as defined in Section 162(m) of the Internal Revenue Code. Section 162(m) of the Internal Revenue Code limits the deductibility of compensation in excess of \$1 million paid by a publicly-traded corporation to certain “covered employees” in any taxable year, unless the compensation is “qualified performance-based compensation.” Notwithstanding the adoption of the Incentive Plan by the Board and its submission for approval to shareholders, we reserve the right to pay our employees, including participants in the Incentive Plan, amounts which may or may not be deductible under Section 162(m) of the Internal Revenue Code or other provisions of the Internal Revenue Code.

Summary Description of the Plan

Administration

The Incentive Plan will be administered by a committee (the “Committee”) designated by the Board, consisting of not less than two directors of the Bank, each of whom is a “Non-Employee Director” within the meaning of Rule 16b-3 of the Securities Exchange Act of 1934, as amended (or any successor rule), and an “outside director” within the meaning of Section 162(m) of the Code and Treasury Regulation Section 1.162-27(e)(3). Currently, the Committee is comprised of the same members as our Compensation Committee and is referred to hereinafter as the “Compensation Committee.” The Compensation Committee has the power to select employees to participate in the Incentive Plan, establish Performance Goals, amend the Incentive Plan and perform additional administrative tasks.

The Compensation Committee will designate those executive officers of the Bank who will participate in the Incentive Plan. Such Participants will consist of those executive officers who are, or are expected to be, “covered employees” as defined in Section 162(m) of the Internal Revenue Code or are otherwise selected by the Compensation Committee to participate in the Incentive Plan. Mr. Herbert and Ms. August-deWilde will not initially participate in the Incentive Plan, but will instead commence participation (assuming they remain in their current positions) during the first Performance Period beginning on or after January 1, 2014 (and prior to that date, such individuals will continue to be eligible for annual cash incentive compensation pursuant to the terms of their employment agreements, which provide for performance-based compensation determined in a manner consistent with the terms of the Incentive Plan).

In its discretion, the Compensation Committee may add Participants to, or remove Participants from, the Incentive Plan at any time during a Performance Period or otherwise, except that no Participant may be added after the 90th day after the beginning of a Performance Period (or otherwise at a time that is not consistent with Treasury Regulations under Section 162(m) of the Internal Revenue Code).

Performance Periods and Performance Goals

The Compensation Committee will designate the periods with respect to which a Participant may be granted the opportunity to earn one or more Bonus payouts, to the extent consistent with Treasury Regulation Section 1.162-27(e)(2). The first Performance Period is expected to commence January 1, 2012 and end on December 31, 2012. The Performance Period will be the Bank's fiscal year, or such other period as determined by the Compensation Committee, including multi-year Performance Periods or Performance Periods of less than one fiscal year.

Bonus payments under the Incentive Plan will be based on the performance of the Bank. Performance will be evaluated using one or more of the following performance measures specifically established by the Compensation Committee for each applicable year:

- revenue;
- earnings;
- return on equity;
- return on assets;
- pretax or after-tax diluted earnings per share;
- growth in revenue, earnings, return on equity, return on assets, or earnings per share;
- net income or pretax earnings;
- net operating income;
- net interest income;
- net interest margin;
- asset quality standards such as nonperforming assets in amount and percent of total assets;
- the level of or growth in total deposits, non-CD deposits, or checking deposits;
- cross-sell of products or products per client, growth in wealth management assets or revenues;
- core earnings (earnings excluding purchase accounting adjustments and other non-recurring or one-time items);
- efficiency ratio—GAAP or efficiency ratio based on “core earnings;”
- share price (including without limitation growth measures, total shareholder return or comparison to indices);
- the level of or growth in scored lending and related level of checking deposits or chargeoffs from such clients;
- economic value added measurements;
- employee turnover;
- specified objective social goals; and
- certain regulatory criteria.

To the extent permitted under Section 162(m) of the Internal Revenue Code, the Compensation Committee may designate additional business criteria or adjust, modify or amend the aforementioned business criteria. No amounts may be paid under the Incentive Plan until after the completion of each Performance Period and until the Compensation Committee has certified whether, and to what extent, the performance objectives for that Performance Period were achieved.

At the same time the Performance Goals are established, the Compensation Committee will (1) prescribe a formula to determine the amount of the payment which may be payable based upon the level of attainment of the Performance Goals during the Performance Period and (2) establish the maximum Award payable for each Participant for that Performance Period.

The Compensation Committee may, in its sole discretion, reduce (but not increase) the Award amount for any Participant for a particular Performance Period. The maximum amount payable to any single Participant for a Performance Period will not exceed \$5,750,000.

Termination of Employment

If the Participant's employment with the Bank is terminated for any reason before the end of a Performance Period, the Participant is not entitled to any Bonus under the Incentive Plan unless provided in connection with the terms of an Award, the Participant's employment agreement, or otherwise determined by the Compensation Committee. If the Participant is terminated for "cause" under the Participant's employment agreement, after the end of the Performance Period but before payment of a Bonus with respect to that Performance Period, the Participant forfeits participation in the Incentive Plan and no Bonus will be paid to such a Participant.

Change in Control

Unless otherwise determined by the Compensation Committee or otherwise set forth in the terms of an Award or the Participant's employment agreement, in the event of a Participant's termination of employment for any reason other than "cause" within one year following a Change in Control (as defined in the Stock Award Plan), then, with respect to that Participant, only, the then-current Performance Period will end automatically for this Participant and all Performance Goals and other conditions pertaining to such Participant's Awards will be deemed to be achieved or fulfilled on a *pro rata* basis, and such *pro rata* Bonus will be paid promptly (but no later than 30 days following such termination) to such Participant after such termination of employment.

Payment of Incentive Awards

Unless otherwise determined by the Compensation Committee, the Bonus will be payable in cash and/or an equity-based award of equivalent value granted pursuant the Stock Award Plan or any other shareholder-approved equity-based compensation plan. The cash portion of the Bonus will be paid by March 15th of the fiscal year after the end of the Performance Period for which such Bonus is earned, at such time as bonuses are paid generally by the Bank for the relevant fiscal year, but in no event before the Compensation Committee certifies, in writing, to the achievement of Performance Goals.

The Compensation Committee may approve requests to permit an individual Participant to defer voluntarily the receipt of part or all of any payments otherwise due to such Participant under the Incentive Plan. If such deferral is approved, a Participant may elect to defer all or any part of a bonus payment in accordance with rules and procedures to be determined by the Compensation Committee. Deferred Bonus payments are not funded and no Participant will acquire rights to any specific assets of the Bank.

Amendment and Termination

The Board or the Compensation Committee may at any time and from time to time modify, alter, amend, suspend, discontinue or terminate the Incentive Plan and any Award granted thereunder, except that no modification, alteration, amendment, suspension, discontinuation or termination (i) may materially impair the rights of a Participant under any Award theretofore granted without the Participant's consent, except for an amendment made to comply with applicable law, stock exchange rules or accounting rules or (ii) may cause an Award or Bonus not to be deductible under, or to cease to be deductible under, Section 162(m) of the Internal Revenue Code. In addition, no amendment that would require shareholder approval under applicable law

(including, without limitation, in order for any Bonus paid pursuant to this Incentive Plan to constitute “performance-based compensation” within the meaning of Section 162(m)(4)(C) of the Internal Revenue Code) or stock exchange rules will be effective without the approval of our shareholders as required by such law (including, without limitation, Section 162(m) of the Internal Revenue Code and the regulations thereunder) or stock exchange rules.

New Plan Benefits

The Compensation Committee has retained discretion to reduce or eliminate the incentive awards payable to any Participant under the Incentive Plan. In addition, at present it is uncertain whether the minimum levels of performance necessary to achieve any level of incentive award under the Incentive Plan will be met. As a result, the actual amount of compensation to be paid to Participants under the Incentive Plan for the 2012 Performance Period is not determinable in advance.

Board’s Recommendation

The Board unanimously recommends you vote **FOR** the approval of the First Republic 2012 Executive Incentive Plan.

Proposal 3—APPROVAL OF AMENDMENTS TO THE FIRST REPUBLIC 2010 OMNIBUS AWARD PLAN

In 2010, before our initial public offering, our shareholders approved the 2010 Omnibus Award Plan (the “Stock Award Plan”). The purpose of the Stock Award Plan is to provide a means through which we may attract and retain key personnel and whereby our directors, officers, employees, consultants and advisors can acquire and maintain an equity interest in us or be paid incentive compensation, including incentive compensation measured by reference to the value of our common stock. These awards are intended to strengthen a participant’s commitment to our welfare and align a participant’s interests with those of our shareholders. In order to ensure that there will be sufficient shares available for grant under the Stock Award Plan, the Board has unanimously approved, subject to shareholder approval, an amendment to the Stock Award Plan (the “Amendment”). The Amendment and the Stock Award Plans as currently in effect are each summarized below. These summaries are qualified in their entirety by the complete text of the Stock Award Plan, as amended by the Amendment, which is attached hereto as Annex B.

In general, the Amendment permits certain awards to be considered “qualifying performance-based compensation” under Section 162(m) of the Internal Revenue Code. Section 162(m) limits the deductibility of remuneration in excess of \$1,000,000 paid by a public corporation to certain “covered employees” unless it is “qualifying performance-based compensation.” Under regulations promulgated pursuant to Section 162(m), at least three conditions must be satisfied in order for compensation to qualify as performance-based: (i) the compensation must be payable on account of the attainment of one or more pre-established, objective performance goals, (ii) the material terms of the compensation and the performance goals must be disclosed to and approved by shareholders before payment and (iii) a committee of the Board that is comprised solely of two or more “outside Directors” must certify that the performance goals have been satisfied before payment. By approving the Amendment, First Republic’s shareholders will be approving, among other things, the performance goals and the material terms of the Stock Award Plan, as amended. Notwithstanding the adoption of the Stock Award Plan and its submission to shareholders, the Bank reserves the right to pay its employees, including participants in the Stock Award Plan, other amounts which may or may not be deductible under Section 162(m) or other provisions of the Internal Revenue Code.

Summary Description of the Amendment to the Stock Award Plan

Increase in Share Authorization

Currently, the Stock Award Plan is authorized to issue 16,927,273 shares of common stock, of which 626,865 shares remain available for grant. In order to ensure that there will be sufficient shares for grant under the Stock Award Plan in future years, the Amendment increases the total number of shares authorized for issuance, by 2,000,000 shares. In addition, the Amendment limits the aggregate number of shares subject to awards granted to any one participant during any fiscal year to 500,000 shares.

Other Amendments

The Amendment makes the following changes with respect to performance goals:

- The Amendment clarifies that the Compensation Committee has the authority to establish or verify the extent of satisfaction of any performance goals applicable to any award.
- The Amendment specifies that awards under the Stock Award Plan may have their grant, issuance, retention or vesting subject to performance criteria selected by the Compensation Committee in its sole discretion. However, where any award is intended to qualify for exemption from the deduction limitation of Section 162(m) of the Internal Revenue Code as “qualified performance-based compensation,” the following conditions shall apply:

- The amount potentially available under an award shall be subject to the attainment of pre-established, objective performance goals relating to a specified period of service based on one or more of the following performance criteria:
 - revenue;
 - earnings;
 - return on equity;
 - return on assets;
 - pretax or after-tax diluted earnings per share;
 - growth in revenue, earnings, return on equity, return on assets, or earnings per share;
 - net income or pretax earnings;
 - net operating income;
 - net interest income;
 - net interest margin;
 - asset quality standards such as nonperforming assets in amount and percent of total assets;
 - the level of or growth in total deposits, non-CD deposits, or checking deposits;
 - cross-sell of products or products per client, growth in wealth management assets or revenues;
 - core earnings (earnings excluding purchase accounting adjustments and other non-recurring or one-time items);
 - efficiency ratio—GAAP or efficiency ratio based on “core earnings;”
 - share price (including without limitation growth measures, total shareholder return or comparison to indices);
 - the level of or growth in scored lending and related level of checking deposits or chargeoffs from such clients;
 - economic value added measurements;
 - employee turnover;
 - specified objective social goals; and
 - certain regulatory criteria.
- The Compensation Committee may adjust any evaluation of performance under performance criteria for: asset impairments or write-downs; litigation or claim judgments or settlements; the effect of changes in tax law, accounting principles or other such laws or provisions affecting reported results; accruals for reorganization and restructuring programs; any extraordinary nonrecurring items as described in Accounting Principles Board Opinion No. 30 and/or in managements’ discussion and analysis of financial condition and results of operations appearing in our annual report to shareholders for the applicable year; the operations of any business acquired by us or any affiliate or of any joint venture in which we or any affiliate participates; the divestiture of one or more business operations or the assets thereof; the costs incurred in connection with such acquisitions or divestitures; charges for stock-based compensation; or executive or employee bonus accruals, in each case within the time prescribed by, and otherwise in compliance with, Section 162(m) of the Internal Revenue Code.
- While the outcome is still substantially uncertain, the Compensation Committee must establish applicable performance goals in writing and an objective method for determining if the goals are attained and must certify in writing the extent to which the performance goals have been met before payment or vesting of an award.

- The Compensation Committee may reduce, but not increase the amount of compensation payable upon the attainment of pre-established performance goals to a participant who is a “covered employee” within the meaning of Section 162(m) of the Internal Revenue Code.

The Amendment also makes the following additional changes:

- The Amendment prohibits any repricing of stock options or stock appreciation rights except pursuant to a change in capital structure of the Bank or a change in control, unless the action is approved by our shareholders.
- The Amendment removes certain references to the Shareholders Agreement that are no longer required since we completed an initial public offering.

Summary Description of the Existing Stock Award Plan

The Stock Award Plan provides for the issuance of a maximum of 16,927,273 shares of common stock pursuant to awards under the Stock Award Plan. Only shares of common stock which are used in settlement of awards are counted against the maximum issuance number, and if an award expires or is cancelled, terminated or forfeited or paid out in cash, the shares of common stock covered by such award will again become eligible for issuance. Shares of common stock may be issued by us or purchased in the open market or in privately-negotiated transactions. The Compensation Committee is authorized to make adjustments to awards under the Stock Award Plan to reflect changes in our capital structure, such as stock splits and dividends, recapitalizations, mergers, spin-offs, and other similar transactions, including replacing outstanding awards with substitute awards and adjusting the maximum number of shares of common stock subject to the Stock Award Plan.

Our employees, directors, officers, consultants and advisors or of our affiliates who have been selected by the Compensation Committee are eligible to participate in the Stock Award Plan. There are currently approximately 430 eligible participants.

Under the Stock Award Plan, the Compensation Committee may award incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock, restricted stock units and other stock-based awards. The Stock Award Plan is administered by the Compensation Committee and the Compensation Committee is responsible for selecting participants in the Stock Award Plan, determining the award and the terms of such award, and to take other actions to generally interpret and administer the Stock Award Plan and awards granted thereunder. The Compensation Committee may delegate its power and authority to grant awards under the Stock Award Plan, including to one or more of our officers. The Board is also given authority to make awards under the Stock Award Plan and to take any other action delegated to the Compensation Committee under the Stock Award Plan. Determinations by the Compensation Committee or the Board are final and binding.

