



FIRST REPUBLIC REPORTS THIRD QUARTER 2020 RESULTS

Revenues Increased 20% Year-Over-Year

Net Interest Income Increased 19% Year-Over-Year

San Francisco, California, October 13, 2020 – First Republic Bank (NYSE: FRC) today announced financial results for the quarter ended September 30, 2020.

“First Republic’s client-centric business model delivered another quarter of safe, consistent growth,” said Jim Herbert, Founder, Chairman and CEO of First Republic. “Lending, deposits and wealth management all continued to grow strongly due to our focus on exceptional, differentiated client service.”

Quarterly Highlights

Financial Results

- Year-over-year:
 - Revenues were \$1.0 billion, up 19.6%.
 - Net interest income was \$830.3 million, up 19.5%.
 - Net income was \$293.1 million, up 24.8%.
 - Diluted earnings per share of \$1.61, up 22.9% (included \$0.09 positive impact from discounts on loans sold, insurance proceeds and an amended tax return refund).
 - Tangible book value per share was \$55.00, up 12.6%.
- Loan originations totaled \$12.2 billion, our best quarter ever.
- Net interest margin was 2.71%, compared to 2.70% for the prior quarter.
- Efficiency ratio was 60.7%, compared to 62.0% for the prior quarter.

Continued Capital and Credit Strength

- Tier 1 leverage ratio was 8.38%.
- Nonperforming assets remained at a low 12 basis points of total assets.
- Net charge-offs were only \$1.7 million, or less than 1 basis point of average loans.

Continued Franchise Development

- Year-over-year:
 - Loans totaled \$102.7 billion, up 19.0% (excluding SBA Paycheck Protection Program (“PPP”) and for sale loans).
 - Deposits were \$104.4 billion, up 21.8%.
 - Wealth management assets were \$168.2 billion, up 19.9%.
 - Wealth management revenues were \$126.8 million, up 10.5%.

“We’re very pleased with the double-digit growth of revenue, net interest income and earnings per share, both this quarter and year to date,” said Mike Roffler, Chief Financial Officer. “Credit quality, capital and liquidity remain strong. We’re pleased to have raised \$500 million of Tier 1 fixed-for-life perpetual, preferred stock during the quarter at the lowest dividend rate ever for a bank.”

Quarterly Cash Dividend of \$0.20 per Share

The Bank declared a cash dividend for the third quarter of \$0.20 per share of common stock, which is payable on November 12, 2020 to shareholders of record as of October 29, 2020. The current quarterly dividend is an increase over last year, our ninth consecutive year of dividend increases.

Strong Asset Quality

Credit quality remains strong. Nonperforming assets were only 12 basis points of total assets at September 30, 2020.

The provision for credit losses for the quarter was \$28.5 million, which was driven by loan growth and an economic outlook reflecting the impact of COVID-19. For the first nine months of 2020, the provision for credit losses was \$122.0 million, with net loan charge-offs of only \$3.0 million.

Continued Capital Strength

The Bank’s Tier 1 leverage ratio was 8.38% at September 30, 2020, up from 8.15% at June 30, 2020.

During the third quarter, the Bank issued \$500.0 million of 4.125% Noncumulative Perpetual Series K Preferred Stock, which qualifies as Tier 1 capital. In addition, on October 9, 2020, the Bank redeemed the \$100.0 million of outstanding shares of its 5.70% Noncumulative Perpetual Series F Preferred Stock.

The Bank has not and does not engage in common stock buybacks.

Tangible Book Value Growth

Tangible book value per common share at September 30, 2020 was \$55.00, up 12.6% from a year ago.

Continued Franchise Development

Loan Originations

Loan originations were \$12.2 billion for the quarter, up 11.6% from the same quarter a year ago primarily due to an increase in single family lending.

Single family loan originations were 56% of the total for the quarter and had a weighted average loan-to-value ratio of 58%. In addition, multifamily and commercial real estate loans originated were 9% of total originations, and had a weighted average loan-to-value ratio of 50%.

Loans, excluding PPP loans and loans held for sale, totaled \$102.7 billion at September 30, 2020, up 19.0% compared to a year ago primarily due to increases in single family and multifamily loans.

COVID-19 Loan Modifications

Loan modifications to those borrowers experiencing financial challenges as a result of COVID-19 (not classified as troubled debt restructurings) totaled \$3.9 billion, and were 3.7% of total loans.

The Bank has limited exposure to several of the areas most directly impacted by COVID-19, such as the retail, hotel and restaurant industries, which totaled \$2.4 billion as of September 30, 2020, only 2.3% of total loans. As of September 30, 2020, the Bank had modifications of these portfolios for \$640 million, or 26%.

Deposit Growth

Total deposits increased to \$104.4 billion, up 21.8% compared to a year ago, and had an average rate paid of 21 basis points during the quarter.

At September 30, 2020, checking deposit balances were 64.8% of total deposits.

Investments

Total investment securities at September 30, 2020 were \$18.7 billion, a 7.1% increase compared to a year ago.

High-quality liquid assets, including eligible cash, totaled \$17.1 billion at September 30, 2020, and represented 12.9% of quarterly average total assets.

Wealth Management

Total wealth management assets were \$168.2 billion at September 30, 2020, up 8.0% for the quarter and up 19.9% compared to a year ago. The increases in wealth management assets were due to market appreciation and net client inflow.

Wealth management revenues totaled \$126.8 million for the quarter, up 10.5% compared to last year's third quarter. Such revenues represented 12.7% of the Bank's total revenues for the quarter.

Wealth management assets at September 30, 2020 included investment management assets of \$74.7 billion, brokerage assets and money market mutual funds of \$81.2 billion, and trust and custody assets of \$12.3 billion.

Income Statement and Key Ratios*Revenue Growth*

Total revenues were \$1.0 billion for the quarter, up 19.6% compared to the third quarter a year ago.

