



FIRST REPUBLIC REPORTS SECOND QUARTER 2021 RESULTS

Tangible Book Value Per Share Up 15.5% Year-Over-Year

Net Interest Income Increased 27.5% Year-Over-Year

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

“First Republic had another very strong quarter of organic growth,” said Jim Herbert, Founder, Chairman and Co-CEO of First Republic Bank. “First Republic’s brand of exceptional client service resulted in significant growth in single family loans, deposits and wealth management assets.”

“Our results this quarter were representative of how our service-focused business model continues to resonate strongly with clients,” said Hafize Gaye Erkan, Co-CEO and President. “Providing exceptional service is a proven differentiator for First Republic.”

Quarterly Highlights

Financial Results

- Year-over-year:
 - Revenues were \$1.2 billion, up 33.9%.
 - Net interest income was \$1.0 billion, up 27.5%.
 - Net income was \$373.1 million, up 45.3%.
 - Diluted earnings per share of \$1.95, up 39.3% (included \$0.11 positive impact from tax benefits on vesting of stock awards).
 - Tangible book value per share was \$61.72, up 15.5%.
- Loan originations totaled \$16.8 billion, our strongest quarter ever.
- Net interest margin was 2.68%, compared to 2.67% for the prior quarter.
- Efficiency ratio was 62.0%, compared to 63.5% for the prior quarter.

Continued Capital and Credit Strength

- Tier 1 leverage ratio was 8.05%.
- Nonperforming assets were at a very low 8 basis points of total assets.
- Net charge-offs were only \$1.2 million, or less than 1 basis point of average loans.

Continued Franchise Growth

- Year-over-year:
 - Loans totaled \$123.1 billion, up 22.7%.
 - Deposits were \$134.7 billion, up 36.7%.
 - Wealth management assets were \$240.9 billion, up 54.6%.
 - Wealth management revenues were \$183.6 million, up 61.2%.

“We are quite pleased with the growth of revenue and net interest income during the second quarter,” said Mike Roffler, Chief Financial Officer. “Credit quality remains excellent, further reflecting the safety and stability of First Republic.”

Quarterly Cash Dividend of \$0.22 per Share

The Bank declared a cash dividend for the second quarter of \$0.22 per share of common stock, which is payable on August 12, 2021 to shareholders of record as of July 29, 2021.

Strong Asset Quality

Credit quality remains strong. Nonperforming assets were at a very low 8 basis points of total assets at June 30, 2021. The Bank had modest net loan charge-offs of only \$1.2 million for the quarter.

During the second quarter, the Bank recorded a provision for credit losses of \$16.1 million, which was primarily driven by loan growth.

Continued Book Value Growth and Capital Strength

Book value per common share at June 30, 2021 was \$62.99, up 14.9% from a year ago. Tangible book value per common share at June 30, 2021 was \$61.72, up 15.5% from a year ago.

The Bank’s Tier 1 leverage ratio was 8.05% at June 30, 2021, compared to 8.32% at March 31, 2021.

Continued Franchise Growth

Loan Originations

Loan originations were our largest ever at \$16.8 billion for the quarter, up 24.7% from the same quarter a year ago. This was primarily due to increases in single family and business lending, partially offset by a decrease in loan originations under the Small Business Administration’s Paycheck Protection Program (“PPP”).

Single family loan originations were 52% of the total volume for the quarter and had a weighted average loan-to-value ratio of 60%. Multifamily and commercial real estate loans originated were only 9% of total originations, and had a weighted average loan-to-value ratio of 49%.

Loans totaled \$123.1 billion at June 30, 2021, up 22.7% compared to a year ago, primarily due to increases in single family loans, business, multifamily and stock secured loans, partially offset by a decrease in PPP loans.

COVID-19 Loan Modifications Continue to Decline

Remaining loan modifications to those borrowers experiencing financial challenges as a result of COVID-19 (not classified as troubled debt restructurings) totaled \$634 million, and were only 0.5% of total loans as of June 30, 2021, down from a peak of approximately 4% of total loans as of June 30, 2020.