All awards under the Stock Award Plan are made pursuant to an award agreement. The determinations of the Compensation Committee or the terms of an award agreement may accelerate the exercisability of an option or a stock appreciation right or the vesting of a restricted stock or restricted stock unit award due to a change in control of the Bank or the death, disability, retirement or other termination of service of a participant. The following is a summary description of the types of awards which are authorized under the Stock Award Plan:

Stock Options

All options granted under the Stock Award Plan will be nonqualified stock options unless the applicable award agreement expressly states that the option is intended to be an incentive stock option. Incentive stock options may be granted only to persons eligible to receive incentive stock options under the Internal Revenue Code. No option may be treated as an incentive stock option unless the Stock Award Plan has been properly

approved by our shareholders in compliance with the relevant provisions of the Internal Revenue Code. All other options awarded under the Stock Award Plan will be nonqualified stock options. The Stock Award Plan sets forth the following provisions generally applicable to stock options awarded under the Stock Award Plan:

- **Exercise Price:** The exercise price per share of common stock for each option may not be less than the fair market value on the date of grant (110% of fair market price for incentive stock options granted to participants holding more than 10% of the voting power of the Bank).
- **Vesting and Expiration:** The Compensation Committee may determine the vesting schedule and expiration dates for option awards; provided that the expiration date may not exceed 10 years (five years for incentive stock options granted to participants holding more than 10% of the voting power of the Bank).
- **Method of Exercise:** The Stock Award Plan provides for a variety of methods to exercise options and submit payment to us. These include payment in cash or shares of common stock, net exercise and broker-assisted cashless exercise. The permitted methods of exercise and payment are set forth in the award agreements.

Stock Appreciation Rights

Stock appreciation rights may be granted with a strike price of not less than the fair market value of the shares of common stock on the date of grant. The vesting and expiration schedule will be determined by the Compensation Committee, provided that if the stock appreciation right is granted in tandem with an option award, the vesting and expiration schedule will match that of the options. Upon exercise of a stock appreciation right, we will issue to the participant an amount of shares of common stock with a fair market value equal to the number of shares of common stock underlying the stock appreciation right, multiplied by the excess of the fair market value of the common stock on the date of exercise over the strike price. Unless otherwise set forth in an award agreement, the Compensation Committee will have the right to substitute nonqualified stock options for stock appreciation right awards so long as the substituted award is an economic equivalent and subject to certain other conditions.

Restricted Stock and Restricted Stock Units

Restricted stock and restricted stock unit awards may be granted with such terms as are determined by the Compensation Committee. Restricted stock unit awards are unfunded and unsecured obligations of the Bank. After the restricted period lapses, restricted stock unit awards will be settled in shares of common stock on a one for one basis, although unless the award agreement states otherwise, the Compensation Committee may settle the restricted stock unit awards in cash or a mix of shares of common stock and cash and may defer delivery of the shares of common stock beyond the restricted period.

Other Stock-Based Awards

The Compensation Committee may also issue unrestricted shares of common stock, rights to receive grants of awards at a future date or other awards denominated in shares of common stock under the Stock Award Plan, either alone or in tandem with other awards.

Change in Control and Capital Structure

In the event of any extraordinary dividend or other distribution, recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split up, split-off, spin-off, combination, repurchase or exchange of shares of common stock or other securities of the Bank, issuance of warrants or other rights to acquire shares of common stock or other securities of the Bank, or other similar corporate transaction or event that affects our common stock (including a Change in Control as defined below), the Compensation Committee may make such

adjustments to the terms of any award in any manner as it deems equitable, including adjustments regarding the kind, exercise price (or purchase price, as applicable), and number of shares of common stock (including, but not limited to, the maximum number of shares reserved under the Stock Award Plan) that are or may become subject to awards granted or to be granted under the Stock Award Plan. A “Change in Control” as defined in the Stock Award Plan generally means the consummation of a reorganization, merger or consolidation, or sale or other disposition of all or substantially all of the assets of the Bank to a person (other than an employee benefit plan maintained by the Bank or an affiliate of the Bank or a person a majority of whose voting power is owned, directly or indirectly, by the Bank) in each case, unless (i) the existing shareholders of the Bank continue to own more than 50% of the then-outstanding shares of common stock of the Bank or any resulting or surviving entity, and (ii) individuals who constitute the Board before the transaction continue to constitute at least a majority of the members of the board of directors of the corporation or other business entity resulting from the transaction. Any adjustment to an outstanding stock option or stock appreciation right will comply with Section 424 of the Internal Revenue Code. The determination by the Compensation Committee or the Board as to the terms of any of the adjustments will be conclusive and binding on all persons.

At the time of a Change in Control, subject to the terms of any award agreement, the surviving, continuing, successor or purchasing corporation or its parent may either assume the Bank’s rights and obligations with respect to outstanding awards, substitute for outstanding awards substantially equivalent awards for the acquiror’s stock, or cancel and pay out the value of outstanding awards in each, stock or other consideration.

Miscellaneous Provisions

The Stock Award terminates on June 30, 2020 unless earlier terminated by the Board. The Board may at any time amend, alter, suspend, discontinue, cancel or terminate the Stock Award Plan or any portion thereof, subject to any required shareholder or regulatory approval.

Award agreements under the Stock Award Plan may provide for dividend or dividend equivalent rights for any award. Except as otherwise set forth in an award agreement, participants will not be entitled to the privileges of ownership in respect of the shares of common stock underlying the award until such shares of common stock have been issued and delivered to the participant. Awards under the Stock Award Plan are also subject to certain clawback and forfeiture provisions which can be triggered by fraud or conduct contributing to any financial statements or other irregularities and by violations of non-solicitation or non-competition agreements or other actions adverse to us.

Awards under the Stock Award Plan are subject to various regulatory provisions. If our capital falls below minimum applicable requirements, the FDIC may direct us to require the participants to either exercise or forfeit their stock rights.

If a participant’s employment or service with us or our affiliates terminates, rights under awards granted to the participant will be limited. The applicable award agreement may provide specific or different rules for exercise rights upon termination of employment.

Unless permitted by the Board, participants may not assign, alienate, pledge, attach, sell or otherwise transfer or encumber awards, other than by will or by the laws of descent and distribution.

New Plan Benefits

The benefits or amounts under the amended Stock Award Plan that will be received by or allocated to the Bank’s Chief Executive Officer, other executive officers and employees who are not executive officers are discretionary and, accordingly, are not determinable presently. If the amendment had been in effect in 2011, the benefits or amounts received by or allocated to such persons would have been identical to the benefits or amounts actually received by or allocated to such persons under the Stock Award Plan, as set forth in the table below.

First Republic Bank 2010 Omnibus Award Plan

| <u>Name</u> | <u>Number of Stock Options</u> | <u>Dollar Value of Stock Options(1)</u> |
|---|------------------------------------|---|
| James H. Herbert, II | — | — |
| Willis H. Newton, Jr. | — | — |
| Katherine August-deWilde | — | — |
| David B. Lichtman | — | — |
| Edward J. Dobranski | — | — |
| All executive officers as a group (7 people) | — | — |
| All non-executive directors as a group (8 people) | — | — |
| Non-executive officers and employees as a group | 273,500 | \$3,251,915 |

(1) Amounts shown represent grant date fair value of awards.

See “Executive Compensation—Equity Compensation Plan Information” for information regarding securities authorized for issuance under equity incentive compensation plans, without giving effect to the amendment to the Stock Award Plan.

Board’s Recommendation

The Board unanimously recommends you vote **FOR** the amendment of the First Republic 2010 Omnibus Award Plan.

PROPOSAL 4—RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Appointment of Independent Registered Public Accounting Firm

The Audit Committee has appointed KPMG LLP as our independent registered public accounting firm for the 2012 fiscal year. We are submitting the appointment of our independent registered public accounting firm for shareholder ratification at the Annual Meeting.

In connection with our re-establishment as an independent entity in June 2010 and our subsequent initial public offering and listing on the NYSE in December 2010, KPMG LLP audited our financial statements as of December 31, 2010 and for the six months ended December 31, 2010, as of and for the fiscal year ended December 26, 2008 and as of December 28, 2007 and for the periods from January 1, 2007 to September 21, 2007 and September 22, 2007 through December 28, 2007. PricewaterhouseCoopers LLP audited our financial statements for the six months ended June 30, 2010 and as of and for the fiscal year ended December 31, 2009. KPMG was the independent auditor of our predecessor entity from 1989 until the sale of our predecessor entity to MLFSB in 2007. The Audit Committee retained PricewaterhouseCoopers LLP to audit our financial statements as of and for the fiscal year ended December 31, 2009 and for the six months ended June 30, 2010 because that firm was independent during the period when we were a division of BANA.

Our organizational documents do not require that our shareholders ratify the appointment of KPMG LLP as our independent registered public accounting firm. We are doing so because we believe it is a matter of good corporate practice. If our shareholders do not ratify the appointment, the Audit Committee will reconsider whether to retain KPMG LLP, but still may retain them. Even if the appointment is ratified, the Audit Committee, in its discretion, may change the appointment at any time during the year if it determines that such a change would be in the best interests of the Bank or our shareholders.

During 2011, First Republic had no disagreements with KPMG LLP on accounting and financial statement disclosure. A representative of KPMG LLP is expected to be present at the Annual Meeting and will have the opportunity to make a statement if he or she desires to do so. It is expected that such representative will be available to respond to appropriate questions.

Independent Auditor Fees for Services Rendered in 2011 and 2010

The following table presents fees for professional audit services rendered by KPMG LLP in 2011 and 2010 for the audit of our financial statements (including a balance sheet audit as of July 1, 2010 and historical periods), fees for professional audit services rendered by PricewaterhouseCoopers LLP for the audit of our financial statements for the six months ended June 30, 2010, and fees billed for other services rendered by KPMG LLP.

| | <u>PricewaterhouseCoopers</u> | <u>KPMG</u> | |
|---------------------------------|-------------------------------|--------------------|--------------------|
| | <u>2010</u> | <u>2010</u> | <u>2011</u> |
| Audit fees(1) | \$448,839 | \$1,903,000 | \$ 991,000 |
| Audit related fees(2) | — | 103,000 | 95,000 |
| Tax fees(3) | — | 138,000 | 186,000 |
| All other fees | — | — | — |
| Total fees | <u>\$448,839</u> | <u>\$2,144,000</u> | <u>\$1,272,000</u> |

- (1) Audit fees include the audit of our financial statements, the review of quarterly financial statements, and audit of internal control over financial reporting. Audit fees also relate to services such as subsidiary audits, registration activities (i.e. comfort letters) and regulatory and compliance attest services.
- (2) Audit related fees consisted of internal control examinations.
- (3) Tax fees consisted of fees for tax consultation and tax compliance services.

Pre-Approval Policies and Procedures of the Audit Committee

It is the Audit Committee's policy to have all auditing services and permitted non-audit services of KPMG LLP pre-approved by the Audit Committee, including fees and terms. Under this policy, the Audit Committee has pre-approved all of the engagements and fees for the audits of the Bank, audit related engagements and tax engagements paid since its inception on July 1, 2010.

Board's Recommendation

The Board unanimously recommends you vote **FOR** the ratification of KPMG LLP as our independent registered public accounting firm.

PROPOSAL 5—ADVISORY (NON-BINDING) VOTE APPROVING EXECUTIVE COMPENSATION

At the Annual Meeting, you will have the opportunity to vote on the following resolution:

RESOLVED, that the Bank’s shareholders approve, on an advisory basis, the compensation paid to the Bank’s named executive officers, as disclosed in the Bank’s Proxy Statement for the 2012 Annual Meeting of Shareholders pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion.

The above resolution, commonly known as a “say-on-pay” proposal, gives you as a shareholder the opportunity to endorse or not endorse the compensation we pay to our named executive officers by voting to approve or not approve such compensation as described in this Proxy Statement. Your vote on this resolution is advisory only, and none of First Republic, the Board or the Compensation Committee will be bound by the outcome of this advisory vote when making future compensation decisions regarding our executive officers. Although your vote on this resolution is only advisory, First Republic, the Board and the Compensation Committee value your input and will carefully consider the outcome of the vote on this and future “say-on-pay” resolutions when considering future executive compensation decisions.

We believe that our compensation policies and procedures are competitive, are in compliance with applicable regulatory guidelines, and, to the extent permitted by banking regulations, are focused on pay for performance principles and are strongly aligned with the long-term interests of our shareholders. As described above in the Compensation Discussion and Analysis section of this Proxy Statement, we have developed our compensation programs based on the belief that our executive compensation should closely reflect the achievement of results as measured by both short-term and long-term measures of performance and the development and implementation of effective strategic business plans approved annually by the Board. The compensation plans for our named executive officers are based upon the following goals and policies:

- A significant portion of executive compensation should be incentive compensation that is directly linked to our safety and soundness, and to our annual performance, which supports achievement of both our short-term and long-term financial safety and performance goals;
- Incentive compensation should be based on the measures of our performance that are most meaningfully related to the creation of value for shareholders, including the level of earnings, return on equity, return on assets, asset quality, efficiency and regulatory status;
- Compensation programs should support our long-term strategic goals and objectives;
- Compensation programs should incentivize and reward individuals for outstanding contributions to our success, including performance under difficult economic circumstances; and
- Compensation programs should encourage safety and soundness and not encourage excess risk taking.

We encourage you to closely review the Compensation Discussion and Analysis section of this Proxy Statement and the tabular disclosure which follows it. The Compensation Discussion and Analysis discusses each element of compensation we use to incentivize our executive officers, beginning with direct compensation (base salary and annual incentives) and including long-term incentives based on building shareholder wealth (stock options or shares of restricted stock). We also discuss our policies and other factors, such as financial and regulatory constraints, which affect the Board’s decisions or those of the Compensation Committee.

Board’s Recommendation

The Board unanimously recommends you vote **FOR** the approval of the compensation of the named executive officers as described in the Compensation and Disclosure Analysis, compensation tables and narrative discussion in this Proxy Statement.

OTHER MATTERS

We are not aware of any matter that may be presented properly for action at the Annual Meeting other than the matters discussed in this Proxy Statement and set forth in the accompanying Notice of Annual Meeting of Shareholders. If any other business does come properly before the Annual Meeting, the persons named as proxies on the enclosed proxy card, or proxy voting instruction form, will vote as they deem in our best interests on all such matters.

DEADLINE FOR SHAREHOLDER PROPOSALS FOR OUR 2013 ANNUAL MEETING

Proposals by shareholders intended to be presented at our 2013 Annual Meeting of Shareholders pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended, must be received by us no later than December 11, 2012 for consideration for possible inclusion in our proxy statement relating to that meeting.

In addition, our Bylaws include provisions requiring advance notice of a shareholder's nomination of individuals to serve as members of the Board. To be timely, such notice must be received by our Corporate Secretary not less than 120 days before the date of the previous year's annual meeting, or January 15, 2013, in the case of the 2013 Annual Meeting of Shareholders. If no annual meeting was held the previous year and in any year in which the date of the annual meeting is moved by more than 30 days from the date of the previous year's annual meeting, the notice will be considered timely if received not less than 120 days before the date of the annual meeting or by the 10th day following the day on which public disclosure of the annual meeting date was made. The Board is not required to nominate in our annual proxy statement any person so proposed.

