



FIRST REPUBLIC REPORTS 2021 RESULTS

Net Interest Income Increased 26% Year-Over-Year

Tangible Book Value Per Share Increased 17% Year-Over-Year

San Francisco, California, January 14, 2022 – First Republic Bank (NYSE: FRC) today announced financial results for the quarter and year ended December 31, 2021.

“This was a terrific year for First Republic,” said Mike Roffler, Co-CEO (Acting) and President. “Loans, deposits and wealth management assets all grew nicely for both the fourth quarter and the full year. First Republic continues to succeed by executing a client-centric business model focused on exceptional service.”

Full Year Highlights

Financial Results

- Revenues were \$5.0 billion, up 28.5%.
- Net interest income was \$4.1 billion, up 26.1%.
- Net income was \$1.5 billion, up 38.9%.
- Diluted earnings per share (“EPS”) of \$7.68, up 32.2%.
- Loan originations totaled \$64.8 billion, our best year ever.
- Tangible book value per share was \$67.10, up 17.1%.
- Efficiency ratio was 62.5%, compared to 61.9% last year.

Continued Capital and Credit Strength

- Tier 1 leverage ratio was 8.76%.
- Tier 1 capital raised of \$2.8 billion, net.
- Nonperforming assets remained at a low 8 basis points of total assets at year-end.
- Net charge-offs were only \$2.1 million, or less than 1 basis point of average loans.

Continued Franchise Growth

- Loans totaled \$135.0 billion, up 19.9%.
- Deposits were \$156.3 billion, up 36.0%.
- Wealth management assets were \$279.4 billion, up 43.7%.
- Wealth management revenues were \$760 million, up 44.4%.

Quarterly Highlights

- Compared to last year’s fourth quarter:
 - Revenues were \$1.4 billion, up 26.4%.
 - Net interest income was \$1.1 billion, up 25.4%.
 - Net income was \$400 million, up 35.5%.
 - Diluted EPS of \$2.02, up 26.3%.
- Loan originations were \$16.9 billion, our best quarter ever.
- Net charge-offs were less than \$100,000.
- Compared to the prior quarter:
 - Net interest margin was 2.68%, compared to 2.65%.
 - Efficiency ratio was 63.3%, compared to 61.3%.
 - Wealth management assets were up 11.0%.

“Credit quality, liquidity and capital remain strong, and we’re pleased to have raised \$2.8 billion in net new Tier 1 capital in 2021,” said Olga Tsokova, Chief Financial Officer (Acting) and Chief Accounting Officer. “Net interest income increased 26% and tangible book value per share rose 17% in 2021.”

Quarterly Cash Dividend of \$0.22 per Share

The Bank declared a cash dividend for the fourth quarter of \$0.22 per share of common stock, which is payable on February 10, 2022 to shareholders of record as of January 27, 2022.

Strong Asset Quality

Credit quality remains strong. Nonperforming assets were at a low 8 basis points of total assets at December 31, 2021.

The provision for credit losses for the full year was \$59 million, with net loan charge-offs of only \$2.1 million. For the quarter, the provision for credit losses was \$24 million, which was primarily driven by loan growth.

Continued Book Value Growth and Capital Strength

Book value per common share at December 31, 2021 was \$68.34, up 16.6% from a year ago. Tangible book value per common share at December 31, 2021 was \$67.10, up 17.1% from a year ago.

The Bank’s Tier 1 leverage ratio was 8.76% at December 31, 2021, compared to 8.55% at September 30, 2021.

During the fourth quarter, the Bank issued \$740 million of 4.500% Noncumulative Perpetual Series N Preferred Stock, which qualifies as Tier 1 capital.

Total common stock sold and preferred stock issued, net of preferred stock redeemed, added \$2.8 billion of Tier 1 capital in 2021, and contributed to the 35.3% increase in total equity year-over-year.

Continued Franchise Growth

Loan Originations

Loan originations were \$16.9 billion for the quarter, up slightly from the same quarter a year ago. For 2021, loan originations totaled \$64.8 billion, up 23.0% compared to the prior year. The increase for the year was primarily due to increases in single family lending and capital call lines of credit.

Single family loan originations were 42% of the total loan origination volume for the quarter and 46% for the full year, and had a weighted average loan-to-value ratio of 59% for the full year. In addition, multifamily and commercial real estate loans originated were 14% of total originations for the quarter and 11% for the year, and had a weighted average loan-to-value ratio of 49% for the year.