Net Interest Income Growth

Net interest income was \$830.3 million for the quarter, up 19.5% compared to the third quarter a year ago. The increase in net interest income resulted primarily from growth in average interest-earning assets, partially offset by a decrease in net interest margin.

Net Interest Margin

The net interest margin increased to 2.71% in the third quarter, from 2.70% in the prior quarter.

Noninterest Income

Noninterest income was \$171.0 million for the quarter, up 20.2% compared to the third quarter a year ago. The increase was primarily driven by the elevated gain on sale of loans, which included \$10.3 million related to discounts on loans purchased, higher investment management fees, and income from investments in life insurance, which included a \$5.3 million gain from life insurance proceeds.

Noninterest Expense and Efficiency Ratio

Noninterest expense was \$608.2 million for the quarter, up 13.9% compared to the third quarter a year ago. The increase was primarily due to increased salaries and benefits and information systems costs from the continued investments in the quality and expansion of the franchise, partially offset by lower travel and entertainment, as well as advertising and marketing expenses.

The efficiency ratio was 60.7% for the quarter, compared to 63.8% for the third quarter a year ago. For the first nine months of 2020, the efficiency ratio was 62.0%.

Income Taxes

The Bank's effective tax rate for the third quarter of 2020 was 19.6%, compared to 19.4% for the prior quarter, and 18.0% for the third quarter a year ago. For the first nine months of 2020, the Bank's effective tax rate was 19.5%, compared to 17.0% a year ago. The increases were primarily the result of lower excess tax benefits from a decrease in stock option exercises by employees, partially offset by a tax refund from an amended tax return.

Conference Call Details

First Republic Bank's third quarter 2020 earnings conference call is scheduled for October 13, 2020 at 7:00 a.m. PT / 10:00 a.m. ET. To access the event by telephone, please dial (800) 353-6461 and use confirmation code 2953562# approximately 15 minutes prior to the start time (to allow time for registration). International callers should dial +1 (334) 323-0501 and enter the same confirmation code.

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

For those unable to join the live presentation, a replay of the call will be available beginning October 13, 2020, at 11:00 a.m. PT / 2:00 p.m. ET, through October 20, 2020, at 8:59 p.m. PT / 11:59 p.m. ET. To access the replay, dial (888) 203-1112 and use confirmation code 2953562#. International callers should dial +1 (719) 457-0820 and enter the same confirmation code. A replay of the webcast also will be available for 90 days following, accessible in the Investor Relations section of First Republic Bank's website at firstrepublic.com.

The Bank's press releases are available after release in the Investor Relations section of First Republic Bank's website at firstrepublic.com.

About First Republic Bank

Founded in 1985, First Republic and its subsidiaries offer private banking, private business banking and private wealth management, including investment, trust and brokerage services. First Republic specializes in delivering exceptional, relationship-based service and offers a complete line of products, including residential, commercial and personal loans, deposit services, and wealth management. Services are offered through preferred banking or wealth management offices primarily in San Francisco, Palo Alto, Los Angeles, Santa Barbara, Newport Beach and San Diego, California; Portland, Oregon; Boston, Massachusetts; Palm Beach, Florida; Greenwich, Connecticut; New York, New York; and Jackson, Wyoming. First Republic is a constituent of the S&P 500 Index and KBW Nasdaq Bank Index. For more information, visit firstrepublic.com.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Statements in this press release that are not historical facts are hereby identified as "forward-looking statements" for the purpose of the safe harbor provided by Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Any statements about our expectations, beliefs, plans, predictions, forecasts, objectives, assumptions or future events or performance are not historical facts and may be forward-looking. These statements are often, but not always, made through the use of words or phrases such as

“anticipates,” “believes,” “can,” “could,” “may,” “predicts,” “potential,” “should,” “will,” “estimates,” “plans,” “projects,” “continuing,” “ongoing,” “expects,” “intends” and similar words or phrases. Accordingly, these statements are only predictions and involve estimates, known and unknown risks, assumptions and uncertainties that could cause actual results to differ materially from those expressed in them.

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 the COVID-19 pandemic (collectively referred to as “COVID-19” herein); 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; the possibility of earthquakes, fires and other natural disasters affecting the markets in which we operate; the negative impacts and disruptions resulting from COVID-19 on our colleagues and clients, the communities we serve and the domestic and global economy, which may have an adverse effect on our business, financial position and results of operations; interest rate risk and credit risk; our ability to maintain and follow high underwriting standards; economic and market conditions, including those affecting the valuation of our investment securities portfolio and credit losses on our loans and debt securities; real estate prices generally and in our markets; our geographic and product concentrations; demand for our products and services; developments and uncertainty related to the future use and availability of some reference rates, such as the London Interbank Offered Rate and the 11th District Monthly Weighted Average Cost of Funds Index, as well as other alternative reference rates; the regulatory environment in which we operate, our regulatory compliance and future regulatory requirements; any future changes to regulatory capital requirements; legislative and regulatory actions affecting us and the financial services industry, such as the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), including increased compliance costs, limitations on activities and requirements to hold additional capital, as well as changes to the Dodd-Frank Act pursuant to the Economic Growth, Regulatory Relief, and Consumer Protection Act; our ability to avoid litigation and its associated costs and liabilities; future

Federal Deposit Insurance Corporation (“FDIC”) special assessments or changes to regular assessments; fraud, cybersecurity and privacy risks; and custom technology preferences of our customers and our ability to successfully execute on initiatives relating to enhancements of our technology infrastructure, including client-facing systems and applications. For a discussion of these and other risks and uncertainties, see First Republic’s FDIC filings, including, but not limited to, the risk factors in First Republic’s Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and any subsequent reports filed by First Republic with the FDIC. These filings are available in the Investor Relations section of our website.

