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): January 14, 2021

FIRST REPUBLIC BANK

(Exact name of registrant as specified in its charter)

California	**80-0513856**
(State or other jurisdiction of incorporation)	**(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:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value	FRC	New York Stock Exchange
Depositary Shares, Each Representing a 1/40th Interest in a Share of 5.50% Noncumulative Perpetual Series G Preferred Stock	FRC-PrG	New York Stock Exchange
Depositary 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
Depositary 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
Depositary 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
Depositary 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

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 January 14, 2021, regarding its financial results for the quarter and year ended December 31, 2020. 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.

Exhibit 99.1	Press Release issued by the Bank, dated January 14, 2021, with respect to the Bank’s financial results for the quarter and year ended December 31, 2020.

SIGNATURES

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

Date: January 14, 2021.

First Republic Bank

By: /s/ Michael J. Roffler
Name: Michael J. Roffler
Title: Executive Vice President and
Chief Financial Officer

First Republic Bank
It's a privilege to serve you®

PRESS RELEASE
FOR IMMEDIATE RELEASE

FIRST REPUBLIC REPORTS 2020 RESULTS

Revenues Increased 17% Year-Over-Year

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

San Francisco, California, January 14, 2021 – First Republic Bank (NYSE: FRC) today announced financial results for the quarter and year ended December 31, 2020.

"First Republic had another very successful year," said Founder, Chairman and CEO Jim Herbert. "Founded in 1985, this was our 35th consecutive year of profitability. First Republic continues to deliver safe, consistent growth, reflecting the strength of our client focused service model."

Full Year Highlights

Financial Results

– Revenues were $3.9 billion, up 17.2%.
– Net interest income was $3.3 billion, up 18.0%.
– Net income was $1.1 billion, up 14.4%.
– Diluted earnings per share of $5.81, up 11.7%.
– Loan originations totaled $50.7 billion (excluding $2.0 billion of originations under the Small Business Administration's Paycheck Protection Program ("PPP")).
– Tangible book value per share was $57.30, up 14.1%.
– Efficiency ratio was 61.9%, compared to 64.2% last year.

Continued Capital and Credit Strength

– Tier 1 leverage ratio was 8.14%.
– Nonperforming assets remained at a low 13 basis points of total assets.
– Net charge-offs were only $2.4 million, or less than 1 basis point of average loans.

Continued Franchise Development

– Loans totaled $110.7 billion, up 21.9% (excluding PPP and for sale loans).
– Deposits were $114.9 billion, up 27.5%.
– Wealth management assets were $194.5 billion, up 28.7%.
– Wealth management revenues were $526.5 million, up 11.9%.

Quarterly Highlights

- Compared to last year's fourth quarter:
  - Revenues were $1.1 billion, up 23.1%.
  - Net interest income was $892.7 million, up 24.0%.
  - Net income was $295.6 million, up 20.0%.
  - Diluted earnings per share of $1.60, up 15.1%.
- Loan originations were $16.7 billion.
- Net recoveries were $600,000.
- Net interest margin was 2.73%, compared to 2.71% for the prior quarter.
- Efficiency ratio was 61.6%, compared to 60.7% for the prior quarter.
- Wealth management assets were $194.5 billion, up 15.6% from the prior quarter.

"We're very pleased with the double-digit growth of revenue, net interest income and earnings per share, both for the full year and the fourth quarter," said Mike Roffler, Chief Financial Officer. "We remain focused on maintaining our capital strength and successfully raised, net, over $900 million in new Tier 1 capital in 2020."

Quarterly Cash Dividend of $0.20 per Share

The Bank declared a cash dividend for the fourth quarter of $0.20 per share of common stock, which is payable on February 11, 2021 to shareholders of record as of January 28, 2021. The current quarterly dividend is an increase over last year's fourth quarter dividend, our 9th consecutive year of dividend increases.

Strong Asset Quality

Credit quality remains strong. Nonperforming assets were only 13 basis points of total assets at December 31, 2020.

The provision for credit losses for the full year was $157.1 million, with net loan charge-offs of only $2.4 million. For the quarter, the provision for credit losses was $35.1 million, which was driven by loan growth.

Continued Capital Strength

The Bank's Tier 1 leverage ratio was 8.14% at December 31, 2020, compared to 8.38% at September 30, 2020.

During the fourth quarter, the Bank redeemed all of the outstanding shares of its 5.70% Noncumulative Perpetual Series F Preferred Stock, which totaled $100.0 million. In addition, the Bank sold 1,725,000 new shares of common stock in an underwritten public offering, which added approximately $225.4 million to common equity. Total common stock sold and preferred stock issued in 2020, net of preferred stock redeemed, added $908.0 million of Tier 1 capital in 2020.

The Bank has not and does not engage in common stock buybacks.

Tangible Book Value Growth

Tangible book value per common share at December 31, 2020 was $57.30, up 14.1% from a year ago.

Continued Franchise Development

Loan Originations

Loan originations were $16.7 billion for the quarter, up 48.8% from the same quarter a year ago. For 2020, loan originations (excluding PPP loans) totaled $50.7 billion, up 33.6% compared to the prior year. The increases were primarily due to increases in single family and business lending.