Loans totaled \$135.0 billion at December 31, 2021, up 19.9% compared to a year ago, primarily due to increases in single family, capital call lines of credit, multifamily and stock secured loans, partially offset by a decrease in PPP loans.

Deposit Growth

Total deposits increased to \$156.3 billion, up 36.0% compared to a year ago, and had an average rate paid of 5 basis points during the quarter.

At December 31, 2021, checking deposit balances were 71.7% of total deposits.

Investments

Total investment securities at December 31, 2021 were \$25.7 billion, a 6.3% increase compared to the prior quarter and a 38.7% increase compared to a year ago.

High-quality liquid assets, including eligible cash, totaled \$30.4 billion at December 31, 2021, and represented 17.0% of quarterly average total assets.

Wealth Management

Total wealth management assets were \$279.4 billion at December 31, 2021, up 11.0% compared to the prior quarter and up 43.7% compared to a year ago. The increases in wealth management assets were due to net client inflow and market appreciation.

Wealth management revenues totaled \$207 million for the quarter, up 37.1% compared to last year's fourth quarter. For 2021, wealth management revenues were \$760 million, an increase of 44.4% compared to the prior year. Such revenues represented 15.2% of the Bank's total revenues for the quarter and 15.1% of the Bank's total revenues for the year.

Wealth management assets at December 31, 2021 included investment management assets of \$109.1 billion, brokerage assets and money market mutual funds of \$151.9 billion, and trust and custody assets of \$18.4 billion.

Income Statement and Key Ratios

Revenue Growth

Total revenues were \$1.4 billion for the quarter, up 26.4% compared to the fourth quarter a year ago, and were \$5.0 billion for 2021, up 28.5% compared to the prior year.

Net Interest Income Growth

Net interest income was \$1.1 billion for the quarter, up 25.4% compared to the fourth quarter a year ago, and was \$4.1 billion for 2021, up 26.1% compared to the prior year. The increases in net interest income resulted primarily from growth in average interest-earning assets, modestly offset by decreases in net interest margin.

Net Interest Margin

The net interest margin increased to 2.68% in the fourth quarter, from 2.65% in the prior quarter. For 2021, the net interest margin was 2.67%, compared to 2.72% for the prior year. The increase for the quarter was primarily due to reduced interest expense that resulted from prepaid FHLB advances in the fourth quarter of 2021. The decline for the year was primarily due to significantly higher average cash balances during the year.

Noninterest Income

Noninterest income was \$247 million for the quarter, up 31.6% compared to the fourth quarter a year ago, and was \$920 million for 2021, up 40.6% compared to the prior year. The increases were primarily driven by higher wealth management fees and income from investments in life insurance.

Noninterest Expense and Efficiency Ratio

Noninterest expense was \$866 million for the quarter, up 29.9% compared to the fourth quarter a year ago, and was \$3.1 billion for 2021, up 29.7% compared to the prior year, primarily due to continued investments in the expansion of the franchise, including hiring additional colleagues to support our growth and information systems initiatives.

The efficiency ratio was 63.3% for the quarter, compared to 61.6% for the fourth quarter a year ago. The increase was primarily due to higher compensation costs. For 2021, the efficiency ratio was 62.5%, compared to 61.9% for 2020.

Income Taxes

The Bank's effective tax rate for the fourth quarter of 2021 was 16.1%, compared to 22.1% for the fourth quarter a year ago. The effective tax rate for 2021 was 19.1%, compared to 20.2% for 2020. The decreases were primarily due to research and development tax credits from prior years' amended tax returns filed in the fourth quarter of 2021.

Conference Call Details

First Republic Bank's fourth quarter 2021 earnings conference call is scheduled for January 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 3634481 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 call will be available beginning January 14, 2022 at 11:00 a.m. PT / 2:00 p.m. ET through January 21, 2022 at 8:59 p.m. PT / 11:59 p.m. ET. To access the replay, dial (888) 203-1112 and use confirmation code 3634481#. 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; 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 including in connection with the search for our next chief executive officer; 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; 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.

