



FIRST REPUBLIC REPORTS THIRD QUARTER 2021 RESULTS

Net Interest Income Increased 26.7% Year-Over-Year

San Francisco, California, October 13, 2021 – First Republic Bank (NYSE: FRC) today announced financial results for the quarter ended September 30, 2021.

“First Republic had another strong quarter of growth in loans, deposits and wealth management assets,” said Jim Herbert, Founder, Chairman and Co-CEO. “Our client-centric business model continues to perform very well across all our segments and markets.”

“This was another successful quarter for First Republic,” said Hafize Gaye Erkan, Co-CEO and President. “Credit quality remains excellent, further reflecting the safety and stability of First Republic.”

Quarterly Highlights

Financial Results

- Year-over-year:
 - Revenues were \$1.3 billion, up 30.1%.
 - Net interest income was \$1.1 billion, up 26.7%.
 - Net income was \$369.7 million, up 26.1%.
 - Diluted earnings per share of \$1.91, up 18.6%.
 - Tangible book value per share was \$65.19, up 18.5%.
- Loan originations totaled \$15.5 billion, our strongest third quarter ever.
- Net interest margin was 2.65%, compared to 2.68% for the prior quarter.
- Efficiency ratio was 61.3%, compared to 62.0% for the prior quarter.

Continued Capital and Credit Strength

- Tier 1 leverage ratio was 8.55%.
- Nonperforming assets were at a very low 7 basis points of total assets.
- Net charge-offs were only \$292,000, or less than 1 basis point of average loans.

Continued Franchise Growth

- Year-over-year:
 - Loans totaled \$128.4 billion, up 22.5%.
 - Deposits were \$145.3 billion, up 39.2%.
 - Wealth management assets were \$251.7 billion, up 49.7%.
 - Wealth management revenues were \$209.3 million, up 65.1%.

“Revenue and net interest income growth were very strong during the third quarter,” said Mike Roffler, Chief Financial Officer. “We’re also pleased to have accessed the capital markets twice during the quarter, raising \$1.2 billion.”

Quarterly Cash Dividend of \$0.22 per Share

The Bank declared a cash dividend for the third quarter of \$0.22 per share of common stock, which is payable on November 12, 2021 to shareholders of record as of October 28, 2021.

Strong Asset Quality

Credit quality remains strong. Nonperforming assets were at a very low 7 basis points of total assets at September 30, 2021. The Bank had modest net loan charge-offs of only \$292,000 for the quarter.

During the third quarter, the Bank recorded a provision for credit losses of \$34.0 million, which was primarily driven by loan growth.

Continued Book Value Growth and Capital Strength

Book value per common share at September 30, 2021 was \$66.44, up 17.9% from a year ago. Tangible book value per common share at September 30, 2021 was \$65.19, up 18.5% from a year ago.

The Bank’s Tier 1 leverage ratio was 8.55% at September 30, 2021, compared to 8.05% at June 30, 2021.

During the third quarter, the Bank issued \$750.0 million of 4.000% Noncumulative Perpetual Series M Preferred Stock, which qualifies as Tier 1 capital.

In addition, the Bank sold 2,300,000 new shares of common stock in an underwritten public offering, which added approximately \$443.9 million to common equity.

Total common stock sold and preferred stock issued, net of preferred stock redeemed, added approximately \$1.2 billion and \$2.1 billion of Tier 1 capital in the third quarter and first nine months of 2021, respectively, and contributed to the 30.5% increase in total equity year-over-year.

Continued Franchise Growth

Loan Originations

Loan originations were \$15.5 billion for the quarter, up 26.3% from the same quarter a year ago. This was primarily due to increases in capital call lines of credit and commercial real estate lending.

Single family loan originations were 45% of the total volume for the quarter and had a weighted average loan-to-value ratio of 60%. Multifamily and commercial real estate loans originated were 12% of total originations for the quarter and had a weighted average loan-to-value ratio of 47%.

Loans totaled \$128.4 billion at September 30, 2021, up 22.5% compared to a year ago, primarily due to increases in single family, capital call lines of credit and multifamily loans, partially offset by a decrease in loans under the Small Business Administration's Paycheck Protection Program ("PPP").

Deposit Growth

Total deposits increased to \$145.3 billion, up 39.2% compared to a year ago, and had an average rate paid of 6 basis points during the quarter.

At September 30, 2021, checking deposit balances were 68.8% of total deposits.

Investments

Total investment securities at September 30, 2021 were \$24.2 billion, a 5.6% increase compared to the prior quarter and a 29.6% increase compared to a year ago.

High-quality liquid assets, including eligible cash, totaled \$28.6 billion at September 30, 2021, and represented 16.7% of quarterly average total assets.

Wealth Management

Total wealth management assets were \$251.7 billion at September 30, 2021, up 4.5% compared to the prior quarter and up 49.7% compared to a year ago. The increases in wealth management assets were due to net client inflow and market appreciation.

Wealth management revenues totaled \$209.3 million for the quarter, up 65.1% compared to last year's third quarter. Such revenues represented 16.1% of the Bank's total revenues for the quarter.

Wealth management assets at September 30, 2021 included investment management assets of \$101.1 billion, brokerage assets and money market mutual funds of \$133.9 billion, and trust and custody assets of \$16.8 billion.

