

PRESS RELEASE

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FIRST REPUBLIC BANK

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FIRST REPUBLIC REPORTS THIRD QUARTER 2022 RESULTS

Year-Over-Year Net Interest Income Rose 21%

Tangible Book Value Per Share Increased 11%

SAN FRANCISCO, October 14, 2022 – First Republic Bank (NYSE: FRC) today announced financial results for the quarter ended September 30, 2022.

“First Republic had another quarter of strong results,” said Mike Roffler, Chief Executive Officer and President. “Loans were up very nicely, and, importantly, credit quality remains excellent. This quarter’s results demonstrate the durability of our client-focused business model and service culture.”

Quarterly Highlights

Financial Results

- Year-over-year:
 - Revenues were \$1.5 billion, up 16.9%.
 - Net interest income was \$1.3 billion, up 20.6%.
 - Net income was \$445 million, up 20.5%.
 - Diluted earnings per share of \$2.21, up 15.7%.
 - Tangible book value per share was \$72.54, up 11.3%.
- Loan originations totaled \$18.0 billion, our second best quarter ever.
- Net interest margin was 2.71%, compared to 2.80% for the prior quarter.
- Efficiency ratio was 60.3%, compared to 60.5% for the prior quarter.

Continued Capital and Credit Strength


- Tier 1 leverage ratio was 8.59%.
- Nonperforming assets were a low 6 basis points of total assets.
- Net charge-offs for the quarter were only \$1 million, or less than 1 basis point of average loans.

Continued Franchise Growth

- Year-over-year:
 - Loans totaled \$158.8 billion, up 23.7%.
 - Deposits were \$172.4 billion, up 18.6%.
 - Wealth management assets were \$249.5 billion, down 0.9%.
 - Wealth management revenues were \$214 million, up 2.4%.

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“Revenue and net interest income growth were strong during the third quarter,” said Olga Tsokova, Chief Financial Officer (Acting) and Chief Accounting Officer. “We’re pleased to have accessed the equity capital markets during the quarter, and we continue to maintain a very strong capital position.”

Quarterly Cash Dividend of \$0.27 per Share

The Bank declared a cash dividend for the third quarter of \$0.27 per share of common stock, which is payable on November 10, 2022 to shareholders of record as of October 27, 2022.

Strong Asset Quality

Credit quality remains very strong. Nonperforming assets were at a very low 6 basis points of total assets at September 30, 2022.

The provision for credit losses for the quarter was \$36 million, which was primarily driven by loan growth. The Bank had modest net loan charge-offs of only \$1 million for the quarter. For the first nine months of 2022, the provision for credit losses was \$77 million, with net loan charge-offs of only \$2 million.

Continued Book Value Growth

Book value per common share at September 30, 2022 was \$73.74, up 11.0% from a year ago. Tangible book value per common share at September 30, 2022 was \$72.54, up 11.3% from a year ago.

Capital Strength

The Bank’s Tier 1 leverage ratio was 8.59% at both September 30, 2022 and June 30, 2022.

During the third quarter, the Bank sold 2,587,500 new shares of common stock in an underwritten public offering, which added \$402 million to common equity.

Continued Franchise Growth

Loan Originations

Loan originations were \$18.0 billion for the quarter, our second best quarter ever. This was up 16.4% from the same quarter a year ago, primarily due to an increase in multifamily lending.

Single family loan originations were 39% of the total loan origination volume for the quarter and had a weighted average loan-to-value ratio of 63%. Multifamily and commercial real estate loans originated were 21% of total originations and had a weighted average loan-to-value ratio of 51%. In addition, capital call lines of credit originated were 18% of total originations.

Loans totaled \$158.8 billion at September 30, 2022, up 23.7% compared to a year ago. Our loan growth was primarily due to increases in single family, multifamily, commercial real estate, stock secured and other business loans.

Investments

Total investment securities at September 30, 2022 were \$31.6 billion, a slight increase compared to the prior quarter and a 30.7% increase compared to a year ago.

High-quality liquid assets, including eligible cash, totaled \$27.5 billion at September 30, 2022, and represented 13.7% of quarterly average total assets.

Deposit Growth and Funding

Total deposits increased to \$172.4 billion, up 18.6% compared to a year ago. Deposits were our primary source of funding at September 30, 2022, and represented 93% of our funding base.

At September 30, 2022, our deposit base consisted of 64.2% of checking deposits, 26.6% of other liquid deposits including money market checking and money marketing savings and passbooks, and 9.2% of CDs.

Other sources of funding at September 30, 2022 included short-term and long-term FHLB advances, which totaled \$11.0 billion, up 42.9% compared to a year ago.

Deposits had an average rate paid of 41 basis points during the quarter, and average total funding costs were 55 basis points during the quarter.