The procedure for submitting a shareholder proposal pursuant to our Bylaws is generally the same as for submitting nominations of individuals to serve as members of the Board.

IMPORTANT NOTICE REGARDING THE DELIVERY OF SHAREHOLDER DOCUMENTS

FDIC rules permit us to deliver a single copy of this Proxy Statement and our Annual Report on Form 10-K for the fiscal year ended December 31, 2011 to multiple shareholders sharing the same address and last name, or who we reasonably believe are members of the same family, unless we have received contrary instructions from one or more of such shareholders. This practice is referred to as “householding” and can result in significant savings of paper and mailing costs. Some brokers may also deliver a single copy of our proxy statements and annual reports to multiple shareholders sharing an address unless contrary instructions have been received from the affected shareholders. If, at any time, you would prefer to receive a separate copy of our proxy statement or annual report, or if you are receiving multiple copies of either document and wish to receive only one, please notify us at Investor Relations, First Republic Bank, 111 Pine Street, 2nd Floor, San Francisco, CA 94111, or by calling (415) 392-1400 or emailing investorrelations@firstrepublic.com if you are a record holder of the Bank or please notify your broker or other nominee if you hold your shares in street name.

We will deliver promptly upon written or oral request a separate copy of our proxy statement or our annual report to a shareholder at a shared address to which a single copy of either document was delivered. For copies of either or both documents, shareholders should contact us at Investor Relations, First Republic Bank, 111 Pine Street, 2nd Floor, San Francisco, CA 94111, or by calling (415) 392-1400 or emailing investorrelations@firstrepublic.com.

By Order of the Board of Directors

A handwritten signature in black ink, appearing to read "J. H. Herbert II".

James H. Herbert, II
Chairman and Chief Executive Officer

A handwritten signature in black ink, appearing to read "Katherine August-deWilde".

Katherine August-deWilde
President and Chief Operating Officer

San Francisco, California
April 13, 2012

**FIRST REPUBLIC BANK
2012 EXECUTIVE INCENTIVE PLAN**

Section 1. Purpose. The purpose of the First Republic Bank 2012 Executive Incentive Plan (this “**Plan**”) is to attract, retain and motivate selected executive officers of First Republic Bank (the “**Bank**”) and its subsidiaries and affiliates (together with the Bank and their and its successors and assigns, the “**Company**”) in order to promote the Company’s growth and profitability. It is intended that any Bonus (as defined in Section 5(c)) payable under this Plan be considered “performance-based compensation” within the meaning of Section 162(m)(4)(C) of the Internal Revenue Code of 1986, as amended (the “**Code**”), and the regulations thereunder, and this Plan shall be limited, construed and interpreted accordingly.

Section 2. Administration.

(a) **General.** Subject to Section 2(d), this Plan shall be administered by a committee (the “**Committee**”) designated by the Board of Directors of the Bank (the “**Board**”). Unless the Board determines otherwise, the compensation committee of the Board shall constitute the Committee. The Committee at all times shall be composed of at least two directors of Bank, each of whom is a “Non-Employee Director” within the meaning of Rule 16b-3 of the Securities Exchange Act of 1934, as amended (or any successor rule), and an “outside director” within the meaning of Section 162(m) of the Code and Treasury Regulation Section 1.162-27(e)(3).

(b) **Role of the Committee.** The Committee shall have complete control over the administration of this Plan, and shall have the authority in its sole and absolute discretion to: (i) exercise all of the powers granted to it under this Plan, including designating individuals as participants in this Plan in accordance with Section 4 and establishing Performance Goals (as defined in Section 5(b)) in accordance with Section 5(a); (ii) construe, interpret and implement this Plan; (iii) prescribe, amend and rescind rules and regulations relating to this Plan, including rules and regulations governing its own operations; (iv) make all determinations and take all actions necessary or advisable in administering this Plan (including, without limitation, certifying the attainment of Performance Goals, calculating the size of the Bonus payable to each Participant (as defined in Section 4(a)) and whether such Bonus is payable in cash or equity-based awards of the Bank); (v) correct any defect, supply any omission and reconcile any inconsistency in this Plan; and (vi) amend this Plan, including to reflect changes in or interpretations of applicable law, rules or regulations.

(c) **Procedures; Decisions Final.** Actions of the Committee shall be made by the vote of a majority of its members. The determination of the Committee on all matters relating to this Plan and any amounts payable thereunder shall be final, binding and conclusive on all parties. There is no obligation for uniformity of treatment of Participants, and the Committee’s determinations and interpretations with respect to the Plan and Awards hereunder need not be the same with respect to each Participant and may be made selectively among Participants, whether or not such Participants are similarly situated.

(d) **Delegation.** The Committee may allocate among its members and may delegate some or all of its authority or administrative responsibility to such individual or individuals who are not members of the Committee as it shall deem necessary or appropriate; provided, however, that the Committee may not delegate any of its authority or administrative responsibility hereunder if such delegation would cause any Bonus payable under this Plan not to be considered “performance-based compensation” within the meaning of Section 162(m)(4)(C) of the Code and the regulations thereunder, and any such attempted delegation shall not be effective and shall be void *ab initio*.

(e) **No Liability.** No member of the Board, the Committee or any employee or agent of the Company (each such person an “**Indemnifiable Person**”) shall be liable for any action taken or omitted to be taken or any determination made with respect to the Plan, any Award or any Bonus hereunder (unless constituting bad faith,

fraud or a willful criminal act or omission). Each Indemnifiable Person shall be indemnified and held harmless by the Bank against and from any loss, cost, liability or expense (including attorneys' fees) that may be imposed upon or incurred by such Indemnifiable Person in connection with or resulting from any action, suit or proceeding to which such Indemnifiable Person may be a party or in which such Indemnifiable Person may be involved by reason of any action taken or omitted to be taken or determination made under the Plan or any Award or any Bonus and against and from any and all amounts paid by such Indemnifiable Person, with the Bank's approval, in settlement thereof, or paid by such Indemnifiable Person in satisfaction of any judgment in any such action, suit or proceeding against such Indemnifiable Person, provided that the Bank shall have the right, at its own expense, to assume and defend any such action, suit or proceeding and, once the Bank gives notice of its intent to assume the defense, the Bank shall have sole control over such defense with counsel of the Bank's choice. The foregoing right of indemnification shall not be available to an Indemnifiable Person to the extent that a final judgment or other final adjudication (in either case, not subject to further appeal) binding on such Indemnifiable Person determines that the acts or omissions or determinations of such Indemnifiable Person giving rise to the indemnification claim resulted from such Indemnifiable Person's bad faith, fraud or willful criminal act or omission or such right of indemnification is otherwise prohibited by law or by the Bank's Articles of Incorporation or Bylaws. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such Indemnifiable Persons may be entitled under the Bank's Articles of Incorporation or By-Laws, as a matter of law, or otherwise, or any other power that the Bank may have to indemnify such Indemnifiable Persons or hold them harmless.

Section 3. Performance Period. The Committee shall designate the periods (each a "**Performance Period**") with respect to which a Participant may be granted the opportunity to earn one or more Bonus payouts, to the extent consistent with Treasury Regulation Section 1.162-27(e)(2). The first Performance Period shall commence January 1, 2012 and end on December 31, 2012. The Performance Period shall be the Bank's fiscal year, or such other period as determined by the Committee, including multi-year Performance Periods or Performance Periods of less than one fiscal year.

Section 4. Eligibility and Participation.

(a) **Participants.** Prior to the 90th day after the beginning of the Performance Period, or such earlier date not inconsistent with Treasury Regulation Section 1.162-27(e)(2) (the "**Participation Date**"), the Committee shall designate those executive officers of the Company who shall participate in this Plan for each Performance Period (the "**Participants**"), which shall include those executive officers who (i) are, or are expected to be, "covered employees" as defined in Section 162(m) of the Code or (ii) are otherwise selected by the Committee to participate in the Plan. No employee shall at any time have a right to be selected as a Participant in the Plan for any Performance Period, to be entitled automatically to an award, nor, having been selected as a Participant for one Performance Period, to be a Participant in any other Performance Period. No later than each applicable Participation Date, each Participant shall receive notice that they have been designated to participate in the Plan and shall be provided a copy of this Plan. Notwithstanding the foregoing, neither of the Bank's Chief Executive Officer nor Chief Operating Officer, in each case serving in such positions as of the date this Plan is first approved by the Bank's stockholders, shall participate in this Plan for any Performance Period beginning prior to January 1, 2014 (and prior to that date, such individuals shall be eligible for annual cash incentive compensation pursuant to the terms of their employment agreements, which provide for performance-based compensation determined in a manner consistent with the terms of this Plan).

(b) **Changes During a Performance Period.** Except as provided below, the Committee shall have the authority at any time (i) during the Performance Period to remove Participants from this Plan for that Performance Period and (ii) prior to the Participation Date (or otherwise in a manner not inconsistent with Treasury Regulation Section 1.162-27(e)(2)) to add Participants to this Plan for a particular Performance Period.

Section 5. Bonus Amounts.

(a) **Establishment of Performance Goals and Formula.** By the Participation Date (or otherwise in a manner not inconsistent with Treasury Regulation Section 1.162-27(e)(2)), the Committee shall establish the objective performance goals (the “**Performance Goals**”) for a Performance Period in writing while the outcome of the Performance Goals is substantially uncertain. At the same time the Performance Goals are established, the Committee shall (1) prescribe a formula to determine the amount of the payment which may be payable based upon the level of attainment of the Performance Goals during the Performance Period (the Participant’s “**Award**”) and (2) establish the maximum Award payable for each Participant for that Performance Period.

(b) **Performance Goals.** The Performance Goal(s) will be based upon or derived from one or more of the following objective business criteria (the “**Qualifying Performance Criteria**”) as designated by the Committee, any of which may be measured either individually, alternatively or in any combination, applied to either the Bank as a whole or to a business unit or affiliate, either individually or alternatively or in any combination, and measured either annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to previous years’ results or to a designated comparison group or index, in each case as specified by the Committee: revenue; earnings; return on equity; return on assets; growth in earnings; pretax or after-tax diluted earnings per share; growth in revenue, earnings, return on equity, return on assets or earnings per share; net income or pretax earnings; net operating income; net interest income; net interest margin; asset quality standards such as nonperforming assets in amount and percent of total assets; the level of or growth in total deposits, non-CD deposits or checking deposits; cross-sell of products or products per client; growth in wealth management assets or revenues; “core earnings” (earnings excluding purchase accounting adjustments and other non-recurring or one-time items); efficiency ratio—GAAP or efficiency ratio based on “core earnings;” the Bank’s share price (including, without limitation, growth measures, total shareholder return or comparison to indices); the level of or growth in scored lending and related level of checking deposits or chargeoffs from such clients; economic value added measurements; employee turnover; specified objective social goals; and certain regulatory criteria. The Committee may determine to appropriately adjust any evaluation of performance under a Qualifying Performance Criteria for one or more of the following events that occurs during a performance period: (1) asset impairments or write-downs; (2) litigation or claim judgments or settlements; (3) the effect of changes in tax law, accounting principles or other such laws or provisions affecting reported results; (4) accruals for reorganization and restructuring programs; (5) any extraordinary nonrecurring items as described in Accounting Standards Codification (ASC) 225-20 and/or in managements’ discussion and analysis of financial condition and results of operations appearing in the Bank’s annual report to stockholders for the applicable year; (6) the operations of any business acquired by the Bank or any affiliate or of any joint venture in which the Bank or any affiliate participates; (7) the divestiture of one or more business operations or the assets thereof; (8) the costs incurred in connection with such acquisitions or divestitures; (9) charges for stock based compensation; or (10) executive or employee bonus accruals, in each case within the time prescribed by, and otherwise in compliance with, Section 162(m) of the Code. To the extent any such provision would create impermissible discretion under Section 162(m) of the Code or otherwise violate Section 162(m) of the Code, such provision shall be of no force or effect.

(c) **Committee Discretion to Determine Bonus.** The Committee has the sole discretion to determine whether all or any portion of a Participant’s Award shall be paid, and the specific amount, if any, to be paid to each Participant, subject in all cases to the terms, conditions and limits of this Plan. The Committee may, at any time, establish (and, once established, rescind, waive or amend) additional conditions and terms of payment of Awards (including, but not limited to, the achievement of other financial, strategic or individual goals, which may be objective or subjective) as it may deem desirable in carrying out the purposes of this Plan. Notwithstanding anything to the contrary in this Plan, the Committee may, in its sole discretion, reduce (but not increase) the Award amount for any Participant for a particular Performance Period at any time prior to the payment of Awards to Participants pursuant to Section 6. The portion of an Award that the Committee determines to pay to a Participant for a Performance Period, is herein referred to as his or her “**Bonus**”.

(d) **Maximum Bonus.** Notwithstanding anything to the contrary in Section 5(a), under no circumstances shall the Bonus payable to any single Participant for any Performance Period exceed \$5,750,000.

(e) **Certification.** Following the completion of each Performance Period and prior to any Bonus payment, the Committee shall certify in writing whether the Performance Goals for the Performance Period have been met and, if they have been met, certify the amount of the applicable Bonus. No Bonus may be paid under the Plan until the Committee has certified whether, and to what extent, the Performance Goals for that Performance Period were achieved.

Section 6. Payment of Bonus Amount; Voluntary Deferral.

(a) **Payment.** Each Participant's Bonus shall be payable, in the discretion of the Committee in cash and/or an equity-based award of equivalent value granted pursuant to the Bank's 2010 Omnibus Award Plan, as amended and restated, or any other stockholder-approved equity-based compensation plan of the Bank or the Company (any such Plan, a "**Company Equity Plan**"). The cash portion of the Bonus shall be paid by March 15th of the fiscal year after the end of the Performance Period for which such Bonus is earned, at such time as bonuses are generally paid by the Bank for the relevant fiscal year but in no event before the Committee certifies in writing that the Performance Goals for such Performance Period were achieved; provided, however, that in the Committee's sole discretion, a Participant's receipt of the cash portion of such Bonus may be subject to deferral requirements as established by the Committee in accordance with Section 409A of the Code; provided, further, that any mandatory deferral required by applicable law (including any rules, regulations and applicable guidance) shall be implemented as required by law. Any equity-based award granted in respect of all or a portion of a Participant's Bonus shall be subject to such terms and conditions the Company Equity Plan under which it was awarded, including any additional restriction or vesting requirements as the Committee and the administrative committee of the applicable Company Equity Plan may determine. In determining the number of Bank restricted stock units, restricted shares or unrestricted shares of Bank common stock that are equivalent to a dollar amount, the dollar amount of such Bonus shall be divided by the average of the closing prices the Bank's common stock over the last 10 trading days in the applicable fiscal year (with fractional shares being rounded to the nearest whole share).