Income Statement and Key Ratios

Revenue Growth

Total revenues were \$1.3 billion for the quarter, up 30.1% compared to the third quarter a year ago.

Net Interest Income Growth

Net interest income was \$1.1 billion for the quarter, up 26.7% compared to the third quarter a year ago. The increase in net interest income resulted primarily from growth in average interest-earning assets, modestly offset by a decrease in net interest margin.

Net Interest Margin

The net interest margin declined to 2.65% in the third quarter, from 2.68% in the prior quarter. The modest decline was primarily due to higher average cash balances during the quarter.

Noninterest Income

Noninterest income was \$250.4 million for the quarter, up 46.4% compared to the third quarter a year ago. The increase was primarily driven by higher wealth management fees, partially offset by lower gain on sale of loans. Such gain was elevated in the third quarter a year ago due to realized discounts on previously purchased loans when these loans were sold.

Noninterest Expense and Efficiency Ratio

Noninterest expense was \$798.5 million for the quarter, up 31.3% compared to the third quarter a year ago. The increase was primarily due to increased salaries, incentive compensation and benefits, information systems and occupancy costs from the continued investments in the expansion of the franchise, and higher professional fees.

The efficiency ratio was 61.3% for the quarter, compared to 60.7% for the third quarter a year ago. For the first nine months of 2021, the efficiency ratio was 62.2%, compared to 62.0% for the first nine months of 2020.

Income Taxes

The Bank's effective tax rate for the third quarter of 2021 was 21.4%, compared to 19.6% for the third quarter a year ago. The increase was primarily due to the prior year including a tax refund from an amended tax return.

Conference Call Details

First Republic Bank's third quarter 2021 earnings conference call is scheduled for October 13, 2021 at 7:00 a.m. PT / 10:00 a.m. ET. To access the event by telephone, please dial (888) 394-8218 and provide confirmation code 9610366 approximately 15 minutes prior to the start time (to allow time for registration). International callers should dial +1 (856) 344-9221 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. 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 October 13, 2021 at 11:00 a.m. PT / 2:00 p.m. ET through October 20, 2021 at 8:59 p.m. PT / 11:59 p.m. ET. To access the replay, dial (888) 203-1112 and use confirmation code 9610366#. 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 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, wildfires, 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 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.

CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except per share amounts)	Quarter Ended September 30,		Quarter Ended June 30,	Nine Months Ended September 30,	
	2021	2020	2021	2021	2020
Interest income:					
Loans	\$ 946,846	\$ 811,708	\$ 912,885	\$ 2,732,901	\$ 2,399,646
Investments	161,017	142,971	156,947	458,675	438,055
Other	4,677	6,116	5,103	14,969	18,135
Cash and cash equivalents	5,131	1,181	3,070	11,095	5,685
Total interest income	1,117,671	961,976	1,078,005	3,217,640	2,861,521
Interest expense:					
Deposits	22,410	54,355	24,096	74,077	245,680
Borrowings	42,977	77,341	50,044	148,632	246,017
Total interest expense	65,387	131,696	74,140	222,709	491,697
Net interest income	1,052,284	830,280	1,003,865	2,994,931	2,369,824
Provision for credit losses	34,025	28,538	16,143	35,560	122,025
Net interest income after provision for credit losses	1,018,259	801,742	987,722	2,959,371	2,247,799
Noninterest income:					
Investment management fees	148,491	96,638	136,516	404,049	281,017
Brokerage and investment fees	22,644	10,796	17,574	54,782	39,028
Insurance fees	5,918	2,216	2,668	11,660	6,086
Trust fees	6,231	4,543	6,245	18,207	14,118
Foreign exchange fee income	26,032	12,575	20,612	63,811	34,864
Deposit fees	6,849	5,753	6,618	19,636	17,598
Loan and related fees	8,336	7,171	8,877	24,698	20,741
Loan servicing fees, net	548	144	1,057	3,093	(2,649)
Gain on sale of loans	140	13,797	58	507	14,575
Gain (loss) on investment securities	2,139	(405)	1,329	4,123	3,752
Income from investments in life insurance	20,328	20,546	21,457	58,334	36,506
Other income (loss)	2,702	(2,791)	3,597	9,917	960
Total noninterest income	250,358	170,983	226,608	672,817	466,596
Noninterest expense:					
Salaries and employee benefits	514,499	373,225	481,503	1,459,406	1,078,633
Information systems	90,941	74,549	88,980	263,437	219,301
Occupancy	66,953	55,543	63,526	188,028	164,125
Professional fees	27,911	19,845	25,475	74,640	48,479
Advertising and marketing	13,620	8,909	16,560	42,813	29,373
FDIC assessments	13,368	11,003	13,254	38,522	32,463
Other expenses	71,239	65,136	73,467	214,846	187,311
Total noninterest expense	798,531	608,210	762,765	2,281,692	1,759,685
Income before provision for income taxes	470,086	364,515	451,565	1,350,496	954,710
Provision for income taxes	100,399	71,378	78,459	272,870	186,119
Net income	369,687	293,137	373,106	1,077,626	768,591
Dividends on preferred stock	24,427	14,816	23,655	66,607	42,653
Net income available to common shareholders	\$ 345,260	\$ 278,321	\$ 349,451	\$ 1,011,019	\$ 725,938
Basic earnings per common share	\$ 1.94	\$ 1.62	\$ 1.98	\$ 5.73	\$ 4.23
Diluted earnings per common share	\$ 1.91	\$ 1.61	\$ 1.95	\$ 5.66	\$ 4.21
Weighted average shares—basic	178,065	172,142	176,419	176,446	171,537
Weighted average shares—diluted	180,420	172,932	178,864	178,757	172,514

