

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): October 15, 2019

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 5.50% Noncumulative Perpetual Series D Preferred Stock	FRC-PrD	New York Stock Exchange
Depository Shares, Each Representing a 1/40th Interest in a Share of 5.70% Noncumulative Perpetual Series F Preferred Stock	FRC-PrF	New York Stock Exchange
Depository 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
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

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 October 15, 2019, regarding its financial results for the quarter ended September 30, 2019. 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 October 15, 2019, with respect to the Bank’s financial results for the quarter ended September 30, 2019.
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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: October 15, 2019.

First Republic Bank

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

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
Exhibit 99.1	Press Release issued by the Bank, dated October 15, 2019, with respect to the Bank's financial results for the quarter ended September 30, 2019.



FIRST REPUBLIC REPORTS STRONG THIRD QUARTER 2019 RESULTS

Record Loan Origination Quarter; Revenues Increased 9% Year-Over-Year

San Francisco, California, October 15, 2019 – First Republic Bank (NYSE: FRC) today announced financial results for the quarter ended September 30, 2019.

“Third quarter results were very strong,” said Jim Herbert, Chairman, CEO & Founder. “Loans, deposits and wealth management assets grew nicely. Our client-focused business model continues to perform very well.”

Quarterly Highlights

Financial Results

- Year-over-year:
 - Revenues were \$837.2 million, up 8.9%.
 - Net interest income was \$695.0 million, up 9.5%.
 - Net income was \$234.8 million, up 10.0%.
 - Diluted earnings per share of \$1.31, up 10.1%.
 - Tangible book value per share was \$48.84, up 11.0%.
- Loan originations totaled \$11.1 billion, our strongest quarter ever.
- Net interest margin was 2.80%, compared to 2.85% last quarter.
- Efficiency ratio was 63.8%, compared to 64.5% last quarter.

Continued Capital and Credit Strength

- Common Equity Tier 1 ratio was 9.91%, compared to 10.47% a year ago.
- Nonperforming assets remained at a low 12 basis points of total assets.
- Net charge-offs were only \$4.3 million, or 2 basis points of average loans.

Continued Franchise Development

- Year-over-year:
 - Loans, excluding loans held for sale, totaled \$86.3 billion, up 19.3%.
 - Deposits were \$85.7 billion, up 14.7%.
 - Wealth management assets were \$140.2 billion, up 7.1%.
 - Wealth management revenues were \$114.8 million, up 4.7%.

“We’re pleased with year-over-year revenue growth of 9%,” said Mike Roffler, Chief Financial Officer. “Loan volume for the quarter was another record, and credit quality and capital strength remain excellent.”

Quarterly Cash Dividend Declared

The Bank declared a cash dividend for the third quarter of \$0.19 per share of common stock, which is payable on November 14, 2019 to shareholders of record as of October 31, 2019.

Very Strong Asset Quality

Credit quality remains strong. Nonperforming assets were only 12 basis points of total assets at September 30, 2019.

The Bank had net charge-offs for the quarter of \$4.3 million, while adding \$16.7 million to its allowance for loan losses due to continued loan growth.

Continued Capital Strength

The Bank’s Common Equity Tier 1 ratio was 9.91% at September 30, 2019, compared to 10.47% a year ago.

As previously announced, the Bank will redeem its \$190.0 million of 5.50% Noncumulative Perpetual Series D Preferred Stock on October 18, 2019.

Tangible Book Value Growth

Tangible book value per common share at September 30, 2019 was \$48.84, up 11.0% from a year ago.

Continued Franchise Development

Loan Originations

Loan originations were \$11.1 billion for the quarter, up 58.4% compared to the same quarter a year ago, primarily due to increases in single family and business lending.

Loans, excluding loans held for sale, totaled \$86.3 billion at September 30, 2019, up 19.3% compared to a year ago, primarily due to increases in single family, multifamily, business, and commercial real estate loans.

Deposit Growth

Total deposits increased to \$85.7 billion, up 14.7% compared to a year ago.

At September 30, 2019, checking accounts totaled 58.5% of deposits.

Investments

Total investment securities at September 30, 2019 were \$17.4 billion, up 7.7% compared to the prior quarter and up 6.8% compared to a year ago.

High-quality liquid assets, including eligible cash, totaled \$13.6 billion at September 30, 2019, and represented 12.7% of average total assets.

