



News Release
Republic First Bancorp, Inc.

December 21, 2011

**REPUBLIC FIRST BANCORP, INC. ANNOUNCES LOAN SALE TO
DRAMATICALLY IMPROVE ASSET QUALITY**

Philadelphia, PA, December 21, 2011 (PR Newswire) – Republic First Bancorp, Inc. (NASDAQ: FRBK), the holding company for Republic Bank, announced that it has completed the sale of \$59.0 million of commercial real estate loans and foreclosed properties to a single investor. This transaction will dramatically reduce non-performing asset balances and significantly improve credit quality metrics while still leaving the Company with strong capital ratios.

The loans and foreclosed properties had a book balance of \$45.1 million and included \$28.4 million of non-accrual loans and other real estate owned. Net proceeds amounted to \$30.6 million and the Company expects to incur a loss of approximately \$14.5 million in the quarter ending December 31, 2011 as a result of the sale. Excluding the completion of the loan transaction, the Company was projecting an estimated profit of approximately \$1.1 million for the quarter ending December 31, 2011.

“Strengthening the balance sheet has been a top priority over the last two years,” said Harry D. Madonna, the Company’s Chairman and Chief Executive Officer. “During that time period we have transformed Republic into a new bank with a new brand, new management team, renovated store locations and a retail model focused on fanatical customer service,” said Madonna. “We have strengthened our capital position and brought stabilization to the balance sheet in an incredibly challenging economic environment. We believe this transaction represents the final step in completing the transformation and we anxiously look forward to building out our model to serve the customers in our market.”

This loan sale significantly improves the Company’s asset quality ratios which are now superior to the average ratios of comparable financial institutions in its peer group. Some of the key ratios impacted as a result of the loan sale are as follows:

	Actual Ratio 09/30/11	Projected Ratio 12/31/11
Non-Performing Loans / Total Loans	5.05%	1.95%
Non-Performing Assets / Total Assets	4.83%	1.80%
Loan Loss Reserve / Total Loans	1.95%	2.15%
Loan Loss Reserve / Non-Performing Loans	38.68%	110.00%
Non-Performing Assets / Capital and Reserves	45.68%	20.00%

Capital levels remain strong after recording the impact of the loan sale. The Company, along with its banking subsidiary, continue to meet the criteria necessary to be considered well capitalized as defined

under the regulatory guidelines established by federal banking agencies. In addition, sufficient capital still exists for the Company to pursue its growth and expansion plans.

	Actual Ratio <u>09/30/11</u>	Projected Ratio <u>12/31/11</u>
Leverage Ratio	10.66%	8.80%
Tier 1 Risk Based Capital Ratio	12.72%	11.60%
Total Risk Based Capital Ratio	13.97%	12.90%
Book Value per Common Share	\$3.40	\$2.90

About Republic Bank

Republic Bank, a subsidiary of Republic First Bancorp, Inc., is a full-service, state-chartered commercial bank, whose deposits are insured up to the applicable limits by the Federal Deposit Insurance Corporation (FDIC). The Bank provides diversified financial products through its thirteen offices located in Abington, Ardmore, Bala Cynwyd, Plymouth Meeting, Media and Philadelphia, Pennsylvania and Voorhees and Haddonfield, New Jersey. For more information about Republic Bank, visit myrepublicbank.com.

Forward Looking Statements

The Company may from time to time make written or oral “forward-looking statements”, including statements contained in this release and in the Company's filings with the Securities and Exchange Commission. The forward-looking statements contained herein are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected in the forward-looking statements. For example, risks and uncertainties can arise with changes in: general economic conditions, including their impact on capital expenditures; new service and product offerings by competitors and price pressures; and similar items. You should carefully review the risk factors described in the Form 10-K for the year ended December 31, 2010 and other documents the Company files from time to time with the Securities and Exchange Commission. The words “may”, “believes,” “expect,” “estimate,” “project,” “anticipate,” “should,” “intend,” “probability,” “risk,” “target,” “objective,” and similar expressions or variations on such expressions are intended to identify forward-looking statements. All such statements are made in good faith by the Company pursuant to the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. The Company does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by or on behalf of the Company, except as may be required by applicable law or regulations.

Source:

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