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 December 31,		Quarter Ended September 30,		Year Ended December 31,	
	2021	2020	2021	2021	2020	2020
Interest income:						
Loans	\$ 992	\$ 845	\$ 947	\$ 3,725	\$ 3,245	
Investments	165	138	161	624	576	
Other	4	6	5	19	24	
Cash and cash equivalents	6	2	5	17	8	
Total interest income	1,167	991	1,118	4,385	3,853	
Interest expense:						
Deposits	20	30	22	95	276	
Borrowings	27	68	44	176	315	
Total interest expense	47	98	66	271	591	
Net interest income	1,120	893	1,052	4,114	3,262	
Provision for credit losses	24	35	34	59	157	
Net interest income after provision for credit losses	1,096	858	1,018	4,055	3,105	
Noninterest income:						
Investment management fees	150	114	149	554	395	
Brokerage and investment fees	19	11	23	74	51	
Insurance fees	7	6	6	19	12	
Trust fees	7	5	6	25	19	
Foreign exchange fee income	24	15	26	88	50	
Deposit fees	7	6	7	27	24	
Loan and related fees	9	7	8	33	28	
Gain (loss) on investment securities	(3)	—	2	1	4	
Income from investments in life insurance	27	18	20	85	53	
Other income	—	6	4	14	19	
Total noninterest income	247	188	251	920	655	
Noninterest expense:						
Salaries and employee benefits	544	416	514	2,003	1,495	
Information systems	99	79	91	362	299	
Occupancy	66	57	67	254	221	
Professional fees	27	18	27	101	66	
Advertising and marketing	21	14	14	64	43	
FDIC assessments	13	12	14	52	44	
Other expenses	96	71	71	311	258	
Total noninterest expense	866	667	798	3,147	2,426	
Income before provision for income taxes	477	379	471	1,828	1,334	
Provision for income taxes	77	84	101	350	270	
Net income	400	295	370	1,478	1,064	
Dividends on preferred stock	32	16	25	99	59	
Net income available to common shareholders	\$ 368	\$ 279	\$ 345	\$ 1,379	\$ 1,005	
Basic earnings per common share	\$ 2.05	\$ 1.61	\$ 1.94	\$ 7.78	\$ 5.85	
Diluted earnings per common share	\$ 2.02	\$ 1.60	\$ 1.91	\$ 7.68	\$ 5.81	
Weighted average shares—basic	179	173	178	177	172	
Weighted average shares—diluted	182	175	180	180	173	

CONSOLIDATED BALANCE SHEETS

(\$ in millions)	As of		
	December 31, 2021	September 30, 2021	December 31, 2020
<u>ASSETS</u>			
Cash and cash equivalents	\$ 12,947	\$ 12,279	\$ 5,095
Debt securities available-for-sale	3,381	2,961	1,906
Debt securities held-to-maturity, net	22,292	21,192	16,603
Equity securities (fair value)	28	32	21
Loans:			
Single family	76,793	73,491	61,370
Home equity lines of credit	2,584	2,429	2,450
Single family construction	993	985	788
Multifamily	15,966	15,417	13,769
Commercial real estate	8,531	8,486	8,018
Multifamily/commercial construction	1,927	2,064	2,024
Capital call lines of credit	10,999	9,088	8,150
Tax-exempt	3,680	3,578	3,366
Other business	3,961	3,554	3,340
PPP	545	876	1,841
Stock secured	3,435	3,120	2,518
Other secured	2,457	2,261	1,819
Unsecured	3,085	3,026	3,113
Total loans	134,956	128,375	112,566
Allowance for credit losses	(694)	(668)	(635)
Loans, net	134,262	127,707	111,931
Loans held for sale	1	4	21
Investments in life insurance	2,650	2,628	2,061
Tax credit investments	1,220	1,181	1,132
Premises, equipment and leasehold improvements, net	454	431	403
Goodwill and other intangible assets	222	223	228
Other assets	3,630	3,933	3,101
Total Assets	\$ 181,087	\$ 172,571	\$ 142,502
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
Liabilities:			
Deposits:			
Noninterest-bearing checking	\$ 70,840	\$ 65,833	\$ 46,281
Interest-bearing checking	41,248	34,089	30,603
Money market checking	20,303	21,861	16,779
Money market savings and passbooks	16,573	15,947	12,585
Certificates of deposit	7,357	7,596	8,681
Total Deposits	156,321	145,326	114,929
Long-term FHLB advances	3,700	7,700	11,755
Senior notes	998	998	996
Subordinated notes	779	779	778
Other liabilities	3,391	2,966	2,293
Total Liabilities	165,189	157,769	130,751
Shareholders' Equity:			
Preferred stock	3,633	2,893	1,545
Common stock	2	2	2
Additional paid-in capital	5,725	5,685	4,835
Retained earnings	6,569	6,242	5,346
Accumulated other comprehensive income (loss)	(31)	(20)	23
Total Shareholders' Equity	15,898	14,802	11,751
Total Liabilities and Shareholders' Equity	\$ 181,087	\$ 172,571	\$ 142,502