Wealth Management

Total wealth management assets were \$249.5 billion at September 30, 2022, up slightly compared to the prior quarter and down slightly compared to a year ago. The variances in wealth management assets were driven by net client inflow, partially offset by market decline. Wealth management assets at September 30, 2022 included investment management assets of \$100.1 billion, brokerage assets and money market mutual funds of \$130.2 billion, and trust and custody assets of \$19.2 billion.

Wealth management fees, which consist of investment management, brokerage and investment, insurance, trust and foreign exchange fee income, totaled \$214 million for the quarter, up 2.4% compared to last year's third quarter. Such revenues represented 14.1% of the Bank's total revenues for the quarter.

Investment management fees were \$142 million for the quarter, down 4.6% compared to \$149 million a year ago. The decrease was primarily driven by the level and mix of wealth management assets, which was impacted by adverse market conditions.

Income Statement and Key Ratios

Revenue Growth

Total revenues were \$1.5 billion for the quarter, up 16.9% compared to the third quarter a year ago.

Net Interest Income Growth

Net interest income was \$1.3 billion for the quarter, up 20.6% compared to the third quarter a year ago. The increase in net interest income for the quarter resulted primarily from growth in average interest-earning assets and the increase in net interest margin compared to a year ago.

Net Interest Margin

The net interest margin declined to 2.71% in the third quarter, from 2.80% in the prior quarter. The decline was due to average funding costs increasing more rapidly than the offsetting increase in the average yields on interest-earning assets.

Noninterest Income

Noninterest income was \$254 million for the quarter, up 1.8% compared to the third quarter a year ago. The increase was primarily driven by higher brokerage and investment fees, partially offset by lower investment management fees.

Noninterest Expense and Efficiency Ratio

Noninterest expense was \$919 million for the quarter, up 15.1% compared to the third quarter a year ago, primarily due to continued investments in our business expansion, including hiring additional colleagues to support our growth and information systems initiatives, as well as higher travel and entertainment expense due to an increase in events held in person.

The efficiency ratio was 60.3% for the quarter, compared to 61.3% for last year's third quarter. For the first nine months of 2022, the efficiency ratio was 60.9%, compared to 62.2% for the first nine months of 2021.

Income Taxes

The Bank's effective tax rate for the third quarter of 2022 was 21.6%, compared to 21.4% for the third quarter a year ago. The slight increase was primarily the result of lower excess tax benefits upon vesting of stock awards, partially offset by a tax refund from an amended tax return.

For the first nine months of 2022, the Bank's effective tax rate was 22.6%, compared to 20.2% a year ago. The increase was primarily the result of lower excess tax benefits upon vesting of stock awards.

Conference Call Details

First Republic Bank's third quarter 2022 earnings conference call is scheduled for October 14, 2022 at 7:00 a.m. PT / 10:00 a.m. ET. To access the event by telephone, please dial (888) 204-4368 and provide confirmation code 2879019 approximately 15 minutes prior to the start time (to allow time for registration). International callers should dial +1 (856) 344-9299 and provide the same confirmation code.

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

For those unable to join for the live presentation, a replay of the webcast 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. First Republic specializes in delivering exceptional, relationship-based service and provides a complete line of products, including residential, commercial and personal loans, deposit services, and private wealth management, including investment, brokerage, insurance, trust and foreign exchange services. Services are offered through preferred banking or wealth management offices primarily in San Francisco, Palo Alto, Los Angeles, Santa Barbara, Newport Beach and San Diego, California; Portland, Oregon; Boston, Massachusetts; Palm Beach, Florida; Greenwich, Connecticut; New York, New York; Jackson, Wyoming; and Bellevue, Washington. 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; 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 the COVID-19 pandemic (collectively referred to as "COVID-19" herein); expectations regarding our executive transitions; projections about future levels of loan originations or loan repayments; projections regarding costs, including the impact on our efficiency ratio; and descriptions of assumptions underlying or relating to any of the foregoing.

Factors that could cause actual results to differ from those discussed in the forward-looking statements include, but are not limited to: significant competition to attract and retain banking and wealth management customers, from both traditional and non-traditional financial services and technology companies; our ability to recruit and retain key managers, employees and board members; natural or other disasters, including earthquakes, wildfires, pandemics or acts of terrorism affecting the markets in which we operate; the adverse effects of climate change on our business, clients and counterparties; the negative impacts and disruptions resulting from COVID-19 on our colleagues and clients, the communities we serve and the domestic and global economy, which may have an adverse effect on our business, financial position and results of operations; inflation; interest rate risk and credit risk; our ability to maintain and follow high underwriting standards; economic and market conditions, including those affecting the valuation of our investment securities portfolio and credit losses on our loans and debt securities; real estate prices generally and in our markets; our geographic and product concentrations; demand for our products and services; developments and uncertainty related to the future use and availability of some reference rates; the regulatory environment in which we operate, our regulatory compliance and future regulatory requirements, which may result in costs, fees, penalties, business restrictions, reputational harm or other adverse consequences; 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; changes in federal, state or local tax laws; our ability to avoid litigation and its associated costs and liabilities; future Federal Deposit Insurance Corporation ("FDIC") special assessments or changes to regular assessments; fraud, cybersecurity and privacy risks; and custom technology preferences of our customers and our ability to successfully execute on initiatives relating to enhancements of our technology infrastructure, including client-facing systems and applications. For a discussion of these and other risks and uncertainties, see First Republic's FDIC filings, including, but not limited to, the risk factors in First Republic's Annual Report on Form 10-K and any subsequent reports filed by First Republic with the FDIC. These filings are available in the Investor Relations section of our website.

