

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): December 31, 2021

FIRST REPUBLIC BANK

(Exact name of registrant as specified in its charter)

California
(State or other jurisdiction
of incorporation)

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

111 Pine Street, 2nd Floor
San Francisco, CA 94111
(Address, including zip code, of principal executive office)

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

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

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

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

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

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

Emerging growth company

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

Item 2.02 Results of Operations and Financial Condition

On January 3, 2022, First Republic Bank (the “Bank”) reported unaudited, preliminary financial information for the fourth quarter and year ended December 31, 2021. The Bank’s total loans outstanding as of December 31, 2021 grew by approximately 20% from December 31, 2020 and approximately 5% from September 30, 2021. The Bank’s total deposits as of December 31, 2021 grew by approximately 36% from December 31, 2020 and approximately 7.5% from September 30, 2021. The Bank estimates that net charge-offs will be approximately \$100,000 for the fourth quarter of 2021 and approximately \$2 million for all of 2021, or less than 1 basis point of average loans for the year ending December 31, 2021. In addition, the Bank’s nonperforming assets are currently estimated to be 8 basis points of total assets at December 31, 2021.

The preliminary financial information set forth above is unaudited and remains subject to completion of the Bank’s financial closing procedures. As previously announced, the Bank will release its fourth quarter and full-year 2021 financial results before the market opens on Friday, January 14, 2022.

The information furnished by the Bank pursuant to this item shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liability of that section, and shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Appointments of Acting Co-Chief Executive Officer and Acting Chief Financial Officer

Effective January 1, 2022, the Board of Directors (the “Board”) of the Bank appointed Mr. Michael J. Roffler as Acting Co-Chief Executive Officer and President of the Bank and as a member of the Board. Prior to the appointment, Mr. Roffler served as the Bank’s Executive Vice President and Chief Financial Officer. Effective January 1, 2022, the Board also appointed Olga Tsokova, Senior Vice President and Chief Accounting Officer of the Bank, as Acting Chief Financial Officer of the Bank.

Additional information regarding Mr. Roffler and Ms. Tsokova can be found in the Bank’s Proxy Statement for the 2021 Annual Meeting of Stockholders.

Departure of Co-Chief Executive Officer and President

Effective December 31, 2021, Ms. Hafize Gaye Erkan resigned as Co-Chief Executive Officer and President of the Bank and as a member of the Board to pursue other opportunities. At the time of her resignation, Ms. Erkan served as a member of the Information Security and Technology Committee of the Board. In connection with her resignation, Ms. Erkan will be entitled to severance and other benefits in accordance with the terms and conditions of section 5(a) of her employment agreement with the Bank, subject to the effectiveness of a release of claims.

The foregoing summary is qualified in its entirety by the text of Ms. Erkan's employment agreement with the Bank, a copy of which is attached as Exhibit 10.2 to the Current Report on Form 8-K filed by the Bank on July 12, 2021 and incorporated herein by reference.

Item 7.01 Regulation FD Disclosure.

On January 3, 2022, the Bank issued a press release announcing the appointments of Mr. Roffler as Acting Co-Chief Executive Officer and President of the Bank and as a member of the Board and Ms. Tsokova as Acting Chief Financial Officer of the Bank, Ms. Erkan's resignation from the Bank and selected preliminary unaudited financial information. A copy of the press release is attached hereto as Exhibit 99.1.

The information furnished by the Bank pursuant to this item, including Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of 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 or the Exchange Act.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit 10.1 Employment Agreement, effective July 12, 2021, between Hafize Gaye Erkan and the Bank (incorporated by reference to Exhibit 10.2 of the Bank's Current Report on Form 8-K filed on July 12, 2021).

Exhibit 99.1 Press Release, dated January 3, 2022.

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 3, 2022.