Wealth Management

Wealth management revenues totaled \$114.8 million for the quarter, up 4.7% compared to last year's third quarter. Such revenues represented 13.7% of the Bank's total revenues for the quarter.

Total wealth management assets were \$140.2 billion at September 30, 2019, up 1.9% for the quarter and up 7.1% compared to a year ago. The increases in wealth management assets were driven by net new assets from existing and new clients, and market appreciation.

Wealth management assets included investment management assets of \$61.2 billion, brokerage assets and money market mutual funds of \$67.5 billion, and trust and custody assets of \$11.6 billion.

Income Statement and Key Ratios*Revenue Growth*

Total revenues were \$837.2 million for the quarter, up 8.9% compared to the third quarter a year ago.

Net Interest Income Growth

Net interest income was \$695.0 million for the quarter, up 9.5% compared to the third quarter a year ago. The increase in net interest income resulted primarily from growth in average earning assets.

Net Interest Margin

The net interest margin was 2.80% for the third quarter, compared to 2.85% for the prior quarter. The decline was primarily due to a more rapid decrease in the average yield on loans, compared to the offsetting decrease in total funding costs.

Noninterest Income

Noninterest income was \$142.2 million for the quarter, up 5.8% compared to the third quarter a year ago. The increase was primarily from growth in brokerage and investment fees and foreign exchange fee income, partially offset by a decline in investment management fees attributable to the departure of wealth managers in the second quarter.

Noninterest Expense and Efficiency Ratio

Noninterest expense was \$534.0 million for the quarter, up 10.3% compared to the third quarter a year ago. The increase was primarily due to increased salaries and benefits, occupancy and information systems expenses from the continued investments in the expansion of the franchise.

The efficiency ratio was 63.8% for the quarter, compared to 63.0% for the third quarter a year ago. For the first nine months of 2019, the efficiency ratio was 64.4%.

Income Taxes

The Bank's effective tax rate for the third quarter of 2019 was 18.0%, compared to 19.8% for the third quarter a year ago. For the first nine months of 2019, the Bank's effective tax rate was 17.0%, compared to 18.6% a year ago. The decreases were primarily the result of higher excess tax benefits from an increase in stock option exercises by employees.

Conference Call Details

First Republic Bank's third quarter 2019 earnings conference call is scheduled for October 15, 2019 at 7:00 a.m. PT / 10:00 a.m. ET. To access the event by telephone, please dial (800) 353-6461 and use confirmation code #7297625 approximately 10 minutes prior to the start time (to allow time for registration). International callers should dial +1 (334) 323-0501 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 firstrepublic.com. To listen to the live webcast, please visit the site at least 10 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 October 15, 2019, at 11:00 a.m. PT / 2:00 p.m. ET, through October 22, 2019, at 8:59 p.m. PT / 11:59 p.m. ET. To access the replay, dial (888) 203-1112 and use confirmation code #7297625. 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 firstrepublic.com.

The Bank's press releases are available after release in the 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.

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; the possibility of earthquakes, fires and other natural disasters affecting the markets in which we operate; 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, which could result in other-than-temporary impairment if the general economy deteriorates, credit ratings decline, the financial condition of issuers deteriorates, interest rates increase or the liquidity for securities is limited; 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 reference rates, such as the London Interbank Offered Rate and the 11th District Monthly Weighted Average Cost of Funds Index; the regulatory environment in which we operate, our regulatory compliance and future regulatory requirements; the impact of tax reform legislation; 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; the impact of new accounting standards; 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.