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

CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except per share amounts)	Quarter Ended September 30,		Quarter Ended June 30,	Nine Months Ended September 30,	
	2020	2019	2020	2020	2019
Interest income:					
Loans	\$ 811,708	\$ 764,468	\$ 791,286	\$ 2,399,646	\$ 2,205,884
Investments	142,971	134,099	146,515	438,055	401,908
Other	6,116	5,779	5,059	18,135	15,767
Cash and cash equivalents	1,181	5,430	564	5,685	18,966
Total interest income	961,976	909,776	943,424	2,861,521	2,642,525
Interest expense:					
Deposits	54,355	134,917	72,480	245,680	371,852
Borrowings	77,341	79,874	83,532	246,017	226,624
Total interest expense	131,696	214,791	156,012	491,697	598,476
Net interest income	830,280	694,985	787,412	2,369,824	2,044,049
Provision for credit losses	28,538	16,711	31,117	122,025	52,111
Net interest income after provision for credit losses	801,742	678,274	756,295	2,247,799	1,991,938
Noninterest income:					
Investment management fees	96,638	83,582	85,083	281,017	262,226
Brokerage and investment fees	10,796	12,673	12,406	39,028	28,619
Insurance fees	2,216	2,712	1,713	6,086	8,522
Trust fees	4,543	4,105	4,599	14,118	12,221
Foreign exchange fee income	12,575	11,685	10,105	34,864	30,661
Deposit fees	5,753	6,563	5,248	17,598	19,462
Loan and related fees	7,171	5,341	7,456	20,741	13,644
Loan servicing fees, net	144	2,347	(4,445)	(2,649)	9,560
Gain (loss) on sale of loans	13,797	122	(1,147)	14,575	466
Gain (loss) on investment securities	(405)	(683)	1,529	3,752	(1,895)
Income from investments in life insurance	20,546	12,152	7,800	36,506	31,536
Other income (loss)	(2,791)	1,608	1,222	960	4,853
Total noninterest income	170,983	142,207	131,569	466,596	419,875
Noninterest expense:					
Salaries and employee benefits	373,225	309,655	344,204	1,078,633	920,432
Information systems	74,549	66,612	74,037	219,301	204,059
Occupancy	55,543	50,722	54,941	164,125	142,204
Professional fees	19,845	17,507	15,517	48,479	45,623
Advertising and marketing	8,909	15,912	8,621	29,373	48,346
FDIC assessments	11,003	9,748	11,275	32,463	27,847
Other expenses	65,136	63,794	60,863	187,311	199,105
Total noninterest expense	608,210	533,950	569,458	1,759,685	1,587,616
Income before provision for income taxes	364,515	286,531	318,406	954,710	824,197
Provision for income taxes	71,378	51,687	61,638	186,119	140,198
Net income	293,137	234,844	256,768	768,591	683,999
Dividends on preferred stock	14,816	12,787	14,817	42,653	38,362
Net income available to common shareholders	\$ 278,321	\$ 222,057	\$ 241,951	\$ 725,938	\$ 645,637
Basic earnings per common share	\$ 1.62	\$ 1.32	\$ 1.41	\$ 4.23	\$ 3.85
Diluted earnings per common share	\$ 1.61	\$ 1.31	\$ 1.40	\$ 4.21	\$ 3.81
Weighted average shares—basic	172,142	168,272	171,627	171,537	167,694
Weighted average shares—diluted	172,932	169,346	172,659	172,514	169,449

CONSOLIDATED BALANCE SHEETS

(\$ in thousands)	As of			
	September 30, 2020	June 30, 2020	December 31, 2019 ⁽¹⁾	September 30, 2019 ⁽¹⁾
ASSETS				
Cash and cash equivalents	\$ 3,691,149	\$ 3,099,170	\$ 1,699,557	\$ 2,181,600
Debt securities available-for-sale	1,711,202	1,576,956	1,282,169	1,401,105
Debt securities held-to-maturity	16,929,422	17,513,211	17,147,633	16,002,722
Less: Allowance for credit losses	(5,716)	(5,383)	—	—
Debt securities held-to-maturity, net	16,923,706	17,507,828	17,147,633	16,002,722
Equity securities (fair value)	20,478	21,104	19,586	19,736
Loans: ⁽¹⁾				
Single family (1-4 units)	56,628,359	52,435,246	47,985,651	44,882,363
Home equity lines of credit	2,431,991	2,419,359	2,501,432	2,530,740
Single family construction	739,091	733,909	761,589	743,699
Multifamily (5+ units)	13,392,531	13,187,857	12,353,359	11,672,916
Commercial real estate	7,781,797	7,793,137	7,449,058	7,415,677
Multifamily/commercial construction	2,038,949	1,966,292	1,695,954	1,583,968
Capital call lines of credit	6,203,877	6,173,992	5,570,322	5,568,342
Tax-exempt	3,276,705	3,186,066	3,042,193	3,042,765
Other business	2,982,532	3,179,023	3,034,301	2,953,756
PPP	2,091,102	2,092,307	—	—
Stock secured	2,311,754	1,924,107	1,897,511	1,610,914
Other secured	1,780,652	1,702,535	1,433,399	1,293,084
Unsecured	3,102,311	3,221,405	3,072,062	3,006,586
Total loans	104,761,651	100,015,235	90,796,831	86,304,810
Allowance for credit losses	(604,747)	(583,997)	(496,104)	(485,465)
Loans, net	104,156,904	99,431,238	90,300,727	85,819,345
Loans held for sale	33,655	313,655	23,304	31,693
Investments in life insurance	1,949,360	1,468,712	1,434,642	1,425,057
Tax credit investments	1,099,713	1,105,853	1,100,509	1,039,061
Premises, equipment and leasehold improvements, net	390,241	388,256	386,841	373,693
Goodwill and other intangible assets	229,185	230,975	235,269	264,658
Other real estate owned	—	1,071	—	—
Other assets	3,020,178	3,159,069	2,633,397	2,470,065
Total Assets	\$ 133,225,771	\$ 128,303,887	\$ 116,263,634	\$ 111,028,735
LIABILITIES AND EQUITY				
Liabilities:				
Deposits:				
Noninterest-bearing checking	\$ 41,538,676	\$ 37,586,940	\$ 33,124,265	\$ 32,720,317
Interest-bearing checking	26,081,189	23,833,458	19,696,859	17,438,402
Money market checking	15,868,769	14,639,069	12,790,707	11,242,205
Money market savings and passbooks	11,419,289	10,236,015	10,586,355	10,277,249
Certificates of deposit	9,495,453	12,238,479	13,935,060	14,042,346
Total Deposits	104,403,376	98,533,961	90,133,246	85,720,519
Short-term borrowings	5,000	5,000	800,000	775,000
Long-term FHLB advances	13,505,000	15,405,000	12,200,000	10,900,000
Senior notes	995,626	995,109	497,719	497,494
Subordinated notes	778,204	778,096	777,885	777,781
Other liabilities	2,193,956	2,010,793	2,003,677	2,926,735
Total Liabilities	121,881,162	117,727,959	106,412,527	101,597,529
Shareholders' Equity:				
Preferred stock	1,645,000	1,145,000	1,145,000	940,000
Common stock	1,722	1,721	1,686	1,685
Additional paid-in capital	4,571,499	4,543,051	4,214,915	4,198,442
Retained earnings	5,102,229	4,858,965	4,484,375	4,281,249
Accumulated other comprehensive income	24,159	27,191	5,131	9,830
Total Shareholders' Equity	11,344,609	10,575,928	9,851,107	9,431,206
Total Liabilities and Shareholders' Equity	\$ 133,225,771	\$ 128,303,887	\$ 116,263,634	\$ 111,028,735