Single family loan originations were 47% of the total volume for the quarter and the full year (excluding PPP loans) and had a weighted average loan-to-value ratio of 56% for the full year. In addition, multifamily and commercial real estate loans originated were 9% of total originations for the quarter and 10% for the year (excluding PPP loans), and had a weighted average loan-to-value ratio of 50% for the year.

Loans, excluding PPP loans and loans held for sale, totaled $110.7 billion at December 31, 2020, up 21.9% compared to a year ago primarily due to increases in single family loans (67% of growth), business and multifamily loans.

COVID-19 Loan Modifications

Remaining loan modifications at year-end to those borrowers experiencing financial challenges as a result of COVID-19 (not classified as troubled debt restructurings) totaled $1.3 billion, and were 1.1% of total loans as of December 31, 2020. Such remaining modifications decreased 67% since September 30, 2020.

The Bank has limited exposure to several of the areas most directly impacted by COVID-19, such as the retail, hotel and restaurant industries, which totaled $2.5 billion as of December 31, 2020, only 2.2% of total loans. As of December 31, 2020, the Bank had modifications of these portfolios for $160 million, or 6%.

Deposit Growth

Total deposits increased to $114.9 billion, up 27.5% compared to a year ago, and had an average rate paid of 11 basis points during the quarter.

At December 31, 2020, checking deposit balances were 66.9% of total deposits.

Investments

Total investment securities at December 31, 2020 were $18.5 billion, a slight decrease compared to the prior quarter and a slight increase compared to a year ago.

High-quality liquid assets, including eligible cash, totaled $18.1 billion at December 31, 2020, and represented 12.8% of quarterly average total assets.

Wealth Management

Total wealth management assets were $194.5 billion at December 31, 2020, up 15.6% for the quarter and up 28.7% compared to a year ago. The increases in wealth management assets were due to both net client inflow and market appreciation.

Wealth management revenues totaled $151.4 million for the quarter, up 17.9% compared to last year's fourth quarter. For 2020, wealth management revenues were $526.5 million, an increase of 11.9% compared to the prior year. Such revenues represented 14.0% of the Bank's total revenues for the quarter and 13.4% of the Bank's total revenues for the year.

Wealth management assets at December 31, 2020 included investment management assets of $83.6 billion, brokerage assets and money market mutual funds of $97.1 billion, and trust and custody assets of $13.8 billion.

Income Statement and Key Ratios

Revenue Growth

Total revenues were $1.1 billion for the quarter, up 23.1% compared to the fourth quarter a year ago, and were $3.9 billion for 2020, up 17.2% compared to the prior year.

Net Interest Income Growth

Net interest income was $892.7 million for the quarter, up 24.0% compared to the fourth quarter a year ago, and was $3.3 billion for 2020, up 18.0% compared to the prior year. The increases in net interest income resulted primarily from growth in average interest-earning assets. The increase for the year was partially offset by a decrease in net interest margin.

Net Interest Margin

The net interest margin increased to 2.73% in the fourth quarter, from 2.71% in the prior quarter. For 2020, the net interest margin was 2.72%, compared to 2.83% for the prior year. The decrease for the year was primarily due to average yields on earning assets declining more than the offsetting decrease in average funding costs.

Noninterest Income

Noninterest income was $187.6 million for the quarter, up 19.3% compared to the fourth quarter a year ago, and was $654.2 million for 2020, up 13.3% compared to the prior year. The increase for the quarter was primarily driven by higher wealth management fees. The increase for the year was primarily driven by higher wealth management fees and an elevated gain on sale of loans, partially offset by lower loan servicing fees.

Noninterest Expense and Efficiency Ratio

Noninterest expense was $666.0 million for the quarter, up 19.2% compared to the fourth quarter a year ago, and was $2.4 billion for 2020, up 13.0% compared to the prior year. The increases were primarily due to increased salaries and benefits and information systems costs from the continued investments in the expansion of the franchise. The increase for the year was partially offset by lower travel and entertainment, as well as advertising and marketing expenses.

The efficiency ratio was 61.6% for the quarter, compared to 63.7% for the fourth quarter a year ago. For 2020, the efficiency ratio was 61.9%, compared to 64.2% for 2019.

Income Taxes

The Bank's effective tax rate for the fourth quarter of 2020 was 22.1%, compared to 19.6% for the prior quarter, and 20.3% for the fourth quarter a year ago. The increase from the prior quarter was primarily due to an increase from state taxes, and a tax refund from an amended tax return in the third quarter of 2020. The increase from the fourth quarter a year ago was primarily the result of lower excess tax benefits from a decrease in stock option exercises by employees, as well as an increase from state taxes.

The effective tax rate for 2020 was 20.2%, compared to 17.9% for 2019. The increase for the year was primarily the result of lower excess tax benefits from a decrease in stock option exercises by employees, partially offset by a tax refund from an amended tax return.

Conference Call Details

First Republic Bank's fourth quarter 2020 earnings conference call is scheduled for January 14, 2021 at 7:00 a.m. PT / 10:00 a.m. ET. To access the event by telephone, please dial (800) 263-0877 and use confirmation code 3942335 approximately 15 minutes prior to the start time (to allow time for registration). International callers should dial +1 (856) 344-9283 and enter 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 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 the live presentation, a replay of the call will be available beginning January 14, 2021, at 11:00 a.m. PT / 2:00 p.m. ET, through January 21, 2021, at 8:59 p.m. PT / 11:59 p.m. ET. To access the replay, dial (888) 203-1112 and use confirmation code 3942335#. International callers should dial +1 (719) 457-0820 and enter the same confirmation code. A replay of the webcast also will be available for 90 days following, accessible in the Investor Relations section of First Republic Bank's website at 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.