CONSOLIDATED STATEMENTS OF INCOME

	Quarter Ended September 30,		Quarter Ended June 30,	Nine Months Ended September 30,	
(in thousands, except per share amounts)	2019	2018	2019	2019	2018
Interest income:					
Loans	\$ 764,468	\$ 633,794	\$ 741,328	\$ 2,205,884	\$ 1,765,019
Investments	134,099	134,111	134,044	401,908	406,373
Other	5,779	5,237	4,813	15,767	15,065
Cash and cash equivalents	5,430	6,896	5,547	18,966	16,494
Total interest income	909,776	780,038	885,732	2,642,525	2,202,951
Interest expense:					
Deposits	134,917	81,438	129,188	371,852	193,852
Borrowings	79,874	64,146	82,518	226,624	175,194
Total interest expense	214,791	145,584	211,706	598,476	369,046
Net interest income	694,985	634,454	674,026	2,044,049	1,833,905
Provision for loan losses	16,711	18,633	21,200	52,111	51,003
Net interest income after provision for loan losses.	678,274	615,821	652,826	1,991,938	1,782,902
Noninterest income:					
Investment management fees	83,582	88,560	93,720	262,226	249,602
Brokerage and investment fees	12,673	7,207	8,287	28,619	23,770
Insurance fees	2,712	1,851	3,696	8,522	4,646
Trust fees	4,105	3,599	4,227	12,221	10,694
Foreign exchange fee income	11,685	8,439	10,345	30,661	25,383
Deposit fees	6,563	6,225	6,579	19,462	18,490
Loan and related fees	5,341	4,091	4,296	13,644	11,842
Loan servicing fees, net	2,347	3,151	3,425	9,560	9,856
Gain (loss) on sale of loans	122	303	(15)	466	5,037
Gain (loss) on investment securities	(683)	(1,655)	(1,063)	(1,895)	6,515
Income from investments in life insurance	12,152	11,608	10,049	31,536	30,697
Other income	1,608	996	1,804	4,853	3,366
Total noninterest income	142,207	134,375	145,350	419,875	399,898
Noninterest expense:					
Salaries and employee benefits	309,655	279,248	297,524	920,432	828,207
Information systems	66,612	59,259	70,277	204,059	177,753
Occupancy	50,722	38,792	47,587	142,204	112,180
Professional fees	17,507	15,718	16,435	45,623	44,720
Advertising and marketing	15,912	13,527	16,700	48,346	40,575
FDIC assessments	9,748	17,679	9,196	27,847	49,275
Other expenses	63,794	59,776	71,135	199,105	165,427
Total noninterest expense	533,950	483,999	528,854	1,587,616	1,418,137
Income before provision for income taxes	286,531	266,197	269,322	824,197	764,663
Provision for income taxes	51,687	52,651	46,758	140,198	142,253
Net income	234,844	213,546	222,564	683,999	622,410
Dividends on preferred stock	12,787	17,112	12,788	38,362	41,497
Net income available to common shareholders . . .	\$ 222,057	\$ 196,434	\$ 209,776	\$ 645,637	\$ 580,913
Basic earnings per common share	\$ 1.32	\$ 1.20	\$ 1.25	\$ 3.85	\$ 3.58
Diluted earnings per common share	\$ 1.31	\$ 1.19	\$ 1.24	\$ 3.81	\$ 3.52
Weighted average shares—basic	168,272	163,048	167,685	167,694	162,322
Weighted average shares—diluted	169,346	165,498	169,572	169,449	165,109