Average Balances, Yields and Rates	Quarter Ended December 31,						Quarter Ended September 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	\$ 15,342	\$ 6	0.15 %	\$ 6,966	\$ 2	0.10 %	\$ 13,384	\$ 5	0.15 %
Investment securities:									
U.S. Government-sponsored agency securities	100	0	1.59 %	50	0	1.57 %	100	0	1.59 %
Agency residential and commercial MBS	7,011	29	1.65 %	5,786	32	2.23 %	6,200	28	1.84 %
Other residential and commercial MBS	25	0	1.82 %	35	0	2.08 %	28	0	2.25 %
Tax-exempt municipal securities	14,869	146	3.93 %	11,815	124	4.20 %	14,173	141	3.97 %
Taxable municipal securities	1,670	12	2.99 %	824	7	3.29 %	1,670	13	2.98 %
Other investment securities	1,405	10	2.86 %	76	1	2.68 %	1,405	10	2.86 %
Total investment securities	<u>25,080</u>	<u>197</u>	<u>3.15 %</u>	<u>18,586</u>	<u>164</u>	<u>3.53 %</u>	<u>23,576</u>	<u>192</u>	<u>3.26 %</u>
Loans:									
Residential real estate	78,436	545	2.78 %	62,280	452	2.90 %	75,143	528	2.81 %
Multifamily	15,479	154	3.90 %	13,596	125	3.60 %	15,126	135	3.49 %
Commercial real estate	8,525	83	3.82 %	7,910	79	3.89 %	8,357	82	3.82 %
Multifamily/commercial construction	2,044	24	4.70 %	2,032	24	4.70 %	2,052	26	5.01 %
Business	17,210	139	3.15 %	13,383	116	3.39 %	15,928	129	3.17 %
PPP	732	9	4.65 %	2,004	14	2.82 %	1,123	11	4.01 %
Other	8,578	45	2.03 %	7,253	41	2.23 %	8,158	43	2.06 %
Total loans	<u>131,004</u>	<u>999</u>	<u>3.02 %</u>	<u>108,458</u>	<u>851</u>	<u>3.11 %</u>	<u>125,887</u>	<u>954</u>	<u>3.00 %</u>
FHLB stock	143	4	11.17 %	413	6	5.55 %	266	5	6.99 %
Total interest-earning assets	<u>171,569</u>	<u>1,206</u>	<u>2.79 %</u>	<u>134,423</u>	<u>1,023</u>	<u>3.02 %</u>	<u>163,113</u>	<u>1,156</u>	<u>2.81 %</u>
Noninterest-earning cash	426			453			391		
Goodwill and other intangibles	223			228			224		
Other assets	6,967			5,706			6,891		
Total noninterest-earning assets	<u>7,616</u>			<u>6,387</u>			<u>7,506</u>		
Total Assets	<u>\$179,185</u>			<u>\$140,810</u>			<u>\$170,619</u>		
Liabilities and Shareholders' Equity:									
Deposits:									
Interest-bearing checking	\$ 36,896	1	0.01 %	\$ 28,332	2	0.03 %	\$ 33,642	1	0.01 %
Money market checking	21,925	5	0.10 %	16,890	8	0.19 %	21,861	6	0.11 %
Money market savings and passbooks	16,935	6	0.15 %	12,259	6	0.19 %	15,831	6	0.16 %
CDs	7,482	8	0.42 %	8,814	14	0.63 %	7,779	9	0.46 %
Total interest-bearing deposits ⁽³⁾	<u>83,238</u>	<u>20</u>	<u>0.10 %</u>	<u>66,295</u>	<u>30</u>	<u>0.18 %</u>	<u>79,113</u>	<u>22</u>	<u>0.11 %</u>
Borrowings:									
Short-term borrowings	—	—	— %	9	0	0.17 %	0	0	0.09 %
Long-term FHLB advances	4,582	12	1.06 %	13,298	53	1.58 %	8,545	28	1.29 %
Senior notes	998	6	2.42 %	996	6	2.42 %	997	6	2.42 %
Subordinated notes	779	9	4.68 %	778	9	4.68 %	779	10	4.68 %
Total borrowings	<u>6,359</u>	<u>27</u>	<u>1.72 %</u>	<u>15,081</u>	<u>68</u>	<u>1.80 %</u>	<u>10,321</u>	<u>44</u>	<u>1.66 %</u>
Total interest-bearing liabilities ⁽⁴⁾	<u>89,597</u>	<u>47</u>	<u>0.21 %</u>	<u>81,376</u>	<u>98</u>	<u>0.48 %</u>	<u>89,434</u>	<u>66</u>	<u>0.29 %</u>
Noninterest-bearing checking	71,308			45,545			64,008		
Other noninterest-bearing liabilities	3,044			2,341			2,904		
Total noninterest-bearing liabilities	<u>74,352</u>			<u>47,886</u>			<u>66,912</u>		
Preferred shareholders' equity	3,158			1,552			2,730		
Common shareholders' equity	12,078			9,996			11,543		
Total Liabilities and Shareholders' Equity	<u>\$179,185</u>			<u>\$140,810</u>			<u>\$170,619</u>		
Net interest spread ⁽⁵⁾			2.58 %			2.54 %			2.52 %
Net interest income (fully taxable-equivalent basis) and net interest margin ⁽⁶⁾		<u>\$ 1,159</u>	2.68 %		<u>\$ 925</u>	2.73 %		<u>\$ 1,090</u>	2.65 %
Reconciliation of tax-equivalent net interest income to net interest income: ⁽⁷⁾									
Municipal securities tax-equivalent adjustment		(32)			(25)			(31)	
Business loans tax-equivalent adjustment		(7)			(7)			(7)	
Net interest income		<u>\$ 1,120</u>			<u>\$ 893</u>			<u>\$ 1,052</u>	
Supplemental information:									
Total deposits (interest-bearing and noninterest-bearing)	\$154,546	\$ 20	0.05 %	\$111,840	\$ 30	0.11 %	\$143,121	\$ 22	0.06 %
Total deposits (interest-bearing and noninterest-bearing) and borrowings	\$160,905	\$ 47	0.12 %	\$126,921	\$ 98	0.31 %	\$153,442	\$ 66	0.17 %