About First Republic Bank

Founded in 1985, First Republic and its subsidiaries offer private banking, private business banking and private wealth management, including investment, trust and brokerage services. First Republic specializes in delivering exceptional, relationship-based service and offers a complete line of products, including residential, commercial and personal loans, deposit services, and wealth management. 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.

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; 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, fires, pandemics or acts of terrorism affecting the markets in which we operate; 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, such as the London Interbank Offered Rate and the 11th District Monthly Weighted Average Cost of Funds Index, as well as other alternative 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, Quarterly Reports on Form 10-Q 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.

CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except per share amounts)	Quarter Ended December 31, 2020	Quarter Ended December 31, 2019	Quarter Ended September 30, 2020	Year Ended December 31, 2020	Year Ended December 31, 2019
Interest income:					
Loans	$ 845,150	$ 780,326	$ 811,708	$ 3,244,796	$ 2,986,210
Investments	138,429	146,080	142,971	576,484	547,988
Other	5,754	5,679	6,116	23,889	21,446
Cash and cash equivalents	1,819	4,869	1,181	7,504	23,835
Total interest income	991,152	936,954	961,976	3,852,673	3,579,479
Interest expense:					
Deposits	30,405	128,705	54,355	276,085	500,557
Borrowings	68,019	88,131	77,341	314,036	314,755
Total interest expense	98,424	216,836	131,696	590,121	815,312
Net interest income	892,728	720,118	830,280	3,262,552	2,764,167
Provision for credit losses	35,066	9,579	28,538	157,091	61,690
Net interest income after provision for credit losses	857,662	710,539	801,742	3,105,461	2,702,477
Noninterest income:					
Investment management fees	114,287	97,106	96,638	395,304	359,332
Brokerage and investment fees	11,489	12,416	10,796	50,517	41,035
Insurance fees	5,569	4,186	2,216	11,655	12,708
Trust fees	5,366	4,328	4,543	19,484	16,549
Foreign exchange fee income	14,688	10,365	12,575	49,552	41,026
Deposit fees	6,115	6,609	5,753	23,713	26,071
Loan and related fees	7,167	6,175	7,171	27,908	19,819
Loan servicing fees, net	1,248	1,788	144	(1,401)	11,348
Gain on sale of loans	2,412	69	13,797	16,987	535
Gain (loss) on investment securities	88	(1,541)	(405)	3,840	(3,436)
Income from investments in life insurance	16,997	14,034	20,546	53,503	45,570
Other income (loss)	2,211	1,810	(2,791)	3,171	6,663
Total noninterest income	187,637	157,345	170,983	654,233	577,220
Noninterest expense:					
Salaries and employee benefits	415,767	325,094	373,225	1,494,400	1,245,526
Information systems	79,331	69,278	74,549	298,632	273,337
Occupancy	56,627	50,474	55,543	220,752	192,678
Professional fees	18,015	22,476	19,845	66,494	68,099
Advertising and marketing	13,762	17,615	8,909	43,135	65,961
FDIC assessments	11,650	10,912	11,003	44,113	38,759
Other expenses	70,892	62,996	65,136	258,203	262,101
Total noninterest expense	666,044	558,845	608,210	2,425,729	2,146,461
Income before provision for income taxes	379,255	309,039	364,515	1,333,965	1,133,236
Provision for income taxes	83,695	62,709	71,378	269,814	202,907
Net income	295,560	246,330	293,137	1,064,151	930,329
Dividends on preferred stock	16,072	10,708	14,816	58,725	49,070
Net income available to common shareholders	$ 279,488	$ 235,622	$ 278,321	$ 1,005,426	$ 881,259
Basic earnings per common share	$ 1.61	$ 1.40	$ 1.62	$ 5.85	$ 5.25
Diluted earnings per common share	$ 1.60	$ 1.39	$ 1.61	$ 5.81	$ 5.20
Weighted average shares—basic	173,111	168,544	172,142	171,933	167,908
Weighted average shares—diluted	174,708	169,776	172,932	173,053	169,551