CONSOLIDATED BALANCE SHEETS

(\$ in thousands)	As of			
	September 30, 2019	June 30, 2019	December 31, 2018	September 30, 2018
<u>ASSETS</u>				
Cash and cash equivalents	\$ 2,181,600	\$ 2,220,073	\$ 2,811,159	\$ 3,013,645
Debt securities available-for-sale	1,401,105	1,438,061	1,779,116	2,000,271
Debt securities held-to-maturity	16,002,722	14,721,568	14,436,973	14,294,769
Equity securities (fair value)	19,736	19,529	18,719	19,121
Loans:				
Single family (1-4 units)	44,882,363	41,758,981	37,955,252	36,213,714
Home equity lines of credit	2,530,740	2,587,554	2,542,713	2,543,652
Multifamily (5+ units)	11,725,331	11,216,640	10,357,839	9,779,693
Commercial real estate	7,504,334	7,251,509	6,677,440	6,459,654
Single family construction	743,699	702,928	645,924	654,643
Multifamily/commercial construction	1,442,896	1,470,699	1,576,582	1,422,746
Business	11,564,863	11,686,510	10,998,503	10,382,050
Stock secured	1,610,914	1,514,855	1,432,911	1,371,546
Other secured	1,293,084	1,235,588	1,105,751	1,101,721
Unsecured	3,006,586	2,812,357	2,572,367	2,399,078
Total loans	86,304,810	82,237,621	75,865,282	72,328,497
Allowance for loan losses	(485,465)	(473,095)	(439,048)	(415,825)
Loans, net	85,819,345	81,764,526	75,426,234	71,912,672
Loans held for sale	31,693	12,502	98,985	274,181
Investments in life insurance	1,425,057	1,412,883	1,376,579	1,361,473
Tax credit investments	1,039,061	1,054,192	1,057,541	1,074,834
Prepaid expenses and other assets	2,424,383	2,390,649	1,538,971	1,483,892
Premises, equipment and leasehold improvements, net	373,693	348,609	332,483	324,052
Goodwill and other intangible assets	264,658	267,490	273,974	277,625
Mortgage servicing rights	45,682	49,554	54,470	57,687
Total Assets	<u>\$ 111,028,735</u>	<u>\$ 105,699,636</u>	<u>\$ 99,205,204</u>	<u>\$ 96,094,222</u>
<u>LIABILITIES AND EQUITY</u>				
Liabilities:				
Deposits:				
Noninterest-bearing checking	\$ 32,720,317	\$ 32,023,125	\$ 30,033,658	\$ 29,317,754
Interest-bearing checking	17,438,402	16,649,251	17,089,520	15,517,614
Money market checking	11,242,205	10,874,671	10,317,436	9,708,305
Money market savings and passbooks	10,277,249	9,921,688	10,245,107	8,961,311
Certificates of deposit	14,042,346	13,962,348	11,377,515	11,254,268
Total Deposits	85,720,519	83,431,083	79,063,236	74,759,252
Short-term borrowings	775,000	—	100,000	100,000
Long-term FHLB advances	10,900,000	9,800,000	8,700,000	9,600,000
Senior notes	497,494	497,269	896,432	896,001
Subordinated notes	777,781	777,678	777,475	777,376
Other liabilities	2,926,735	1,973,963	990,284	1,294,906
Total Liabilities	101,597,529	96,479,993	90,527,427	87,427,535
Shareholders' Equity:				
Preferred stock	940,000	940,000	940,000	1,140,000
Common stock	1,685	1,682	1,649	1,648
Additional paid-in capital	4,198,442	4,186,304	4,024,306	4,000,146
Retained earnings	4,281,249	4,091,636	3,731,205	3,546,298
Accumulated other comprehensive income (loss)	9,830	21	(19,383)	(21,405)
Total Shareholders' Equity	9,431,206	9,219,643	8,677,777	8,666,687
Total Liabilities and Shareholders' Equity	<u>\$ 111,028,735</u>	<u>\$ 105,699,636</u>	<u>\$ 99,205,204</u>	<u>\$ 96,094,222</u>