⁽¹⁾ For comparability, the Bank has adjusted certain prior period loan amounts to conform to the current period presentation under the Current Expected Credit Losses ("CECL") methodology.

Average Balances, Yields and Rates	Quarter Ended September 30,						Quarter Ended June 30,		
	2020			2019 ⁽⁴⁾			2020		
	Average Balance	Interest Income/ Expense ⁽¹⁾	Yields/ Rates ⁽²⁾	Average Balance	Interest Income/ Expense ⁽¹⁾	Yields/ Rates ⁽²⁾	Average Balance	Interest Income/ Expense ⁽¹⁾	Yields/ Rates ⁽²⁾
<i>(\$ in thousands)</i>									
Assets:									
Cash and cash equivalents	\$ 4,427,985	\$ 1,181	0.11 %	\$ 1,161,441	\$ 5,430	1.86 %	\$ 2,789,666	\$ 564	0.08 %
Investment securities:									
U.S. Government-sponsored agency securities	202,174	1,186	2.35 %	740,893	5,375	2.90 %	214,835	1,367	2.55 %
Agency residential and commercial MBS	6,250,577	37,437	2.40 %	6,593,422	46,762	2.84 %	6,615,707	42,661	2.58 %
Other residential and commercial MBS	37,860	201	2.13 %	4,473	43	3.84 %	27,499	182	2.65 %
Municipal securities	12,309,647	129,097	4.19 %	9,184,274	101,154	4.41 %	11,949,615	126,906	4.25 %
Other investment securities ⁽⁵⁾	44,782	309	2.76 %	24,977	156	2.49 %	43,800	309	2.83 %
Total investment securities	<u>18,845,040</u>	<u>168,230</u>	3.57 %	<u>16,548,039</u>	<u>153,490</u>	3.71 %	<u>18,851,456</u>	<u>171,425</u>	3.64 %
Loans: ⁽⁴⁾									
Residential real estate ⁽⁵⁾	56,906,612	421,545	2.96 %	45,754,902	374,690	3.27 %	53,737,207	404,691	3.01 %
Multifamily ⁽⁶⁾	13,312,631	124,759	3.67 %	11,391,573	111,727	3.84 %	12,887,676	120,657	3.70 %
Commercial real estate	7,801,603	78,412	3.93 %	7,280,053	77,654	4.17 %	7,718,257	77,635	3.98 %
Multifamily/commercial construction	2,739,717	30,608	4.37 %	2,294,560	29,055	4.95 %	2,632,682	29,468	4.43 %
Business ⁽⁷⁾	12,538,201	110,487	3.45 %	11,551,439	129,314	4.38 %	13,069,640	115,666	3.50 %
PPP	2,091,580	10,825	2.03 %	—	—	— %	1,620,772	7,659	1.87 %
Other ⁽⁸⁾	6,995,592	41,735	2.33 %	5,704,872	48,746	3.34 %	6,658,487	42,116	2.50 %
Total loans	<u>102,385,936</u>	<u>818,371</u>	3.16 %	<u>83,977,399</u>	<u>771,186</u>	3.63 %	<u>98,324,721</u>	<u>797,892</u>	3.23 %
FHLB stock	457,808	6,116	5.31 %	321,778	5,779	7.13 %	491,938	5,059	4.14 %
Total interest-earning assets	<u>126,116,769</u>	<u>993,898</u>	3.12 %	<u>102,008,657</u>	<u>935,885</u>	3.63 %	<u>120,457,781</u>	<u>974,940</u>	3.22 %
Noninterest-earning cash	433,852			335,648			425,440		
Goodwill and other intangibles	230,051			266,032			231,934		
Other assets	5,074,504			4,409,665			4,905,493		
Total noninterest-earning assets	<u>5,738,407</u>			<u>5,011,345</u>			<u>5,562,867</u>		
Total Assets	<u>\$131,855,176</u>			<u>\$107,020,002</u>			<u>\$126,020,648</u>		
Liabilities and Equity:									
Deposits:									
Checking	\$ 64,895,753	2,413	0.01 %	\$ 48,666,948	8,501	0.07 %	\$ 58,978,081	3,127	0.02 %
Money market checking and savings	26,220,043	13,675	0.21 %	20,536,777	53,046	1.02 %	24,133,700	15,224	0.25 %
CDs	11,334,100	38,267	1.34 %	13,170,046	73,370	2.21 %	12,721,452	54,129	1.71 %
Total deposits	<u>102,449,896</u>	<u>54,355</u>	0.21 %	<u>82,373,771</u>	<u>134,917</u>	0.65 %	<u>95,833,233</u>	<u>72,480</u>	0.30 %
Borrowings:									
Short-term borrowings	5,030	0	0.00 %	2,204,262	12,520	2.25 %	2,747	0	0.04 %
Long-term FHLB advances	14,739,238	62,201	1.68 %	9,796,739	54,901	2.22 %	15,868,682	68,391	1.73 %
Senior notes ⁽⁹⁾	995,373	6,032	2.42 %	497,384	3,350	2.69 %	994,905	6,034	2.43 %
Subordinated notes ⁽⁹⁾	778,151	9,108	4.68 %	777,730	9,103	4.68 %	778,044	9,107	4.68 %
Total borrowings	<u>16,517,792</u>	<u>77,341</u>	1.86 %	<u>13,276,115</u>	<u>79,874</u>	2.39 %	<u>17,644,378</u>	<u>83,532</u>	1.90 %
Total interest-bearing liabilities	<u>118,967,688</u>	<u>131,696</u>	0.44 %	<u>95,649,886</u>	<u>214,791</u>	0.89 %	<u>113,477,611</u>	<u>156,012</u>	0.55 %
Noninterest-bearing liabilities	2,082,793			2,037,177			2,067,585		
Preferred equity	1,226,522			940,000			1,145,000		
Common equity	9,578,173			8,392,939			9,330,452		
Total Liabilities and Equity	<u>\$131,855,176</u>			<u>\$107,020,002</u>			<u>\$126,020,648</u>		
Net interest spread ⁽¹⁰⁾			2.68 %			2.74 %			2.67 %
Net interest income (fully taxable-equivalent basis) and net interest margin ⁽¹¹⁾		<u>\$ 862,202</u>	2.71 %		<u>\$ 721,094</u>	2.80 %		<u>\$ 818,928</u>	2.70 %
Reconciliation of tax-equivalent net interest income to reported net interest income:									
Tax-equivalent adjustment		<u>(31,922)</u>			<u>(26,109)</u>			<u>(31,516)</u>	
Net interest income, as reported		<u>\$ 830,280</u>			<u>\$ 694,985</u>			<u>\$ 787,412</u>	