Deposit Growth

Total deposits increased to \$134.7 billion, up 36.7% compared to a year ago, and had an average rate paid of 7 basis points during the quarter.

At June 30, 2021, checking deposit balances were 68.0% of total deposits.

Investments

Total investment securities at June 30, 2021 were \$22.9 billion, a 5.6% increase compared to the prior quarter and a 19.9% increase compared to a year ago.

High-quality liquid assets, including eligible cash, totaled \$23.2 billion at June 30, 2021, and represented 14.3% of quarterly average total assets.

Wealth Management

Total wealth management assets were \$240.9 billion at June 30, 2021, up 10.0% compared to the prior quarter and up 54.6% compared to a year ago. The increases in wealth management assets were due to both net client inflow and market appreciation.

Wealth management revenues totaled \$183.6 million for the quarter, up 61.2% compared to last year's second quarter. Such revenues represented 14.9% of the Bank's total revenues for the quarter.

Wealth management assets at June 30, 2021 included investment management assets of \$99.5 billion, brokerage assets and money market mutual funds of \$125.5 billion, and trust and custody assets of \$15.9 billion.

Income Statement and Key Ratios

Revenue Growth

Total revenues were \$1.2 billion for the quarter, up 33.9% compared to the second quarter a year ago.

Net Interest Income Growth

Net interest income was \$1.0 billion for the quarter, up 27.5% compared to the second quarter a year ago. The increase in net interest income resulted primarily from growth in average interest-earning assets.

Net Interest Margin

The net interest margin increased to 2.68% in the second quarter, from 2.67% in the prior quarter.

Noninterest Income

Noninterest income was \$226.6 million for the quarter, up 72.2% compared to the second quarter a year ago. The increase was primarily driven by higher wealth management fees, income from investments in life insurance and loan servicing fees.

Noninterest Expense and Efficiency Ratio

Noninterest expense was \$762.8 million for the quarter, up 33.9% compared to the second quarter a year ago. The increase was primarily due to increased salaries and benefits, information systems and occupancy costs from the continued investments in the expansion of the franchise, and higher professional fees and advertising and marketing costs.

The efficiency ratio was 62.0% for both the second quarter of 2021 and 2020.

Income Taxes

The Bank's effective tax rate for the second quarter of 2021 was 17.4%, compared to 21.9% for the prior quarter, and 19.4% for the second quarter a year ago. The decrease from the second quarter a year ago was primarily the result of higher excess tax benefits upon vesting of stock awards due to higher market valuation levels. For the first six months of 2021, the Bank's effective tax rate was 19.6%, compared to 19.4% a year ago.

Conference Call Details

First Republic Bank's second quarter 2021 earnings conference call is scheduled for July 13, 2021 at 7:00 a.m. PT / 10:00 a.m. ET. To access the event by telephone, please dial (800) 458-4148 and provide confirmation code 3341684 approximately 15 minutes prior to the start time (to allow time for registration). International callers should dial +1 (856) 344-9290 and provide the same confirmation code.

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

For those unable to join the live presentation, a replay of the call will be available beginning July 13, 2021, at 11:00 a.m. PT / 2:00 p.m. ET, through July 20, 2021, at 8:59 p.m. PT / 11:59 p.m. ET. To access the replay, dial (888) 203-1112 and use confirmation code 3341684#. International callers should dial +1 (719) 457-0820 and enter the same confirmation code. A replay of the webcast also will be available for 90 days following, accessible in the Investor Relations section of First Republic Bank's website at ir.firstrepublic.com/events-calendar.

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

About First Republic Bank

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

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Statements in this press release that are not historical facts are hereby identified as “forward-looking statements” for the purpose of the safe harbor provided by Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Any statements about our expectations, beliefs, plans, predictions, forecasts, objectives, assumptions or future events or performance are not historical facts and may be forward-looking. These statements are often, but not always, made through the use of words or phrases such as “anticipates,” “believes,” “can,” “could,” “may,” “predicts,” “potential,” “should,” “will,” “estimates,” “plans,” “projects,” “continuing,” “ongoing,” “expects,” “intends” and similar words or phrases. Accordingly, these statements are only predictions and involve estimates, known and unknown risks, assumptions and uncertainties that could cause actual results to differ materially from those expressed in them.