Average Balances, Yields and Rates	Quarter Ended September 30,						Quarter Ended June 30,		
	2019			2018			2019		
	Average Balance	Interest Income/ Expense ⁽¹⁾	Yields/ Rates ⁽²⁾	Average Balance	Interest Income/ Expense ⁽¹⁾	Yields/ Rates ⁽²⁾	Average Balance	Interest Income/ Expense ⁽¹⁾	Yields/ Rates ⁽²⁾
(\$ in thousands)									
Assets:									
Cash and cash equivalents	\$ 1,161,441	\$ 5,430	1.86%	\$ 1,490,468	\$ 6,896	1.84%	\$ 1,091,353	\$ 5,547	2.04%
Investment securities:									
U.S. Government-sponsored agency securities	740,893	5,375	2.90%	1,044,897	7,776	2.98%	1,031,797	7,675	2.98%
Mortgage-backed securities:									
Agency residential and commercial MBS	6,593,422	46,762	2.84%	7,355,930	51,705	2.81%	6,669,868	47,724	2.86%
Other residential and commercial MBS	4,473	43	3.84%	4,690	37	3.16%	4,523	43	3.78%
Municipal securities	9,184,274	101,154	4.41%	7,989,269	93,425	4.68%	8,497,645	96,980	4.57%
Other investment securities ⁽³⁾	24,977	156	2.49%	19,669	115	2.34%	19,332	127	2.63%
Total investment securities	<u>16,548,039</u>	<u>153,490</u>	3.71%	<u>16,414,455</u>	<u>153,058</u>	3.73%	<u>16,223,165</u>	<u>152,549</u>	3.76%
Loans:									
Residential real estate	45,754,902	374,690	3.27%	37,929,270	306,521	3.23%	42,856,354	357,475	3.34%
Multifamily	11,446,955	112,624	3.85%	9,907,089	94,352	3.73%	11,064,723	110,508	3.95%
Commercial real estate	7,366,320	79,213	4.21%	6,369,984	67,360	4.14%	7,013,324	75,180	4.24%
Construction	2,152,911	26,599	4.83%	1,996,313	24,286	4.76%	2,161,475	26,534	4.86%
Business	11,551,439	129,314	4.38%	9,828,856	108,350	4.31%	11,410,239	131,658	4.57%
Other	5,704,872	48,746	3.34%	4,744,162	39,593	3.27%	5,346,380	46,581	3.45%
Total loans	<u>83,977,399</u>	<u>771,186</u>	3.63%	<u>70,775,674</u>	<u>640,462</u>	3.58%	<u>79,852,495</u>	<u>747,936</u>	3.73%
FHLB stock	<u>321,778</u>	<u>5,779</u>	7.13%	<u>298,880</u>	<u>5,237</u>	6.95%	<u>331,218</u>	<u>4,813</u>	5.83%
Total interest-earning assets	<u>102,008,657</u>	<u>935,885</u>	3.63%	<u>88,979,477</u>	<u>805,653</u>	3.59%	<u>97,498,231</u>	<u>910,845</u>	3.72%
Noninterest-earning cash	335,648			353,753			345,174		
Goodwill and other intangibles	266,032			279,523			269,404		
Other assets	<u>4,409,665</u>			<u>3,518,736</u>			<u>4,312,290</u>		
Total noninterest-earning assets	<u>5,011,345</u>			<u>4,152,012</u>			<u>4,926,868</u>		
Total Assets	<u>\$107,020,002</u>			<u>\$93,131,489</u>			<u>\$102,425,099</u>		
Liabilities and Equity:									
Deposits:									
Checking	\$ 48,666,948	8,501	0.07%	\$44,102,853	5,186	0.05%	\$ 45,813,205	6,946	0.06%
Money market checking and savings	20,536,777	53,046	1.02%	18,095,858	31,313	0.69%	19,323,615	51,536	1.07%
CDs	<u>13,170,046</u>	<u>73,370</u>	2.21%	<u>9,770,083</u>	<u>44,939</u>	1.82%	<u>12,799,189</u>	<u>70,706</u>	2.22%
Total deposits	<u>82,373,771</u>	<u>134,917</u>	0.65%	<u>71,968,794</u>	<u>81,438</u>	0.45%	<u>77,936,009</u>	<u>129,188</u>	0.66%
Borrowings:									
Short-term borrowings	2,204,262	12,520	2.25%	423,383	2,248	2.11%	2,875,590	18,282	2.55%
Long-term FHLB advances	9,796,739	54,901	2.22%	9,681,793	46,872	1.92%	9,132,967	49,601	2.18%
Senior notes ⁽⁴⁾	497,384	3,350	2.69%	895,791	5,928	2.65%	835,544	5,534	2.65%
Subordinated notes ⁽⁴⁾	<u>777,730</u>	<u>9,103</u>	4.68%	<u>777,328</u>	<u>9,098</u>	4.68%	<u>777,628</u>	<u>9,101</u>	4.68%
Total borrowings	<u>13,276,115</u>	<u>79,874</u>	2.39%	<u>11,778,295</u>	<u>64,146</u>	2.16%	<u>13,621,729</u>	<u>82,518</u>	2.43%
Total interest-bearing liabilities	<u>95,649,886</u>	<u>214,791</u>	0.89%	<u>83,747,089</u>	<u>145,584</u>	0.69%	<u>91,557,738</u>	<u>211,706</u>	0.93%
Noninterest-bearing liabilities	2,037,177			894,573			1,733,674		
Preferred equity	940,000			1,140,000			940,000		
Common equity	<u>8,392,939</u>			<u>7,349,827</u>			<u>8,193,687</u>		
Total Liabilities and Equity	<u>\$107,020,002</u>			<u>\$93,131,489</u>			<u>\$102,425,099</u>		
Net interest spread ⁽⁵⁾			2.74%			2.90%			2.79%
Net interest income (fully taxable-equivalent basis) and net interest margin ⁽⁶⁾		<u>\$ 721,094</u>	2.80%		<u>\$ 660,069</u>	2.94%		<u>\$ 699,139</u>	2.85%
Reconciliation of tax-equivalent net interest income to reported net interest income:									
Tax-equivalent adjustment		<u>(26,109)</u>			<u>(25,615)</u>			<u>(25,113)</u>	
Net interest income, as reported		<u>\$ 694,985</u>			<u>\$ 634,454</u>			<u>\$ 674,026</u>	