(continued on following page)

(continued from previous page)

Average Balances, Yields and Rates	Nine Months Ended September 30,					
	2020			2019 ⁽⁴⁾		
(\$ in thousands)	Average Balance	Interest Income/Expense ⁽¹⁾	Yields/Rates ⁽²⁾	Average Balance	Interest Income/Expense ⁽¹⁾	Yields/Rates ⁽²⁾
Assets:						
Cash and cash equivalents	\$ 3,028,868	\$ 5,685	0.25 %	\$ 1,231,578	\$ 18,966	2.06 %
Investment securities:						
U.S. Government-sponsored agency securities	241,343	4,760	2.63 %	938,081	20,827	2.96 %
Agency residential and commercial MBS	6,536,601	127,283	2.60 %	6,705,085	144,106	2.87 %
Other residential and commercial MBS	23,118	415	2.40 %	4,508	131	3.88 %
Municipal securities	11,874,265	379,182	4.26 %	8,624,534	293,060	4.53 %
Other investment securities ⁽³⁾	44,125	939	2.83 %	21,121	403	2.54 %
Total investment securities	18,719,452	512,579	3.65 %	16,293,329	458,527	3.75 %
Loans: ⁽⁴⁾						
Residential real estate ⁽⁵⁾	53,991,954	1,231,219	3.04 %	43,212,352	1,073,950	3.31 %
Multifamily ⁽⁶⁾	12,923,436	364,360	3.70 %	10,980,052	320,977	3.85 %
Commercial real estate	7,698,522	234,655	4.00 %	6,978,946	223,602	4.22 %
Multifamily/commercial construction	2,641,375	90,361	4.49 %	2,286,710	85,971	4.96 %
Business ⁽⁷⁾	12,665,609	349,205	3.62 %	11,216,470	382,143	4.49 %
PPP	1,240,568	18,484	1.96 %	—	—	— %
Other ⁽⁸⁾	6,703,449	131,423	2.58 %	5,382,125	139,274	3.41 %
Total loans	97,864,913	2,419,707	3.27 %	80,056,655	2,225,917	3.69 %
FHLB stock	452,260	18,135	5.36 %	310,758	15,768	6.78 %
Total interest-earning assets	120,065,493	2,956,106	3.26 %	97,892,320	2,719,178	3.69 %
Noninterest-earning cash	434,181			341,984		
Goodwill and other intangibles	232,014			269,246		
Other assets	4,901,072			4,306,791		
Total noninterest-earning assets	5,567,267			4,918,021		
Total Assets	\$ 125,632,760			\$ 102,810,341		
Liabilities and Equity:						
Deposits:						
Checking	\$ 59,266,405	13,972	0.03 %	\$ 47,006,632	21,541	0.06 %
Money market checking and savings	24,283,378	73,769	0.41 %	19,714,378	146,900	1.00 %
CDs	12,742,008	157,939	1.66 %	12,457,649	203,411	2.18 %
Total deposits	96,291,791	245,680	0.34 %	79,178,659	371,852	0.63 %
Borrowings:						
Short-term borrowings	411,712	4,700	1.52 %	2,016,744	36,832	2.44 %
Long-term FHLB advances	14,676,405	197,158	1.79 %	9,149,268	147,669	2.16 %
Senior notes ⁽⁹⁾	918,809	16,839	2.44 %	741,731	14,818	2.66 %
Subordinated notes ⁽⁹⁾	778,045	27,320	4.68 %	777,629	27,305	4.68 %
Total borrowings	16,784,971	246,017	1.96 %	12,685,372	226,624	2.39 %
Total interest-bearing liabilities	113,076,762	491,697	0.58 %	91,864,031	598,476	0.87 %
Noninterest-bearing liabilities	2,060,245			1,780,107		
Preferred equity	1,172,372			940,000		
Common equity	9,323,381			8,226,203		
Total Liabilities and Equity	\$ 125,632,760			\$ 102,810,341		
Net interest spread ⁽¹⁰⁾			2.68 %			2.82 %
Net interest income (fully taxable-equivalent basis) and net interest margin ⁽¹¹⁾		\$ 2,464,409	2.72 %		\$ 2,120,702	2.87 %
Reconciliation of tax-equivalent net interest income to reported net interest income:						
Tax-equivalent adjustment		(94,585)			(76,653)	
Net interest income, as reported		\$ 2,369,824			\$ 2,044,049	