(b) **Voluntary Deferral.** The Committee may, in its sole discretion, approve requests to permit an individual Participant to voluntarily defer the receipt of part or all of any payments otherwise due to such Participant under this Plan. If such deferral is approved, the Participant may elect to defer all or any part of a Bonus payment in accordance with rules and procedures to be determined by the Committee and subject to the terms and conditions of any applicable deferred compensation plan of the Company and the requirements of Section 409A of the Code. Deferred Bonus payments will not be funded and no Participant shall acquire rights to any specific assets of the Bank or the Company, provided, however, that the Bank may establish a bookkeeping reserve to meet its obligations or a trust or other funding vehicle that would not cause the Plan to be deemed to be funded for tax purposes or for purposes of the Employment Retirement Security Act of 1974, as amended.

(c) **Committee Determination Required.** No Participant shall have any right to payment of any amounts under this Plan unless and until the Committee determines (i) the amount of such Participant's Bonus, (ii) that such Bonus shall be paid and (iii) the method and timing of its payment.

Section 7. Termination of Employment. If a Participant's employment with the Company terminates for any reason before the end of a Performance Period, the Participant shall not be entitled to any Bonus under this Plan for that Performance Period unless otherwise provided in connection with the terms of an Award, the Participant's employment agreement or otherwise determined by the Committee in connection with specified terminations of employment. A Participant who is terminated, for "cause" within the meaning of the Bank's 2010 Omnibus Award Plan, as amended and restated (or, if applicable, a Participant's employment agreement), after the end of the Performance Period but before payment of a Bonus in respect of that Performance Period, shall forfeit participation in the Plan, and no Bonus shall be payable to such a Participant.

Section 8. Change in Control. Unless otherwise determined by the Committee or otherwise set forth in the terms of an Award or the Participant's employment agreement, in the event of a Participant's termination of employment for any reason other than "cause" (within the meaning of the Bank's 2010 Omnibus Award Plan, as

amended and restated or, if applicable, a Participant's employment agreement), within one year following a Change in Control (as defined in the Bank's 2010 Omnibus Stock Award Plan, as amended), then, with respect to that Participant, only, the then-current Performance Period shall automatically end and all Performance Goals and other conditions pertaining to that Participant's Award shall be deemed to be achieved or fulfilled on a *pro rata* basis for (i) the number of whole months elapsed from the commencement of the Performance Period through the employment termination date over (ii) the number of whole months included in the original Performance Period, based on the actual performance level achieved or, if not determinable, in the manner specified by the Committee at the commencement of the Performance Period, and shall be waived by the Company, and such *pro rata* Bonus shall be paid promptly (but no later than 30 days) after such termination of employment.

Section 9. Recoupment. Notwithstanding any provision of this Plan to the contrary, any payment under this Plan shall be subject to any forfeiture, recoupment or clawback as may be required by applicable law (including any rules, regulations and applicable guidance), any agreement with the Company, the terms of an Award or any Company policies as may be in effect from time to time.

Section 10. General Provisions.

(a) **Amendment, Termination, Etc.** The Board or the Committee may at any time and from time to time modify, alter, amend, suspend, discontinue or terminate this Plan and any Award granted hereunder, except that no modification, alteration, amendment, suspension, discontinuation or termination (i) may materially impair the rights of a Participant under any Award theretofore granted without the Participant's consent, except for an amendment made to comply with applicable law, stock exchange rules or accounting rules or (ii) may cause an Award or Bonus not to be deductible under, or to cease to be deductible under, Section 162(m) of the Code. In addition, no amendment that would require stockholder approval under applicable law (including, without limitation, in order for any Bonus paid pursuant to this Plan to constitute "performance-based compensation" within the meaning of Section 162(m)(4)(C) of the Code) or stock exchange rules shall be effective without the approval of the stockholders of the Bank as required by such law (including, without limitation, Section 162(m) of the Code and the regulations thereunder) or stock exchange rules.

(b) **Nonassignability.** No rights of any Participant under this Plan may be sold, exchanged, transferred, assigned, pledged, hypothecated or otherwise disposed of (including through the use of any cash-settled instrument), either voluntarily or involuntarily by operation of law, other than by will or by the laws of descent and distribution, unless the Committee determines otherwise. Any sale, exchange, transfer, assignment, pledge, hypothecation or other disposition in violation of the provisions of this Section 10(b) shall be void and shall not be recognized or given effect by the Bank or the Company.

(c) **Plan Creates No Employment Rights.** Nothing in this Plan shall confer upon any Participant the right to continue in the employ of the Bank or the Company for the Performance Period or thereafter or affect any right which the Bank or the Company may have to terminate such employment.

(d) **Choice of Forum.**

(1) **Jurisdiction.** The Company and each Participant, as a condition to such Participant's participation in this Plan, hereby irrevocably submit to the exclusive jurisdiction of any state or federal court of appropriate jurisdiction located in San Francisco, California over any suit, action or proceeding arising out of, or relating to or concerning this Plan that is not otherwise arbitrated or resolved according to Section 10(e). The Company and each Participant, as a condition to such Participant's participation in this Plan, acknowledge that the forum designated by this Section 10(d) has a reasonable relation to this Plan and to the relationship between such Participant and the Company. Notwithstanding the foregoing, nothing herein shall preclude the Company from bringing any action or proceeding in any other court for the purpose of enforcing the provisions of Section 10(d).

(2) **Acceptance of Jurisdiction.** The agreement by the Company and each Participant as to forum is independent of the law that may be applied in the action, and the Company and each Participant, as a condition to such Participant's participation in this Plan, (i) agree to such forum even if the forum may under applicable law choose to apply non-forum law, (ii) hereby waive, to the fullest extent permitted by applicable law, any objection which the Company or such Participant now or hereafter may have to personal jurisdiction or to the laying of venue of any such suit, action or proceeding in any court referred to in Section 10(d)(1), (iii) undertake not to commence any suit, action or proceeding arising out of or relating to or concerning this Plan in any forum other than the forum described in this Section 10(d) and (iv) agree that, to the fullest extent permitted by applicable law, a final and non-appealable judgment in any such suit, action or proceeding in any such court shall be conclusive and binding upon the Company and each Participant.

(3) **Service of Process.** Each Participant, as a condition to such Participant's participation in this Plan, hereby irrevocably appoints the General Counsel of the Bank as such Participant's agent for service of process in connection with any action, suit or proceeding arising out of or relating to or concerning this Plan that is not otherwise arbitrated or resolved according to Section 10(e), who shall promptly advise such Participant of any such service of process.

(4) **Confidentiality.** Each Participant, as a condition to such Participant's participation in this Plan, agrees to keep confidential the existence of, and any information concerning, a dispute, controversy or claim described in this Section 10(d), except that a Participant may disclose information concerning such dispute, controversy or claim to the arbitrator or court that is considering such dispute, controversy or claim or to such Participant's legal counsel (provided that such counsel agrees not to disclose any such information other than as necessary to the prosecution or defense of the dispute, controversy or claim).

(e) **Dispute Resolution.** Subject to the provisions of Section 10(d), any dispute, controversy or claim between the Company and a Participant, arising out of or relating to or concerning this Plan or any Award shall be finally settled by binding arbitration in San Francisco, California before, and in accordance with the rules then obtaining of the American Arbitration Association (the "AAA") in accordance with the commercial arbitration rules of the AAA. Prior to arbitration, all claims maintained by a Participant must first be submitted to the Committee in accordance with claims procedures determined by the Committee.

(f) **Governing Law.** All rights and obligations under this Plan shall be governed by and construed in accordance with the laws of the State of California, without regard to principles of conflict of laws.

(g) **Tax Withholding.** In connection with any payments to a Participant or other event under this Plan that gives rise to a federal, state, local or other tax withholding obligation relating to this Plan (including, without limitation, FICA tax), (i) the Company may deduct or withhold (or cause to be deducted or withheld) from any payment or distribution to such Participant whether or not pursuant to this Plan or (ii) the Committee shall be entitled to require that such Participant remit cash (through payroll deduction or otherwise), in each case in an amount sufficient in the opinion of the Company to satisfy the amount required by law to be withheld.

(h) **Severability; Conflicts.** If any of the provisions of this Plan is finally held to be invalid, illegal or unenforceable (whether in whole or in part), such provision shall be deemed modified to the extent, but only to the extent, of such invalidity, illegality or unenforceability and the remaining provisions shall not be affected thereby. Notwithstanding anything in this Plan or an Award to the contrary, if and to the extent any term of this Plan or an Award conflicts with any term of an employment agreement with a Participant entered into before the date of this Plan's adoption by the Board (as such employment agreement may be amended from time to time), then the terms of such employment agreement will prevail.

(i) **No Third Party Beneficiaries.** This Plan shall not confer on any person other than the Company and any Participant, any rights or remedies hereunder.

(j) **Successors and Assigns.** The terms of this Plan shall be binding upon and inure to the benefit of the Company and its successors and assigns and each permitted successor or assign of each Participant as provided in Section 10(b).

(k) **Plan Headings.** The headings in this Plan are for the purpose of convenience only and are not intended to define or limit the construction of the provisions hereof.

(l) **Construction.** In the construction of this Plan, the singular shall include the plural, and vice versa, in all cases where such meanings would be appropriate.

(m) **Plan Subject to Stockholder Approval.** This Plan was adopted by the Board as of March 22, 2012, and is effective as of January 1, 2012, subject to the approval of the stockholders of the Bank at its 2012 Annual Meeting of Stockholders in accordance with Section 162(m)(4)(C) of the Code and Treasury Regulation Section 1.162-27(e)(4). If the Plan is not so approved by the shareholders of the Bank, then the Plan will be null and void in its entirety. Any Award granted under the Plan prior to shareholder approval shall be conditioned upon such approval and shall be null and void if such approval is not obtained, and no Bonus shall be payable hereunder absent such stockholder approval.

(n) **Section 409A of the Code.** The Company intends that Bonus payments under this Plan shall be exempt from Section 409A of the Code as short-term deferrals and shall not constitute ‘deferred compensation’ within the meaning of Section 409A of the Code (absent a valid deferral election under the terms of another plan or arrangement maintained by the Company). This Plan shall be interpreted, construed and administered in accordance with the foregoing intent, so as to avoid the imposition of taxes and penalties on Participants pursuant to Section 409A of the Code. The Company shall have no liability to any Participant or otherwise if this Plan or any Bonus paid or payable hereunder is subject to the additional tax and penalties under Section 409A of the Code.

(o) **No Funding.** The Company shall be under no obligation to fund or set aside amounts to pay obligations under this Plan. Participants shall have no rights to any amounts under this Plan other than as a general unsecured creditor of the Company.

(p) **No Rights to Other Payments; No Limitation on Other Payments.** The provisions of this Plan provide no right or eligibility to a Participant to any other payouts from the Company under any other alternative plans, schemes, arrangements or contracts the Company may have with any employees or group of employees of the Company. Nothing in this Plan shall preclude or limit the ability of the Company to pay any compensation to a Participant under any other plan or compensatory arrangement, whether or not in effect on the date this Plan was adopted.

(q) **No Effect on Benefits.** Grants and payments under this Plan shall constitute special discretionary incentive payments to the Participants and shall not be required to be taken into account in computing the amount of salary or compensation of the Participants for the purpose of determining any contributions to or any benefits under any pension, retirement, profit-sharing, bonus, life insurance, severance or other benefit plan of the Company or under any agreement with a Participant, unless the Company or such other arrangement specifically provides otherwise.

(r) **Term of Plan.** This Plan shall continue until suspended, discontinued or terminated by the Board or the Committee in its sole discretion. No Award shall be granted or Bonus paid based on the business criteria set forth in Section 5(b) on or after the first stockholder meeting that occurs in the fifth year following the year in which the stockholders of the Bank previously approved the business criteria, unless the stockholders of the Bank re-approve the business criteria on or before such stockholder meeting.

IN WITNESS WHEREOF, and as evidence of the adoption of this Plan as of March 22, 2012 by the Bank, it has caused the same to be signed by its duly authorized officer this 22nd day of March, 2012.

First Republic Bank

By: _____

Name: Willis H. Newton, Jr.

Title: Executive Vice President
And Chief Financial Officer

**First Republic Bank
2010 Omnibus Award Plan**

(As Amended and Restated Effective May 15, 2012)

1. Purpose. The purpose of the First Republic Bank 2010 Omnibus Award Plan is to provide a means through which Bank and the Affiliates may attract and retain key personnel and to provide a means whereby directors, officers, employees, consultants and advisors of Bank and the Affiliates can acquire and maintain an equity interest in Bank or be paid incentive compensation, including incentive compensation measured by reference to the value of Common Stock, thereby strengthening their commitment to the welfare of Bank and the Affiliates and aligning their interests with those of Bank's shareholders.

2. Definitions. The following definitions shall be applicable throughout the Plan.

(a) "Absolute Share Limit" has the meaning given such term in Section 5(b).

(b) "Affiliate" means (i) any person or entity that directly or indirectly controls, is controlled by or is under common control with Bank and/or (ii) to the extent provided by the Committee, any person or entity in which Bank has a significant interest. The term "control" (including, with correlative meaning, the terms "controlled by" and "under common control with"), as applied to any person or entity, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person or entity, whether through the ownership of voting or other securities, by contract or otherwise.

(c) "Award" means, individually or collectively, any Incentive Stock Option, Nonqualified Stock Option, Stock Appreciation Right, Restricted Stock, Restricted Stock Unit, and Other Stock-Based Award granted under the Plan.

(d) "Bank" means First Republic Bank, a California state-chartered bank, and any successor thereto.

(e) "Board" means the Board of Directors of Bank.

(f) "Cause" means, in the case of a particular Award, unless the applicable Award agreement states otherwise, (i) Bank or an Affiliate having "cause" to terminate a Participant's employment or service, as defined in any employment or consulting agreement between the Participant and Bank or an Affiliate in effect at the time of such termination or (ii) in the absence of any such employment or consulting agreement (or the absence of any definition of "cause" or similar term with like import contained therein), (A) continued neglect of his or her duties to Bank or an Affiliate (other than as a result of his or her incapacity due to physical or mental illness or injury), (B) Participant engaging or taking steps to engage in conduct injurious to Bank or an Affiliate, (C) the commission by the Participant of a felony or any crime involving as a material element fraud or dishonesty, (D) the failure of the Participant to follow the lawful instructions of the Board or his or her direct superiors, or (E) violation by the Participant of the rules, regulations, procedures or instructions (whether written or oral) relating to the conduct of employees, directors, officers and/or consultants of Bank. Unless otherwise provided in any other agreement between Bank or an Affiliate and the Participant, any determination of whether Cause exists shall be made by the Committee in its sole discretion.