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Average Balances, Yields and Rates	Year Ended December 31,					
	2021			2020		
	Average Balance	Interest Income/Expense ⁽¹⁾	Yields/Rates	Average Balance	Interest Income/Expense ⁽¹⁾	Yields/Rates
(\$ in millions)						
Assets:						
Interest-bearing deposits with banks	\$ 12,876	\$ 17	0.13 %	\$ 4,018	\$ 8	0.19 %
Investment securities:						
U.S. Government-sponsored agency securities	98	2	1.56 %	193	5	2.56 %
Agency residential and commercial MBS	6,125	117	1.91 %	6,348	160	2.51 %
Other residential and commercial MBS	29	1	2.00 %	26	1	2.29 %
Tax-exempt municipal securities	13,704	549	4.01 %	11,329	486	4.29 %
Taxable municipal securities	1,510	45	2.98 %	738	25	3.32 %
Other investment securities	1,157	32	2.80 %	52	1	2.77 %
Total investment securities	22,623	746	3.30 %	18,686	678	3.62 %
Loans:						
Residential real estate	72,679	2,048	2.82 %	56,628	1,703	3.01 %
Multifamily	14,735	539	3.61 %	13,093	489	3.68 %
Commercial real estate	8,260	321	3.83 %	7,752	313	3.97 %
Multifamily/commercial construction	2,067	105	4.99 %	1,935	95	4.82 %
Business	16,033	520	3.20 %	12,846	465	3.56 %
PPP	1,418	51	3.58 %	1,432	33	2.26 %
Other	7,938	169	2.10 %	6,842	173	2.48 %
Total loans	123,130	3,753	3.03 %	100,528	3,271	3.23 %
FHLB stock	266	19	7.14 %	442	24	5.40 %
Total interest-earning assets	158,895	4,535	2.84 %	123,674	3,981	3.20 %
Noninterest-earning cash	404			439		
Goodwill and other intangibles	225			231		
Other assets	6,671			5,104		
Total noninterest-earning assets	7,300			5,774		
Total Assets	\$ 166,195			\$ 129,448		
Liabilities and Shareholders' Equity:						
Deposits:						
Interest-bearing checking	\$ 33,977	6	0.02 %	\$ 24,143	16	0.07 %
Money market checking	20,662	25	0.12 %	14,848	56	0.38 %
Money market savings and passbooks	15,308	25	0.17 %	10,659	32	0.30 %
CDs	7,926	39	0.49 %	11,754	172	1.46 %
Total interest-bearing deposits ⁽³⁾	77,873	95	0.12 %	61,404	276	0.45 %
Borrowings:						
Short-term borrowings	0	0	0.09 %	311	5	1.52 %
Long-term FHLB advances	8,609	116	1.34 %	14,330	250	1.74 %
Senior notes	997	24	2.42 %	938	23	2.44 %
Subordinated notes	779	36	4.68 %	778	37	4.68 %
Total borrowings	10,385	176	1.70 %	16,357	315	1.92 %
Total interest-bearing liabilities ⁽⁴⁾	88,258	271	0.31 %	77,761	591	0.76 %
Noninterest-bearing checking	61,325			38,796		
Other noninterest-bearing liabilities	2,847			2,131		
Total noninterest-bearing liabilities	64,172			40,927		
Preferred shareholders' equity	2,502			1,268		
Common shareholders' equity	11,263			9,492		
Total Liabilities and Shareholders' Equity	\$ 166,195			\$ 129,448		
Net interest spread ⁽⁵⁾			2.53 %			2.44 %
Net interest income (fully taxable-equivalent basis) and net interest margin ⁽⁶⁾		\$ 4,264	2.67 %		\$ 3,390	2.72 %
Reconciliation of tax-equivalent net interest income to net interest income: ⁽⁷⁾						
Municipal securities tax-equivalent adjustment		(122)			(101)	
Business loans tax-equivalent adjustment		(28)			(27)	
Net interest income		\$ 4,114			\$ 3,262	
Supplemental information:						
Total deposits (interest-bearing and noninterest-bearing)	\$ 139,198	\$ 95	0.07 %	\$ 100,200	\$ 276	0.28 %
Total deposits (interest-bearing and noninterest-bearing) and borrowings	\$ 149,583	\$ 271	0.18 %	\$ 116,557	\$ 591	0.51 %