CONSOLIDATED BALANCE SHEETS

(\$ in thousands)	As of			
	September 30, 2021	June 30, 2021	December 31, 2020	September 30, 2020
ASSETS				
Cash and cash equivalents	\$ 12,279,447	\$ 7,876,952	\$ 5,094,754	\$ 3,691,149
Debt securities available-for-sale	2,960,571	2,634,983	1,906,315	1,711,202
Debt securities held-to-maturity, net	21,192,537	20,236,298	16,603,310	16,923,706
Equity securities (fair value)	31,682	29,550	20,566	20,478
Loans:				
Single family	73,490,788	69,908,787	61,370,246	56,628,359
Home equity lines of credit	2,429,152	2,441,034	2,449,533	2,431,991
Single family construction	984,835	877,548	787,854	739,091
Multifamily	15,416,780	14,803,219	13,768,957	13,392,531
Commercial real estate	8,486,124	8,234,934	8,018,158	7,781,797
Multifamily/commercial construction	2,064,107	2,060,980	2,024,420	2,038,949
Capital call lines of credit	9,088,424	8,127,473	8,149,946	6,203,877
Tax-exempt	3,577,586	3,566,385	3,365,572	3,276,705
Other business	3,553,875	3,656,598	3,340,048	2,982,532
PPP	876,487	1,374,765	1,841,376	2,091,102
Stock secured	3,120,176	2,965,857	2,518,338	2,311,754
Other secured	2,261,224	2,051,617	1,818,550	1,780,652
Unsecured	3,025,536	3,047,981	3,113,267	3,102,311
Total loans	128,375,094	123,117,178	112,566,265	104,761,651
Allowance for credit losses	(668,186)	(636,910)	(635,019)	(604,747)
Loans, net	127,706,908	122,480,268	111,931,246	104,156,904
Loans held for sale	3,782	3,169	20,679	33,655
Investments in life insurance	2,627,940	2,597,637	2,061,362	1,949,360
Tax credit investments	1,180,690	1,224,114	1,131,905	1,099,713
Premises, equipment and leasehold improvements, net	430,675	418,725	403,482	390,241
Goodwill and other intangible assets	223,183	224,497	227,512	229,185
Other assets	3,933,088	3,920,541	3,101,003	3,020,178
Total Assets	\$ 172,570,503	\$ 161,646,734	\$ 142,502,134	\$ 133,225,771
LIABILITIES AND SHAREHOLDERS' EQUITY				
Liabilities:				
Deposits:				
Noninterest-bearing checking	\$ 65,833,005	\$ 59,449,158	\$ 46,281,112	\$ 41,538,676
Interest-bearing checking	34,089,265	32,165,327	30,603,221	26,081,189
Money market checking	21,860,807	20,373,535	16,778,884	15,868,769
Money market savings and passbooks	15,946,902	14,747,597	12,584,522	11,419,289
Certificates of deposit	7,596,366	7,921,218	8,681,061	9,495,453
Total Deposits	145,326,345	134,656,835	114,928,800	104,403,376
Short-term borrowings	—	—	—	5,000
Long-term FHLB advances	7,700,000	9,000,000	11,755,000	13,505,000
Senior notes	997,722	997,193	996,145	995,626
Subordinated notes	778,648	778,535	778,313	778,204
Other liabilities	2,965,994	2,939,444	2,293,230	2,193,956
Total Liabilities	157,768,709	148,372,007	130,751,488	121,881,162
Shareholders' Equity:				
Preferred stock	2,892,500	2,142,500	1,545,000	1,645,000
Common stock	1,793	1,767	1,741	1,722
Additional paid-in capital	5,685,384	5,204,166	4,834,172	4,571,499
Retained earnings	6,241,963	5,936,669	5,346,355	5,102,229
Accumulated other comprehensive income (loss)	(19,846)	(10,375)	23,378	24,159
Total Shareholders' Equity	14,801,794	13,274,727	11,750,646	11,344,609
Total Liabilities and Shareholders' Equity	\$ 172,570,503	\$ 161,646,734	\$ 142,502,134	\$ 133,225,771