CONSOLIDATED BALANCE SHEETS

($ in thousands)	As of December 31, 2020	As of September 30, 2020	As of December 31, 2019 [1]
ASSETS			
Cash and cash equivalents	$ 5,094,754	$ 3,691,149	$ 1,699,557
Debt securities available-for-sale	1,906,315	1,711,202	1,282,169
Debt securities held-to-maturity	16,610,212	16,929,422	17,147,633
Less: Allowance for credit losses	(6,902)	(5,716)	—
Debt securities held-to-maturity, net	16,603,310	16,923,706	17,147,633
Equity securities (fair value)	20,566	20,478	19,586
Loans: [1]			
Single family	61,370,246	56,628,359	47,985,651
Home equity lines of credit	2,449,533	2,431,991	2,501,432
Single family construction	787,854	739,091	761,589
Multifamily	13,768,957	13,392,531	12,353,359
Commercial real estate	8,018,158	7,781,797	7,449,058
Multifamily/commercial construction	2,024,420	2,038,949	1,695,954
Capital call lines of credit	8,149,946	6,203,877	5,570,322
Tax-exempt	3,365,572	3,276,705	3,042,193
Other business	3,340,048	2,982,532	3,034,301
PPP	1,841,376	2,091,102	—
Stock secured	2,518,338	2,311,754	1,897,511
Other secured	1,818,550	1,780,652	1,433,399
Unsecured	3,113,267	3,102,311	3,072,062
Total loans	112,566,265	104,761,651	90,796,831
Allowance for credit losses	(635,019)	(604,747)	(496,104)
Loans, net	111,931,246	104,156,904	90,300,727
Loans held for sale	20,679	33,655	23,304
Investments in life insurance	2,061,362	1,949,360	1,434,642
Tax credit investments	1,131,905	1,099,713	1,100,509
Premises, equipment and leasehold improvements, net	403,482	390,241	386,841
Goodwill and other intangible assets	227,512	229,185	235,269
Other assets	3,101,003	3,020,178	2,633,397
Total Assets	$ 142,502,134	$ 133,225,771	$ 116,263,634
LIABILITIES AND EQUITY			
Liabilities:			
Deposits:			
Noninterest-bearing checking	$ 46,281,112	$ 41,538,676	$ 33,124,265
Interest-bearing checking	30,603,221	26,081,189	19,696,859
Money market checking	16,778,884	15,868,769	12,790,707
Money market savings and passbooks	12,584,522	11,419,289	10,586,355
Certificates of deposit	8,681,061	9,495,453	13,935,060
Total Deposits	114,928,800	104,403,376	90,133,246
Short-term borrowings	—	5,000	800,000
Long-term FHLB advances	11,755,000	13,505,000	12,200,000
Senior notes	996,145	995,626	497,719
Subordinated notes	778,313	778,204	777,885
Other liabilities	2,293,230	2,193,956	2,003,677
Total Liabilities	130,751,488	121,881,162	106,412,527
Shareholders' Equity:			
Preferred stock	1,545,000	1,645,000	1,145,000
Common stock	1,741	1,722	1,686
Additional paid-in capital	4,834,172	4,571,499	4,214,915
Retained earnings	5,346,355	5,102,229	4,484,375
Accumulated other comprehensive income	23,378	24,159	5,131
Total Shareholders' Equity	11,750,646	11,344,609	9,851,107
Total Liabilities and Shareholders' Equity	$ 142,502,134	$ 133,225,771	$ 116,263,634

[1] For comparability, the Bank has adjusted certain prior period loan amounts to conform to the current period presentation under the Current Expected Credit Losses ("CECL") methodology.

Average Balances, Yields and Rates	Quarter Ended December 31, 2020 Average Balance	Interest Income/ Expense [1]	Yields/ Rates [2]	Quarter Ended December 31, 2019 [4] Average Balance	Interest Income/ Expense [1]	Yields/ Rates [2]	Quarter Ended September 30, 2020 Average Balance	Interest Income/ Expense [1]	Yields/ Rates [2]
($ in thousands)									
Assets:									
Cash and cash equivalents	$ 6,965,598	$ 1,819	0.10 %	$ 1,377,686	$ 4,869	1.40 %	$ 4,427,985	$ 1,181	0.11 %
Investment securities:									
U.S. Government-sponsored agency securities	50,000	196	1.57 %	461,671	3,239	2.81 %	202,174	1,186	2.35 %
Agency residential and commercial MBS	5,786,312	32,237	2.23 %	6,826,144	47,764	2.80 %	6,250,577	37,437	2.40 %
Other residential and commercial MBS	35,437	184	2.08 %	4,276	39	3.66 %	37,860	201	2.13 %
Municipal securities	12,638,677	130,938	4.14 %	10,981,068	116,245	4.23 %	12,309,647	129,097	4.19 %
Other investment securities [3]	76,272	511	2.68 %	43,840	322	2.94 %	44,782	309	2.76 %
Total investment securities	18,586,698	164,066	3.53 %	18,316,999	167,609	3.66 %	18,845,040	168,230	3.57 %
Loans: [4]									
Residential real estate [5]	61,523,322	445,028	2.89 %	48,938,892	391,415	3.20 %	56,906,612	421,545	2.96 %
Multifamily [6]	13,596,444	125,042	3.60 %	12,043,858	118,431	3.85 %	13,312,631	124,759	3.67 %
Commercial real estate	7,909,682	78,599	3.89 %	7,414,885	78,229	4.13 %	7,801,603	78,412	3.93 %
Multifamily/commercial construction	2,788,321	31,588	4.43 %	2,415,923	28,931	4.69 %	2,739,717	30,608	4.37 %
Business [7]	13,382,558	115,809	3.39 %	11,556,437	121,665	4.12 %	12,538,201	110,487	3.45 %
PPP	2,004,127	14,419	2.82 %	—	—	— %	2,091,580	10,825	2.03 %
Other [8]	7,253,376	41,385	2.23 %	6,085,084	48,261	3.10 %	6,995,592	41,735	2.33 %
Total loans	108,457,830	851,870	3.11 %	88,455,079	786,932	3.52 %	102,385,936	818,371	3.16 %
FHLB stock	412,789	5,754	5.55 %	394,487	5,678	5.71 %	457,808	6,116	5.31 %
Total interest-earning assets	134,422,915	1,023,509	3.02 %	108,544,251	965,088	3.52 %	126,116,769	993,898	3.12 %
Noninterest-earning cash	452,927			362,139			433,852		
Goodwill and other intangibles	228,315			256,614			230,051		
Other assets	5,706,213			4,581,436			5,074,504		
Total noninterest-earning assets	6,387,455			5,200,189			5,738,407		
Total Assets	$140,810,370			$113,744,440			$131,855,176		
Liabilities and Equity:									
Deposits:									
Checking	$ 73,876,676	2,214	0.01 %	$ 51,333,186	8,777	0.07 %	$ 64,895,753	2,413	0.01 %
Money market checking and savings	29,149,550	14,139	0.19 %	21,298,741	49,682	0.93 %	26,220,043	13,675	0.21 %
CDs	8,813,489	14,052	0.63 %	13,694,721	70,246	2.04 %	11,334,100	38,267	1.34 %
Total deposits	111,839,715	30,405	0.11 %	86,326,648	128,705	0.59 %	102,449,896	54,355	0.21 %
Borrowings:									
Short-term borrowings	8,638	4	0.17 %	3,056,545	13,530	1.76 %	5,030	0	0.00 %
Long-term FHLB advances	13,298,478	52,873	1.58 %	11,488,043	62,146	2.15 %	14,739,238	62,201	1.68 %
Senior notes [9]	995,892	6,034	2.42 %	497,610	3,351	2.69 %	995,373	6,032	2.42 %
Subordinated notes [9]	778,260	9,108	4.68 %	777,834	9,104	4.68 %	778,151	9,108	4.68 %
Total borrowings	15,081,268	68,019	1.80 %	15,820,032	88,131	2.21 %	16,517,792	77,341	1.86 %
Total interest-bearing liabilities	126,920,983	98,424	0.31 %	102,146,680	216,836	0.84 %	118,967,688	131,696	0.44 %
Noninterest-bearing liabilities	2,341,078			2,093,561			2,082,793		
Preferred equity	1,552,609			899,728			1,226,522		
Common equity	9,995,700			8,604,471			9,578,173		
Total Liabilities and Equity	$140,810,370			$113,744,440			$131,855,176		
Net interest spread [10]			2.71 %			2.68 %			2.68 %
Net interest income (fully taxable-equivalent basis) and net interest margin [11]		$ 925,085	2.73 %		$ 748,252	2.73 %		$ 862,202	2.71 %
Reconciliation of tax-equivalent net interest income to reported net interest income:									
Tax-equivalent adjustment		(32,357)			(28,134)			(31,922)	
Net interest income, as reported		$ 892,728			$ 720,118			$ 830,280	