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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 December 31,		Quarter Ended September 30,		Year Ended December 31,	
	2021	2020	2021	2021	2020	
<i>(\$ in millions, except per share amounts)</i>						
Selected Financial Data and Ratios:						
Return on average assets ^{(1),(2)}	0.89 %	0.84 %	0.86 %	0.89 %	0.82 %	
Return on average common shareholders' equity ⁽¹⁾	12.08 %	11.12 %	11.87 %	12.24 %	10.59 %	
Return on average tangible common shareholders' equity ^{(1),(3)}	12.31 %	11.38 %	12.10 %	12.49 %	10.86 %	
Average equity to average assets	8.50 %	8.20 %	8.37 %	8.28 %	8.31 %	
Dividends per common share	\$ 0.22	\$ 0.20	\$ 0.22	\$ 0.86	\$ 0.79	
Dividend payout ratio	10.9 %	12.5 %	11.5 %	11.2 %	13.6 %	
Efficiency ratio ⁽⁴⁾	63.3 %	61.6 %	61.3 %	62.5 %	61.9 %	
Net loan charge-offs (recoveries)	\$ 0.1	\$ (0.6)	\$ 0.3	\$ 2.1	\$ 2.4	
Net loan charge-offs (recoveries) to average total loans ⁽¹⁾	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
Selected Ratios (period-end):						
Book value per common share	\$ 68.34	\$ 58.61	\$ 66.44			
Tangible book value per common share ⁽⁵⁾	\$ 67.10	\$ 57.30	\$ 65.19			
Allowance for loan credit losses to:						
Total loans	0.51 %	0.56 %	0.52 %			
Nonaccrual loans	500.5 %	344.9 %	524.4 %			