Average Balances, Yields and Rates	Quarter Ended September 30,						Quarter Ended June 30,		
	2021			2020			2021		
	Average Balance	Interest Income/Expense ⁽¹⁾	Yield/Rates ⁽²⁾	Average Balance	Interest Income/Expense ⁽¹⁾	Yield/Rates ⁽²⁾	Average Balance	Interest Income/Expense ⁽¹⁾	Yield/Rates ⁽²⁾
<i>(\$ in millions)</i>									
Assets:									
Interest-bearing deposits with banks	\$ 13,384	\$ 5	0.15 %	\$ 4,428	\$ 1	0.11 %	\$ 11,281	\$ 3	0.11 %
Investment securities:									
U.S. Government-sponsored agency securities	100	0	1.59 %	202	1	2.35 %	100	0	1.59 %
Agency residential and commercial MBS	6,200	28	1.84 %	6,251	37	2.40 %	5,647	29	2.05 %
Other residential and commercial MBS	28	0	2.25 %	38	0	2.13 %	30	0	2.04 %
Tax-exempt municipal securities	14,174	141	3.97 %	11,551	123	4.26 %	13,470	135	4.02 %
Taxable municipal securities	1,670	12	2.98 %	758	6	3.26 %	1,612	12	3.00 %
Other investment securities	1,405	10	2.86 %	45	0	2.76 %	1,376	10	2.85 %
Total investment securities	<u>23,576</u>	<u>192</u>	<u>3.26 %</u>	<u>18,845</u>	<u>168</u>	<u>3.57 %</u>	<u>22,234</u>	<u>187</u>	<u>3.36 %</u>
Loans:									
Residential real estate	74,233	520	2.80 %	56,907	422	2.96 %	69,854	491	2.81 %
Multifamily	15,126	135	3.49 %	13,313	125	3.67 %	14,392	127	3.49 %
Commercial real estate	8,357	82	3.82 %	7,802	78	3.93 %	8,117	78	3.82 %
Multifamily/commercial construction	2,963	34	4.54 %	2,740	31	4.37 %	2,969	38	5.00 %
Business	15,928	129	3.17 %	12,538	110	3.45 %	15,894	129	3.21 %
PPP	1,123	12	4.01 %	2,092	11	2.03 %	1,843	15	3.32 %
Other	8,158	43	2.06 %	6,996	42	2.33 %	7,653	42	2.15 %
Total loans	<u>125,887</u>	<u>954</u>	<u>3.00 %</u>	<u>102,386</u>	<u>818</u>	<u>3.16 %</u>	<u>120,722</u>	<u>920</u>	<u>3.03 %</u>
FHLB stock	266	5	6.99 %	458	6	5.31 %	313	5	6.55 %
Total interest-earning assets	<u>163,113</u>	<u>1,156</u>	<u>2.81 %</u>	<u>126,117</u>	<u>994</u>	<u>3.12 %</u>	<u>154,550</u>	<u>1,115</u>	<u>2.87 %</u>
Noninterest-earning cash	392			434			386		
Goodwill and other intangibles	224			230			225		
Other assets	6,891			5,075			6,724		
Total noninterest-earning assets	<u>7,506</u>			<u>5,738</u>			<u>7,335</u>		
Total Assets	<u>\$170,619</u>			<u>\$131,855</u>			<u>\$161,885</u>		
Liabilities and Shareholders' Equity:									
Deposits:									
Interest-bearing checking	\$ 33,642	1	0.01 %	\$ 25,539	2	0.04 %	\$ 33,329	2	0.02 %
Money market checking	21,861	6	0.11 %	15,432	8	0.21 %	19,928	6	0.12 %
Money market savings and passbooks	15,831	6	0.16 %	10,788	5	0.20 %	14,783	6	0.17 %
CDs	7,779	9	0.46 %	11,334	38	1.34 %	8,040	10	0.51 %
Total interest-bearing deposits ⁽³⁾	<u>79,114</u>	<u>22</u>	<u>0.11 %</u>	<u>63,093</u>	<u>54</u>	<u>0.34 %</u>	<u>76,080</u>	<u>24</u>	<u>0.13 %</u>
Borrowings:									
Short-term borrowings	0	0	0.09 %	5	0	0.00 %	—	—	— %
Long-term FHLB advances	8,545	28	1.29 %	14,739	62	1.68 %	10,062	35	1.39 %
Senior notes	997	6	2.42 %	995	6	2.42 %	997	6	2.42 %
Subordinated notes	779	9	4.68 %	778	9	4.68 %	778	9	4.68 %
Total borrowings	<u>10,321</u>	<u>43</u>	<u>1.66 %</u>	<u>16,518</u>	<u>77</u>	<u>1.86 %</u>	<u>11,838</u>	<u>50</u>	<u>1.69 %</u>
Total interest-bearing liabilities ⁽⁴⁾	<u>89,434</u>	<u>65</u>	<u>0.29 %</u>	<u>79,611</u>	<u>132</u>	<u>0.66 %</u>	<u>87,918</u>	<u>74</u>	<u>0.34 %</u>
Noninterest-bearing checking	64,008			39,357			58,051		
Other noninterest-bearing liabilities	2,904			2,083			2,796		
Total noninterest-bearing liabilities	<u>66,912</u>			<u>41,440</u>			<u>60,847</u>		
Preferred shareholders' equity	2,729			1,227			2,143		
Common shareholders' equity	11,543			9,578			10,978		
Total Liabilities and Shareholders' Equity	<u>\$170,619</u>			<u>\$131,855</u>			<u>\$161,885</u>		
Net interest spread ⁽⁵⁾			2.52 %			2.47 %			2.54 %
Net interest income (fully taxable-equivalent basis) and net interest margin ⁽⁶⁾		<u>\$ 1,090</u>	2.65 %		<u>\$ 862</u>	2.71 %		<u>\$ 1,041</u>	2.68 %
Reconciliation of tax-equivalent net interest income to net interest income: ⁽⁷⁾									
Municipal securities tax-equivalent adjustment		(31)			(25)			(30)	
Business loans tax-equivalent adjustment		(7)			(7)			(7)	
Net interest income		<u>\$ 1,052</u>			<u>\$ 830</u>			<u>\$ 1,004</u>	
Supplemental information:									
Total deposits (interest-bearing and noninterest-bearing)	\$143,122	\$ 22	0.06 %	\$102,450	\$ 54	0.21 %	\$134,131	\$ 24	0.07 %
Total deposits (interest-bearing and noninterest-bearing) and borrowings	\$153,442	\$ 65	0.17 %	\$118,968	\$ 132	0.44 %	\$145,968	\$ 74	0.20 %