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Average Balances, Yields and Rates	2020 Average Balance	2020 Interest Income/ Expense [1]	2020 Yields/ Rates	2019 [4] Average Balance	2019 [4] Interest Income/ Expense [1]	2019 [4] Yields/ Rates
($ in thousands)						
Assets:						
Cash and cash equivalents	$ 4,018,429	$ 7,504	0.19 %	$ 1,268,405	$ 23,835	1.88 %
Investment securities:						
U.S. Government-sponsored agency securities	193,246	4,957	2.56 %	818,000	24,066	2.94 %
Agency residential and commercial MBS	6,348,004	159,520	2.51 %	6,735,598	191,869	2.85 %
Other residential and commercial MBS	26,215	600	2.29 %	4,450	170	3.83 %
Municipal securities	12,066,413	510,825	4.23 %	9,218,509	409,127	4.44 %
Other investment securities [3]	52,204	1,447	2.77 %	26,848	726	2.70 %
Total investment securities	18,686,082	677,349	3.62 %	16,803,405	625,958	3.73 %
Loans: [4]						
Residential real estate [5]	55,885,085	1,676,247	3.00 %	44,655,754	1,465,364	3.28 %
Multifamily [6]	13,092,607	489,402	3.68 %	11,248,189	439,408	3.85 %
Commercial real estate	7,751,600	313,254	3.97 %	7,088,827	301,831	4.20 %
Multifamily/commercial construction	2,678,312	121,949	4.48 %	2,319,279	114,902	4.89 %
Business [7]	12,845,826	465,101	3.56 %	11,302,160	503,782	4.40 %
PPP	1,432,501	32,903	2.26 %	—	—	— %
Other [8]	6,841,682	172,808	2.48 %	5,559,309	187,536	3.33 %
Total loans	100,527,613	3,271,664	3.23 %	82,173,518	3,012,823	3.64 %
FHLB stock	442,338	23,889	5.40 %	331,862	21,446	6.46 %
Total interest-earning assets	123,674,462	3,980,406	3.20 %	100,577,190	3,684,062	3.64 %
Noninterest-earning cash	438,893			347,065		
Goodwill and other intangibles	231,084			266,062		
Other assets	5,103,458			4,376,016		
Total noninterest-earning assets	5,773,435			4,989,143		
Total Assets	$ 129,447,897			$ 105,566,333		
Liabilities and Equity:						
Deposits:						
Checking	$ 62,938,940	16,186	0.03 %	$ 48,097,161	30,318	0.06 %
Money market checking and savings	25,506,568	87,908	0.34 %	20,113,724	196,582	0.98 %
CDs	11,754,513	171,991	1.46 %	12,769,459	273,657	2.14 %
Total deposits	100,200,021	276,085	0.28 %	80,980,344	500,557	0.62 %
Borrowings:						
Short-term borrowings	310,392	4,704	1.52 %	2,278,831	50,361	2.21 %
Long-term FHLB advances	14,330,041	250,031	1.74 %	9,738,767	209,816	2.15 %
Senior notes [9]	938,185	22,873	2.44 %	680,199	18,169	2.67 %
Subordinated notes [9]	778,099	36,428	4.68 %	777,681	36,409	4.68 %
Total borrowings	16,356,717	314,036	1.92 %	13,475,478	314,755	2.34 %
Total interest-bearing liabilities	116,556,738	590,121	0.51 %	94,455,822	815,312	0.86 %
Noninterest-bearing liabilities	2,130,829			1,859,115		
Preferred equity	1,267,951			929,849		
Common equity	9,492,379			8,321,547		
Total Liabilities and Equity	$ 129,447,897			$ 105,566,333		
Net interest spread [10]			2.69 %			2.78 %
Net interest income (fully taxable-equivalent basis) and net interest margin [11]		$ 3,390,285	2.72 %		$ 2,868,750	2.83 %
Reconciliation of tax-equivalent net interest income to reported net interest income:						
Tax-equivalent adjustment		(127,733)			(104,583)	
Net interest income, as reported		$ 3,262,552			$ 2,764,167	

