

# FEDERAL DEPOSIT INSURANCE CORPORATION

Washington, D.C. 20429

## FORM 8-K

### CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): April 13, 2022



FIRST REPUBLIC BANK

(Exact name of registrant as specified in its charter)

California  
(State or other jurisdiction  
of incorporation)

80-0513856  
(I.R.S. Employer  
Identification No.)

111 Pine Street, 2nd Floor  
San Francisco, CA 94111

(Address, including zip code, of principal executive office)

Registrant's telephone number, including area code: (415) 392-1400

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

#### Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.01 par value	FRC	New York Stock Exchange
Depository Shares, Each Representing a 1/40th Interest in a Share of 5.125% Noncumulative Perpetual Series H Preferred Stock	FRC-PrH	New York Stock Exchange
Depository Shares, Each Representing a 1/40th Interest in a Share of 5.50% Noncumulative Perpetual Series I Preferred Stock	FRC-PrI	New York Stock Exchange
Depository Shares, Each Representing a 1/40th Interest in a Share of 4.70% Noncumulative Perpetual Series J Preferred Stock	FRC-PrJ	New York Stock Exchange
Depository Shares, Each Representing a 1/40th Interest in a Share of 4.125% Noncumulative Perpetual Series K Preferred Stock	FRC-PrK	New York Stock Exchange
Depository Shares, Each Representing a 1/40th Interest in a Share of 4.250% Noncumulative Perpetual Series L Preferred Stock	FRC-PrL	New York Stock Exchange
Depository Shares, Each Representing a 1/40th Interest in a Share of 4.000% Noncumulative Perpetual Series M Preferred Stock	FRC-PrM	New York Stock Exchange
Depository Shares, Each Representing a 1/40th Interest in a Share of 4.500% Noncumulative Perpetual Series N Preferred Stock	FRC-PrN	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

## **Item 2.02 Results of Operations and Financial Condition**

Attached as Exhibit 99.1 and incorporated into this item by reference is a press release issued by First Republic Bank (the “Bank”) on April 13, 2022, regarding its financial results for the quarter ended March 31, 2022. The information furnished by the Bank pursuant to this item shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liability of that section, and shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

## **Item 9.01 Financial Statements and Exhibits**

### **(d) Exhibits**

- 99.1 Press Release issued by the Bank, dated April 13, 2022, with respect to the Bank’s financial results for the quarter ended March 31, 2022.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: April 13, 2022

First Republic Bank

By: /s/ Olga Tsokova

Name: Olga Tsokova

Title: Executive Vice President,  
Chief Financial Officer (Acting) and  
Chief Accounting Officer

**PRESS RELEASE**

FOR IMMEDIATE RELEASE

**FIRST REPUBLIC BANK**

It's a privilege to serve you®

**FIRST REPUBLIC REPORTS FIRST QUARTER 2022 RESULTS**

Revenues Increased 23% Year-Over-Year

Tangible Book Value Per Share Rose 14% Year-Over-Year

Dividend Raised for 11th Consecutive Year

**SAN FRANCISCO, April 13, 2022** – First Republic Bank (NYSE: FRC) today announced financial results for the quarter ended March 31, 2022.

“The entire business continued to perform very well in the first quarter,” said Mike Roffler, Chief Executive Officer and President. “Loan originations were our best ever, client satisfaction reached an all-time high, and we successfully completed our core system conversion. It was a terrific quarter.”

**Quarterly Highlights**Financial Results

- Year-over-year:
  - Revenues were \$1.4 billion, up 23.0%.
  - Net interest income was \$1.1 billion, up 22.0%.
  - Net income was \$401 million, up 19.9%.
  - Diluted earnings per share of \$2.00, up 11.7%.
  - Tangible book value per share was \$68.47, up 14.2%.
- Loan originations totaled \$17.8 billion, our best quarter ever.
- Net interest margin was 2.68%, consistent with the prior quarter.
- Efficiency ratio was 62.0%, compared to 63.5% for the first quarter of 2021.
- Increased quarterly dividend to \$0.27 per share.

Continued Capital and Credit Strength


- Tier 1 leverage ratio was 8.70%.
- Nonperforming assets remained at a low 8 basis points of total assets.
- Credit quality remained strong, with net recoveries of \$0.3 million for the quarter.

Continued Business Growth

- Year-over-year:
  - Loans totaled \$141.3 billion, up 19.7%.
  - Deposits were \$162.1 billion, up 26.7%.
  - Wealth management assets were \$274.2 billion, up 25.2%.
  - Wealth management revenues were \$221 million, up 38.7%.

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“Loans and deposits grew nicely during the first quarter, while credit quality, liquidity and capital all remained very strong,” said Olga Tsokova, Chief Financial Officer (Acting) and Chief Accounting Officer. “Total revenues rose 23% and tangible book value per share was up 14% compared to a year ago. We’re also pleased to have increased our dividend for the 11th consecutive year.”