(continued on following page)

(continued from previous page)

Average Balances, Yields and Rates	Nine Months Ended September 30,					
	2021			2020		
	Average Balance	Interest Income/Expense ⁽¹⁾	Yields/Rates ⁽²⁾	Average Balance	Interest Income/Expense ⁽¹⁾	Yields/Rates ⁽²⁾
(\$ in millions)						
Assets:						
Interest-bearing deposits with banks	\$ 12,045	\$ 11	0.12 %	\$ 3,029	\$ 6	0.25 %
Investment securities:						
U.S. Government-sponsored agency securities	98	1	1.54 %	241	5	2.63 %
Agency residential and commercial MBS	5,826	88	2.01 %	6,537	127	2.60 %
Other residential and commercial MBS	30	0	2.04 %	23	0	2.40 %
Tax-exempt municipal securities	13,312	403	4.04 %	11,165	361	4.32 %
Taxable municipal securities	1,456	32	2.98 %	709	18	3.34 %
Other investment securities	1,074	22	2.78 %	44	1	2.83 %
Total investment securities	<u>21,795</u>	<u>548</u>	<u>3.35 %</u>	<u>18,719</u>	<u>513</u>	<u>3.65 %</u>
Loans:						
Residential real estate	69,880	1,480	2.82 %	53,992	1,231	3.04 %
Multifamily	14,484	385	3.50 %	12,923	364	3.70 %
Commercial real estate	8,170	238	3.84 %	7,699	235	4.00 %
Multifamily/commercial construction	2,933	103	4.63 %	2,641	90	4.49 %
Business	15,636	382	3.22 %	12,666	349	3.62 %
PPP	1,649	43	3.42 %	1,241	18	1.96 %
Other	7,722	124	2.12 %	6,703	131	2.58 %
Total loans	<u>120,476</u>	<u>2,754</u>	<u>3.03 %</u>	<u>97,865</u>	<u>2,420</u>	<u>3.27 %</u>
FHLB stock	307	15	6.51 %	452	18	5.36 %
Total interest-earning assets	<u>154,623</u>	<u>3,328</u>	<u>2.86 %</u>	<u>120,065</u>	<u>2,956</u>	<u>3.26 %</u>
Noninterest-earning cash	397			434		
Goodwill and other intangibles	225			232		
Other assets	6,572			4,901		
Total noninterest-earning assets	<u>7,194</u>			<u>5,567</u>		
Total Assets	<u>\$ 161,817</u>			<u>\$ 125,633</u>		
Liabilities and Shareholders' Equity:						
Deposits:						
Interest-bearing checking	\$ 32,993	5	0.02 %	\$ 22,736	14	0.08 %
Money market checking	20,237	20	0.13 %	14,162	47	0.45 %
Money market savings and passbooks	14,760	19	0.17 %	10,122	26	0.35 %
CDs	8,075	31	0.51 %	12,742	158	1.66 %
Total interest-bearing deposits ⁽³⁾	<u>76,065</u>	<u>74</u>	<u>0.13 %</u>	<u>59,762</u>	<u>246</u>	<u>0.55 %</u>
Borrowings:						
Short-term borrowings	0	0	0.09 %	412	5	1.52 %
Long-term FHLB advances	9,966	103	1.38 %	14,676	197	1.79 %
Senior notes	997	18	2.42 %	919	17	2.44 %
Subordinated notes	778	27	4.68 %	778	27	4.68 %
Total borrowings	<u>11,741</u>	<u>149</u>	<u>1.69 %</u>	<u>16,785</u>	<u>246</u>	<u>1.96 %</u>
Total interest-bearing liabilities ⁽⁴⁾	<u>87,806</u>	<u>223</u>	<u>0.34 %</u>	<u>76,547</u>	<u>492</u>	<u>0.86 %</u>
Noninterest-bearing checking	57,961			36,530		
Other noninterest-bearing liabilities	2,780			2,060		
Total noninterest-bearing liabilities	<u>60,741</u>			<u>38,590</u>		
Preferred shareholders' equity	2,281			1,172		
Common shareholders' equity	10,989			9,323		
Total Liabilities and Shareholders' Equity	<u>\$ 161,817</u>			<u>\$ 125,633</u>		
Net interest spread ⁽⁵⁾			2.52 %			2.41 %
Net interest income (fully taxable-equivalent basis) and net interest margin ⁽⁶⁾		<u>\$ 3,105</u>	2.67 %		<u>\$ 2,464</u>	2.72 %
Reconciliation of tax-equivalent net interest income to net interest income: ⁽⁷⁾						
Municipal securities tax-equivalent adjustment		(89)			(75)	
Business loans tax-equivalent adjustment		(21)			(20)	
Net interest income		<u>\$ 2,995</u>			<u>\$ 2,370</u>	
Supplemental information:						
Total deposits (interest-bearing and noninterest-bearing)	\$ 134,026	\$ 74	0.07 %	\$ 96,292	\$ 246	0.34 %
Total deposits (interest-bearing and noninterest-bearing) and borrowings	\$ 145,767	\$ 223	0.20 %	\$ 113,077	\$ 492	0.58 %

(continued on following page)

(continued from previous page)

Note: Amounts presented in the tables above may not add due to rounding. Certain prior period amounts have been reclassified to conform to the current period presentation.