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

Non-GAAP Financial Measures

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

Explanatory Note

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

CONSOLIDATED STATEMENTS OF INCOME

(in millions, except per share amounts)	Quarter Ended September 30,		Quarter Ended June 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021	2022	2021
Interest income:						
Loans	\$ 1,269	\$ 947	\$ 1,094	\$ 3,365	\$ 2,733	
Investments	219	161	209	608	459	
Cash and cash equivalents	27	5	11	43	11	
Other	3	5	2	7	15	
Total interest income	<u>1,518</u>	<u>1,118</u>	<u>1,316</u>	<u>4,023</u>	<u>3,218</u>	
Interest expense:						
Deposits	169	23	37	226	75	
Borrowings	80	43	33	137	149	
Total interest expense	<u>249</u>	<u>66</u>	<u>70</u>	<u>363</u>	<u>224</u>	
Net interest income	1,269	1,052	1,246	3,660	2,994	
Provision for credit losses	36	34	31	77	35	
Net interest income after provision for credit losses	<u>1,233</u>	<u>1,018</u>	<u>1,215</u>	<u>3,583</u>	<u>2,959</u>	
Noninterest income:						
Investment management fees	142	149	164	471	404	
Brokerage and investment fees	34	23	33	89	55	
Insurance fees	6	6	3	13	12	
Trust fees	7	6	7	21	18	
Foreign exchange fee income	25	26	25	73	64	
Deposit fees	7	7	8	21	20	
Loan and related fees	10	8	10	29	24	
Income from investments in life insurance	23	20	11	48	58	
Other income, net	—	6	2	3	18	
Total noninterest income	<u>254</u>	<u>251</u>	<u>263</u>	<u>768</u>	<u>673</u>	
Noninterest expense:						
Salaries and employee benefits	557	514	567	1,684	1,459	
Information systems	124	91	114	345	263	
Occupancy	73	67	70	212	188	
Professional fees	31	27	27	81	74	
Advertising and marketing	19	14	16	48	43	
FDIC assessments	17	14	15	47	39	
Other expenses	98	71	104	281	215	
Total noninterest expense	<u>919</u>	<u>798</u>	<u>913</u>	<u>2,698</u>	<u>2,281</u>	
Income before provision for income taxes	568	471	565	1,653	1,351	
Provision for income taxes	123	101	132	374	273	
Net income	445	370	433	1,279	1,078	
Dividends on preferred stock	40	25	41	118	67	
Net income available to common shareholders	<u>\$ 405</u>	<u>\$ 345</u>	<u>\$ 392</u>	<u>\$ 1,161</u>	<u>\$ 1,011</u>	
Basic earnings per common share	<u>\$ 2.23</u>	<u>\$ 1.94</u>	<u>\$ 2.18</u>	<u>\$ 6.44</u>	<u>\$ 5.73</u>	
Diluted earnings per common share	<u>\$ 2.21</u>	<u>\$ 1.91</u>	<u>\$ 2.16</u>	<u>\$ 6.38</u>	<u>\$ 5.66</u>	
Weighted average shares—basic	<u>182</u>	<u>178</u>	<u>180</u>	<u>180</u>	<u>176</u>	
Weighted average shares—diluted	<u>183</u>	<u>180</u>	<u>181</u>	<u>182</u>	<u>179</u>	