### **Quarterly Cash Dividend of \$0.27 per Share**

The Bank announced an increase of \$0.05 in its quarterly cash dividend to \$0.27 per share of common stock, our 11th consecutive year of dividend increases. The first quarter dividend is payable on May 12, 2022 to shareholders of record as of April 28, 2022.

### **Strong Asset Quality**

Credit quality remains strong. Nonperforming assets were at a low 8 basis points of total assets at March 31, 2022. The Bank had net loan recoveries of \$0.3 million for the quarter.

During the first quarter, the Bank recorded a provision for credit losses of \$10 million, which was primarily driven by loan growth.

### **Continued Book Value Growth**

Book value per common share at March 31, 2022 was \$69.70, up 13.8% from a year ago. Tangible book value per common share at March 31, 2022 was \$68.47, up 14.2% from a year ago.

### **Capital Strength**

The Bank’s Tier 1 leverage ratio was 8.70% at March 31, 2022, compared to 8.76% at December 31, 2021.

Since the beginning of 2021, the Bank has raised \$2.8 billion in net additional Tier 1 capital to support our growth.

### **Continued Business Growth**

#### Loan Originations

Loan originations were \$17.8 billion for the quarter, our best quarter ever. This was up 13.3% from the same quarter a year ago, primarily due to increases in single family and multifamily lending.

Single family loan originations were 47% of the total loan origination volume for the quarter and had a weighted average loan-to-value ratio of 58%. In addition, multifamily and commercial real estate loans originated were 13% of total originations, and had a weighted average loan-to-value ratio of 53%.

Loans totaled \$141.3 billion at March 31, 2022, up 19.7% compared to a year ago. Our loan growth was primarily due to increases in single family, multifamily, stock secured loans and capital call lines of credit, partially offset by a decrease in loans under the Small Business Administration's Paycheck Protection Program (“PPP”).

### Deposit Growth

Total deposits increased to \$162.1 billion, up 26.7% compared to a year ago, and had an average rate paid of 5 basis points during the quarter.

At March 31, 2022, checking deposit balances were 70.4% of total deposits.

### Investments

Total investment securities at March 31, 2022 were \$30.3 billion, a 17.9% increase compared to year-end and a 39.7% increase compared to a year ago.

High-quality liquid assets, including eligible cash, totaled \$29.9 billion at March 31, 2022, and represented 16.2% of quarterly average total assets.

### Wealth Management

Total wealth management assets were \$274.2 billion at March 31, 2022, down slightly compared to the prior quarter but up 25.2% compared to a year ago. The modest decline in wealth management assets for the quarter was due to market depreciation, significantly offset by net client inflow. The increase in wealth management assets for the year was due to net client inflow and market appreciation.

Wealth management revenues totaled \$221 million for the quarter, up 38.7% compared to the first quarter a year ago. Such revenues represented 15.9% of the Bank's total revenues for the quarter.

Wealth management assets at March 31, 2022 included investment management assets of \$108.8 billion, brokerage assets and money market mutual funds of \$146.7 billion, and trust and custody assets of \$18.8 billion.

## **Income Statement and Key Ratios**

### Revenue Growth

Total revenues were \$1.4 billion for the quarter, up 23.0% compared to the first quarter a year ago.

### Net Interest Income Growth

Net interest income was \$1.1 billion for the quarter, up 22.0% compared to the first quarter a year ago. The increase in net interest income resulted primarily from growth in average interest-earning assets.

### Net Interest Margin

The net interest margin was 2.68% in the first quarter, consistent with the prior quarter.

### Noninterest Income

Noninterest income was \$251 million for the quarter, up 28.0% compared to the first quarter a year ago. The increase was primarily driven by higher wealth management fees.

### Noninterest Expense and Efficiency Ratio

Noninterest expense was \$866 million for the quarter, up 20.2% compared to the first quarter a year ago, primarily due to continued investments in our business expansion, including hiring additional colleagues to support our growth, information systems initiatives and occupancy costs.

The efficiency ratio was 62.0% for the quarter, compared to 63.5% for the first quarter a year ago.

### Income Taxes

The Bank's effective tax rate for the first quarter of 2022 was 22.9%, compared to 21.9% for the first quarter a year ago.

### **Conference Call Details**

First Republic Bank's first quarter 2022 earnings conference call is scheduled for April 13, 2022 at 7:00 a.m. PT / 10:00 a.m. ET. To access the event by telephone, please dial (888) 256-1007 and provide confirmation code 2134053 approximately 15 minutes prior to the start time (to allow time for registration). International callers should dial +1 (856) 344-9299 and provide the same confirmation code.

The call will also be broadcast live over the Internet and can be accessed in the Investor Relations section of First Republic's website at [ir.firstrepublic.com/events-calendar](https://ir.firstrepublic.com/events-calendar). To listen to the live webcast, please visit the site at least 15 minutes prior to the start time to register, download and install any necessary audio software.