⁽¹⁾ For periods less than a year, 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 December 31,		Quarter Ended September 30,		Year Ended December 31,	
	2021	2020	2021	2021	2020	
Effective tax rate, prior to excess tax benefits—stock awards and research and development tax credits from amended tax returns	22.0 %	22.5 %	23.2 %	22.3 %	21.5 %	
Excess tax benefits—stock awards	(1.5)	(0.4)	(1.8)	(2.1)	(1.3)	
Research and development tax credits from amended tax returns	(4.4)	—	—	(1.1)	—	
Effective tax rate	16.1 %	22.1 %	21.4 %	19.1 %	20.2 %	

<i>Provision (Reversal of Provision) for Credit Losses</i>	Quarter Ended December 31,		Quarter Ended September 30,	Year Ended December 31,	
	2021	2020	2021	2021	2020
<i>(\$ in millions)</i>					
Debt securities held-to-maturity	\$ —	\$ 1	\$ —	\$ 2	\$ 2
Loans	26	29	32	61	143
Unfunded loan commitments	(2)	5	2	(4)	12
Total provision	\$ 24	\$ 35	\$ 34	\$ 59	\$ 157

<i>Mortgage Loan Sales</i>	Quarter Ended December 31,		Quarter Ended September 30,	Year Ended December 31,	
	2021	2020	2021	2021	2020
<i>(\$ in millions)</i>					
Loans sold:					
Flow sales:					
Agency	\$ 15	\$ 152	\$ 18	\$ 79	\$ 233
Non-agency	—	—	—	1	32
Total flow sales	15	152	18	80	265
Bulk sales:					
Non-agency	—	—	—	—	673
Securitizations	—	—	—	—	300
Total loans sold	\$ 15	\$ 152	\$ 18	\$ 80	\$ 1,238
Gain on sale of loans:					
Amount ⁽¹⁾	\$ 0.1	\$ 2.4	\$ 0.1	\$ 0.6	\$ 17.0
Gain as a percentage of loans sold	0.45 %	1.58 %	0.80 %	0.72 %	1.37 %

⁽¹⁾ Included in other noninterest income on the consolidated statements of income.

<i>Loan Originations</i>	Quarter Ended December 31,		Quarter Ended September 30,	Year Ended December 31,	
	2021	2020	2021	2021	2020
<i>(\$ in millions)</i>					
Single family	\$ 7,013	\$ 7,778	\$ 6,998	\$ 29,575	\$ 23,986
Home equity lines of credit	617	619	589	2,440	1,905
Single family construction	245	224	283	968	639
Multifamily	1,723	1,017	1,199	4,815	3,701
Commercial real estate	597	438	725	2,094	1,414
Multifamily/commercial construction	190	304	356	1,129	1,301
Capital call lines of credit	3,690	3,854	3,129	12,871	9,448
Tax-exempt	130	306	38	590	919
Other business	650	771	533	2,729	2,549
PPP	—	—	—	725	1,982
Stock secured	966	670	753	3,205	2,467
Other secured	546	413	547	2,130	1,375
Unsecured	517	312	304	1,539	998
Total loans originated	\$ 16,884	\$ 16,706	\$ 15,454	\$ 64,810	\$ 52,684

<i>Asset Quality Information</i>	As of				
	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
<i>(\$ in millions)</i>					
Nonperforming assets:					
Nonaccrual loans	\$ 139	\$ 127	\$ 133	\$ 173	\$ 184
Other real estate owned	—	—	—	1	—
Total nonperforming assets	<u>\$ 139</u>	<u>\$ 127</u>	<u>\$ 133</u>	<u>\$ 174</u>	<u>\$ 184</u>
Nonperforming assets to total assets	0.08 %	0.07 %	0.08 %	0.11 %	0.13 %
Accruing loans 90 days or more past due	\$ —	\$ —	\$ —	\$ 1	\$ —
Restructured accruing loans	\$ 13	\$ 10	\$ 11	\$ 12	\$ 11

<i>Loan Servicing Portfolio</i>	As of				
	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
<i>(\$ in millions)</i>					
Loans serviced for investors	\$ 4,677	\$ 5,117	\$ 5,640	\$ 6,314	\$ 7,094