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[1] Interest income is presented on a fully taxable-equivalent basis.
[2] Yields/rates are annualized.
[3] Includes corporate debt securities, mutual funds and marketable equity securities.
[4] For comparability, the Bank has adjusted certain prior period loan amounts to conform to the current period presentation under CECL.
[5] Includes single family, home equity lines of credit, and single family construction loans. Also includes single family loans held for sale.
[6] Includes multifamily loans held for sale.
[7] Includes capital call lines of credit, tax-exempt and other business loans.
[8] Includes stock secured, other secured and unsecured loans.
[9] Average balances include unamortized issuance discounts and costs. Interest expense includes amortization of issuance discounts and costs.
[10] Net interest spread represents the average yield on interest-earning assets less the average rate on interest-bearing liabilities.
[11] Net interest margin represents net interest income on a fully taxable-equivalent basis divided by total average interest-earning assets.

	Quarter Ended December 31,		Quarter Ended September 30,	Year Ended December 31,	
Operating Information	**2020**	**2019**	**2020**	**2020**	**2019**
($ in thousands, except per share amounts)					
Net income to average assets [1]	0.84 %	0.86 %	0.88 %	0.82 %	0.88 %
Net income available to common shareholders to average common equity [1]	11.12 %	10.86 %	11.56 %	10.59 %	10.59 %
Net income available to common shareholders to average tangible common equity [1]	11.38 %	11.20 %	11.84 %	10.86 %	10.94 %
Dividends per common share	$ 0.20	$ 0.19	$ 0.20	$ 0.79	$ 0.75
Dividend payout ratio	12.5 %	13.7 %	12.4 %	13.6 %	14.4 %
Efficiency ratio [2], [3]	61.6 %	63.7 %	60.7 %	61.9 %	64.2 %
Net loan charge-offs (recoveries)	$ (600)	$ (1,060)	$ 1,687	$ 2,387	$ 4,634
Net loan charge-offs (recoveries) to average total loans [1]	(0.00)%	(0.00)%	0.01 %	0.00 %	0.01 %
Allowance for loan credit losses to:					
Total loans	0.56 %	0.55 %	0.58 %	0.56 %	0.55 %
Nonaccrual loans	344.9 %	346.5 %	368.2 %	344.9 %	346.5 %

[1] For periods less than a year, ratios are annualized.
[2] Efficiency ratio is the ratio of noninterest expense to the sum of net interest income and noninterest income.
[3] The provision for unfunded loan commitments is included in the provision for credit losses for 2020 periods. For 2019 periods, the provision for unfunded loan commitments is included in other noninterest expense.

	Quarter Ended December 31,		Quarter Ended September 30,	Year Ended December 31,	
Effective Tax Rate	**2020**	**2019**	**2020**	**2020**	**2019**
Effective tax rate, prior to excess tax benefits and tax refund from an amended tax return	22.5 %	21.6 %	21.1 %	21.9 %	21.4 %
Excess tax benefits—stock options	—	(1.2)	(0.1)	(0.6)	(2.9)
Excess tax benefits—other stock awards	(0.4)	(0.1)	(0.1)	(0.7)	(0.6)
Total excess tax benefits	(0.4)	(1.3)	(0.2)	(1.3)	(3.5)
Tax refund from an amended tax return	—	—	(1.3)	(0.4)	—
Effective tax rate	22.1 %	20.3 %	19.6 %	20.2 %	17.9 %

Provision for Credit Losses	Quarter Ended December 31, 2020	Quarter Ended December 31, 2019	Quarter Ended September 30, 2020	Year Ended December 31, 2020	Year Ended December 31, 2019
($ in thousands)					
Debt securities held-to-maturity	$ 1,186	$ —	$ 333	$ 2,233	$ —
Loans	29,672	9,579	22,437	142,977	61,690
Unfunded loan commitments [1]	4,208	—	5,768	11,881	—
Total provision	$ 35,066	$ 9,579	$ 28,538	$ 157,091	$ 61,690

[1] The provision for unfunded loan commitments is included in the provision for credit losses for 2020 periods. For 2019 periods, the provision for unfunded loan commitments is included in other noninterest expense, which is not presented in this table.