For those unable to join for the live presentation, a replay of the call will be available beginning April 13, 2022 at 11:00 a.m. PT / 2:00 p.m. ET through April 20, 2022 at 8:59 p.m. PT / 11:59 p.m. ET. To access the replay, dial (888) 203-1112 and use confirmation code 2134053#. International callers should dial +1 (719) 457-0820 and enter the same confirmation code. A replay of the webcast will also be available for 90 days following, accessible in the Investor Relations section of First Republic Bank's website at [ir.firstrepublic.com/events-calendar](https://ir.firstrepublic.com/events-calendar).

The Bank's press releases are available after release in the Newsroom and Investor Relations section of First Republic Bank's website at [firstrepublic.com](https://firstrepublic.com).

### **About First Republic Bank**

Founded in 1985, First Republic and its subsidiaries offer private banking, private business banking and private wealth management. First Republic specializes in delivering exceptional, relationship-based service and provides a complete line of products, including residential, commercial and personal loans, deposit services, and private wealth management, including investment, brokerage, insurance, trust and foreign exchange services. Services are offered through preferred banking or wealth management offices primarily in San Francisco, Palo Alto, Los Angeles, Santa Barbara, Newport Beach and San Diego, California; Portland, Oregon; Boston, Massachusetts; Palm Beach, Florida; Greenwich, Connecticut; New York, New York; and Jackson, Wyoming. First Republic is a constituent of the S&P 500 Index and KBW Nasdaq Bank Index. For more information, visit [firstrepublic.com](https://firstrepublic.com).

## Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Statements in this press release that are not historical facts are hereby identified as “forward-looking statements” for the purpose of the safe harbor provided by Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Any statements about our expectations, beliefs, plans, predictions, forecasts, objectives, assumptions or future events or performance are not historical facts and may be forward-looking. These statements are often, but not always, made through the use of words or phrases such as “anticipates,” “believes,” “can,” “could,” “may,” “predicts,” “potential,” “should,” “will,” “estimates,” “plans,” “projects,” “continuing,” “ongoing,” “expects,” “intends” and similar words or phrases. Accordingly, these statements are only predictions and involve estimates, known and unknown risks, assumptions and uncertainties that could cause actual results to differ materially from those expressed in them.

Forward-looking statements involving such risks and uncertainties include, but are not limited to, statements regarding: projections of loans, assets, deposits, liabilities, revenues, expenses, tax liabilities, net income, capital expenditures, liquidity, dividends, capital structure, investments or other financial items; expectations regarding the banking and wealth management industries; descriptions of plans or objectives of management for future operations, products or services; forecasts of future economic conditions generally and in our market areas in particular, which may affect the ability of borrowers to repay their loans and the value of real property or other property held as collateral for such loans; our opportunities for growth and our plans for expansion (including opening new offices); expectations about the performance of any new offices; projections about the amount and the value of intangible assets, as well as amortization of recorded amounts; future provisions for credit losses on loans and debt securities, as well as for unfunded loan commitments; changes in nonperforming assets; expectations regarding the impact and duration of COVID-19; expectations regarding our executive transitions; projections about future levels of loan originations or loan repayments; projections regarding costs, including the impact on our efficiency ratio; and descriptions of assumptions underlying or relating to any of the foregoing.

Factors that could cause actual results to differ from those discussed in the forward-looking statements include, but are not limited to: significant competition to attract and retain banking and wealth management customers, from both traditional and non-traditional financial services and technology companies; our ability to recruit and retain key managers, employees and board members; natural or other disasters, including earthquakes, wildfires, pandemics or acts of terrorism affecting the markets in which we operate; the adverse effects of climate change on our business, clients and counterparties; the negative impacts and disruptions resulting from COVID-19 on our colleagues and clients, the communities we serve and the domestic and global economy, which may have an adverse effect on our business, financial position and results of operations; interest rate risk and credit risk; our ability to maintain and follow high underwriting standards; economic and market conditions, including those affecting the valuation of our investment securities portfolio and credit losses on our loans and debt securities; real estate prices generally and in our markets; our geographic and product concentrations; demand for our products and services; developments and uncertainty related to the future use and availability of some reference rates; the regulatory environment in which we operate, our regulatory compliance and future regulatory requirements; any future changes to regulatory capital requirements; legislative and regulatory actions affecting us and the financial services



industry, such as the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), including increased compliance costs, limitations on activities and requirements to hold additional capital, as well as changes to the Dodd-Frank Act pursuant to the Economic Growth, Regulatory Relief, and Consumer Protection Act; our ability to avoid litigation and its associated costs and liabilities; future Federal Deposit Insurance Corporation (“FDIC”) special assessments or changes to regular assessments; fraud, cybersecurity and privacy risks; and custom technology preferences of our customers and our ability to successfully execute on initiatives relating to enhancements of our technology infrastructure, including client-facing systems and applications. For a discussion of these and other risks and uncertainties, see First Republic’s FDIC filings, including, but not limited to, the risk factors in First Republic’s Annual Report on Form 10-K and any subsequent reports filed by First Republic with the FDIC. These filings are available in the Investor Relations section of our website.