(g) "Change in Control" shall, in the case of a particular Award, unless the applicable Award agreement states otherwise or contains a different definition of "Change in Control," (i) shall have the meaning of such term (or any term of like import) in any employment or consulting agreement between Participant and Bank or an Affiliate in effect at the time of such Change in Control or (ii) in the absence of any such employment or consulting agreement (or the absence of any such definition contained therein) shall mean, in one or a series of

transactions, the consummation of a reorganization, merger or consolidation, or sale or other disposition of all or substantially all of the assets of Bank (a “*Business Combination*”) to a person (or group of persons acting in concert), other than to any employee benefit plan (or trust forming a part thereof) maintained by Bank or an Affiliate or to a person of which a majority of its voting power or other equity securities is owned, directly or indirectly, by Bank, in each case, unless, following such Business Combination, (1) individuals and entities who were the beneficial owners, respectively, of the then-outstanding shares of common stock of Bank (the “*Outstanding Common Stock*”) or the combined voting power of the then-outstanding voting securities of Bank entitled to vote generally in the election of directors (the “*Outstanding Voting Securities*”), immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of, respectively, the then-outstanding shares of common stock of Bank or any resulting or surviving entity; and (2) individuals who, as of the Effective Date, constitute the Board (the “*Incumbent Board*”) continue to constitute at least a majority of the members of the board of directors of the corporation or other business entity resulting from the Business Combination; *provided, however*, that any individual becoming a director subsequent to the Effective Date whose election, or nomination for election by Bank’s shareholders was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents, by or on behalf of a person other than the Board.

(h) “Code” means the Internal Revenue Code of 1986, as amended, and any successor thereto. Reference in the Plan to any section of the Code shall be deemed to include any regulations or other interpretative guidance under such section, and any amendments or successor provisions to such section, regulations or guidance.

(i) “Committee” means the Compensation Committee of the Board in accordance with the Shareholders Agreement, if still in effect, which the Board may appoint to administer the Plan, or if no such committee has been appointed by the Board, the Board.

(j) “Common Stock” means the Series A Voting Common Stock, no par value, of Bank (and any stock or other securities into which such common stock may be converted or into which it may be exchanged).

(k) “Date of Grant” means the date on which the granting of an Award is authorized, or such other date as may be specified in such authorization.

(l) “Disability” means, unless in the case of a particular Award the applicable Award agreement states otherwise, Bank or an Affiliate having cause to terminate a Participant’s employment or service on account of “disability,” as defined in any then-existing employment, consulting or other similar agreement between the Participant and Bank or an Affiliate or, in the absence of such an employment, consulting or other similar agreement (or the absence of any such definition contained therein), a condition entitling the Participant to receive benefits under a long-term disability plan of Bank or an Affiliate, or, in the absence of such a plan, the complete and permanent inability by reason of illness or accident to perform the duties of the occupation at which a Participant was employed or served when such disability commenced, as determined by the Committee based upon medical evidence acceptable to it; *provided, however*, that in the case of any Award that is subject to Section 409A of the Code, Disability shall not be deemed to occur unless a Participant qualifies as “disabled” under Treasury Regulation §1.409A-3(i)(4) (or any successor provision and any related Internal Revenue Service guidance).

(m) “Effective Date” means June 30, 2010.

(n) “Eligible Person” means any (i) individual regularly employed by Bank or an Affiliate; (ii) director or officer of Bank or an Affiliate; or (iii) consultant or advisor to Bank or an Affiliate, who, in the case of each of clauses (i) through (iii) above has entered into an Award agreement or who has received written notification from the Committee or its designee that they have been selected to participate in the Plan; *provided, however*, that in

the case of any Award that is an Incentive Stock Option, “Affiliate” in this definition shall mean a “parent corporation” or “subsidiary corporation” as such terms are defined in Sections 424(e) and (f), respectively, of the Code.

(o) “Exchange Act” means the Securities Exchange Act of 1934, as amended, and any successor thereto. Reference in the Plan to any section of (or rule promulgated under) the Exchange Act shall be deemed to include any rules, regulations or other interpretative guidance under such section or rule, and any amendments or successor provisions to such section, rules, regulations or guidance.

(p) “Exercise Price” has the meaning given such term in Section 6(b) of the Plan.

(q) “Fair Market Value” means, on a given date, (i) if the Common Stock is listed on a national securities exchange, the closing sales price of the Common Stock reported on the primary exchange on which the Common Stock is listed and traded on such date, or, if there is no such sale on that date, then on the last preceding date on which such a sale was reported; (ii) if the Common Stock is not listed on any national securities exchange but is quoted in an inter-dealer quotation system on a last sale basis, the average between the closing bid price and ask price reported on such date, or, if there is no such sale on that date, then on the last preceding date on which a sale was reported; or (iii) if the Common Stock is not listed on a national securities exchange or quoted in an inter-dealer quotation system on a last sale basis, the amount determined by the Committee in good faith to be the fair market value of the Common Stock.

(r) “Golden Parachute Rules” shall mean the rules of the Federal Deposit Insurance Corporation (“FDIC”) as set forth in 12 C.F.R. Part 359.

(s) “Incentive Stock Option” means an Option which is designated by the Committee as an incentive stock option as described in Section 422 of the Code and otherwise meets the requirements set forth in the Plan.

(t) “Indemnifiable Person” shall have the meaning set forth in Section 4(e) of the Plan.

(u) “Nonqualified Stock Option” means an Option which is not designated by the Committee as an Incentive Stock Option.

(v) “Option” means an Award granted under Section 6 of the Plan.

(w) “Option Period” has the meaning given such term in Section 6(c) of the Plan.

(x) “Other Stock-Based Award” means an Award granted under Section 9(b) of the Plan.

(y) “Participant” means an Eligible Person who has been selected by the Committee to participate in the Plan and to receive an Award pursuant to Section 5 of the Plan.

(z) “Permitted Transferee” shall mean (A) a member of the transferring Participant’s immediate family (as such term is defined in Rule 16a-1 under the Exchange Act), (B) a trust controlled for the sole benefit of any of the foregoing or his or her successors upon death or (C) a partnership, the partners of which consist of the Participant and/or one or more members of the Participant’s immediate family (as such term is defined in Rule 16a-1 under the Exchange Act).

(aa) “Plan” means this First Republic Bank 2010 Omnibus Award Plan.

(bb) “Restricted Period” means the period of time determined by the Committee during which an Award is subject to restrictions or, as applicable, the period of time within which performance is measured for purposes of determining whether an Award has been earned.

(cc) “Restricted Stock” means Common Stock, subject to certain specified restrictions (including, without limitation, a requirement that the Participant remain continuously employed or provide continuous services for a specified period of time), granted under Section 8 of the Plan.

(dd) “Restricted Stock Unit” means an unfunded and unsecured promise to deliver shares of Common Stock, cash, other securities or other property, subject to certain restrictions (including, without limitation, a requirement that the Participant remain continuously employed or provide continuous services for a specified period of time), granted under Section 8 of the Plan.

(ee) “SAR Period” has the meaning given such term in Section 7(c) of the Plan.

(ff) “Securities Act” means the Securities Act of 1933, as amended, and any successor thereto. Reference in the Plan to any section of (or rule promulgated under) the Securities Act shall be deemed to include any rules, regulations or other interpretative guidance under such section or rule, and any amendments or successor provisions to such section, rules, regulations or guidance.

(gg) “Shareholders Agreement” shall mean the Shareholders Agreement, dated as of June 30, 2010, among Bank and the shareholders party thereto, as the same may thereafter be amended from time to time.

(hh) “Stock Appreciation Right” or “SAR” means an Award granted under Section 7 of the Plan.

(ii) “Strike Price” has the meaning given such term in Section 7(b) of the Plan.

(jj) “Substitute Award” has the meaning given such term in Section 5(e).

3. Effective Date; Duration. The Plan was originally effective as of the Effective Date, and has been amended and restated as set forth herein effective as of May 15, 2012, provided, that the validity and exercisability of any and all Awards granted pursuant to the Plan as amended and restated are contingent upon approval of the Plan by Bank’s shareholders in accordance with all applicable laws, which approval shall have been obtained as of the annual meeting of Bank’s shareholders to be held on May 15, 2012. Unless earlier terminated pursuant to Section 11 of the Plan, the expiration date of the Plan, on and after which date no Awards may be granted hereunder, shall be the tenth anniversary of the Effective Date; provided, however, that such expiration shall not affect Awards then outstanding, and the terms and conditions of the Plan shall continue to apply to such Awards.

4. Administration. (a) Except with respect to Section 12(c), the Committee shall administer the Plan.

(b) Subject to the provisions of the Plan and applicable law and to the terms of any employment or consulting agreement to which a Participant and Bank shall be parties, the Committee shall have the sole and plenary authority, in addition to other express powers and authorizations conferred on the Committee by the Plan, to: (i) designate Participants; (ii) determine the type or types of Awards to be granted to a Participant; (iii) determine the number of shares of Common Stock to be covered by, or with respect to which payments, rights, or other matters are to be calculated in connection with, Awards; (iv) determine the terms and conditions of any Award; (v) establish or verify the extent of satisfaction of any performance goals or other conditions applicable to the grant, issuance, exercisability, vesting and/or ability to retain any Award; (vi) determine whether, to what extent, and under what circumstances Awards may be settled or exercised in cash, shares of Common Stock, other securities, other Awards or other property, or canceled, forfeited, or suspended and the method or methods by which Awards may be settled, exercised, canceled, forfeited, or suspended; (vii) determine whether, to what extent, and under what circumstances the delivery of cash, Common Stock, other securities, other Awards or other property and other amounts payable with respect to an Award shall be deferred either automatically or at the election of the Participant or of the Committee; (viii) interpret, administer, reconcile any inconsistency in, correct any defect in and/or supply any omission in the Plan and any instrument or agreement

relating to, or Award granted under, the Plan; (ix) establish, amend, suspend, or waive any rules and regulations and appoint such agents as the Committee shall deem appropriate for the proper administration of the Plan; (x) subject to applicable regulations accelerate the vesting or exercisability of, payment for or lapse of restrictions on, Awards (including previously deferred Awards), and (xi) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan.

(c) Except to the extent prohibited by applicable law or the applicable rules and regulations of any securities exchange or inter-dealer quotation system on which the securities of Bank are listed or traded, the Committee may allocate all or any portion of its responsibilities and powers to any one or more of its members and may delegate all or any part of its responsibilities and powers to any person or persons selected by it. Any such allocation or delegation may be revoked by the Committee at any time. Without limiting the generality of the foregoing, the Committee may delegate to one or more officers of Bank or any Affiliate the authority to act on behalf of the Committee with respect to any matter, right, obligation, or election which is the responsibility of or which is allocated to the Committee herein, and which may be so delegated as a matter of law.

(d) Unless otherwise expressly provided in the Plan or an Award agreement or any employment or consulting agreement to which a Participant and Bank shall be parties, all designations, determinations, interpretations, and other decisions under or with respect to the Plan or any Award or any documents evidencing Awards granted pursuant to the Plan shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive and binding upon all persons or entities, including, without limitation, Bank, any Affiliate, any Participant, any holder or beneficiary of any Award, and any stockholder of Bank.

(e) No member of the Board, the Committee or any employee or agent of Bank (each such person, an “Indemnifiable Person”) shall be liable for any action taken or omitted to be taken or any determination made with respect to the Plan or any Award hereunder (unless constituting bad faith, fraud or a willful criminal act or omission). Each Indemnifiable Person shall be indemnified and held harmless by Bank against and from any loss, cost, liability, or expense (including attorneys’ fees) that may be imposed upon or incurred by such Indemnifiable Person in connection with or resulting from any action, suit or proceeding to which such Indemnifiable Person may be a party or in which such Indemnifiable Person may be involved by reason of any action taken or omitted to be taken or determination made under the Plan or any Award agreement and against and from any and all amounts paid by such Indemnifiable Person with Bank’s approval, in settlement thereof, or paid by such Indemnifiable Person in satisfaction of any judgment in any such action, suit or proceeding against such Indemnifiable Person, provided that Bank shall have the right, at its own expense, to assume and defend any such action, suit or proceeding and once Bank gives notice of its intent to assume the defense, Bank shall have sole control over such defense with counsel of Bank’s choice. The foregoing right of indemnification shall not be available to an Indemnifiable Person to the extent that a final judgment or other final adjudication (in either case not subject to further appeal) binding upon such Indemnifiable Person determines that the acts or omissions or determinations of such Indemnifiable Person giving rise to the indemnification claim resulted from such Indemnifiable Person’s bad faith, fraud or willful criminal act or omission or that such right of indemnification is otherwise prohibited by law or by Bank’s Articles of Incorporation or Bylaws. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such Indemnifiable Persons may be entitled under Bank’s Articles of Incorporation or Bylaws, as a matter of law, or otherwise, or any other power that Bank may have to indemnify such Indemnifiable Persons or hold them harmless.

(f) Notwithstanding anything to the contrary contained in the Plan, the Board may, in its sole discretion, at any time and from time to time, grant Awards and administer the Plan with respect to such Awards. In any such case, the Board shall have all the authority granted to the Committee under the Plan.

5. Grant of Awards; Shares Subject to the Plan; Limitations; Eligibility. (a) The Committee may, from time to time, grant Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, and/or Other Stock-Based Awards to one or more Eligible Persons.

(b) Awards granted under the Plan shall be subject to the following limitations: (i) subject to Section 10 of the Plan, no more than 18,927,273 shares of Common Stock may be delivered in the aggregate pursuant to Awards granted under the Plan (the “Absolute Share Limit”); (ii) subject to Section 10 of the Plan, no more than the number of shares of Common Stock equal to the Absolute Share Limit may be delivered in the aggregate pursuant to the exercise of Incentive Stock Options granted under the Plan; and (iii) subject to Section 10 of the Plan, the aggregate number of shares of Common Stock subject to Awards granted under this Plan during any fiscal year to any one Participant shall not exceed 500,000.

(c) Shares of Common Stock shall be deemed to have been used in settlement of Awards only to the extent they are actually delivered. If and to the extent an Award under the Plan expires, terminates or is canceled or forfeited for any reason whatsoever, or the Fair Market Value equivalent of such shares is paid in cash, the shares covered by such Award shall again become available for other Awards under the Plan. Notwithstanding the foregoing provisions of this Section 5(c), the maximum number of shares of Common Stock that may be delivered pursuant to the exercise of Incentive Stock Options will equal the Absolute Share Limit plus, to the extent allowable under Section 422 of the Code, any shares that become available for issuance under the Plan pursuant to this Section 5(c) and (y) the aggregate Fair Market Value (determined as of the time the Option is granted) of the stock with respect to which Incentive Stock Options are exercisable for the first time during any calendar year (under all such plans of the Bank and its Affiliates) will not exceed \$100,000.

(d) Shares of Common Stock delivered by Bank in settlement of Awards may be authorized and unissued shares, shares held in the treasury of Bank, shares purchased on the open market or by private purchase or a combination of the foregoing.

(e) Awards may, in the sole discretion of the Committee, be granted under the Plan in assumption of, or in substitution for, outstanding awards previously granted by an entity directly or indirectly acquired by Bank or with which Bank combines (“Substitute Awards”). Substitute Awards shall not be counted against the Absolute Share Limit; provided, that Substitute Awards issued in connection with the assumption of, or in substitution for, outstanding options intended to qualify as “incentive stock options” within the meaning of Section 422 of the Code shall be counted against the aggregate number of shares of Common Stock available for Awards of Incentive Stock Options under the Plan.