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Average Balances, Yields and Rates	Nine Months Ended September 30,					
	2019			2018		
	Average Balance	Interest Income/Expense ⁽¹⁾	Yields/Rates ⁽²⁾	Average Balance	Interest Income/Expense ⁽¹⁾	Yields/Rates ⁽²⁾
(\$ in thousands)						
Assets:						
Cash and cash equivalents	\$ 1,231,578	\$ 18,966	2.06%	\$ 1,341,984	\$ 16,494	1.64%
Investment securities:						
U.S. Treasury and other U.S. Government agency securities	—	—	—%	6,277	87	1.85%
U.S. Government-sponsored agency securities	938,081	20,827	2.96%	1,081,651	23,989	2.96%
Mortgage-backed securities:						
Agency residential and commercial MBS	6,705,085	144,106	2.87%	7,462,205	152,656	2.73%
Other residential and commercial MBS	4,508	131	3.88%	5,167	222	5.73%
Municipal securities	8,624,534	293,060	4.53%	8,139,055	287,447	4.71%
Other investment securities ⁽³⁾	21,121	403	2.54%	19,838	359	2.41%
Total investment securities	16,293,329	458,527	3.75%	16,714,193	464,760	3.71%
Loans:						
Residential real estate	43,212,351	1,073,950	3.31%	36,374,722	859,923	3.15%
Multifamily	11,039,188	323,788	3.87%	9,386,554	260,084	3.65%
Commercial real estate	7,042,107	226,874	4.25%	6,264,665	195,345	4.11%
Construction	2,164,414	79,888	4.87%	1,889,493	67,149	4.69%
Business	11,216,470	382,143	4.49%	9,204,049	295,925	4.24%
Other	5,382,125	139,274	3.41%	4,377,812	106,081	3.20%
Total loans	80,056,655	2,225,917	3.69%	67,497,295	1,784,507	3.51%
FHLB stock	310,758	15,768	6.78%	293,369	15,065	6.87%
Total interest-earning assets	97,892,320	2,719,178	3.69%	85,846,841	2,280,826	3.53%
Noninterest-earning cash	341,984			348,613		
Goodwill and other intangibles	269,246			283,651		
Other assets	4,306,791			3,477,584		
Total noninterest-earning assets	4,918,021			4,109,848		
Total Assets	\$ 102,810,341			\$ 89,956,689		
Liabilities and Equity:						
Deposits:						
Checking	\$ 47,006,632	21,541	0.06%	\$ 43,312,861	16,173	0.05%
Money market checking and savings	19,714,378	146,900	1.00%	17,374,636	71,238	0.55%
CDs	12,457,649	203,411	2.18%	8,715,306	106,441	1.63%
Total deposits	79,178,659	371,852	0.63%	69,402,803	193,852	0.37%
Borrowings:						
Short-term borrowings	2,016,744	36,832	2.44%	841,818	11,409	1.81%
Long-term FHLB advances	9,149,268	147,669	2.16%	8,985,073	118,716	1.77%
Senior notes ⁽⁴⁾	741,731	14,818	2.66%	895,368	17,777	2.65%
Subordinated notes ⁽⁴⁾	777,629	27,305	4.68%	777,231	27,292	4.68%
Total borrowings	12,685,372	226,624	2.39%	11,499,490	175,194	2.04%
Total interest-bearing liabilities	91,864,031	598,476	0.87%	80,902,293	369,046	0.61%
Noninterest-bearing liabilities	1,780,107			924,458		
Preferred equity	940,000			961,978		
Common equity	8,226,203			7,167,960		
Total Liabilities and Equity	\$ 102,810,341			\$ 89,956,689		
Net interest spread ⁽⁵⁾			2.82%			2.92%
Net interest income (fully taxable-equivalent basis) and net interest margin ⁽⁶⁾		\$ 2,120,702	2.87%		\$ 1,911,780	2.95%
Reconciliation of tax-equivalent net interest income to reported net interest income:						
Tax-equivalent adjustment		(76,653)			(77,875)	
Net interest income, as reported		\$ 2,044,049			\$ 1,833,905	

⁽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⁾ Average balances include unamortized issuance discounts and costs. Interest expense includes amortization of issuance discounts and costs.⁽⁵⁾ Net interest spread represents the average yield on interest-earning assets less the average rate on interest-bearing liabilities.⁽⁶⁾ Net interest margin represents net interest income on a fully taxable-equivalent basis divided by total average interest-earning assets.