All forward-looking statements are necessarily only estimates of future results, and there can be no assurance that actual results will not differ materially from expectations, and, therefore, you are cautioned not to place undue reliance on such statements. Any forward-looking statements are qualified in their entirety by reference to the factors discussed throughout our public filings under the Exchange Act. Further, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events.

### **Non-GAAP Financial Measures**

Our management uses and believes that investors benefit from using certain non-GAAP measures of our financial performance, which include tangible book value per common share, return on average tangible common shareholders’ equity, and net interest income on a fully taxable-equivalent basis. Management believes that tangible book value per common share and return on average tangible common shareholders’ equity are useful additional measures to evaluate our performance and capital position without the impact of goodwill and other intangible assets and preferred stock. In addition, to facilitate relevant comparisons of net interest income from taxable and tax-exempt interest-earning assets, when calculating yields and net interest margin, we adjust interest income on tax-exempt securities and tax-advantaged loans so such amounts are fully equivalent to interest income on taxable sources. We believe that these non-GAAP financial measures, when taken together with the corresponding GAAP financial measures, provide meaningful supplemental information that is not otherwise required by GAAP or other applicable requirements. These non-GAAP financial measures should be considered in addition to, not as a substitute for, financial measures prepared in accordance with GAAP. A reconciliation of the non-GAAP calculation of the financial measure to the most comparable GAAP financial measure is presented in relevant tables in this document.

### **Explanatory Note**

Some amounts presented within this document may not recalculate due to rounding.

## CONSOLIDATED STATEMENTS OF INCOME

(in millions, except per share amounts)	Quarter Ended March 31,		Quarter Ended December 31,
	2022	2021	2021
Interest income:			
Loans	\$ 1,002	\$ 873	\$ 992
Investments	180	141	165
Other	2	5	4
Cash and cash equivalents	5	3	6
Total interest income	1,189	1,022	1,167
Interest expense:			
Deposits	20	28	20
Borrowings	24	55	27
Total interest expense	44	83	47
Net interest income	1,145	939	1,120
Provision (reversal of provision) for credit losses	10	(15)	24
Net interest income after provision (reversal of provision) for credit losses	1,135	954	1,096
Noninterest income:			
Investment management fees	165	119	150
Brokerage and investment fees	22	15	19
Insurance fees	4	3	7
Trust fees	7	6	7
Foreign exchange fee income	23	17	24
Deposit fees	6	6	7
Loan and related fees	9	7	9
Income from investments in life insurance	14	17	27
Other income, net	1	6	(3)
Total noninterest income	251	196	247
Noninterest expense:			
Salaries and employee benefits	560	463	544
Information systems	107	84	99
Occupancy	69	58	66
Professional fees	23	21	27
Advertising and marketing	13	13	21
FDIC assessments	15	12	13
Other expenses	79	70	96
Total noninterest expense	866	721	866
Income before provision for income taxes	520	429	477
Provision for income taxes	119	94	77
Net income	401	335	400
Dividends on preferred stock	37	19	32
Net income available to common shareholders	\$ 364	\$ 316	\$ 368
Basic earnings per common share	\$ 2.03	\$ 1.81	\$ 2.05
Diluted earnings per common share	\$ 2.00	\$ 1.79	\$ 2.02
Weighted average shares—basic	180	175	179
Weighted average shares—diluted	182	177	182

## CONSOLIDATED BALANCE SHEETS

(\$ in millions)	As of		
	March 31, 2022	December 31, 2021	March 31, 2021
<b>ASSETS</b>			
Cash and cash equivalents	\$ 7,756	\$ 12,947	\$ 8,889
Debt securities available-for-sale	3,446	3,381	2,429
Debt securities held-to-maturity, net	26,831	22,292	19,232
Equity securities (fair value)	25	28	21
Loans:			
Single family	81,833	76,793	65,179
Home equity lines of credit	2,597	2,584	2,392
Single family construction	1,041	993	842
Multifamily	16,953	15,966	14,141
Commercial real estate	8,753	8,531	8,065
Multifamily/commercial construction	1,955	1,927	2,101
Capital call lines of credit	10,970	10,999	8,654
Tax-exempt	3,656	3,680	3,455
Other business	4,081	3,961	3,679
PPP	232	545	2,142
Stock secured	3,651	3,435	2,520
Other secured	2,623	2,457	1,863
Unsecured	2,968	3,085	3,051
Total loans	<u>141,313</u>	<u>134,956</u>	<u>118,084</u>
Allowance for credit losses	(701)	(694)	(621)
Loans, net	<u>140,612</u>	<u>134,262</u>	<u>117,463</u>
Investments in life insurance	2,682	2,650	2,329
Tax credit investments	1,231	1,220	1,127
Premises, equipment and leasehold improvements, net	467	454	412
Goodwill and other intangible assets	221	222	226
Other assets	3,850	3,631	3,670
Total Assets	<u>\$ 187,121</u>	<u>\$ 181,087</u>	<u>\$ 155,798</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Liabilities:</b>			
Deposits:			
Noninterest-bearing checking	\$ 72,424	\$ 70,840	\$ 53,807
Interest-bearing checking	41,589	41,248	32,543
Money market checking	21,846	20,303	19,210
Money market savings and passbooks	19,159	16,573	14,097
Certificates of deposit	7,042	7,357	8,250
Total Deposits	<u>162,060</u>	<u>156,321</u>	<u>127,907</u>
Long-term FHLB advances	3,700	3,700	10,505
Senior notes	999	998	997
Subordinated notes	779	779	778
Other liabilities	3,429	3,391	2,669
Total Liabilities	<u>170,967</u>	<u>165,189</u>	<u>142,856</u>
<b>Shareholders' Equity:</b>			
Preferred stock	3,633	3,633	2,143
Common stock	2	2	2
Additional paid-in capital	5,763	5,725	5,191
Retained earnings	6,893	6,569	5,627
Accumulated other comprehensive loss	(137)	(31)	(21)
Total Shareholders' Equity	<u>16,154</u>	<u>15,898</u>	<u>12,942</u>
Total Liabilities and Shareholders' Equity	<u>\$ 187,121</u>	<u>\$ 181,087</u>	<u>\$ 155,798</u>