(f) To the extent specifically provided in the Award agreement, as a condition of the grant, exercise or settlement of an Award, the Committee may require a Participant to execute and deliver to Bank a joinder to the Shareholders Agreement or any other agreement not inconsistent with the terms of the Plan and the Award agreement in a form provided by Bank. If the Committee exercises its authority under this Section 5(f) and determines that a Participant is required to execute and deliver to Bank a joinder to the Shareholders Agreement or any such other agreement and if such Participant fails to execute or to deliver to Bank such documentation, the Award shall, in the sole discretion of the Committee, be null and void or paid in a form other than shares of Common Stock.

(g) Participation shall be limited to Eligible Persons.

(h) Notwithstanding any other provision of this Plan or of any Award agreement entered into pursuant hereto, in the event that Bank’s capital falls below minimum applicable requirements, as determined by either the California Department of Financial Institutions or the FDIC, then the FDIC may direct Bank to require Plan participants to exercise or forfeit their stock rights hereunder or under any Award agreement, subject, in each case, to compliance with applicable securities law or the applicable rules and regulations of any securities exchange or inter-dealer quotation system on which shares of Bank are listed or traded. If so directed, Bank shall establish and implement procedures for the exercise or forfeiture of such rights.

6. Options. (a) Generally. Each Option granted under the Plan shall be evidenced by an Award agreement. Each Option so granted shall be subject to the conditions set forth in this Section 6, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award agreement. All Options

granted under the Plan shall be Nonqualified Stock Options unless the Board determines otherwise and the applicable Award agreement expressly states that the Option is intended to be an Incentive Stock Option. Incentive Stock Options shall be granted only to Eligible Persons who are employees of Bank and the Affiliates, and no Incentive Stock Option shall be granted to any Eligible Person who is ineligible to receive an Incentive Stock Option under the Code. No Option shall be treated as an Incentive Stock Option unless the Plan has been approved by the shareholders of Bank in a manner intended to comply with the shareholder approval requirements of Section 422(b)(1) of the Code, provided that any Option intended to be an Incentive Stock Option shall not fail to be effective solely on account of a failure to obtain such approval, but rather such Option shall be treated as a Nonqualified Stock Option unless and until such approval is obtained. In the case of an Incentive Stock Option, the terms and conditions of such grant shall be subject to and comply with such rules as may be prescribed by Section 422 of the Code. If for any reason an Option intended to be an Incentive Stock Option (or any portion thereof) shall not qualify as an Incentive Stock Option, then, to the extent of such nonqualification, such Option or portion thereof shall be regarded as a Nonqualified Stock Option appropriately granted under the Plan. Notwithstanding anything in the Plan to the contrary, subject to Section 10 of the Plan, the aggregate number of shares of Common Stock subject to Options granted under this Plan during any fiscal year to any one Participant shall not exceed 500,000.

(b) Exercise Price. Except as otherwise provided by the Committee in the case of Substitute Awards, the exercise price ("Exercise Price") per share of Common Stock for each Option shall not be less than 100% of the Fair Market Value of such share (determined as of the Date of Grant); provided, however, that in the case of an Incentive Stock Option granted to an employee who, at the time of the grant of such Option, owns stock representing more than 10% of the voting power of all classes of stock of Bank and any "parent corporation" or "subsidiary corporation," as such terms are defined in Sections 424(e) and (f), respectively, of the Code ("10% Shareholder"), the Exercise Price per share shall be no less than 110% of the Fair Market Value per share on the Date of Grant.

(c) Vesting and Expiration. Options shall vest and become exercisable in such manner and on such date or dates determined by the Committee and shall expire after such period, not to exceed ten years, as may be determined by the Committee (the "Option Period"); provided, however, that the Option Period shall not exceed five years from the Date of Grant in the case of an Incentive Stock Option granted to a 10% Shareholder; provided, further, that notwithstanding any vesting dates set by the Committee, and consistent with the Committee's power under Section 4(b), the Committee may, in its sole discretion, accelerate the exercisability of any Option upon a Change in Control, death, Disability or retirement (or on any other termination of employment or service) of a Participant, which acceleration shall not affect the terms and conditions of such Option other than with respect to exercisability, but in no event shall any such acceleration contravene the prohibitions on golden parachute payments under the Golden Parachute Rules.

(d) Method of Exercise and Form of Payment. No shares of Common Stock shall be delivered pursuant to any exercise of an Option until payment in full of the Exercise Price therefor is received by Bank and the Participant has paid to Bank an amount equal to any Federal, state, local and non-U.S. income and employment taxes required to be withheld in a manner permitted by Section 12(e). Options which have become exercisable may be exercised by delivery of written or electronic notice of exercise to Bank in accordance with the terms of the Option accompanied by payment of the Exercise Price. The Exercise Price shall be payable (i) in cash, check and/or cash equivalent; (ii) if expressly permitted under a Participant's Award agreement, in shares of Common Stock valued at the Fair Market Value at the time the Option is exercised (including, pursuant to procedures approved by the Committee, by means of attestation of ownership of a sufficient number of shares of Common Stock in lieu of actual delivery of such shares to Bank); provided, that such shares of Common Stock are not subject to any pledge or other security interest; (iii) if expressly permitted under a Participant's Award agreement, a "net exercise" procedure effected by withholding the minimum number of shares of Common Stock otherwise deliverable in respect of an Option that are needed to pay the Exercise Price and all applicable required withholding taxes; provided, however, that unless otherwise provided in the Award agreement, no net exercise will be permitted (A) if effecting a net exercise would violate or cause a default under any credit or other

agreement to which Bank is a party or any regulatory requirement or (B) if a Participant is exercising an Option upon or following a termination for Cause; or (iv) by such other method as the Committee may permit in its sole discretion, including without limitation: (A) in other property having a fair market value on the date of exercise equal to the Exercise Price or (B) if there is a public market for the shares of Common Stock at such time, by means of a broker-assisted “cashless exercise” pursuant to which Bank is delivered a copy of irrevocable instructions to a stockbroker to sell the shares of Common Stock otherwise deliverable upon the exercise of the Option and to deliver promptly to Bank an amount equal to the Exercise Price. Any fractional shares of Common Stock shall be settled in cash.

(e) Notification upon Disqualifying Disposition of an Incentive Stock Option. Each Participant awarded an Incentive Stock Option under the Plan shall notify Bank in writing immediately after the date he or she makes a disqualifying disposition of any Common Stock acquired pursuant to the exercise of such Incentive Stock Option. A disqualifying disposition is any disposition (including, without limitation, any sale) of such Common Stock before the later of (A) two years after the Date of Grant of the Incentive Stock Option or (B) one year after the date of exercise of the Incentive Stock Option. Bank may, if determined by the Committee and in accordance with procedures established by the Committee, retain possession, as agent for the applicable Participant, of any Common Stock acquired pursuant to the exercise of an Incentive Stock Option until the end of the period described in the preceding sentence, subject to complying with any instructions from such Participant as to the sale of such Common Stock.

(f) Compliance With Laws, etc. Notwithstanding the foregoing, in no event shall a Participant be permitted to exercise an Option in a manner which the Committee determines would violate the Sarbanes-Oxley Act of 2002, or any other applicable law or the applicable rules and regulations of any securities exchange or inter-dealer quotation system on which the securities of Bank are listed or traded.

(g) Prohibition on Repricing Stock Options. In no event may any Option granted under the Plan be amended, other than pursuant to Section 10, to decrease the Exercise Price thereof, be cancelled in conjunction with the grant of any new Option with a lower Exercise Price, or otherwise be subject to any action that would be treated as a “repricing” of such Option, unless such amendment, cancellation, or action is approved by Bank’s shareholders.

7. Stock Appreciation Rights. (a) Generally. Each SAR granted under the Plan shall be evidenced by an Award agreement. Each SAR so granted shall be subject to the conditions set forth in this Section 7, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award agreement. Any Option granted under the Plan may include tandem SARs. The Committee also may award SARs to Eligible Persons independent of any Option.

(b) Strike Price. Except as otherwise provided by the Committee in the case of Substitute Awards, the strike price (“Strike Price”) per share of Common Stock for each SAR shall not be less than 100% of the Fair Market Value of such share (determined as of the Date of Grant). Notwithstanding the foregoing, a SAR granted in tandem with (or in substitution for) an Option previously granted shall have a Strike Price equal to the Exercise Price of the corresponding Option.

(c) Vesting and Expiration. A SAR granted in connection with an Option shall become exercisable and shall expire according to the same vesting schedule and expiration provisions as the corresponding Option. A SAR granted independent of an Option shall vest and become exercisable and shall expire in such manner and on such date or dates determined by the Committee and shall expire after such period, not to exceed ten years, as may be determined by the Committee (the “SAR Period”); provided, however, that notwithstanding any vesting dates set by the Committee, and consistent with the Committee’s power under Section 4(b) the Committee may, in its sole discretion, accelerate the exercisability of any SAR upon a Change in Control, death, Disability or retirement (or on any other termination of employment or service) of a Participant, which acceleration shall not affect the terms and conditions of such SAR other than with respect to exercisability, but in no event shall any such acceleration contravene the prohibitions on golden parachute payments under Golden Parachute Rules.

(d) Method of Exercise. SARs which have become exercisable may be exercised by delivery of written or electronic notice of exercise to Bank in accordance with the terms of the Award, specifying the number of SARs to be exercised and the date on which such SARs were awarded.

(e) Payment. Upon the exercise of a SAR, Bank shall pay to the Participant an amount equal to the number of shares subject to the SAR that are being exercised multiplied by the excess, if any, of the Fair Market Value of one share of Common Stock on the exercise date over the Strike Price, less an amount equal to any Federal, state, local and non-U.S. income and employment taxes required to be withheld. Bank shall pay such amount in shares of Common Stock valued at Fair Market Value. No cash payment shall be made by Bank in respect of any SAR; provided, however, that Bank may make a cash payment in lieu of the issuance of a fractional share of Common Stock.

(f) Substitution of SARs for Nonqualified Stock Options. Except as otherwise provided in an Award Agreement, the Committee shall have the authority in its sole discretion to substitute, without the consent of the affected Participant or any holder or beneficiary of SARs, SARs settled in shares of Common Stock (or settled in shares or cash in the sole discretion of the Committee) for outstanding Nonqualified Stock Options, provided that (i) the substitution shall not otherwise result in a modification of the terms of any such Nonqualified Stock Option, (ii) the number of shares of Common Stock underlying the substituted SARs shall be the same as the number of shares of Common Stock underlying such Nonqualified Stock Options and (iii) the Strike Price of the substituted SARs shall be equal to the Exercise Price of such Nonqualified Stock Options; provided, however, that if, in the opinion of Bank's independent public accounting firm, the foregoing provision creates adverse accounting consequences for Bank, such provision shall be considered null and void.

(g) Prohibition on Repricing SARs. In no event may any SAR granted under the Plan be amended, other than pursuant to Section 10, to decrease the Strike Price thereof, be cancelled in conjunction with the grant of any new SAR with a lower Strike Price, or otherwise be subject to any action that would be treated as a "repricing" of such SAR, unless such amendment, cancellation, or action is approved by Bank's shareholders.

8. Restricted Stock and Restricted Stock Units. (a) Generally. Each grant of Restricted Stock and Restricted Stock Units shall be evidenced by an Award agreement. Each Restricted Stock and Restricted Stock Unit grant shall be subject to the conditions set forth in this Section 8, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award agreement.

(b) Stock Certificates and Book Entry; Escrow or Similar Arrangement. Upon the grant of Restricted Stock, the Committee shall cause a stock certificate registered in the name of the Participant to be issued or shall cause share(s) of Common Stock to be registered in the name of the Participant and held in book-entry form subject to Bank's directions and, if the Committee determines that the Restricted Stock shall be held by Bank or in escrow rather than delivered to the Participant pending the release of the applicable restrictions, the Committee may require the Participant to additionally execute and deliver to Bank (i) an escrow agreement satisfactory to the Committee, if applicable, and (ii) the appropriate stock power (endorsed in blank) with respect to the Restricted Stock covered by such agreement. If a Participant shall fail to execute an agreement evidencing an Award of Restricted Stock and, if applicable, an escrow agreement and blank stock power within the amount of time specified by the Committee, the Award shall be null and void. To the extent shares of Restricted Stock are forfeited, any stock certificates issued to the Participant evidencing such shares shall be returned to Bank, and all rights of the Participant to such shares and as a stockholder with respect thereto shall terminate without further obligation on the part of Bank.

(c) Vesting; Acceleration of Lapse of Restrictions. The Restricted Period with respect to Restricted Stock and Restricted Stock Units shall lapse in such manner and on such date or dates determined by the Committee and the Committee shall determine the treatment of the unvested portion of Restricted Stock and Restricted Stock Units upon termination of employment or service of the Participant granted the applicable Award, subject to the terms of the applicable Award agreement. Consistent with the Committee's power under Section 4(b), the Committee may in its sole discretion accelerate the lapse of any or all of the restrictions on the

Restricted Stock and Restricted Stock Units upon a Change in Control, death, Disability or retirement (or on any other termination of employment or service) of a Participant, which acceleration shall not affect any other terms and conditions of such Awards.

(d) Delivery of Restricted Stock and Settlement of Restricted Stock Units. (i) Upon the expiration of the Restricted Period with respect to any shares of Restricted Stock, the restrictions set forth in the applicable Award agreement shall be of no further force or effect with respect to such shares, except as set forth in the applicable Award agreement. If an escrow arrangement is used, upon such expiration, Bank shall deliver to the Participant, or his or her beneficiary, without charge, the stock certificate (or, if applicable, a notice evidencing a book entry notation) evidencing the shares of Restricted Stock which have not then been forfeited and with respect to which the Restricted Period has expired (rounded down to the nearest full share).

(ii) Unless otherwise provided by the Committee in an Award agreement, upon the expiration of the Restricted Period with respect to any outstanding Restricted Stock Units, Bank shall deliver to the Participant, or his or her beneficiary, without charge, one share of Common Stock (or other securities or other property, as applicable) for each such outstanding Restricted Stock Unit; provided, however, that unless otherwise provided in the Award agreement, the Committee may, in its sole discretion, elect to (i) pay cash or part cash and part Common Stock in lieu of delivering only shares of Common Stock in respect of such Restricted Stock Units or (ii) defer the delivery of Common Stock (or cash or part Common Stock and part cash, as the case may be) beyond the expiration of the Restricted Period. If a cash payment is made in lieu of delivering shares of Common Stock, the amount of such payment shall be equal to the Fair Market Value of the Common Stock as of the date on which the Restricted Period lapsed with respect to such Restricted Stock Units. To the extent provided in an Award agreement, the holder of outstanding Restricted Stock Units shall be entitled to be credited with dividend equivalent payments (upon the payment by Bank of dividends on shares of Common Stock) either in cash or, at the sole discretion of the Committee, in shares of Common Stock having a Fair Market Value equal to the amount of such dividends, upon the release of restrictions on such Restricted Stock Units, and, if such Restricted Stock Units are forfeited, the Participant shall have no right to such dividend equivalent payments.