(continued on following page)

(continued from previous page)

- (¹) Interest income is presented on a fully taxable-equivalent basis.
(²) Yields/rates are annualized.
(³) Includes corporate debt securities, mutual funds and marketable equity securities.
(⁴) For comparability, the Bank has adjusted certain prior period loan amounts to conform to the current period presentation under CECL.
(⁵) Includes single family, home equity lines of credit, and single family construction loans. Also includes single family loans held for sale.
(⁶) Includes multifamily loans held for sale.
(⁷) Includes capital call lines of credit, tax-exempt and other business loans.
(⁸) Includes stock secured, other secured and unsecured loans.
(⁹) Average balances include unamortized issuance discounts and costs. Interest expense includes amortization of issuance discounts and costs.
(¹⁰) Net interest spread represents the average yield on interest-earning assets less the average rate on interest-bearing liabilities.
(¹¹) Net interest margin represents net interest income on a fully taxable-equivalent basis divided by total average interest-earning assets.

Operating Information	Quarter Ended September 30,		Quarter Ended June 30,		Nine Months Ended September 30,	
	2020	2019	2020	2020	2019	
<i>(\$ in thousands, except per share amounts)</i>						
Net income to average assets ⁽¹⁾	0.88 %	0.87 %	0.82 %	0.82 %	0.89 %	
Net income available to common shareholders to average common equity ⁽¹⁾	11.56 %	10.50 %	10.43 %	10.40 %	10.49 %	
Net income available to common shareholders to average tangible common equity ⁽¹⁾	11.84 %	10.84 %	10.70 %	10.67 %	10.85 %	
Dividends per common share	\$ 0.20	\$ 0.19	\$ 0.20	\$ 0.59	\$ 0.56	
Dividend payout ratio	12.4 %	14.5 %	14.3 %	14.0 %	14.7 %	
Efficiency ratio ^{(2), (3)}	60.7 %	63.8 %	62.0 %	62.0 %	64.4 %	
Net loan charge-offs	\$ 1,687	\$ 4,341	\$ 1,098	\$ 2,987	\$ 5,694	
Net loan charge-offs to average total loans ⁽¹⁾	0.01 %	0.02 %	0.00 %	0.00 %	0.01 %	
Allowance for loan credit losses to:						
Total loans	0.58 %	0.56 %	0.58 %	0.58 %	0.56 %	
Nonaccrual loans	368.2 %	354.5 %	354.1 %	368.2 %	354.5 %	

- (¹) Ratios are annualized.
(²) Efficiency ratio is the ratio of noninterest expense to the sum of net interest income and noninterest income.
(³) The provision for unfunded loan commitments is included in the provision for credit losses for 2020 periods. For 2019 periods, the provision for unfunded loan commitments is included in other noninterest expense.

Effective Tax Rate	Quarter Ended September 30,		Quarter Ended June 30,		Nine Months Ended September 30,	
	2020	2019	2020	2020	2019	
Effective tax rate, prior to excess tax benefits and tax refund from an amended tax return	21.1 %	21.4 %	22.5 %	21.6 %	21.4 %	
Excess tax benefits—stock options	(0.1)	(3.3)	(1.0)	(0.8)	(3.6)	
Excess tax benefits—other stock awards	(0.1)	(0.1)	(2.1)	(0.8)	(0.8)	
Total excess tax benefits	(0.2)	(3.4)	(3.1)	(1.6)	(4.4)	
Tax refund from an amended tax return	(1.3)	—	—	(0.5)	—	
Effective tax rate	19.6 %	18.0 %	19.4 %	19.5 %	17.0 %	

<i>Provision for Credit Losses</i>	Quarter Ended September 30,		Quarter Ended June 30,	Nine Months Ended September 30,	
	2020	2019	2020	2020	2019
<i>(\$ in thousands)</i>					
Debt securities held-to-maturity	\$ 333	\$ —	\$ 296	\$ 1,047	\$ —
Loans	22,437	16,711	43,189	113,305	52,111
Unfunded loan commitments ⁽¹⁾	5,768	—	(12,368)	7,673	—
Total provision	<u>\$ 28,538</u>	<u>\$ 16,711</u>	<u>\$ 31,117</u>	<u>\$ 122,025</u>	<u>\$ 52,111</u>

⁽¹⁾ The provision for unfunded loan commitments is included in the provision for credit losses for 2020 periods. For 2019 periods, the provision for unfunded loan commitments is included in other noninterest expense, which is not presented in this table.