Allowance for Credit Losses	Quarter Ended December 31, 2020: Debt Securities Held-to-Maturity	Loans	Unfunded Loan Commitments [1]	Total	Year Ended December 31, 2020: Debt Securities Held-to-Maturity	Loans	Unfunded Loan Commitments [1]	Total
($ in thousands)								
Balance at beginning of period [2]	$ 5,716	$ 604,747	$ 23,370	$ 633,833	$ 4,669	$ 494,429	$ 15,697	$ 514,795
Provision for credit losses	1,186	29,672	4,208	35,066	2,233	142,977	11,881	157,091
Net (charge-offs) recoveries	—	600	—	600	—	(2,387)	—	(2,387)
Balance at end of period	$ 6,902	$ 635,019	$ 27,578	$ 669,499	$ 6,902	$ 635,019	$ 27,578	$ 669,499

[1] The allowance for credit losses on unfunded loan commitments is included in other liabilities.

[2] For the year ended December 31, 2020, represents the balance after the cumulative effect adjustment from the adoption of CECL.

Mortgage Loan Sales	Quarter Ended December 31, 2020	Quarter Ended December 31, 2019	Quarter Ended September 30, 2020	Year Ended December 31, 2020	Year Ended December 31, 2019
($ in thousands)					
Loans sold:					
Flow sales:					
Agency	$ 152,210	$ 34,519	$ 44,118	$ 232,912	$ 85,945
Non-agency	—	7,717	—	31,870	50,983
Total flow sales	152,210	42,236	44,118	264,782	136,928
Bulk sales:					
Non-agency	—	—	235,732	673,401	152,119
Securitizations	—	—	—	300,116	—
Total loans sold	$ 152,210	$ 42,236	$ 279,850	$ 1,238,299	$ 289,047
Gain on sale of loans:					
Amount [1]	$ 2,412	$ 69	$ 13,797	$ 16,987	$ 535
Gain as a percentage of loans sold [1]	1.58 %	0.16 %	4.93 %	1.37 %	0.19 %

[1] The gain for the quarter ended September 30, 2020 and full year 2020 included $10.3 million related to realized discounts on previously purchased loans when these loans were sold. Excluding these discounts of $10.3 million, the gain as a percentage of loans sold was 1.24% and 0.54% for the quarter ended September 30, 2020 and full year 2020, respectively.

Loan Originations	Quarter Ended December 31, 2020	Quarter Ended December 31, 2019 [1]	Quarter Ended September 30, 2020	Year Ended December 31, 2020 [2]	Year Ended December 31, 2019 [1]
($ in thousands)					
Single family	$ 7,777,589	$ 5,275,965	$ 6,813,850	$ 23,985,959	$ 16,405,784
Home equity lines of credit	619,257	456,150	432,443	1,904,945	1,524,031
Single family construction	223,909	133,368	186,833	639,222	588,429
Multifamily	1,016,575	1,214,394	955,951	3,700,649	3,320,158
Commercial real estate	437,947	401,084	193,228	1,413,716	1,710,820
Multifamily/commercial construction	303,054	340,650	245,220	1,300,609	1,175,922
Capital call lines of credit	3,854,094	1,708,006	1,803,907	9,448,577	7,171,710
Tax-exempt	305,826	52,550	328,711	918,610	287,020
Other business	771,484	512,954	243,788	2,549,308	1,621,666
PPP	—	—	—	1,981,797	—
Stock secured	669,840	650,240	685,250	2,467,066	1,769,385
Other secured	412,902	170,231	189,386	1,374,842	1,011,232
Unsecured	312,809	308,360	159,379	998,346	1,377,319
Total loans originated	$ 16,705,286	$ 11,223,952	$ 12,237,946	$ 52,683,646	$ 37,963,476

[1] For comparability, the Bank has adjusted certain prior period amounts to conform to the current period presentation under CECL.

[2] Excluding PPP loan originations, total loan originations were $50.7 billion for the year ended December 31, 2020.

Asset Quality Information	As of December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
($ in thousands)					
Nonperforming assets:					
Nonaccrual loans	$ 184,132	$ 164,247	$ 164,930	$ 125,418	$ 143,181
Other real estate owned	—	—	1,071	1,071	—
Total nonperforming assets	$ 184,132	$ 164,247	$ 166,001	$ 126,489	$ 143,181
Nonperforming assets to total assets	0.13 %	0.12 %	0.13 %	0.10 %	0.12 %
Accruing loans 90 days or more past due	$ —	$ 935	$ 3,764	$ —	$ —
Restructured accruing loans	$ 11,253	$ 11,378	$ 11,501	$ 13,418	$ 13,287

COVID-19 Loan Modifications (1), (2), (3), (4), (5)	December 31, 2020				
	Unpaid Principal Balance	Deferred Interest (6)	LTV (7)	Average Loan Size	Number of Loans
($ in millions)					
Single family	$ 407	$ 5	63 %	$ 1.2	354
Home equity lines of credit	11	—	55 %	$ 0.4	25
Single family construction	2	—	75 %	$ 2.0	1
Multifamily	291	1	53 %	$ 5.6	52
Commercial real estate	297	1	50 %	$ 5.5	54
Multifamily/commercial construction	35	—	35 %	$ 8.9	4
Capital call lines of credit	—	—	n/a	$ —	—
Tax-exempt	150	—	n/a	$ 30.0	5
Other business	59	—	n/a	$ 1.5	39
Stock secured	—	—	n/a	$ —	—
Other secured	3	—	n/a	$ 0.3	11
Unsecured (8)	15	—	n/a	$ 0.1	153
Total	$ 1,270	$ 7			698

(1) COVID-19 loan modifications are not classified as troubled debt restructurings.