(e) Legends on Restricted Stock. Each stock certificate representing Restricted Stock awarded under the Plan, if any, shall bear a legend, as applicable, substantially in the form of the following, in addition to any other information Bank deems appropriate, until the lapse of all restrictions with respect to such Common Stock:

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE EXEMPT FROM REGISTRATION UNDER SECTION 3(a)(2) OF THE U.S. SECURITIES ACT OF 1933, AS AMENDED, AND HAVE NOT BEEN REGISTERED UNDER ANY FOREIGN OR STATE SECURITIES LAWS (TOGETHER WITH THE SECURITIES ACT, THE “SECURITIES LAWS”). THE SHARES HAVE BEEN ACQUIRED FOR INVESTMENT AND NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, ANY REGISTRATION REQUIREMENTS OF THE SECURITIES LAWS.

9. Performance and Other Stock-Based Awards.

(a) Performance Awards. The number of shares of Common Stock or other benefits granted, issued, retainable and/or vested under an Award may be made subject to the attainment of performance goals. Notwithstanding anything in the Plan to the contrary, subject to Section 10 of the Plan, the aggregate number of shares of Common Stock subject to Awards (other than Options or SARs) granted under this Plan during any fiscal year to any one Participant that are intended to be “qualified performance-based compensation under Section 162(m) of the Code shall not exceed 500,000. The Committee may utilize any performance criteria selected by it in its sole discretion to establish performance goals; provided, however, that where any Award is intended to qualify for exemption from the deduction limitation of Section 162(m) of the Code as “qualified performance-based compensation,” the following conditions shall apply:

(i) The amount potentially available under an Award shall be subject to the attainment of pre-established, objective performance goals relating to a specified period of service based on one or more of the following performance criteria:

- (1) revenue;
- (2) earnings;
- (3) return on equity;
- (4) return on assets;
- (5) pretax or after-tax diluted earnings per share;
- (6) growth in revenue, earnings, return on equity, return on assets, or earnings per share;
- (7) net income or pretax earnings;
- (8) net operating income;
- (9) net interest income;
- (10) net interest margin;
- (11) asset quality standards such as nonperforming assets in amount and percent of total assets;
- (12) the level of or growth in total deposits, non-CD deposits, or checking deposits;
- (13) cross-sell of products or products per client, growth in wealth management assets or revenues;
- (14) core earnings (earnings excluding purchase accounting adjustments and other non-recurring or one-time items);
- (15) efficiency ratio– GAAP or efficiency ratio based on “core earnings;”
- (16) share price (including without limitation growth measures, total shareholder return or comparison to indices);
- (17) the level of or growth in scored lending and related level of checking deposits or chargeoffs from such clients;
- (18) economic value added measurements;
- (19) employee turnover;
- (20) specified objective social goals; or
- (21) certain regulatory criteria;

(“Qualifying Performance Criteria”), any of which may be measured either individually, alternatively or in any combination, applied to either the Bank as a whole or to a business unit or Affiliate, either individually, alternatively or in any combination, and measured either annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to previous years’ results or to a designated comparison group or index, in each case as specified by the Committee in the Award;

(ii) The Committee may determine to appropriately adjust any evaluation of performance under a Qualifying Performance Criteria for one or more of the following events that occurs during a performance period: (1) asset impairments or write-downs; (2) litigation or claim judgments or settlements; (3) the effect of changes in tax law, accounting principles or other such laws or provisions affecting reported results; (4) accruals for reorganization and restructuring programs; (5) any extraordinary nonrecurring items as described in Accounting Standards Codification (ASC) 225-20 and/or in managements’ discussion and analysis of financial condition and results of operations appearing in the Bank’s annual report to

stockholders for the applicable year; (6) the operations of any business acquired by the Bank or any Affiliate or of any joint venture in which the Bank or any Affiliate participates; (7) the divestiture of one or more business operations or the assets thereof; (8) the costs incurred in connection with such acquisitions or divestitures; (9) charges for stock based compensation; or (10) executive or employee bonus accruals, in each case within the time prescribed by, and otherwise in compliance with, Section 162(m) of the Code;

(iii) The Committee shall establish the applicable performance goals in writing and an objective method for determining the Award earned by a Participant if the goals are attained, while the outcome is substantially uncertain and not later than the 90th day of the performance period (but in no event after 25% of the period of service with respect to which the performance goals relate has elapsed), and shall determine and certify in writing, for each Participant, the extent to which the performance goals have been met prior to payment or vesting of the Award; and

(iv) The Committee may reduce, but not in any event increase, the amount of compensation payable under the Plan upon the attainment of the pre-established performance goals to a Participant who is a “covered employee” within the meaning of Section 162(m) of the Code; and

(v) Any Awards intended to be “qualified performance-based compensation under Section 162(m) of the Code shall otherwise be administered in a manner consistent with the requirements of Section 162(m) of the Code.

(b) Other Stock-Based Awards. The Committee may issue unrestricted Common Stock, rights to receive grants of Awards at a future date or other Awards denominated in Common Stock, under the Plan to Eligible Persons, alone or in tandem with other Awards, in such amounts as the Committee shall from time to time in its sole discretion determine. Each Other Stock-Based Award granted under the Plan shall be evidenced by an Award agreement. Each Other Stock-Based Award so granted shall be subject to such conditions not inconsistent with the Plan as may be reflected in the applicable Award agreement.

10. Changes in Capital Structure and Similar Events. In the event of (a) any dividend (other than ordinary cash dividends) or other distribution (whether in the form of cash, shares of Common Stock, other securities or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, split-off, spin-off, combination, repurchase or exchange of shares of Common Stock or other securities of Bank, issuance of warrants or other rights to acquire shares of Common Stock or other securities of Bank, or other similar corporate transaction or event (including, without limitation, a Change in Control) that affects the shares of Common Stock, or (b) unusual or nonrecurring events (including, without limitation, a Change in Control) affecting Bank, any Affiliate, or the financial statements of Bank or any Affiliate, or changes in applicable rules, rulings, regulations or other requirements or any governmental body or securities exchange or inter-dealer quotation system, accounting principles or law, such that in either case an adjustment is determined by the Committee in its sole discretion to be necessary or appropriate, then, subject to Section 12(t) of the Plan, the Committee shall make any such adjustments in such manner as it may deem equitable, including without limitation, any or all of the adjustments described in paragraphs (i) through (iii) below. In no event shall any such adjustment contravene the Golden Parachute Rules.

(i) adjusting any or all of (A) the number of shares of Common Stock or other securities of Bank (or number and kind of other securities or other property) which may be delivered in respect of Awards or with respect to which Awards may be granted under the Plan (including, without limitation, adjusting any or all of the limitations under Section 5 of the Plan) and (B) the terms of any outstanding Award, including, without limitation, (1) the number of shares of Common Stock or other securities of Bank (or number and kind of other securities or other property) subject to outstanding Awards or to which outstanding Awards relate, (2) the Exercise Price or Strike Price with respect to any Award, provided that such Exercise Price or Strike Price may not be less than the fair market value of the stock (as may be adjusted to reflect events described in the preceding provisions of this Section 10) on the date of grant of the Award, or (3) any applicable performance measures;

(ii) providing for a substitution or assumption of Awards, accelerating the exercisability of or lapse of restrictions on Awards, or terminating Awards or providing for a period of time for exercise prior to the occurrence of such event; and

(iii) cancelling any one or more outstanding Awards and causing to be paid to the holders thereof, in cash, shares of Common Stock, other securities or other property, or any combination thereof, the value of such Awards, if any, as determined by the Committee (which if applicable may be based upon the price per share of Common Stock received or to be received by other shareholders of Bank in such event), including without limitation, in the case of an outstanding Option or SAR, a cash payment in an amount equal to the excess, if any, of the Fair Market Value (as of a date specified by the Committee) of the shares of Common Stock subject to such Option or SAR over the aggregate Exercise Price or Strike Price of such Option or SAR, respectively (it being understood that, in such event, any Option or SAR having a per share Exercise Price or Strike Price equal to, or in excess of, the Fair Market Value of a share of Common Stock subject thereto may be canceled and terminated without any payment or consideration therefor);

provided, however, that in the case of any “equity restructuring” (within the meaning of the Financial Accounting Standards Board Accounting Standards Codification Topic 718, the Committee shall make an equitable or proportionate adjustment to outstanding Awards to reflect such equity restructuring; provided, further, that to the extent expressly provided in an Award agreement, any modification or termination of an Award pursuant to this Section 10 (other than equitable or proportionate adjustments to the extent required in the case of an “equity restructuring” as described in the immediately preceding clause) shall not be effective without the consent of the Participant or any holder or beneficiary of the Award; provided, further, that any adjustment in Incentive Stock Options under this Section 10 (other than any cancellation of Incentive Stock Options) shall be made only to the extent not constituting a “modification” within the meaning of Section 424(h)(3) of the Code. Any such adjustment shall be conclusive and binding for all purposes.

11. Amendments and Termination. (a) Amendment and Termination of the Plan. Except as otherwise provided in an Award Agreement, the Board may amend, alter, suspend, discontinue, cancel or terminate the Plan or any portion thereof at any time; provided, that no such amendment, alteration, suspension, discontinuation or termination shall be made without shareholder approval if such approval is necessary to comply with any regulatory requirement applicable to the Plan (including, without limitation, as necessary to comply with any rules or regulations of any securities exchange or inter-dealer quotation system on which the securities of Bank may be listed or quoted); provided, further, that any such amendment, alteration, suspension, discontinuance, cancellation or termination that would materially and adversely affect the rights of any Participant or any holder or beneficiary of any Award theretofore granted shall not to that extent be effective without the consent of the affected Participant, holder or beneficiary.

(b) Amendment of Award Agreements. Except as otherwise provided in an Award Agreement, the Committee may, to the extent consistent with the terms of any applicable Award agreement, waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate, any Award theretofore granted or the associated Award agreement, prospectively or retroactively; provided that any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would materially and adversely affect the rights of any Participant with respect to any Award or any holder or beneficiary of any Award theretofore granted shall not to that extent be effective without the consent of the affected Participant, holder or beneficiary.

12. General. (a) Award Agreements. Each Award under the Plan shall be evidenced by an Award agreement, which shall be delivered to the Participant and shall specify the terms and conditions of the Award and any rules applicable thereto, including without limitation, the effect on such Award of the death, Disability or termination of employment or service of a Participant, or of such other events as may be determined by the Committee. For purposes of the Plan, an Award agreement may be in any such form (written or electronic) as determined by the Committee (including, without limitation, a Board or Committee resolution, an employment agreement, a notice, a certificate or a letter) evidencing the Award. The Committee need not require an Award agreement to be signed by the Participant or a duly authorized representative of Bank.

(b) Representation. The Committee may require each Participant purchasing or receiving shares pursuant to an Award to represent to and agree with Bank in writing that such Participant is acquiring the shares without a view to the distribution thereof. The certificates for such shares may include any legend which the Committee deems appropriate to reflect any restrictions on transfer, including but not limited to the legend referred to in Section 8(e) hereof.

(c) Nontransferability. (i) Each Award shall be exercisable only by a Participant during the Participant's lifetime, or, if permissible under applicable law, by the Participant's legal guardian or representative. No Award may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a Participant other than by will or by the laws of descent and distribution and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against Bank or an Affiliate; provided that the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance.

(ii) Notwithstanding the foregoing provisions of Section 12(c)(i), the Board may, in its sole discretion, permit Awards (other than Incentive Stock Options) to be transferred by a Participant, without consideration, subject to such rules as the Board may adopt consistent with the Shareholders Agreement (while the same shall be in effect) and any applicable Award agreement to preserve the purposes of the Plan, to a Permitted Transferee; provided that the Participant gives the Board advance written notice describing the terms and conditions of the proposed transfer and the Board does not notify the Participant in writing within 30 days after receipt of such written notice that such a transfer would not comply with the requirements of the Plan and the Shareholders Agreement. (If the Board does provide such written notice during the 30 day period, then the transfer shall not occur.)

(iii) The terms of any Award transferred in accordance with the immediately preceding sentence shall apply to the Permitted Transferee and any reference in the Plan, or in any applicable Award agreement, to a Participant shall be deemed to refer to the Permitted Transferee, except that (A) Permitted Transferees shall not be entitled to transfer any Award, other than by will or the laws of descent and distribution; (B) Permitted Transferees shall not be entitled to exercise any transferred Option unless there shall be in effect a registration statement on an appropriate form covering the shares of Common Stock to be acquired pursuant to the exercise of such Option if the Board determines, consistent with any applicable Award agreement, that such a registration statement is necessary or appropriate; (C) none of the Board, the Committee or Bank shall be required to provide any notice to a Permitted Transferee, whether or not such notice is or would otherwise have been required to be given to the Participant under the Plan or otherwise; and (D) the consequences of the termination of the Participant's employment by, or services to, Bank or an Affiliate under the terms of the Plan and the applicable Award agreement shall continue to be applied with respect to the Participant, including, without limitation, that an Option shall be exercisable by the Permitted Transferee only to the extent, and for the periods, specified in the Plan and the applicable Award agreement.

(iv) Notwithstanding anything to the contrary in this Section 12(c), to the extent a Participant is required, or is required to become, a party to the Shareholders Agreement and the restrictions on the transfer of Common Stock contained in Section 4.1 and 4.2 of the Shareholders Agreement are more restrictive than those contained in the Plan, then such provisions of the Shareholders Agreement should govern the transfers of any Award held by such Participant as if such Award were a share of Common Stock subject to the Shareholders Agreement.

(d) Dividends and Dividend Equivalents. The Committee in its sole discretion may provide a Participant as part of an Award with dividends or dividend equivalents, payable in cash, shares of Common Stock, other securities, other Awards or other property, on a current or deferred basis, on such terms and conditions as may be determined by the Committee in its sole discretion and set forth in the applicable Award agreement, including without limitation, payment directly to the Participant, withholding of such amounts by Bank subject to vesting of the Award or reinvestment in additional shares of Common Stock, Restricted Stock or other Awards.

(e) Tax Withholding. (i) A Participant shall be required to pay to Bank or any Affiliate, and Bank or any Affiliate shall have the right and is hereby authorized to withhold, from any cash, shares of Common Stock, other securities or other property deliverable under any Award or from any compensation or other amounts owing to a Participant, the amount (in cash, Common Stock, other securities or other property) of any required withholding taxes in respect of an Award, its exercise, or any payment or transfer under an Award or under the Plan and to take such other action as may be necessary in the opinion of the Committee or Bank to satisfy all obligations for the payment of such withholding and taxes.

(ii) Without limiting the generality of clause (i) above, the Committee may, in its sole discretion, permit a Participant to satisfy, in whole or in part, the foregoing withholding liability (but no more than the minimum required statutory withholding liability) by (A) the delivery of shares of Common Stock (which are not subject to any pledge or other security interest) owned by the Participant having a Fair Market Value equal to such withholding liability or (B) having Bank withhold from the number of shares of Common Stock otherwise issuable or deliverable pursuant to the exercise or settlement of the Award a number of shares with a Fair Market Value equal to such withholding liability; provided, however, that to the extent provided in the Award agreement, no such share withholding will be permitted (1) if Bank lacks sufficient liquidity to effect such withholding, (2) if effecting such withholding would violate or cause a default under any credit or other agreement to which Bank is a party or (3) if a Participant is exercising an Option upon or following a termination for Cause.