	Quarter Ended September 30,		Quarter Ended June 30,	Nine Months Ended September 30,	
<i>Operating Information</i>	2019	2018	2019	2019	2018
<i>(\$ in thousands, except per share amounts)</i>					
Net income to average assets ⁽¹⁾	0.87%	0.91%	0.87%	0.89%	0.93%
Net income available to common shareholders to average common equity ⁽¹⁾	10.50%	10.60%	10.27%	10.49%	10.84%
Net income available to common shareholders to average tangible common equity ⁽¹⁾	10.84%	11.02%	10.62%	10.85%	11.28%
Dividends per common share	\$ 0.19	\$ 0.18	\$ 0.19	\$ 0.56	\$ 0.53
Dividend payout ratio	14.5%	15.2%	15.4%	14.7%	15.1%
Efficiency ratio ⁽²⁾	63.8%	63.0%	64.5%	64.4%	63.5%
Net loan charge-offs	\$ 4,341	\$ 185	\$ 1,226	\$ 5,694	\$ 1,110
Net loan charge-offs to average total loans ⁽¹⁾	0.02%	0.00%	0.01%	0.01%	0.00%
Allowance for loan losses to:					
Total loans	0.56%	0.57%	0.58%	0.56%	0.57%
Nonaccrual loans	354.5%	976.6%	326.3%	354.5%	976.6%

⁽¹⁾ Ratios are annualized.

⁽²⁾ Efficiency ratio is the ratio of noninterest expense to the sum of net interest income and noninterest income.

	Quarter Ended September 30,		Quarter Ended June 30,	Nine Months Ended September 30,	
<i>Effective Tax Rate</i>	2019	2018	2019	2019	2018
Effective tax rate, prior to excess tax benefits	21.4%	20.8%	20.9%	21.4%	21.1%
Excess tax benefits—stock options.	(3.3)%	(0.9)%	(1.3)%	(3.6)%	(1.3)%
Excess tax benefits—other stock awards	(0.1)%	(0.1)%	(2.2)%	(0.8)%	(1.2)%
Total excess tax benefits	(3.4)%	(1.0)%	(3.5)%	(4.4)%	(2.5)%
Effective tax rate	18.0%	19.8%	17.4%	17.0%	18.6%

	Quarter Ended September 30,		Quarter Ended June 30,	Nine Months Ended September 30,	
<i>Mortgage Loan Sales</i>	2019	2018	2019	2019	2018
<i>(\$ in thousands)</i>					
Loans sold:					
Flow sales:					
Agency	\$ 25,214	\$ 15,365	\$ 14,533	\$ 51,426	\$ 37,136
Non-agency	11,932	76,772	14,503	43,266	165,292
Total flow sales	37,146	92,137	29,036	94,692	202,428
Bulk sales:					
Non-agency	—	—	—	152,119	773,041
Total loans sold	<u>\$ 37,146</u>	<u>\$ 92,137</u>	<u>\$ 29,036</u>	<u>\$ 246,811</u>	<u>\$ 975,469</u>
Gain (loss) on sale of loans:					
Amount	\$ 122	\$ 303	\$ (15)	\$ 466	\$ 5,037
Gain (loss) as a percentage of loans sold	0.33%	0.33%	(0.05)%	0.19%	0.52%

	Quarter Ended September 30,		Quarter Ended June 30,	Nine Months Ended September 30,	
<i>Loan Originations</i>	2019	2018	2019	2019	2018
<i>(\$ in thousands)</i>					
Single family (1-4 units)	\$ 4,872,598	\$ 2,623,429	\$ 4,067,326	\$ 11,129,819	\$ 8,075,457
Home equity lines of credit	359,154	399,606	356,589	1,067,881	1,162,037
Multifamily (5+ units)	710,983	781,450	817,428	2,113,864	2,464,757
Commercial real estate	556,151	263,292	571,454	1,376,433	880,682
Construction	549,518	373,842	416,446	1,215,536	1,222,884
Business	2,983,097	1,978,596	2,087,326	7,352,635	7,133,106
Stock and other secured	662,522	321,020	824,162	1,960,146	1,736,016
Unsecured	438,278	287,748	296,373	1,068,959	1,034,317
Total loans originated	\$ 11,132,301	\$ 7,028,983	\$ 9,437,104	\$ 27,285,273	\$ 23,709,256