CONSOLIDATED BALANCE SHEETS

(\$ in millions)	As of			
	September 30, 2022	June 30, 2022	December 31, 2021	September 30, 2021
ASSETS				
Cash and cash equivalents	\$ 5,532	\$ 6,237	\$ 12,947	\$ 12,279
Debt securities available-for-sale	3,348	3,438	3,381	2,961
Debt securities held-to-maturity, net	28,247	27,710	22,292	21,193
Equity securities (fair value)	22	23	28	32
Loans:				
Single family	94,345	89,295	76,793	73,491
Home equity lines of credit	2,801	2,699	2,584	2,429
Single family construction	1,154	1,117	993	985
Multifamily	20,364	18,346	15,966	15,417
Commercial real estate	10,039	9,182	8,531	8,486
Multifamily/commercial construction	2,089	2,019	1,927	2,064
Capital call lines of credit	9,393	10,727	10,999	9,088
Tax-exempt	3,655	3,605	3,680	3,578
Other business	4,629	4,638	3,961	3,554
Paycheck Protection Program ("PPP")	30	82	545	876
Stock secured	4,251	4,041	3,435	3,120
Other secured	3,001	2,774	2,457	2,261
Unsecured	3,016	2,994	3,085	3,026
Total loans	<u>158,767</u>	<u>151,519</u>	<u>134,956</u>	<u>128,375</u>
Allowance for credit losses	(760)	(729)	(694)	(668)
Loans, net	<u>158,007</u>	<u>150,790</u>	<u>134,262</u>	<u>127,707</u>
Investments in life insurance	3,409	3,340	2,650	2,628
Tax credit investments	1,285	1,304	1,220	1,181
Premises, equipment and leasehold improvements, net	483	474	454	431
Goodwill and other intangible assets	219	220	222	223
Other assets	4,557	4,372	3,631	3,936
Total Assets	<u>\$ 205,109</u>	<u>\$ 197,908</u>	<u>\$ 181,087</u>	<u>\$ 172,571</u>
LIABILITIES AND SHAREHOLDERS' EQUITY				
Liabilities:				
Deposits:				
Noninterest-bearing checking	\$ 69,931	\$ 75,208	\$ 70,840	\$ 65,833
Interest-bearing checking	40,706	43,421	41,248	34,089
Money market checking	25,582	21,235	20,303	21,861
Money market savings and passbooks	20,231	18,796	16,573	15,947
Certificates of deposit	15,932	6,987	7,357	7,596
Total Deposits	<u>172,382</u>	<u>165,647</u>	<u>156,321</u>	<u>145,326</u>
Short-term FHLB advances	5,100	6,300	—	—
Long-term FHLB advances	5,900	4,700	3,700	7,700
Senior notes	500	499	998	998
Subordinated notes	779	779	779	779
Other liabilities	3,329	3,557	3,391	2,966
Total Liabilities	<u>187,990</u>	<u>181,482</u>	<u>165,189</u>	<u>157,769</u>
Shareholders' Equity:				
Preferred stock	3,633	3,633	3,633	2,893
Common stock	2	2	2	2
Additional paid-in capital	6,230	5,782	5,725	5,685
Retained earnings	7,591	7,236	6,569	6,242
Accumulated other comprehensive loss	(337)	(227)	(31)	(20)
Total Shareholders' Equity	<u>17,119</u>	<u>16,426</u>	<u>15,898</u>	<u>14,802</u>
Total Liabilities and Shareholders' Equity	<u>\$ 205,109</u>	<u>\$ 197,908</u>	<u>\$ 181,087</u>	<u>\$ 172,571</u>