<i>Allowance for Credit Losses</i>	Quarter Ended September 30, 2020				Nine Months Ended September 30, 2020			
	Debt Securities Held-to-Maturity	Loans	Unfunded Loan Commitments ⁽¹⁾	Total	Debt Securities Held-to-Maturity	Loans	Unfunded Loan Commitments ⁽¹⁾	Total
<i>(\$ in thousands)</i>								
Balance at beginning of period ⁽²⁾	\$ 5,383	\$ 583,997	\$ 17,602	\$ 606,982	\$ 4,669	\$ 494,429	\$ 15,697	\$ 514,795
Provision for credit losses	333	22,437	5,768	28,538	1,047	113,305	7,673	122,025
Net charge-offs	—	(1,687)	—	(1,687)	—	(2,987)	—	(2,987)
Balance at end of period	<u>\$ 5,716</u>	<u>\$ 604,747</u>	<u>\$ 23,370</u>	<u>\$ 633,833</u>	<u>\$ 5,716</u>	<u>\$ 604,747</u>	<u>\$ 23,370</u>	<u>\$ 633,833</u>

⁽¹⁾ The allowance for credit losses on unfunded loan commitments is included in other liabilities.

⁽²⁾ For the nine months ended September 30, 2020, represents the balance after the cumulative effect adjustment from the adoption of CECL.

<i>Mortgage Loan Sales</i>	Quarter Ended September 30,		Quarter Ended June 30,	Nine Months Ended September 30,	
	2020	2019	2020	2020	2019
<i>(\$ in thousands)</i>					
Loans sold:					
Flow sales:					
Agency	\$ 44,118	\$ 25,214	\$ 10,810	\$ 80,702	\$ 51,426
Non-agency	—	11,932	—	31,870	43,266
Total flow sales	44,118	37,146	10,810	112,572	94,692
Bulk sales:					
Non-agency	235,732	—	—	673,401	152,119
Securitizations	—	—	300,116	300,116	—
Total loans sold	<u>\$ 279,850</u>	<u>\$ 37,146</u>	<u>\$ 310,926</u>	<u>\$ 1,086,089</u>	<u>\$ 246,811</u>
Gain (loss) on sale of loans:					
Amount ⁽¹⁾	\$ 13,797	\$ 122	\$ (1,147)	\$ 14,575	\$ 466
Gain (loss) as a percentage of loans sold ⁽¹⁾	4.93 %	0.33 %	(0.37)%	1.34 %	0.19 %

⁽¹⁾ The gain for the quarter and nine months ended September 30, 2020 included \$10.3 million related to discounts on purchased loans. Excluding these discounts of \$10.3 million, the gain as a percentage of loans sold was 1.24% and 0.39% for the quarter and nine months ended September 30, 2020, respectively.

Loan Originations	Quarter Ended September 30,		Quarter Ended June 30,		Nine Months Ended September 30,	
	2020	2019 ⁽¹⁾	2020 ⁽²⁾	2020	2019 ⁽¹⁾	
<i>(\$ in thousands)</i>						
Single family (1-4 units)	\$ 6,813,850	\$ 4,872,598	\$ 5,875,184	\$ 16,208,370	\$ 11,129,819	
Home equity lines of credit	432,443	359,154	457,737	1,285,688	1,067,881	
Single family construction	186,833	175,361	119,318	415,313	455,061	
Multifamily (5+ units)	955,951	710,183	946,820	2,684,074	2,105,764	
Commercial real estate	193,228	543,964	330,683	975,769	1,309,736	
Multifamily/commercial construction	245,220	387,144	131,414	997,555	835,272	
Capital call lines of credit	1,803,907	2,337,530	1,405,347	5,594,483	5,463,704	
Tax-exempt	328,711	48,125	184,054	612,784	234,470	
Other business	243,788	428,533	914,257	1,777,824	1,108,712	
PPP	—	—	1,981,797	1,981,797	—	
Stock secured	685,250	443,691	519,416	1,797,226	1,119,145	
Other secured	189,386	218,831	358,730	961,940	841,001	
Unsecured	159,379	438,278	203,270	685,537	1,068,959	
Total loans originated	<u>\$ 12,237,946</u>	<u>\$ 10,963,392</u>	<u>\$ 13,428,027</u>	<u>\$ 35,978,360</u>	<u>\$ 26,739,524</u>	

⁽¹⁾ For comparability, the Bank has adjusted certain prior period amounts to conform to the current period presentation under CECL.

⁽²⁾ Excluding PPP loan originations, total loan originations were \$11.4 billion for the quarter ended June 30, 2020.

Asset Quality Information	As of				
	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019
<i>(\$ in thousands)</i>					
Nonperforming assets:					
Nonaccrual loans	\$ 164,247	\$ 164,930	\$ 125,418	\$ 143,181	\$ 136,928
Other real estate owned	—	1,071	1,071	—	—
Total nonperforming assets	<u>\$ 164,247</u>	<u>\$ 166,001</u>	<u>\$ 126,489</u>	<u>\$ 143,181</u>	<u>\$ 136,928</u>
Nonperforming assets to total assets	0.12 %	0.13 %	0.10 %	0.12 %	0.12 %
Accruing loans 90 days or more past due	\$ 935	\$ 3,764	\$ —	\$ —	\$ —
Restructured accruing loans	\$ 11,378	\$ 11,501	\$ 13,418	\$ 13,287	\$ 14,964

	September 30, 2020				
COVID-19 Loan Modifications ^{(1), (2), (3), (4)}	Unpaid Principal Balance	Deferred Interest ⁽⁵⁾	LTV ⁽⁶⁾	Average Loan Size	Number of Loans
<i>(\$ in millions)</i>					
Single family (1-4 units)	\$ 1,780	\$ 25	60 %	\$ 1.0	1,788
Home equity lines of credit	71	1	57 %	\$ 0.4	174
Single family construction	10	—	55 %	\$ 1.4	7
Multifamily (5+ units)	548	7	52 %	\$ 3.1	179
Commercial real estate	1,004	13	48 %	\$ 3.7	275
Multifamily/commercial construction	68	2	41 %	\$ 6.8	10
Capital call lines of credit	—	—	n/a	\$ —	—
Tax-exempt	72	1	n/a	\$ 17.9	4
Other business	176	2	n/a	\$ 1.3	138
Stock secured	—	—	n/a	\$ —	—
Other secured	5	—	n/a	\$ 0.5	12
Unsecured ⁽⁷⁾	131	—	n/a	\$ 0.1	985
Total	\$ 3,865	\$ 51			3,572

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

⁽²⁾ Includes 936 loans totaling \$297 million that have completed their deferral period, but for which a normal payment is not yet due.