(f) No Claim to Awards; No Rights to Continued Employment; Waiver. No employee of Bank or an Affiliate, or other person, shall have any claim or right to be granted an Award under the Plan or, having been selected for the grant of an Award, to be selected for a grant of any other Award. There is no obligation for uniformity of treatment of Participants or holders or beneficiaries of Awards. The terms and conditions of Awards and the Committee's determinations and interpretations with respect thereto need not be the same with respect to each Participant and may be made selectively among Participants, whether or not such Participants are similarly situated. Neither the Plan nor any action taken hereunder shall be construed as giving any Participant any right to be retained in the employ or service of Bank or an Affiliate, nor shall it be construed as giving any Participant any rights to continued service on the Board. Bank or any of the Affiliates may at any time dismiss a Participant from employment or discontinue any consulting relationship, free from any liability or any claim under the Plan, unless otherwise expressly provided in the Plan or any Award agreement. By accepting an Award under the Plan, a Participant shall thereby be deemed to have waived any claim to continued exercise or vesting of an Award or to damages or severance entitlement related to non-continuation of the Award beyond the period provided under the Plan or any Award agreement.

(g) Designation and Change of Beneficiary. Each Participant may file with the Committee a written designation of one or more persons as the beneficiary(ies) who shall be entitled to receive the amounts payable with respect to an Award, if any, due under the Plan upon his or her death. A Participant may, from time to time, revoke or change his or her beneficiary designation without the consent of any prior beneficiary by filing a new designation with the Committee. The last such designation received by the Committee shall be controlling; provided, however, that no designation, or change or revocation thereof, shall be effective unless received by the Committee prior to the Participant's death, and in no event shall it be effective as of a date prior to such receipt. If no beneficiary designation is filed by a Participant, the beneficiary shall be deemed to be his or her spouse or, if the Participant is unmarried at the time of death, his or her estate.

(h) Termination of Employment. Except as otherwise provided in an Award agreement or an employment or consulting or similar agreement with a Participant, the following provisions shall apply unless determined otherwise by the Committee at any point following such event: (i) neither a temporary absence from employment or service due to illness, vacation or leave of absence nor a transfer from employment or service with Bank to employment or service with an Affiliate (or vice-versa) shall be considered a termination of employment or service of such Participant with Bank or an Affiliate; and (ii) if a Participant's employment with Bank and the Affiliates terminates, but such Participant continues to provide services to Bank and the Affiliates in a non-employee capacity, such change in status shall not, to the extent provided in the terms of an Award or as

determined by the Committee, be considered a termination of employment or service of such Participant with Bank or an Affiliate for purposes of the Plan. Notwithstanding the foregoing, with respect to the time of payments of any amounts under the Plan or any Award agreement that are “deferred compensation” subject to Section 409A of the Code, references in the Plan and such Award agreement to “termination of employment” (and substantially similar phrases) shall mean “separation from service” within the meaning of Section 409A of the Code.

(i) No Rights as a Shareholder. Except as otherwise specifically provided in the Plan or any Award agreement, no person shall be entitled to the privileges of ownership in respect of shares of Common Stock which are subject to Awards hereunder until such shares have been issued or delivered to that person.

(j) Government and Other Regulations. (i) The obligation of Bank to settle Awards in Common Stock or other consideration shall be subject to all applicable laws, rules, and regulations, and to such approvals by governmental agencies as may be required. Notwithstanding any terms or conditions of any Award to the contrary, Bank shall be under no obligation to offer to sell or to sell any shares of Common Stock pursuant to an Award unless such shares have been properly registered for sale pursuant to the Securities Act with the Securities and Exchange Commission or unless Bank has received advice of counsel, satisfactory to Bank, that such shares may be offered or sold without such registration pursuant to an available exemption therefrom and Bank has determined that the terms and conditions of such exemption have been fully complied with. Bank shall be under no obligation to register for sale under the Securities Act any of the shares of Common Stock to be offered or sold under the Plan. If Bank deems it necessary to ensure that the issuance of shares of Common Stock under the Plan is not required to be registered under any applicable securities laws, each Participant to whom such shares would be issued shall deliver to Bank an agreement or certificate containing such representations, warranties and covenants as Bank determines necessary or appropriate to satisfy such requirements. The Committee shall have the authority to provide that all shares of Common Stock or other securities of Bank or any Affiliate delivered under the Plan shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable to comply with the Plan, the applicable Award agreement, the Federal or state securities laws, or the rules, regulations and other requirements of the Securities and Exchange Commission or any governmental entity with jurisdiction thereof, any securities exchange or inter-dealer quotation system on which the securities of Bank are listed or quoted and any other applicable Federal, state, local or non-U.S. laws and without limiting the generality of Section 8 of the Plan, the Committee may cause a legend or legends to be put on certificates representing shares of Common Stock or other securities of Bank or any Affiliate delivered under the Plan to make appropriate reference to such restrictions or may cause such Common Stock or other securities of Bank or any Affiliate delivered under the Plan in book entry form to be held subject to Bank’s instructions or subject to appropriate stop transfer orders. Notwithstanding any provision in the Plan to the contrary, the Committee reserves the right to add any additional terms or provisions to any Award granted under the Plan that it in its sole discretion deems necessary or advisable in order that such Award complies with the legal requirements of any governmental entity to whose jurisdiction the Award is subject.

(ii) Unless otherwise provided in the Award agreement, the Committee may cancel an Award or any portion thereof if it determines, in its sole discretion, that legal or contractual restrictions and/or blockage and/or other market considerations would make Bank’s issuance of Common Stock to the Participant and/or the Participant’s acquisition of Common Stock from Bank illegal, impracticable or inadvisable. If the Committee determines to cancel all or any portion of an Award in accordance with the foregoing, Bank shall pay to the Participant an amount equal to the excess of (A) the aggregate Fair Market Value of the shares of Common Stock subject to such Award or portion thereof canceled (determined as of the applicable exercise date, or the date that the shares would have been vested or delivered, as applicable), over (B) the aggregate Exercise Price or Strike Price (in the case of an Option or SAR, respectively) or any amount payable as a condition of delivery of shares of Common Stock (in the case of any other Award). Such amount shall be delivered to the Participant as soon as practicable following the cancellation of such Award or portion thereof.

(k) No Section 83(b) Elections Without Consent of Bank. No election under Section 83(b) of the Code or under a similar provision of law may be made unless expressly permitted by the terms of the applicable Award agreement or by action of the Committee in writing prior to the making of such election. If a Participant, in connection with the acquisition of shares of Common Stock under the Plan or otherwise, is expressly permitted to make such election and the Participant makes the election, the Participant shall notify Bank of such election within ten days of filing notice of the election with the Internal Revenue Service or other governmental authority, in addition to any filing and notification required pursuant to Section 83(b) of the Code or other applicable provision.

(l) Payments to Persons Other Than Participants. If the Committee shall find that any person to whom any amount is payable under the Plan is unable to care for his or her affairs because of illness or accident, or is a minor, or has died, then any payment due to such person or his or her estate (unless a prior claim therefor has been made by a duly appointed legal representative) may, if the Committee so directs Bank, be paid to his or her spouse, child, relative, an institution maintaining or having custody of such person, or any other person deemed by the Committee to be a proper recipient on behalf of such person otherwise entitled to payment. Any such payment shall be a complete discharge of the liability of the Committee and Bank therefor.

(m) Nonexclusivity of the Plan; Nonuniformity of Treatment. Neither the adoption of the Plan by the Board nor the submission of the Plan to the shareholders of Bank for approval shall be construed as creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including, without limitation, the granting of stock options otherwise than under the Plan, and such arrangements may be either applicable generally or only in specific cases. There is no obligation for uniformity of treatment of Participants or holders or beneficiaries of Awards. The terms and conditions of Awards and the Committee's determinations and interpretations with respect thereto need not be the same with respect to each Participant and may be made selectively among Participants, whether or not such Participants are similarly situated.

(n) No Trust or Fund Created. Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between Bank or any Affiliate, on the one hand, and a Participant or other person or entity, on the other hand. No provision of the Plan or any Award shall require Bank, for the purpose of satisfying any obligations under the Plan, to purchase assets or place any assets in a trust or other entity to which contributions are made or otherwise to segregate any assets, nor shall Bank maintain separate bank accounts, books, records or other evidence of the existence of a segregated or separately maintained or administered fund for such purposes. Participants shall have no rights under the Plan other than as unsecured general creditors of Bank, except that insofar as they may have become entitled to payment of additional compensation by performance of services, they shall have the same rights as other employees under general law.

(o) Reliance on Reports. Each member of the Committee and each member of the Board shall be fully justified in acting or failing to act, as the case may be, and shall not be liable for having so acted or failed to act in good faith, in reliance upon any report made by the independent public accountant of Bank and the Affiliates and/or any other information furnished in connection with the Plan by any agent of Bank or the Committee or the Board, other than himself.

(p) Relationship to Other Benefits. No payment under the Plan shall be taken into account in determining any benefits under any pension, retirement, profit sharing, group insurance or other benefit plan of Bank except as otherwise specifically provided in such other plan.

(q) Governing Law. The Plan shall be governed by and construed in accordance with the internal laws of the State of California applicable to contracts made and performed wholly within the State of California, without giving effect to the conflict of laws provisions thereof.

(r) Severability; Conflicts. If any provision of the Plan or any Award or Award agreement is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any person or entity or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be construed or deemed stricken as to such jurisdiction, person or entity or Award and the remainder of the Plan and any such Award shall remain in full force and effect. Notwithstanding anything in this Plan or an Award to the contrary, if and to the extent any term of this Plan or an Award conflicts with any term of an employment agreement with a Participant entered into before the effective date of this Plan's amendment and restatement by the Board (as such employment agreement may be amended from time to time), then the terms of such employment agreement will prevail.

(s) Obligations Binding on Successors. The obligations of Bank under the Plan shall be binding upon any successor corporation or organization resulting from the merger, consolidation or other reorganization of Bank, or upon any successor corporation or organization succeeding to substantially all of the assets and business of Bank.

(t) 409A of the Code. Notwithstanding any provision of the Plan to the contrary, it is intended that the provisions of the Plan comply with or exempt from Section 409A of the Code, and all provisions of the Plan shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A of the Code. No Award shall be granted, deferred, accelerated, extended, paid out or modified under the Plan in a manner that would result in the imposition of an additional tax under Section 409A of the Code upon a Participant. However, notwithstanding the foregoing, each Participant is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or in respect of such Participant in connection with the Plan (including any taxes and penalties under Section 409A of the Code), and neither Bank nor any Affiliate shall have any obligation to indemnify or otherwise hold such Participant (or any beneficiary) harmless from any or all of such taxes or penalties.

(u) Clawback/Forfeiture. Notwithstanding anything to the contrary contained herein, an Award agreement may provide that the Committee may in its sole discretion cancel such Award, in whole or in part, if the Participant, without the consent of Bank, while employed by or providing services to Bank or any Affiliate or after termination of such employment or service, violates a non-competition, non-solicitation or non-disclosure covenant or agreement with Bank or any Affiliate, or otherwise engages in activity that is in conflict with or adverse to the interest of Bank or any Affiliate, including fraud or conduct contributing to any financial restatements or irregularities, as determined by the Committee in its sole discretion. The Committee may also provide in an Award agreement that if the Participant engages in any activity referred to in the preceding sentence, the Participant will forfeit any gain realized on the vesting or exercise of such Award, and must repay the gain to Bank. No provision of this Section 12(u) shall be deemed to permit Bank to alter or impair the terms of any employment, consulting or other similar agreement between any Participant and Bank or the Affiliates which shall be inconsistent with the provisions of this Section 12(u).

(v) Expenses; Gender; Titles and Headings. The expenses of administering the Plan shall be borne by Bank and the Affiliates. Masculine pronouns and other words of masculine gender shall refer to both men and women. The titles and headings of the sections in the Plan are for convenience of reference only, and in the event of any conflict, the text of the Plan, rather than such titles or headings shall control.

* * *

As adopted by the Board on March 22, 2012.

FIRST REPUBLIC BANK
111 PINE STREET
SAN FRANCISCO, CA 94111

VOTE BY INTERNET - www.proxyvote.com

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 p.m. Eastern Time the day before the meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

VOTE BY PHONE - 1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions up until 11:59 p.m. Eastern Time the day before the meeting date. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717. Your proxy card must be received no later than the beginning of the annual meeting.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

M45117-P22666

KEEP THIS PORTION FOR YOUR RECORDS
DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

FIRST REPUBLIC BANK

**The Board of Directors recommends you vote
FOR the following:**

1. Election of Directors

For All **Withhold All** **For All Except**

☐ ☐ ☐

To withhold authority to vote for any individual nominee(s), mark "For All Except" and write the number(s) of the nominee(s) on the line below.

Nominees:

| | |
|------------------------------|-------------------------|
| 01) James H. Herbert, II | 06) L. Martin Gibbs |
| 02) Katherine August-deWilde | 07) Sandra R. Hernández |
| 03) Thomas J. Barrack, Jr. | 08) Pamela J. Joyner |
| 04) Frank J. Fahrenkopf, Jr. | 09) Jody S. Lindell |
| 05) William E. Ford | 10) George G. C. Parker |

The Board of Directors recommends you vote FOR the following proposals:

For **Against** **Abstain**

2. To approve First Republic's 2012 Executive Incentive Bonus Plan.

☐ ☐ ☐

3. To approve amendments to First Republic's 2010 Omnibus Award Plan.

☐ ☐ ☐

4. To ratify the appointment of KPMG LLP as independent auditors of First Republic for the fiscal year ending December 31, 2012.

☐ ☐ ☐

5. To approve, by advisory (non-binding) vote, the compensation of the Bank's executive officers ("say on pay").

☐ ☐ ☐

6. To transact such other business as may properly come before the meeting or any adjournment of the meeting.

For address changes and/or comments, please check this box and write them on the back where indicated. ☐

Please indicate if you plan to attend this meeting.

☐ ☐
Yes No

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

Signature [PLEASE SIGN WITHIN BOX]

Date

Signature (Joint Owners)

Date

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:

The Notice and Proxy Statement and Form 10-K are available at www.proxyvote.com.

M45118-P22666

**FIRST REPUBLIC BANK
Annual Meeting of Stockholders
May 15, 2012 4:30 PM**

This proxy is solicited by the Board of Directors

The undersigned hereby appoints Edward J. Dobranski and Michael J. Roffler, or either of them, and each with full power of substitution, to act as attorneys and proxies for the undersigned to vote all shares of Common Stock of First Republic Bank (the "Bank") which the undersigned is entitled to vote at the Annual Meeting of Stockholders of the Bank to be held at the New York Yacht Club, 37 West 44th Street, New York, NY 10036 on May 15, 2012 at 4:30 PM, Eastern Time, and at all adjournments thereof, as indicated on this proxy.

This proxy, when properly executed, will be voted in the manner directed herein. If no such direction is made, this proxy will be voted in accordance with the Board of Directors' recommendations.

Address Changes/Comments: _____

(If you noted any Address Changes/Comments above, please mark corresponding box on the reverse side.)

Continued and to be signed on reverse side