Average Balances, Yields and Rates	Quarter Ended March 31,						Quarter Ended December 31,		
	2022			2021			2021		
	Average Balance	Interest Income/Expense <sup>(1)</sup>	Yield/Rates <sup>(2)</sup>	Average Balance	Interest Income/Expense <sup>(1)</sup>	Yield/Rates <sup>(2)</sup>	Average Balance	Interest Income/Expense <sup>(1)</sup>	Yield/Rates <sup>(2)</sup>
(\$ in millions)									
<b>Assets:</b>									
Interest-bearing deposits with banks	\$ 11,342	\$ 5	0.18 %	\$ 11,449	\$ 3	0.10 %	\$ 15,342	\$ 6	0.15 %
Investment securities:									
U.S. Government-sponsored agency securities	117	0	1.37 %	94	0	1.45 %	100	0	1.59 %
Agency residential and commercial MBS	9,142	39	1.70 %	5,626	31	2.17 %	7,011	29	1.65 %
Other residential and commercial MBS	24	0	2.04 %	33	0	1.87 %	25	0	1.82 %
Tax-exempt municipal securities	15,595	151	3.87 %	12,270	127	4.14 %	14,869	146	3.93 %
Taxable municipal securities	1,715	13	2.97 %	1,079	8	2.95 %	1,670	12	2.99 %
Other investment securities	1,416	10	2.85 %	429	3	2.39 %	1,405	10	2.86 %
Total investment securities	<u>28,009</u>	<u>213</u>	<u>3.04 %</u>	<u>19,531</u>	<u>169</u>	<u>3.45 %</u>	<u>25,080</u>	<u>197</u>	<u>3.15 %</u>
Loans:									
Residential real estate	82,416	567	2.75 %	65,459	469	2.87 %	78,436	545	2.78 %
Multifamily	16,281	140	3.45 %	13,922	123	3.53 %	15,479	154	3.90 %
Commercial real estate	8,633	82	3.77 %	8,033	78	3.88 %	8,525	83	3.82 %
Multifamily/commercial construction	1,929	22	4.62 %	2,867	31	4.34 %	2,044	24	4.70 %
Business	18,590	145	3.12 %	15,076	124	3.28 %	17,210	139	3.15 %
PPP	381	7	7.59 %	1,990	16	3.17 %	732	9	4.65 %
Other	9,058	47	2.06 %	7,348	39	2.16 %	8,578	45	2.03 %
Total loans	<u>137,288</u>	<u>1,010</u>	<u>2.94 %</u>	<u>114,695</u>	<u>880</u>	<u>3.07 %</u>	<u>131,004</u>	<u>999</u>	<u>3.02 %</u>
FHLB stock	<u>115</u>	<u>2</u>	<u>7.60 %</u>	<u>345</u>	<u>5</u>	<u>6.10 %</u>	<u>143</u>	<u>4</u>	<u>11.17 %</u>
Total interest-earning assets	<u>176,754</u>	<u>1,230</u>	<u>2.78 %</u>	<u>146,020</u>	<u>1,057</u>	<u>2.90 %</u>	<u>171,569</u>	<u>1,206</u>	<u>2.79 %</u>
Noninterest-earning cash	449			414			426		
Goodwill and other intangibles	221			227			223		
Other assets	<u>7,142</u>			<u>6,091</u>			<u>6,967</u>		
Total noninterest-earning assets	<u>7,812</u>			<u>6,732</u>			<u>7,616</u>		
Total Assets	<u>\$184,566</u>			<u>\$152,752</u>			<u>\$179,185</u>		
<b>Liabilities and Shareholders' Equity:</b>									
Deposits:									