⁽³⁾ Includes 10 loans totaling \$46 million that were modified a second time.

⁽⁴⁾ Excludes 395 loans totaling \$330 million that have completed their deferral period and returned to a normal payment schedule or are no longer outstanding.

⁽⁵⁾ Represents interest payments not made during the deferral period through September 30, 2020.

⁽⁶⁾ Weighted average loan-to-value (“LTV”) ratios for real estate secured loans are based on appraised value at the time of origination.

⁽⁷⁾ Includes \$130 million of household debt refinance loans.

	September 30, 2020				
Loan Industry Information	Unpaid Principal Balance	LTV	Average Loan Size	Number of Loans	Personal Guarantee %
<i>(\$ in millions)</i>					
Retail	\$ 1,774	49 %	\$ 2.7	682	76 %
Hotel	430	48 %	\$ 6.8	65	74 %
Restaurant ⁽¹⁾	231	51 %	\$ 1.1	215	94 %
Total ⁽²⁾	\$ 2,435			962	

⁽¹⁾ Approximately 70% of loans to restaurants are real estate secured.

⁽²⁾ Amounts in the table above exclude \$43 million of loans for hotels and \$135 million of loans for restaurants under the PPP.

	As of				
Loan Servicing Portfolio	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019
<i>(\$ in millions)</i>					
Loans serviced for investors	\$ 7,799	\$ 8,316	\$ 9,203	\$ 9,298	\$ 10,080

	As of				
Common Shares, Book Value per Common Share and Tangible Book Value per Common Share	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019
<i>(in thousands, except per share amounts)</i>					
Number of shares of common stock outstanding	172,188	172,094	171,395	168,621	168,450
Book value per common share	\$ 56.33	\$ 54.80	\$ 53.76	\$ 51.63	\$ 50.41
Tangible book value per common share	\$ 55.00	\$ 53.46	\$ 52.40	\$ 50.24	\$ 48.84

<i>Capital Ratios</i>	<i>As of</i>				
	September 30, 2020 ^{(1), (2)}	June 30, 2020 ⁽²⁾	March 31, 2020 ⁽²⁾	December 31, 2019	September 30, 2019
Tier 1 leverage ratio (Tier 1 capital to average assets)	8.38 %	8.15 %	8.46 %	8.39 %	8.50 %
Common Equity Tier 1 capital to risk-weighted assets	9.78 %	9.80 %	9.87 %	9.86 %	9.91 %
Tier 1 capital to risk-weighted assets	11.50 %	11.04 %	11.14 %	11.21 %	11.05 %
Total capital to risk-weighted assets	12.94 %	12.49 %	12.62 %	12.73 %	12.61 %
<i>Regulatory Capital</i> ⁽³⁾					
<i>(\$ in thousands)</i>					
Common Equity Tier 1 capital	\$ 9,375,688	\$ 9,103,771	\$ 8,887,905	\$ 8,371,192	\$ 8,124,179
Tier 1 capital	\$ 11,020,688	\$ 10,248,771	\$ 10,032,905	\$ 9,516,192	\$ 9,064,179
Total capital	\$ 12,396,304	\$ 11,604,141	\$ 11,365,654	\$ 10,802,209	\$ 10,340,902
<i>Assets</i> ⁽³⁾					
<i>(\$ in thousands)</i>					
Average assets	\$ 131,517,445	\$ 125,690,830	\$ 118,626,842	\$ 113,403,507	\$ 106,659,003
Risk-weighted assets	\$ 95,823,385	\$ 92,870,859	\$ 90,072,400	\$ 84,885,943	\$ 81,994,651

⁽¹⁾ Ratios and amounts as of September 30, 2020 are preliminary.

⁽²⁾ In accordance with the CECL Interim Final Rule, the Bank elected to delay the estimated impact of CECL on its regulatory capital and risk-weighted assets over a five-year transition period ending December 31, 2024. Ratios and amounts for 2020 periods have been adjusted to exclude the following impacts attributed to the adoption of CECL: decreases in retained earnings, increases in allowance for credit losses on loans, held-to-maturity debt securities and unfunded loan commitments, decreases in average assets, and increases in risk-weighted assets.

⁽³⁾ As defined by regulatory capital rules.

<i>Wealth Management Assets</i>	<i>As of</i>				
	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019
<i>(\$ in millions)</i>					
First Republic Investment Management	\$ 74,661	\$ 68,124	\$ 60,056	\$ 66,029	\$ 61,204
Brokerage and investment:					
Brokerage	76,769	70,178	60,189	68,807	63,053
Money market mutual funds	4,416	5,933	6,893	4,268	4,402
Total brokerage and investment	81,185	76,111	67,082	73,075	67,455
Trust Company:					
Trust	8,687	7,905	7,288	7,121	6,366
Custody	3,651	3,646	3,461	4,818	5,210
Total Trust Company	12,338	11,551	10,749	11,939	11,576
Total Wealth Management Assets	\$ 168,184	\$ 155,786	\$ 137,887	\$ 151,043	\$ 140,235

Investors:

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

Media:

Greg Berardi
Blue Marlin Partners
greg@bluemarlinpartners.com
(415) 239-7826