⁽¹⁾ 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.

⁽²⁾ Yields/rates are annualized.

⁽³⁾ Refer to supplemental information in this table for average balances, interest expense and rates for total deposits (interest-bearing and noninterest-bearing).

⁽⁴⁾ Refer to supplemental information in this table for average balances, interest expense and rates for total deposits (interest-bearing and noninterest-bearing) and borrowings.

⁽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.

⁽⁷⁾ 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 September 30,		Quarter Ended June 30,		Nine Months Ended September 30,	
	2021	2020	2021	2021	2020	2020
<i>(\$ in thousands, except per share amounts)</i>						
Return on average assets ^{(1),(2)}	0.86 %	0.88 %	0.92 %	0.89 %	0.82 %	0.82 %
Return on average common shareholders' equity ⁽¹⁾	11.87 %	11.56 %	12.77 %	12.30 %	10.40 %	10.40 %
Return on average tangible common shareholders' equity ^{(1),(3)}	12.10 %	11.84 %	13.04 %	12.56 %	10.67 %	10.67 %
Average equity to average assets	8.37 %	8.19 %	8.10 %	8.20 %	8.35 %	8.35 %
Dividends per common share	\$ 0.22	\$ 0.20	\$ 0.22	\$ 0.64	\$ 0.59	\$ 0.59
Dividend payout ratio	11.5 %	12.4 %	11.3 %	11.3 %	14.0 %	14.0 %
Book value per common share	\$ 66.44	\$ 56.33	\$ 62.99	\$ 66.44	\$ 56.33	\$ 56.33
Tangible book value per common share ⁽⁴⁾	\$ 65.19	\$ 55.00	\$ 61.72	\$ 65.19	\$ 55.00	\$ 55.00
Efficiency ratio ⁽⁵⁾	61.3 %	60.7 %	62.0 %	62.2 %	62.0 %	62.0 %
Net loan charge-offs	\$ 292	\$ 1,687	\$ 1,219	\$ 1,998	\$ 2,987	\$ 2,987
Net loan charge-offs to average total loans ⁽¹⁾	0.00 %	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %
Allowance for loan credit losses to:						
Total loans	0.52 %	0.58 %	0.52 %	0.52 %	0.58 %	0.58 %
Nonaccrual loans	524.4 %	368.2 %	479.3 %	524.4 %	368.2 %	368.2 %

⁽¹⁾ Ratios are annualized.

⁽²⁾ Return on average assets is the ratio of net income to average assets.

⁽³⁾ 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.

⁽⁴⁾ 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.

⁽⁵⁾ Efficiency ratio is the ratio of noninterest expense to the sum of net interest income and noninterest income.

Effective Tax Rate	Quarter Ended September 30,		Quarter Ended June 30,		Nine Months Ended September 30,	
	2021	2020	2021	2021	2020	2020
Effective tax rate, prior to excess tax benefits—stock awards and tax refund from an amended tax return	23.2 %	21.1 %	21.7 %	22.5 %	21.6 %	21.6 %
Excess tax benefits—stock awards	(1.8)	(0.2)	(4.3)	(2.3)	(1.6)	(1.6)
Tax refund from an amended tax return	—	(1.3)	—	—	(0.5)	(0.5)
Effective tax rate	21.4 %	19.6 %	17.4 %	20.2 %	19.5 %	19.5 %

<i>Provision (Reversal of Provision) for Credit Losses</i>	Quarter Ended September 30,		Quarter Ended June 30,	Nine Months Ended September 30,	
	2021	2020	2021	2021	2020
<i>(\$ in thousands)</i>					
Debt securities held-to-maturity	\$ 296	\$ 333	\$ 383	\$ 1,801	\$ 1,047
Loans	31,568	22,437	17,304	35,165	113,305
Unfunded loan commitments	2,161	5,768	(1,544)	(1,406)	7,673
Total provision	\$ 34,025	\$ 28,538	\$ 16,143	\$ 35,560	\$ 122,025

<i>Mortgage Loan Sales</i>	Quarter Ended September 30,		Quarter Ended June 30,	Nine Months Ended September 30,	
	2021	2020	2021	2021	2020
<i>(\$ in thousands)</i>					
Loans sold:					
Flow sales:					
Agency	\$ 17,544	\$ 44,118	\$ 4,315	\$ 64,261	\$ 80,702
Non-agency	—	—	—	1,073	31,870
Total flow sales	17,544	44,118	4,315	65,334	112,572
Bulk sales:					
Non-agency	—	235,732	—	—	673,401
Securitizations	—	—	—	—	300,116
Total loans sold	\$ 17,544	\$ 279,850	\$ 4,315	\$ 65,334	\$ 1,086,089
Gain on sale of loans:					
Amount ⁽¹⁾	\$ 140	\$ 13,797	\$ 58	\$ 507	\$ 14,575
Gain as a percentage of loans sold	0.80 %	4.93 %	1.34 %	0.78 %	1.34 %

⁽¹⁾ The gain for the quarter and nine months ended September 30, 2020 included \$10.3 million related to realized discounts on previously purchased loans when these loans were sold.