	As of				
Loan Servicing Portfolio	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018
<i>(\$ in millions)</i>					
Loans serviced for investors	<u>\$ 10,080</u>	<u>\$ 10,746</u>	<u>\$ 11,326</u>	<u>\$ 11,573</u>	<u>\$ 11,733</u>

	As of				
Asset Quality Information	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018
<i>(\$ in thousands)</i>					
Nonperforming assets:					
Nonaccrual loans	\$ 136,928	\$ 144,993	\$ 51,081	\$ 46,465	\$ 42,578
Other real estate owned	—	—	—	—	—
Total nonperforming assets	<u>\$ 136,928</u>	<u>\$ 144,993</u>	<u>\$ 51,081</u>	<u>\$ 46,465</u>	<u>\$ 42,578</u>
Nonperforming assets to total assets	0.12%	0.14%	0.05%	0.05%	0.04%
Accruing loans 90 days or more past due	\$ —	\$ —	\$ —	\$ —	\$ —
Restructured accruing loans	\$ 14,964	\$ 12,176	\$ 10,208	\$ 11,514	\$ 11,830

	As of				
Book Value and Capital Ratios	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018
<i>(in thousands, except per share amounts)</i>					
Number of shares of common stock outstanding . .	<u>168,450</u>	<u>168,176</u>	<u>167,393</u>	<u>164,902</u>	<u>164,761</u>
Book value per common share	<u>\$ 50.41</u>	<u>\$ 49.23</u>	<u>\$ 48.42</u>	<u>\$ 46.92</u>	<u>\$ 45.68</u>
Tangible book value per common share	<u>\$ 48.84</u>	<u>\$ 47.64</u>	<u>\$ 46.81</u>	<u>\$ 45.26</u>	<u>\$ 44.00</u>

Capital Ratios	As of				
	September 30, 2019 ⁽¹⁾	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018
Tier 1 leverage ratio (Tier 1 capital to average assets)	8.50%	8.69%	8.84%	8.68%	8.94%
Common Equity Tier 1 capital to risk-weighted assets	9.91%	10.19%	10.54%	10.38%	10.47%
Tier 1 capital to risk-weighted assets	11.05%	11.39%	11.82%	11.70%	12.14%
Total capital to risk-weighted assets	12.61%	13.02%	13.50%	13.43%	13.90%
Regulatory Capital ⁽²⁾					
<i>(\$ in thousands)</i>					
Common Equity Tier 1 capital	\$ 8,124,179	\$ 7,934,602	\$ 7,776,620	\$ 7,379,997	\$ 7,158,043
Tier 1 capital	\$ 9,064,179	\$ 8,874,602	\$ 8,716,620	\$ 8,319,997	\$ 8,298,043
Total capital	\$ 10,340,902	\$ 10,138,375	\$ 9,960,317	\$ 9,549,738	\$ 9,505,044
Assets ⁽²⁾					
<i>(\$ in thousands)</i>					
Average assets	\$ 106,659,003	\$ 102,097,363	\$ 98,582,697	\$ 95,905,266	\$ 92,771,143
Risk-weighted assets	\$ 81,994,611	\$ 77,889,111	\$ 73,753,991	\$ 71,116,459	\$ 68,370,630

⁽¹⁾ Ratios and amounts as of September 30, 2019 are preliminary.

⁽²⁾ As defined by regulatory capital rules.

Wealth Management Assets	As of				
	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018
<i>(\$ in millions)</i>					
First Republic Investment Management	\$ 61,204	\$ 61,192	\$ 66,675	\$ 60,591	\$ 62,506
Brokerage and investment:					
Brokerage	63,053	61,583	59,391	53,046	54,823
Money market mutual funds	4,402	3,312	2,818	2,358	3,149
Total brokerage and investment	67,455	64,895	62,209	55,404	57,972
Trust Company:					
Trust	6,366	6,319	5,955	5,350	5,406
Custody	5,210	5,225	5,060	4,868	5,105
Total Trust Company	11,576	11,544	11,015	10,218	10,511
Total Wealth Management Assets	\$ 140,235	\$ 137,631	\$ 139,899	\$ 126,213	\$ 130,989

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