<i>Return on Average Common Shareholders' Equity and Return on Average Tangible Common Shareholders' Equity</i> ^{(1), (2)}	Quarter Ended December 31,		Quarter Ended September 30,		Year Ended December 31,	
	2021	2020	2021	2021	2021	2020
<i>(\$ in millions)</i>						
Average common shareholders' equity (a)	\$ 12,078	\$ 9,996	\$ 11,543	\$ 11,263	\$ 11,263	\$ 9,492
Less: Average goodwill and other intangible assets	(223)	(228)	(224)	(225)	(225)	(231)
Average tangible common shareholders' equity (b)	<u>\$ 11,855</u>	<u>\$ 9,768</u>	<u>\$ 11,319</u>	<u>\$ 11,038</u>	<u>\$ 11,038</u>	<u>\$ 9,261</u>
Net income available to common shareholders (c)	\$ 368	\$ 279	\$ 345	\$ 1,379	\$ 1,379	\$ 1,005
Return on average common shareholders' equity (c) / (a)	12.08 %	11.12 %	11.87 %	12.24 %	12.24 %	10.59 %
Return on average tangible common shareholders' equity (c) / (b)	12.31 %	11.38 %	12.10 %	12.49 %	12.49 %	10.86 %

⁽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⁾ For periods less than a year, ratios are annualized.

<i>Book Value per Common Share and Tangible Book Value per Common Share</i> ⁽¹⁾	As of				
	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
<i>(in millions, except per share amounts)</i>					
Total shareholders' equity	\$ 15,898	\$ 14,802	\$ 13,275	\$ 12,942	\$ 11,751
Less: Preferred stock	(3,633)	(2,893)	(2,143)	(2,143)	(1,545)
Total common shareholders' equity (a)	12,265	11,909	11,132	10,799	10,206
Less: Goodwill and other intangible assets	(222)	(223)	(224)	(226)	(228)
Total tangible common shareholders' equity (b)	<u>\$ 12,043</u>	<u>\$ 11,686</u>	<u>\$ 10,908</u>	<u>\$ 10,573</u>	<u>\$ 9,978</u>
Number of shares of common stock outstanding (c)	179	179	177	176	174
Book value per common share (a) / (c)	\$ 68.34	\$ 66.44	\$ 62.99	\$ 61.26	\$ 58.61
Tangible book value per common share (b) / (c)	\$ 67.10	\$ 65.19	\$ 61.72	\$ 59.98	\$ 57.30

⁽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				
	December 31, 2021 ⁽³⁾	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
<i>(\$ in millions)</i>					
Capital Ratios:					
Tier 1 leverage ratio (Tier 1 capital to average assets)	8.76 %	8.55 %	8.05 %	8.32 %	8.14 %
Common Equity Tier 1 capital to risk-weighted assets	9.65 %	9.81 %	9.51 %	9.64 %	9.67 %
Tier 1 capital to risk-weighted assets	12.56 %	12.25 %	11.38 %	11.60 %	11.18 %
Total capital to risk-weighted assets	13.72 %	13.45 %	12.60 %	12.87 %	12.55 %
Regulatory Capital:					
Common Equity Tier 1 capital	\$ 12,045	\$ 11,674	\$ 10,875	\$ 10,549	\$ 9,895
Tier 1 capital	\$ 15,678	\$ 14,566	\$ 13,018	\$ 12,691	\$ 11,440
Total capital	\$ 17,124	\$ 15,994	\$ 14,421	\$ 14,082	\$ 12,842
Assets:					
Average assets	\$ 178,969	\$ 170,373	\$ 161,637	\$ 152,465	\$ 140,493
Risk-weighted assets	\$ 124,820	\$ 118,941	\$ 114,406	\$ 109,413	\$ 102,321

⁽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 December 31, 2021 are preliminary.

<i>Wealth Management Assets</i>	As of				
	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
<i>(\$ in millions)</i>					
First Republic Investment Management	\$ 109,130	\$ 101,105	\$ 99,459	\$ 90,819	\$ 83,596
Brokerage and investment:					
Brokerage	128,258	115,793	112,359	101,478	88,059
Money market mutual funds	23,673	18,074	13,109	11,435	9,003
Total brokerage and investment	151,931	133,867	125,468	112,913	97,062
Trust Company:					
Trust	13,695	12,220	11,496	10,986	9,910
Custody	4,687	4,533	4,439	4,216	3,889
Total Trust Company	18,382	16,753	15,935	15,202	13,799
Total Wealth Management Assets	\$ 279,443	\$ 251,725	\$ 240,862	\$ 218,934	\$ 194,457

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