Interest-bearing checking	\$ 40,400	1	0.01 %	\$ 31,991	2	0.03 %	\$ 36,896	1	0.01 %
Money market checking	21,659	5	0.09 %	18,889	8	0.16 %	21,925	5	0.10 %
Money market savings and passbooks	17,925	7	0.15 %	13,640	6	0.19 %	16,935	6	0.15 %
CDs	<u>7,217</u>	<u>7</u>	<u>0.40 %</u>	<u>8,413</u>	<u>12</u>	<u>0.56 %</u>	<u>7,482</u>	<u>8</u>	<u>0.42 %</u>
Total interest-bearing deposits <sup>(3)</sup>	<u>87,201</u>	<u>20</u>	<u>0.09 %</u>	<u>72,933</u>	<u>28</u>	<u>0.15 %</u>	<u>83,238</u>	<u>20</u>	<u>0.10 %</u>
Borrowings:									
Short-term borrowings	—	—	— %	0	0	0.18 %	—	—	— %
Long-term FHLB advances	3,700	9	0.95 %	11,322	40	1.45 %	4,582	12	1.06 %
Senior notes	998	6	2.42 %	996	6	2.42 %	998	6	2.42 %
Subordinated notes	<u>779</u>	<u>9</u>	<u>4.68 %</u>	<u>778</u>	<u>9</u>	<u>4.68 %</u>	<u>779</u>	<u>9</u>	<u>4.68 %</u>
Total borrowings	<u>5,477</u>	<u>24</u>	<u>1.75 %</u>	<u>13,096</u>	<u>55</u>	<u>1.72 %</u>	<u>6,359</u>	<u>27</u>	<u>1.72 %</u>
Total interest-bearing liabilities <sup>(4)</sup>	<u>92,678</u>	<u>44</u>	<u>0.19 %</u>	<u>86,029</u>	<u>83</u>	<u>0.39 %</u>	<u>89,597</u>	<u>47</u>	<u>0.21 %</u>
Noninterest-bearing checking	72,251			51,689			71,308		
Other noninterest-bearing liabilities	<u>3,613</u>			<u>2,638</u>			<u>3,044</u>		
Total noninterest-bearing liabilities	<u>75,864</u>			<u>54,327</u>			<u>74,352</u>		
Preferred shareholders' equity	3,633			1,964			3,158		
Common shareholders' equity	<u>12,391</u>			<u>10,432</u>			<u>12,078</u>		
Total Liabilities and Shareholders' Equity	<u>\$184,566</u>			<u>\$152,752</u>			<u>\$179,185</u>		
Net interest spread <sup>(5)</sup>			2.59 %			2.50 %			2.58 %
Net interest income (fully taxable-equivalent basis) and net interest margin <sup>(6)</sup>	<u>\$ 1,186</u>		2.68 %	<u>\$ 974</u>		2.67 %	<u>\$ 1,159</u>		2.68 %
<b>Reconciliation of tax-equivalent net interest income to net interest income:<sup>(7)</sup></b>									
Municipal securities tax-equivalent adjustment		(34)			(28)			(32)	
Business loans tax-equivalent adjustment		<u>(7)</u>			<u>(7)</u>			<u>(7)</u>	
Net interest income	<u>\$ 1,145</u>			<u>\$ 939</u>			<u>\$ 1,120</u>		
<b>Supplemental information:</b>									
Total deposits (interest-bearing and noninterest-bearing)	\$159,452	\$ 20	0.05 %	\$124,622	\$ 28	0.09 %	\$154,546	\$ 20	0.05 %
Total deposits (interest-bearing and noninterest-bearing) and borrowings	\$164,929	\$ 44	0.11 %	\$137,718	\$ 83	0.24 %	\$160,905	\$ 47	0.12 %