(2) Includes 164 loans totaling $222 million that have completed their deferral period, but for which a regular payment is not yet due.

(3) Includes 269 loans totaling $504 million that received additional relief beyond their initial modification period.

(4) Excludes loans that have completed their deferral period and returned to a regular payment schedule or are no longer outstanding. As of December 31, 2020, $3.1 billion of loans have completed their deferral period or are no longer outstanding, and 99% of the outstanding loans were current.

(5) Loan modifications requested by borrowers that were in process but not yet completed as of December 31, 2020 totaled $53 million for initial relief, and $39 million for additional relief beyond the initial modification period.

(6) Represents interest payments not made during the deferral period through December 31, 2020.

(7) Weighted average loan-to-value ("LTV") ratios for real estate secured loans are based on appraised value at the time of origination.

(8) Consists of household debt refinance loans.

Loan Industry Information	December 31, 2020				
	Unpaid Principal Balance	LTV	Average Loan Size	Number of Loans	Personal Guarantee %
($ in millions)					
Retail	$ 1,831	49 %	$ 2.7	703	77 %
Hotel	416	48 %	$ 6.6	65	72 %
Restaurant (1)	219	49 %	$ 1.1	210	93 %
Total (2)	$ 2,466			978	

(1) Approximately 70% of loans to restaurants are real estate secured.

(2) Amounts in the table above exclude $43 million of loans to hotels and $132 million of loans to restaurants under the PPP.

Loan Servicing Portfolio	As of				
	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
($ in millions)					
Loans serviced for investors	$ 7,094	$ 7,799	$ 8,316	$ 9,203	$ 9,298

Common Shares, Book Value per Common Share and Tangible Book Value per Common Share	As of				
	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
(in thousands, except per share amounts)					
Number of shares of common stock outstanding	174,124	172,188	172,094	171,395	168,621
Book value per common share	$ 58.61	$ 56.33	$ 54.80	$ 53.76	$ 51.63
Tangible book value per common share	$ 57.30	$ 55.00	$ 53.46	$ 52.40	$ 50.24

Capital Ratios	As of December 31, 2020 [1], [2]	September 30, 2020 [2]	June 30, 2020 [2]	March 31, 2020 [2]	December 31, 2019
Tier 1 leverage ratio (Tier 1 capital to average assets)	8.14 %	8.38 %	8.15 %	8.46 %	8.39 %
Common Equity Tier 1 capital to risk-weighted assets	9.67 %	9.78 %	9.80 %	9.87 %	9.86 %
Tier 1 capital to risk-weighted assets	11.18 %	11.50 %	11.04 %	11.14 %	11.21 %
Total capital to risk-weighted assets	12.55 %	12.94 %	12.49 %	12.62 %	12.73 %
Regulatory Capital [3]					
($ in thousands)					
Common Equity Tier 1 capital	$ 9,894,870	$ 9,375,688	$ 9,103,771	$ 8,887,905	$ 8,371,192
Tier 1 capital	$ 11,439,870	$ 11,020,688	$ 10,248,771	$ 10,032,905	$ 9,516,192
Total capital	$ 12,842,344	$ 12,396,304	$ 11,604,141	$ 11,365,654	$ 10,802,209
Assets [3]					
($ in thousands)					
Average assets	$ 140,493,283	$ 131,517,445	$ 125,690,830	$ 118,626,842	$ 113,403,507
Risk-weighted assets	$ 102,321,489	$ 95,823,385	$ 92,870,859	$ 90,072,400	$ 84,885,943

[1] Ratios and amounts as of December 31, 2020 are preliminary.

[2] In accordance with the CECL Capital Rule, the Bank elected to delay the estimated impact of CECL on its regulatory capital and risk-weighted assets over a five-year transition period ending December 31, 2024. Ratios and amounts for 2020 periods have been adjusted to exclude the following impacts attributed to the adoption of CECL: decreases in retained earnings, increases in allowance for credit losses on loans, held-to-maturity debt securities and unfunded loan commitments, decreases in average assets, and increases in risk-weighted assets.

[3] As defined by regulatory capital rules.

Wealth Management Assets	As of December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
($ in millions)					
First Republic Investment Management	$ 83,596	$ 74,661	$ 68,124	$ 60,056	$ 66,029
Brokerage and investment:					
Brokerage	88,059	76,769	70,178	60,189	68,807
Money market mutual funds	9,003	4,416	5,933	6,893	4,268
Total brokerage and investment	97,062	81,185	76,111	67,082	73,075
Trust Company:					
Trust	9,910	8,687	7,905	7,288	7,121
Custody	3,889	3,651	3,646	3,461	4,818
Total Trust Company	13,799	12,338	11,551	10,749	11,939
Total Wealth Management Assets	$ 194,457	$ 168,184	$ 155,786	$ 137,887	$ 151,043

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