Average Balances, Yields and Rates	Quarter Ended September 30,						Quarter Ended June 30,		
	2022			2021			2022		
	Average Balance	Interest Income/Expense ⁽¹⁾	Yield/ ⁽²⁾ Rates	Average Balance	Interest Income/Expense ⁽¹⁾	Yield/ ⁽²⁾ Rates	Average Balance	Interest Income/Expense ⁽¹⁾	Yield/ ⁽²⁾ Rates
(\$ in millions)									
Assets:									
Interest-bearing deposits with banks	\$ 4,733	\$ 27	2.22 %	\$ 13,384	\$ 5	0.15 %	\$ 5,713	\$ 11	0.80 %
Investment securities:									
U.S. Government-sponsored agency securities	165	1	2.05 %	100	0	1.59 %	165	1	2.05 %
Agency residential and commercial MBS	10,642	59	2.23 %	6,200	28	1.84 %	10,667	56	2.10 %
Other residential and commercial MBS	20	0	2.97 %	28	1	2.25 %	22	0	2.37 %
Tax-exempt municipal securities	17,389	169	3.91 %	14,173	140	3.97 %	16,711	161	3.86 %
Taxable municipal securities	1,773	14	3.09 %	1,670	13	2.98 %	1,774	14	3.18 %
Other investment securities	1,440	11	2.87 %	1,405	11	2.86 %	1,440	10	2.87 %
Total investment securities	<u>31,429</u>	<u>254</u>	<u>3.24 %</u>	<u>23,576</u>	<u>193</u>	<u>3.26 %</u>	<u>30,779</u>	<u>242</u>	<u>3.15 %</u>
Loans:									
Residential real estate	95,588	701	2.93 %	74,233	520	2.80 %	89,358	620	2.78 %
Multifamily	19,139	171	3.48 %	15,125	134	3.49 %	17,480	153	3.46 %
Commercial real estate	9,558	94	3.84 %	8,357	82	3.82 %	8,983	85	3.77 %
Multifamily/commercial construction	2,062	26	5.05 %	2,963	34	4.54 %	2,004	24	4.60 %
Business	18,664	205	4.30 %	15,928	129	3.17 %	18,469	160	3.43 %
PPP	48	1	9.49 %	1,123	12	4.01 %	138	3	8.46 %
Other	9,957	77	3.02 %	8,158	43	2.06 %	9,628	56	2.31 %
Total loans	<u>155,016</u>	<u>1,275</u>	<u>3.26 %</u>	<u>125,887</u>	<u>954</u>	<u>3.00 %</u>	<u>146,060</u>	<u>1,101</u>	<u>3.00 %</u>
FHLB stock	366	3	3.26 %	266	5	6.99 %	201	2	3.40 %
Total interest-earning assets	<u>191,544</u>	<u>1,559</u>	<u>3.23 %</u>	<u>163,113</u>	<u>1,157</u>	<u>2.81 %</u>	<u>182,753</u>	<u>1,356</u>	<u>2.96 %</u>
Noninterest-earning cash	451			391			442		
Goodwill and other intangibles	219			224			220		
Other assets	8,199			6,891			7,759		
Total noninterest-earning assets	<u>8,869</u>			<u>7,506</u>			<u>8,421</u>		
Total Assets	<u>\$200,413</u>			<u>\$170,619</u>			<u>\$191,174</u>		
Liabilities and Shareholders' Equity:									
Deposits:									
Interest-bearing checking	\$ 41,404	27	0.26 %	\$ 33,642	1	0.01 %	\$ 41,878	5	0.05 %
Money market checking	21,817	65	1.19 %	21,861	6	0.11 %	20,873	13	0.25 %
Money market savings and passbooks	18,616	47	1.01 %	15,831	7	0.16 %	17,682	11	0.25 %
CDs	9,607	30	1.26 %	7,779	9	0.46 %	6,975	8	0.43 %
Total interest-bearing deposits ⁽³⁾	<u>91,444</u>	<u>169</u>	<u>0.74 %</u>	<u>79,113</u>	<u>23</u>	<u>0.11 %</u>	<u>87,408</u>	<u>37</u>	<u>0.17 %</u>
Borrowings:									
Federal funds purchased	371	2	2.31 %	0	0	0.09 %	186	0	0.73 %
Short-term FHLB advances	7,586	45	2.36 %	—	—	— %	2,953	9	1.20 %
Long-term FHLB advances	5,308	21	1.49 %	8,545	28	1.29 %	4,097	11	1.09 %
Senior notes	499	3	2.15 %	997	6	2.42 %	691	4	2.38 %
Subordinated notes	779	9	4.68 %	779	9	4.68 %	779	9	4.68 %
Total borrowings	<u>14,543</u>	<u>80</u>	<u>2.16 %</u>	<u>10,321</u>	<u>43</u>	<u>1.66 %</u>	<u>8,706</u>	<u>33</u>	<u>1.54 %</u>
Total interest-bearing liabilities ⁽⁴⁾	<u>105,987</u>	<u>249</u>	<u>0.93 %</u>	<u>89,434</u>	<u>66</u>	<u>0.29 %</u>	<u>96,114</u>	<u>70</u>	<u>0.29 %</u>
Noninterest-bearing checking	73,851			64,008			75,411		
Other noninterest-bearing liabilities	3,685			2,904			3,354		
Total noninterest-bearing liabilities	<u>77,536</u>			<u>66,912</u>			<u>78,765</u>		
Preferred shareholders' equity	3,633			2,729			3,633		
Common shareholders' equity	13,257			11,544			12,662		
Total Liabilities and Shareholders' Equity	<u>\$200,413</u>			<u>\$170,619</u>			<u>\$191,174</u>		
Net interest spread ⁽⁵⁾			2.30 %			2.52 %			2.66 %
Net interest income (fully taxable-equivalent basis) and net interest margin ⁽⁶⁾		<u>\$ 1,310</u>	2.71 %		<u>\$ 1,091</u>	2.65 %		<u>\$ 1,286</u>	2.80 %
Reconciliation of tax-equivalent net interest income to net interest income:⁽⁷⁾									
Municipal securities tax-equivalent adjustment		(34)			(31)			(33)	
Business loans tax-equivalent adjustment		(7)			(8)			(7)	
Net interest income		<u>\$ 1,269</u>			<u>\$ 1,052</u>			<u>\$ 1,246</u>	
Supplemental information:									
Total deposits (interest-bearing and noninterest-bearing)	\$165,295	\$ 169	0.41 %	\$143,121	\$ 23	0.06 %	\$162,819	\$ 37	0.09 %
Total deposits (interest-bearing and noninterest-bearing) and borrowings	\$179,838	\$ 249	0.55 %	\$153,442	\$ 66	0.17 %	\$171,525	\$ 70	0.16 %