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Note: Certain prior period amounts have been reclassified to conform to the current period presentation.

<sup>(1)</sup> Interest income on tax-exempt securities and loans has been adjusted to the fully taxable-equivalent basis using the statutory federal income tax rate in effect for each respective period presented.<sup>(2)</sup> Yields/rates are annualized.<sup>(3)</sup> Refer to supplemental information in this table for average balances, interest expense and rates for total deposits (interest-bearing and noninterest-bearing).<sup>(4)</sup> Refer to supplemental information in this table for average balances, interest expense and rates for total deposits (interest-bearing and noninterest-bearing) and borrowings.<sup>(5)</sup> Net interest spread represents the average yield on interest-earning assets less the average rate on interest-bearing liabilities.<sup>(6)</sup> Net interest margin represents net interest income on a fully taxable-equivalent basis divided by total average interest-earning assets.<sup>(7)</sup> Fully taxable-equivalent net interest income is considered a non-GAAP financial measure, and is reconciled to GAAP net interest income in this table.

Selected Financial Data and Ratios	Quarter Ended March 31,		Quarter Ended December 31,
	2022	2021	2021
(\$ in millions, except per share amounts)			
<b>Selected Financial Data and Ratios:</b>			
Return on average assets <sup>(1), (2)</sup>	0.88 %	0.89 %	0.89 %
Return on average common shareholders' equity <sup>(1)</sup>	11.91 %	12.30 %	12.08 %
Return on average tangible common shareholders' equity <sup>(1), (3)</sup>	12.12 %	12.57 %	12.31 %
Average equity to average assets	8.68 %	8.12 %	8.50 %
Dividends per common share	\$ 0.22	\$ 0.20	\$ 0.22
Dividend payout ratio	11.0 %	11.2 %	10.9 %
Efficiency ratio <sup>(4)</sup>	62.0 %	63.5 %	63.3 %
<b>Selected Asset Quality Ratios:</b>			
Net loan charge-offs (recoveries)	\$ (0.3)	\$ 0.5	\$ 0.1
Net loan charge-offs (recoveries) to average total loans <sup>(1)</sup>	(0.00)%	0.00 %	0.00 %
<b>Selected Ratios (period-end):</b>			
Book value per common share	\$ 69.70	\$ 61.26	\$ 68.34
Tangible book value per common share <sup>(5)</sup>	\$ 68.47	\$ 59.98	\$ 67.10

<sup>(1)</sup> Ratios are annualized.<sup>(2)</sup> Return on average assets is the ratio of net income to average assets.<sup>(3)</sup> Refer to "Return on Average Common Shareholders' Equity and Return on Average Tangible Common Shareholders' Equity" table in this document for a reconciliation of this non-GAAP financial measure to the most comparable GAAP measure.<sup>(4)</sup> Efficiency ratio is the ratio of noninterest expense to the sum of net interest income and noninterest income.<sup>(5)</sup> Refer to "Book Value per Common Share and Tangible Book Value per Common Share" table in this document for a reconciliation of this non-GAAP financial measure to the most comparable GAAP measure.

Effective Tax Rate	Quarter Ended March 31,		Quarter Ended December 31,
	2022	2021	2021
Effective tax rate, prior to excess tax benefits—stock awards and research and development tax credits from amended tax returns	23.4 %	22.6 %	22.0 %
Excess tax benefits—stock awards	(0.5)	(0.7)	(1.5)
Research and development tax credits from amended tax returns	—	—	(4.4)
Effective tax rate	<u>22.9 %</u>	<u>21.9 %</u>	<u>16.1 %</u>

Provision (Reversal of Provision) for Credit Losses	Quarter Ended March 31,		Quarter Ended December 31,
	2022	2021	2021
(\$ in millions)			
Debt securities held-to-maturity	\$ 1	\$ 1	\$ —
Loans	7	(14)	26
Unfunded loan commitments	2	(2)	(2)
Total provision (reversal of provision)	<u>\$ 10</u>	<u>\$ (15)</u>	<u>\$ 24</u>

Loan Originations	Quarter Ended March 31,		Quarter Ended December 31,
	2022	2021	2021
(\$ in millions)			
Single family	\$ 8,376	\$ 6,902	\$ 7,013
Home equity lines of credit	689	624	617
Single family construction	267	225	245
Multifamily	1,709	791	1,723
Commercial real estate	566	314	597
Multifamily/commercial construction	384	311	190
Capital call lines of credit	3,020	3,131	3,690
Tax-exempt	90	214	130
Other business	538	1,025	650
PPP	—	689	—
Stock secured	1,136	710	966
Other secured	666	439	546
Unsecured	369	346	517
Total loans originated	<u>\$ 17,810</u>	<u>\$ 15,721</u>	<u>\$ 16,884</u>

Asset Quality Information	As of				
	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
(\$ in millions)					
Nonperforming assets:					
Nonaccrual loans	\$ 140	\$ 139	\$ 127	\$ 133	\$ 173
Other real estate owned	—	—	—	—	1
Total nonperforming assets	<u>\$ 140</u>	<u>\$ 139</u>	<u>\$ 127</u>	<u>\$ 133</u>	<u>\$ 174</u>
Nonaccrual loans to total loans	0.10 %	0.10 %	0.10 %	0.11 %	0.15 %
Nonperforming assets to total assets	0.08 %	0.08 %	0.07 %	0.08 %	0.11 %
Accruing loans 90 days or more past due	\$ —	\$ —	\$ —	\$ —	\$ 1
Restructured accruing loans	\$ 12	\$ 13	\$ 10	\$ 11	\$ 12
Allowance for loan credit losses to:					
Total loans	0.50 %	0.51 %	0.52 %	0.52 %	0.53 %
Nonaccrual loans	498.8 %	500.5 %	524.4 %	479.3 %	359.3 %

Loan Servicing Portfolio	As of				
	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
(\$ in millions)					
Loans serviced for investors	\$ 4,298	\$ 4,677	\$ 5,117	\$ 5,640	\$ 6,314

Return on Average Common Shareholders' Equity and Return on Average Tangible Common Shareholders' Equity <sup>(1), (2)</sup>	Quarter Ended March 31,		Quarter Ended December 31,
	2022	2021	2021
(\$ in millions)			
Average common shareholders' equity (a) .....	\$ 12,391	\$ 10,432	\$ 12,078
Less: Average goodwill and other intangible assets .....	(221)	(227)	(223)
Average tangible common shareholders' equity (b) .....	<u>\$ 12,170</u>	<u>\$ 10,205</u>	<u>\$ 11,855</u>
Net income available to common shareholders (c) .....	\$ 364	\$ 316	\$ 368
Return on average common shareholders' equity (c) / (a) .....	11.91 %	12.30 %	12.08 %
Return on average tangible common shareholders' equity (c) / (b) .....	12.12 %	12.57 %	12.31 %

<sup>(1)</sup> Return on average tangible common shareholders' equity is considered a non-GAAP financial measure, and is reconciled to GAAP return on average common shareholders' equity in this table.