First Republic Bank

By: /s/ Edward J. Dobranski
Name: Edward J. Dobranski
Title: Executive Vice President, General
Counsel and Secretary



FIRST REPUBLIC BANK NAMES MIKE ROFFLER ACTING CO-CEO

*Hafize Gaye Erkan Resigns from First Republic to Pursue Other Opportunities;
Korn Ferry Engaged for Continued CEO Succession Planning*

*First Republic Bank Reports Selected Fourth Quarter and Full Year 2021 Preliminary Unaudited
Financial Information*

SAN FRANCISCO, January 3, 2022 – [First Republic Bank](#) (NYSE:FRC), a leading private bank and wealth management company, today announced that its Board of Directors has named Mike Roffler Acting Co-CEO of the Company and appointed him to the Company's Board of Directors. As previously announced, Roffler also began service as President on January 1, 2022.

Hafize Gaye Erkan has resigned as Co-CEO and from the Board in order to pursue other opportunities. "We are grateful for Gaye's many significant contributions during her tenure as a key member of our outstanding executive team. We wish her all the best, personally and professionally," said Jim Herbert, Founder and Co-CEO, who is on medical leave.

First Republic's Board of Directors and senior management have a continuous succession planning process that has resulted in successful executive transitions over time. This process has fostered a new generation of Bank leadership with a focus on maintaining First Republic's team-oriented, client-centric culture. Korn Ferry, a leading management consulting and recruiting firm, has been engaged to lead the search for First Republic's next CEO.

"We are very pleased that Mike has agreed to serve as Acting Co-CEO during this interim period," said George G.C. Parker, who became Acting Chairman of the Board on January 1, 2022, and Reynold Levy, Lead Independent Director. "As a senior member of our executive team, Mike has played a key role in developing our successful strategy and contributing to our unique culture. He is well prepared and qualified to assume this important responsibility. We look forward to working with Mike and the rest of our excellent management team, to continue to take exceptional care of our clients and remain focused on the consistency and stability of our business model."

Herbert added, "Mike is an accomplished and caring leader who deeply understands First Republic's culture and business. During his 12 years with First Republic, including the last six as our CFO, he has earned the trust and confidence of our shareholders, clients and colleagues. I am fully confident Mike is the ideal person to lead the Company during this period."

"It is a privilege to serve as Acting Co-CEO while Jim continues to focus on his health," said Roffler. "The strength of our client-focused culture begins with the talented colleagues we have across First Republic. It is an honor to work with them and our excellent management team every day. I look forward



to leading us through this important interim time period, to ensure consistency and stability for our stakeholders.”

“It has been an honor to serve as Co-CEO of First Republic alongside Jim and our entire leadership team as we’ve worked to build on the Company’s long-term focus on exceptional client service,” said Erkan. “I want to thank my colleagues for their hard work and dedication, and I wish them continued future success.”

In connection with Roffler’s appointment, Olga Tsokova, current Chief Accounting Officer, has been named Acting CFO. Tsokova joined First Republic in 2015. Previously, she served over 10 years at City National Bank, including as its Chief Accounting Officer, and over 10 years prior to that in the financial services audit practice at Ernst & Young.

Selected Fourth Quarter and Full Year 2021 Preliminary Unaudited Financial Information

The Bank today also announced selected preliminary, unaudited financial information for the fourth quarter and year ended December 31, 2021. As of December 31, 2021, the Bank’s total loans outstanding grew by approximately 20% from December 31, 2020 and approximately 5% from September 30, 2021. The Bank’s total deposits as of December 31, 2021 grew by approximately 36% from December 31, 2020 and approximately 7.5% from September 30, 2021. The Bank estimates that net charge-offs will be approximately \$100,000 for the fourth quarter of 2021 and approximately \$2 million for all of 2021, or less than 1 basis point of average loans for the year ending December 31, 2021. In addition, the Bank’s nonperforming assets are currently estimated to be 8 basis points of total assets at December 31, 2021. The preliminary financial information set forth in this release is unaudited and remains subject to completion of the Bank’s financial closing procedures.

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 (including the preliminary unaudited financial information presented in this release); 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;



FIRST REPUBLIC BANK

It's a privilege to serve you®

PRESS RELEASE

FOR IMMEDIATE RELEASE

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.

FRC-G

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