<i>Loan Originations</i>	Quarter Ended September 30,		Quarter Ended June 30,	Nine Months Ended September 30,	
	2021	2020	2021	2021	2020
<i>(\$ in thousands)</i>					
Single family	\$ 6,998,315	\$ 6,813,850	\$ 8,661,680	\$ 22,562,187	\$ 16,208,370
Home equity lines of credit	588,488	432,443	610,658	1,822,807	1,285,688
Single family construction	283,278	186,833	215,014	722,796	415,313
Multifamily	1,199,660	955,951	1,101,450	3,092,180	2,684,074
Commercial real estate	724,777	193,228	458,196	1,496,964	975,769
Multifamily/commercial construction	355,981	245,220	272,145	938,950	997,555
Capital call lines of credit	3,128,180	1,803,907	2,921,192	9,180,689	5,594,483
Tax-exempt	38,100	328,711	208,327	460,394	612,784
Other business	533,709	243,788	520,394	2,079,257	1,777,824
PPP	—	—	35,586	724,534	1,981,797
Stock secured	753,409	685,250	775,795	2,239,242	1,797,226
Other secured	546,286	189,386	598,630	1,583,905	961,940
Unsecured	303,916	159,379	372,192	1,021,956	685,537
Total loans originated	\$ 15,454,099	\$ 12,237,946	\$ 16,751,259	\$ 47,925,861	\$ 35,978,360

<i>Asset Quality Information</i>	As of				
	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
<i>(\$ in thousands)</i>					
Nonperforming assets:					
Nonaccrual loans	\$ 127,430	\$ 132,880	\$ 172,794	\$ 184,132	\$ 164,247
Other real estate owned	—	—	1,334	—	—
Total nonperforming assets	<u>\$ 127,430</u>	<u>\$ 132,880</u>	<u>\$ 174,128</u>	<u>\$ 184,132</u>	<u>\$ 164,247</u>
Nonperforming assets to total assets	0.07 %	0.08 %	0.11 %	0.13 %	0.12 %
Accruing loans 90 days or more past due	\$ —	\$ —	\$ 851	\$ —	\$ 935
Restructured accruing loans	\$ 10,197	\$ 11,407	\$ 11,658	\$ 11,253	\$ 11,378

<i>COVID-19 Loan Modifications</i> ^{(1), (2), (3), (4)}	September 30, 2021			
	Unpaid Principal Balance	LTV ⁽⁵⁾	Average Loan Size	Number of Loans
<i>(\$ in millions)</i>				
Single family	\$ 64	61 %	\$ 1.2	54
Home equity lines of credit	0	60 %	\$ 0.2	1
Single family construction	3	75 %	\$ 2.6	1
Multifamily	30	63 %	\$ 30.4	1
Commercial real estate	91	48 %	\$ 4.6	20
Multifamily/commercial construction	—	n/a	\$ —	—
Capital call lines of credit	—	n/a	\$ —	—
Tax-exempt	7	n/a	\$ 3.3	2
Other business	6	n/a	\$ 1.6	4
Stock secured	—	n/a	\$ —	—
Other secured	2	n/a	\$ 0.3	6
Unsecured ⁽⁶⁾	3	n/a	\$ 0.1	26
Total	<u>\$ 206</u>			<u>115</u>

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

⁽²⁾ Includes 23 loans totaling \$23 million that have completed their deferral period, but for which a regular payment is not yet due.

⁽³⁾ Includes 83 loans totaling \$177 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 September 30, 2021, \$3.6 billion of loans have completed their deferral period or are no longer outstanding, and 99% of the outstanding loans were current.

⁽⁵⁾ Weighted average loan-to-value ("LTV") ratios for real estate secured loans are based on appraised value at the time of origination.

⁽⁶⁾ Consists of household debt refinance loans.

<i>Loan Industry Information</i>	September 30, 2021				
	Unpaid Principal Balance	LTV	Average Loan Size	Number of Loans	Personal Guarantee %
<i>(\$ in millions)</i>					
Retail	\$ 1,903	49 %	\$ 2.6	744	80 %
Hotel	523	46 %	\$ 7.9	68	78 %
Restaurant ⁽¹⁾	174	48 %	\$ 0.9	205	94 %
Total ⁽²⁾	<u>\$ 2,600</u>			<u>1,017</u>	

⁽¹⁾ Approximately 78% of loans to restaurants are real estate secured.

⁽²⁾ Amounts in the table above exclude \$36 million of loans to hotels and \$170 million of loans to restaurants under the PPP.