<sup>(2)</sup> Ratios are annualized.

Book Value per Common Share and Tangible Book Value per Common Share <sup>(1)</sup>	As of				
	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
(in millions, except per share amounts)					
Total shareholders' equity .....	\$ 16,154	\$ 15,898	\$ 14,802	\$ 13,275	\$ 12,942
Less: Preferred stock .....	(3,633)	(3,633)	(2,893)	(2,143)	(2,143)
Total common shareholders' equity (a) .....	12,521	12,265	11,909	11,132	10,799
Less: Goodwill and other intangible assets .....	(221)	(222)	(223)	(224)	(226)
Total tangible common shareholders' equity (b) .....	<u>\$ 12,300</u>	<u>\$ 12,043</u>	<u>\$ 11,686</u>	<u>\$ 10,908</u>	<u>\$ 10,573</u>
Number of shares of common stock outstanding (c) .....	180	179	179	177	176
Book value per common share (a) / (c) .....	\$ 69.70	\$ 68.34	\$ 66.44	\$ 62.99	\$ 61.26
Tangible book value per common share (b) / (c) .....	\$ 68.47	\$ 67.10	\$ 65.19	\$ 61.72	\$ 59.98

<sup>(1)</sup> Tangible book value per common share is considered a non-GAAP financial measure, and is reconciled to GAAP book value per common share in this table.

Regulatory Capital Ratios and Components <sup>(1), (2)</sup>	As of				
	March 31, 2022 <sup>(3)</sup>	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
(\$ in millions)					
<b>Capital Ratios:</b>					
Tier 1 leverage ratio (Tier 1 capital to average assets) .....	8.70 %	8.76 %	8.55 %	8.05 %	8.32 %
Common Equity Tier 1 capital to risk-weighted assets .....	9.48 %	9.65 %	9.81 %	9.51 %	9.64 %
Tier 1 capital to risk-weighted assets .....	12.25 %	12.56 %	12.25 %	11.38 %	11.60 %
Total capital to risk-weighted assets .....	13.37 %	13.72 %	13.45 %	12.60 %	12.87 %
<b>Regulatory Capital:</b>					
Common Equity Tier 1 capital .....	\$ 12,418	\$ 12,045	\$ 11,674	\$ 10,875	\$ 10,549
Tier 1 capital .....	\$ 16,051	\$ 15,678	\$ 14,566	\$ 13,018	\$ 12,691
Total capital .....	\$ 17,521	\$ 17,124	\$ 15,994	\$ 14,421	\$ 14,082
<b>Assets:</b>					
Average assets .....	\$184,410	\$ 178,969	\$ 170,373	\$161,637	\$152,465
Risk-weighted assets .....	\$131,020	\$ 124,820	\$ 118,941	\$114,406	\$109,413

<sup>(1)</sup> As defined by regulatory capital rules.

<sup>(2)</sup> Beginning in 2020, ratios and amounts reflect the Bank's election to delay the estimated impact of the Current Expected Credit Losses ("CECL") allowance methodology on its regulatory capital, average assets and risk-weighted assets over a five-year transition period ending December 31, 2024.

<sup>(3)</sup> Ratios and amounts as of March 31, 2022 are preliminary.

<b>Wealth Management Assets</b>	<b>As of</b>				
	<b>March 31, 2022</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>	<b>June 30, 2021</b>	<b>March 31, 2021</b>
(\$ in millions)					
First Republic Investment Management .....	\$ 108,771	\$ 109,130	\$ 101,105	\$ 99,459	\$ 90,819
Brokerage and investment:					
Brokerage .....	128,129	128,258	115,793	112,359	101,478
Money market mutual funds .....	18,543	23,673	18,074	13,109	11,435
Total brokerage and investment .....	<u>146,672</u>	<u>151,931</u>	<u>133,867</u>	<u>125,468</u>	<u>112,913</u>
Trust Company:					
Trust .....	14,344	13,695	12,220	11,496	10,986
Custody .....	4,408	4,687	4,533	4,439	4,216
Total Trust Company .....	<u>18,752</u>	<u>18,382</u>	<u>16,753</u>	<u>15,935</u>	<u>15,202</u>
Total Wealth Management Assets .....	<u>\$ 274,195</u>	<u>\$ 279,443</u>	<u>\$ 251,725</u>	<u>\$ 240,862</u>	<u>\$ 218,934</u>

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