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Average Balances, Yields and Rates	Nine Months Ended September 30,					
	2022			2021		
	Average Balance	Interest Income/Expense ⁽¹⁾	Yield/Rates ⁽²⁾	Average Balance	Interest Income/Expense ⁽¹⁾	Yield/Rates ⁽²⁾
(\$ in millions)						
Assets:						
Interest-bearing deposits with banks	\$ 7,238	\$ 43	0.79 %	\$ 12,045	\$ 11	0.12 %
Investment securities:						
U.S. Government-sponsored agency securities	149	2	1.87 %	98	1	1.54 %
Agency residential and commercial MBS	10,156	154	2.02 %	5,826	88	2.01 %
Other residential and commercial MBS	22	0	2.43 %	30	1	2.04 %
Tax-exempt municipal securities	16,572	478	3.85 %	13,312	403	4.04 %
Taxable municipal securities	1,754	41	3.08 %	1,456	33	2.98 %
Other investment securities	1,432	31	2.86 %	1,073	23	2.78 %
Total investment securities	<u>30,085</u>	<u>706</u>	<u>3.13 %</u>	<u>21,795</u>	<u>549</u>	<u>3.35 %</u>
Loans:						
Residential real estate	89,169	1,888	2.82 %	69,881	1,480	2.82 %
Multifamily	17,644	464	3.46 %	14,484	384	3.50 %
Commercial real estate	9,061	261	3.80 %	8,170	238	3.84 %
Multifamily/commercial construction	1,999	72	4.76 %	2,933	103	4.63 %
Business	18,574	510	3.62 %	15,636	382	3.22 %
PPP	188	11	7.96 %	1,649	43	3.42 %
Other	9,551	180	2.48 %	7,723	124	2.12 %
Total loans	<u>146,186</u>	<u>3,386</u>	<u>3.07 %</u>	<u>120,476</u>	<u>2,754</u>	<u>3.03 %</u>
FHLB stock	228	7	4.02 %	307	15	6.51 %
Total interest-earning assets	<u>183,737</u>	<u>4,142</u>	<u>2.99 %</u>	<u>154,623</u>	<u>3,329</u>	<u>2.86 %</u>
Noninterest-earning cash	448			397		
Goodwill and other intangibles	220			225		
Other assets	7,704			6,572		
Total noninterest-earning assets	<u>8,372</u>			<u>7,194</u>		
Total Assets	<u>\$192,109</u>			<u>\$161,817</u>		
Liabilities and Shareholders' Equity:						
Deposits:						
Interest-bearing checking	\$ 41,231	33	0.11 %	\$ 32,993	5	0.02 %
Money market checking	21,450	83	0.52 %	20,237	20	0.13 %
Money market savings and passbooks	18,077	65	0.48 %	14,760	19	0.17 %
CDs	7,941	45	0.76 %	8,075	31	0.51 %
Total interest-bearing deposits ⁽³⁾	<u>88,699</u>	<u>226</u>	<u>0.34 %</u>	<u>76,065</u>	<u>75</u>	<u>0.13 %</u>
Borrowings:						
Federal funds purchased	187	2	1.79 %	0	0	0.09 %
Short-term FHLB advances	3,541	54	2.04 %	0	0	0.15 %
Long-term FHLB advances	4,374	41	1.21 %	9,966	104	1.38 %
Senior notes	728	13	2.35 %	997	18	2.42 %
Subordinated notes	779	27	4.68 %	778	27	4.68 %
Total borrowings	<u>9,609</u>	<u>137</u>	<u>1.90 %</u>	<u>11,741</u>	<u>149</u>	<u>1.69 %</u>
Total interest-bearing liabilities ⁽⁴⁾	<u>98,308</u>	<u>363</u>	<u>0.49 %</u>	<u>87,806</u>	<u>224</u>	<u>0.34 %</u>
Noninterest-bearing checking	73,844			57,961		
Other noninterest-bearing liabilities	3,551			2,780		
Total noninterest-bearing liabilities	<u>77,395</u>			<u>60,741</u>		
Preferred shareholders' equity	3,633			2,281		
Common shareholders' equity	12,773			10,989		
Total Liabilities and Shareholders' Equity	<u>\$192,109</u>			<u>\$161,817</u>		
Net interest spread ⁽⁵⁾			2.50 %			2.52 %
Net interest income (fully taxable-equivalent basis) and net interest margin ⁽⁶⁾		<u>\$ 3,779</u>	2.73 %		<u>\$ 3,105</u>	2.67 %
Reconciliation of tax-equivalent net interest income to net interest income:⁽⁷⁾						
Municipal securities tax-equivalent adjustment		(98)			(89)	
Business loans tax-equivalent adjustment		(21)			(22)	
Net interest income		<u>\$ 3,660</u>			<u>\$ 2,994</u>	
Supplemental information:						
Total deposits (interest-bearing and noninterest-bearing)	\$162,543	\$ 226	0.19 %	\$134,026	\$ 75	0.07 %
Total deposits (interest-bearing and noninterest-bearing) and borrowings	\$172,152	\$ 363	0.28 %	\$145,767	\$ 224	0.20 %