Loan Servicing Portfolio	As of				
	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
<i>(\$ in millions)</i>					
Loans serviced for investors	\$ 5,117	\$ 5,640	\$ 6,314	\$ 7,094	\$ 7,799
Return on Average Common Shareholders' Equity and Return on Average Tangible Common Shareholders' Equity^{(1), (2)}	Quarter Ended September 30,		Quarter Ended June 30,	Nine Months Ended September 30,	
	2021	2020	2021	2021	2020
<i>(\$ in thousands)</i>					
Average common shareholders' equity (a)	\$ 11,543,395	\$ 9,578,173	\$ 10,977,612	\$ 10,988,556	\$ 9,323,381
Less: Average goodwill and other intangible assets	223,816	230,051	225,183	225,217	232,014
Average tangible common shareholders' equity (b)	<u>\$ 11,319,579</u>	<u>\$ 9,348,122</u>	<u>\$ 10,752,429</u>	<u>\$ 10,763,339</u>	<u>\$ 9,091,367</u>
Net income available to common shareholders (c)	\$ 345,260	\$ 278,321	\$ 349,451	\$ 1,011,019	\$ 725,938
Return on average common shareholders' equity (c) / (a)	11.87 %	11.56 %	12.77 %	12.30 %	10.40 %
Return on average tangible common shareholders' equity (c) / (b)	12.10 %	11.84 %	13.04 %	12.56 %	10.67 %

⁽¹⁾ 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.

⁽²⁾ Ratios are annualized.

Book Value per Common Share and Tangible Book Value per Common Share⁽¹⁾	As of				
	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
<i>(in thousands, except per share amounts)</i>					
Total shareholders' equity	\$ 14,801,794	\$ 13,274,727	\$ 12,941,730	\$ 11,750,646	\$ 11,344,609
Less: Preferred stock	2,892,500	2,142,500	2,142,500	1,545,000	1,645,000
Total common shareholders' equity (a)	11,909,294	11,132,227	10,799,230	10,205,646	9,699,609
Less: Goodwill and other intangible assets	223,183	224,497	225,925	227,512	229,185
Total tangible common shareholders' equity (b)	<u>\$ 11,686,111</u>	<u>\$ 10,907,730</u>	<u>\$ 10,573,305</u>	<u>\$ 9,978,134</u>	<u>\$ 9,470,424</u>
Number of shares of common stock outstanding (c)	179,261	176,742	176,287	174,124	172,188
Book value per common share (a) / (c)	\$ 66.44	\$ 62.99	\$ 61.26	\$ 58.61	\$ 56.33
Tangible book value per common share (b) / (c)	\$ 65.19	\$ 61.72	\$ 59.98	\$ 57.30	\$ 55.00

⁽¹⁾ 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.

<i>Regulatory Capital Ratios and Components</i> ^{(1), (2)}	As of				
	September 30, 2021 ⁽³⁾	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
<i>(\$ in thousands)</i>					
Capital Ratios:					
Tier 1 leverage ratio (Tier 1 capital to average assets)	8.55 %	8.05 %	8.32 %	8.14 %	8.38 %
Common Equity Tier 1 capital to risk-weighted assets	9.61 %	9.51 %	9.64 %	9.67 %	9.78 %
Tier 1 capital to risk-weighted assets	11.99 %	11.38 %	11.60 %	11.18 %	11.50 %
Total capital to risk-weighted assets	13.16 %	12.60 %	12.87 %	12.55 %	12.94 %
Regulatory Capital:					
Common Equity Tier 1 capital	\$ 11,673,889	\$ 10,875,436	\$ 10,548,615	\$ 9,894,870	\$ 9,375,688
Tier 1 capital	\$ 14,566,389	\$ 13,017,936	\$ 12,691,115	\$ 11,439,870	\$ 11,020,688
Total capital	\$ 15,994,370	\$ 14,420,504	\$ 14,082,378	\$ 12,842,344	\$ 12,396,304
Assets:					
Average assets	\$ 170,373,171	\$ 161,636,891	\$ 152,465,399	\$ 140,493,283	\$ 131,517,445
Risk-weighted assets	\$ 121,515,782	\$ 114,405,537	\$ 109,413,168	\$ 102,321,489	\$ 95,823,385

⁽¹⁾ As defined by regulatory capital rules.

⁽²⁾ 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.

⁽³⁾ Ratios and amounts as of September 30, 2021 are preliminary.

<i>Wealth Management Assets</i>	As of				
	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
<i>(\$ in millions)</i>					
First Republic Investment Management	\$ 101,105	\$ 99,459	\$ 90,819	\$ 83,596	\$ 74,661
Brokerage and investment:					
Brokerage	115,793	112,359	101,478	88,059	76,769
Money market mutual funds	18,074	13,109	11,435	9,003	4,416
Total brokerage and investment	133,867	125,468	112,913	97,062	81,185
Trust Company:					
Trust	12,220	11,496	10,986	9,910	8,687
Custody	4,533	4,439	4,216	3,889	3,651
Total Trust Company	16,753	15,935	15,202	13,799	12,338
Total Wealth Management Assets	\$ 251,725	\$ 240,862	\$ 218,934	\$ 194,457	\$ 168,184

Investors:

Andrew Greenebaum / Lasse Glassen
 Addo Investor Relations
 agreenebaum@addo.com
 lglassen@addo.com
 (310) 829-5400

Media:

Greg Berardi
 Blue Marlin Partners
 gberardi@firstrepublic.com
 (415) 239-7826