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Note: 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,	
	2022	2021	2022	2022	2021
(\$ in millions, except per share amounts)					
Selected Financial Data and Ratios:					
Return on average assets ^{(1), (2)}	0.88 %	0.86 %	0.91 %	0.89 %	0.89 %
Return on average common shareholders' equity ⁽¹⁾	12.12 %	11.87 %	12.43 %	12.16 %	12.30 %
Return on average tangible common shareholders' equity ^{(1), (3)}	12.33 %	12.10 %	12.65 %	12.37 %	12.56 %
Average equity to average assets	8.43 %	8.37 %	8.52 %	8.54 %	8.20 %
Dividends per common share	\$ 0.27	\$ 0.22	\$ 0.27	\$ 0.76	\$ 0.64
Dividend payout ratio	12.2 %	11.5 %	12.5 %	11.9 %	11.3 %
Efficiency ratio ⁽⁴⁾	60.3 %	61.3 %	60.5 %	60.9 %	62.2 %
Selected Asset Quality Ratios:					
Net loan charge-offs	\$ 1.0	\$ 0.3	\$ 1.3	\$ 2.0	\$ 2.0
Net loan charge-offs to average total loans ⁽¹⁾	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Selected Ratios (period-end):					
Book value per common share	\$ 73.74	\$ 66.44	\$ 71.03		
Tangible book value per common share ⁽⁵⁾	\$ 72.54	\$ 65.19	\$ 69.81		

⁽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⁾ Efficiency ratio is the ratio of noninterest expense to the sum of net interest income and noninterest income.⁽⁵⁾ Refer to "Book Value per Common Share and Tangible Book Value per Common Share" table in this document for a reconciliation of this non-GAAP financial measure to the most comparable GAAP measure.

Effective Tax Rate	Quarter Ended September 30,		Quarter Ended June 30,	Nine Months Ended September 30,	
	2022	2021	2022	2022	2021
Effective tax rate, prior to excess tax benefits—stock awards and tax refund from an amended tax return	23.3 %	23.2 %	24.0 %	23.6 %	22.5 %
Excess tax benefits—stock awards	(0.6)	(1.8)	(0.6)	(0.6)	(2.3)
Tax refund from an amended tax return	(1.1)	—	—	(0.4)	—
Effective tax rate	<u>21.6 %</u>	<u>21.4 %</u>	<u>23.4 %</u>	<u>22.6 %</u>	<u>20.2 %</u>

Provision (Reversal of Provision) for Credit Losses	Quarter Ended September 30,		Quarter Ended June 30,	Nine Months Ended September 30,	
	2022	2021	2022	2022	2021
(\$ in millions)					
Debt securities held-to-maturity	\$ —	\$ —	\$ 1	\$ 2	\$ 2
Loans	32	32	29	68	35
Unfunded loan commitments	4	2	1	7	(2)
Total provision	<u>\$ 36</u>	<u>\$ 34</u>	<u>\$ 31</u>	<u>\$ 77</u>	<u>\$ 35</u>

Loan Originations	Quarter Ended September 30,		Quarter Ended June 30,	Nine Months Ended September 30,	
	2022	2021	2022	2022	2021
(\$ in millions)					
Single family	\$ 6,999	\$ 6,998	\$ 10,638	\$ 26,013	\$ 22,562
Home equity lines of credit	708	589	744	2,141	1,823
Single family construction	385	283	540	1,192	723
Multifamily	2,658	1,199	2,330	6,697	3,092
Commercial real estate	1,141	725	816	2,523	1,497
Multifamily/commercial construction	410	356	492	1,286	939
Capital call lines of credit	3,232	3,129	3,096	9,348	9,181
Tax-exempt	178	38	92	360	460
Other business	598	533	1,078	2,214	2,079
PPP	—	—	—	—	725
Stock secured	791	753	915	2,842	2,239
Other secured	563	547	815	2,044	1,584
Unsecured	333	304	413	1,115	1,022
Total loans originated	<u>\$ 17,996</u>	<u>\$ 15,454</u>	<u>\$ 21,969</u>	<u>\$ 57,775</u>	<u>\$ 47,926</u>

Asset Quality Information	As of				
	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
(\$ in millions)					
Nonperforming assets:					
Nonaccrual loans	\$ 120	\$ 137	\$ 140	\$ 139	\$ 127
Other real estate owned	—	—	—	—	—
Total nonperforming assets	<u>\$ 120</u>	<u>\$ 137</u>	<u>\$ 140</u>	<u>\$ 139</u>	<u>\$ 127</u>
Nonaccrual loans to total loans	0.08 %	0.09 %	0.10 %	0.10 %	0.10 %
Nonperforming assets to total assets	0.06 %	0.07 %	0.08 %	0.08 %	0.07 %
Accruing loans 90 days or more past due	\$ —	\$ —	\$ —	\$ —	\$ —
Restructured accruing loans	\$ 12	\$ 12	\$ 12	\$ 13	\$ 10
Allowance for loan credit losses to:					
Total loans	0.48 %	0.48 %	0.50 %	0.51 %	0.52 %
Nonaccrual loans	635.3 %	531.2 %	498.8 %	500.5 %	524.4 %

Loan Servicing Portfolio	As of				
	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
(\$ in millions)					
Loans serviced for investors	\$ 3,688	\$ 3,919	\$ 4,298	\$ 4,677	\$ 5,117

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,	
	2022	2021	2022	2022	2021
(\$ in millions)					
Average common shareholders' equity (a)	\$ 13,257	\$ 11,544	\$ 12,662	\$ 12,773	\$ 10,989
Less: Average goodwill and other intangible assets	(219)	(224)	(220)	(220)	(225)
Average tangible common shareholders' equity (b)	<u>\$ 13,038</u>	<u>\$ 11,320</u>	<u>\$ 12,442</u>	<u>\$ 12,553</u>	<u>\$ 10,764</u>
Net income available to common shareholders (c)	\$ 405	\$ 345	\$ 392	\$ 1,161	\$ 1,011
Return on average common shareholders' equity (c) / (a)	12.12 %	11.87 %	12.43 %	12.16 %	12.30 %
Return on average tangible common shareholders' equity (c) / (b)	12.33 %	12.10 %	12.65 %	12.37 %	12.56 %

⁽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, 2022	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
(in millions, except per share amounts)					
Total shareholders' equity	\$ 17,119	\$ 16,426	\$ 16,154	\$ 15,898	\$ 14,802
Less: Preferred stock	(3,633)	(3,633)	(3,633)	(3,633)	(2,893)
Total common shareholders' equity (a)	13,486	12,793	12,521	12,265	11,909
Less: Goodwill and other intangible assets	(219)	(220)	(221)	(222)	(223)
Total tangible common shareholders' equity (b)	<u>\$ 13,267</u>	<u>\$ 12,573</u>	<u>\$ 12,300</u>	<u>\$ 12,043</u>	<u>\$ 11,686</u>
Number of shares of common stock outstanding (c)	183	180	180	179	179
Book value per common share (a) / (c)	\$ 73.74	\$ 71.03	\$ 69.70	\$ 68.34	\$ 66.44
Tangible book value per common share (b) / (c)	\$ 72.54	\$ 69.81	\$ 68.47	\$ 67.10	\$ 65.19

⁽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.

Regulatory Capital Ratios and Components ^{(1), (2)}	As of				
	September 30, 2022 ⁽³⁾	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
(\$ in millions)					
Capital Ratios:					
Tier 1 leverage ratio (Tier 1 capital to average assets)	8.59 %	8.59 %	8.70 %	8.76 %	8.55 %
Common Equity Tier 1 capital to risk-weighted assets	9.28 %	9.15 %	9.48 %	9.65 %	9.81 %
Tier 1 capital to risk-weighted assets	11.76 %	11.75 %	12.25 %	12.56 %	12.25 %
Total capital to risk-weighted assets	12.81 %	12.82 %	13.37 %	13.72 %	13.45 %
Regulatory Capital:					
Common Equity Tier 1 capital	\$ 13,586	\$12,791	\$12,418	\$ 12,045	\$ 11,674
Tier 1 capital	\$ 17,219	\$16,424	\$16,051	\$ 15,678	\$ 14,566
Total capital	\$ 18,755	\$17,924	\$17,521	\$ 17,124	\$ 15,994
Assets:					
Average assets	\$ 200,486	\$191,202	\$184,410	\$ 178,969	\$ 170,373
Risk-weighted assets	\$ 146,445	\$139,811	\$131,024	\$ 124,820	\$ 118,941

⁽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, 2022 are preliminary.

Wealth Management Assets	As of				
	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
(\$ in millions)					
First Republic Investment Management	\$ 100,125	\$ 100,204	\$ 108,771	\$ 109,130	\$ 101,105
Brokerage and investment:					
Brokerage	119,299	116,979	128,129	128,258	115,793
Money market mutual funds	10,891	10,510	18,543	23,673	18,074
Total brokerage and investment	130,190	127,489	146,672	151,931	133,867
Trust Company:					
Trust	15,270	14,994	14,344	13,695	12,220
Custody	3,943	4,099	4,408	4,687	4,533
Total Trust Company	19,213	19,093	18,752	18,382	16,753
Total Wealth Management Assets	\$ 249,528	\$ 246,786	\$ 274,195	\$ 279,443	\$ 251,725

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