Forward-looking statements involving such risks and uncertainties include, but are not limited to, statements regarding: projections of loans, assets, deposits, liabilities, revenues, expenses, tax liabilities, net income, capital expenditures, liquidity, dividends, capital structure, investments or other financial items; expectations regarding the banking and wealth management industries; descriptions of plans or objectives of management for future operations, products or services; forecasts of future economic conditions generally and in our market areas in particular, which may affect the ability of borrowers to repay their loans and the value of real property or other property held as collateral for such loans; our opportunities for growth and our plans for expansion (including opening new offices); expectations about the performance of any new offices; projections about the amount and the value of intangible assets, as well as amortization of recorded amounts; future provisions for credit losses on loans and debt securities, as well as for unfunded loan commitments; changes in nonperforming assets; expectations regarding the impact and duration of COVID-19; projections about future levels of loan originations or loan repayments; projections regarding costs, including the impact on our efficiency ratio; and descriptions of assumptions underlying or relating to any of the foregoing.

Factors that could cause actual results to differ from those discussed in the forward-looking statements include, but are not limited to: significant competition to attract and retain banking and wealth management customers, from both traditional and non-traditional financial services and technology companies; our ability to recruit and retain key managers, employees and board members; natural or other disasters, including earthquakes, wildfires, pandemics or acts of terrorism affecting the markets in which we operate; the negative impacts and disruptions resulting from COVID-19 on our colleagues and clients, the communities we serve and the domestic and global economy, which may have an adverse effect on our business, financial position and results of operations; interest rate risk and credit risk; our ability to maintain and follow high underwriting standards; economic and market conditions, including those affecting the valuation of our investment securities portfolio and credit losses on our loans and debt securities; real estate prices generally and in our markets; our geographic and product concentrations; demand for our products and services; developments and uncertainty related to the future use and availability of some reference rates, such as the London Interbank Offered Rate and the 11th District Monthly Weighted Average Cost of Funds Index, as well as other

alternative reference rates; the regulatory environment in which we operate, our regulatory compliance and future regulatory requirements; any future changes to regulatory capital requirements; legislative and regulatory actions affecting us and the financial services industry, such as the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), including increased compliance costs, limitations on activities and requirements to hold additional capital, as well as changes to the Dodd-Frank Act pursuant to the Economic Growth, Regulatory Relief, and Consumer Protection Act; our ability to avoid litigation and its associated costs and liabilities; future Federal Deposit Insurance Corporation (“FDIC”) special assessments or changes to regular assessments; fraud, cybersecurity and privacy risks; and custom technology preferences of our customers and our ability to successfully execute on initiatives relating to enhancements of our technology infrastructure, including client-facing systems and applications. For a discussion of these and other risks and uncertainties, see First Republic’s FDIC filings, including, but not limited to, the risk factors in First Republic’s Annual Report on Form 10-K and any subsequent reports filed by First Republic with the FDIC. These filings are available in the Investor Relations section of our website.

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

Non-GAAP Financial Measures

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

CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except per share amounts)	Quarter Ended June 30,		Quarter Ended March 31,	Six Months Ended June 30,	
	2021	2020	2021	2021	2020
Interest income:					
Loans	\$ 912,885	\$ 791,286	\$ 873,170	\$ 1,786,055	\$ 1,587,938
Investments	156,947	146,515	140,711	297,658	295,084
Other	5,103	5,059	5,189	10,292	12,019
Cash and cash equivalents	3,070	564	2,894	5,964	4,504
Total interest income	1,078,005	943,424	1,021,964	2,099,969	1,899,545
Interest expense:					
Deposits	24,096	72,480	27,571	51,667	191,325
Borrowings	50,044	83,532	55,611	105,655	168,676
Total interest expense	74,140	156,012	83,182	157,322	360,001
Net interest income	1,003,865	787,412	938,782	1,942,647	1,539,544
Provision (reversal of provision) for credit losses	16,143	31,117	(14,608)	1,535	93,487
Net interest income after provision (reversal of provision) for credit losses	987,722	756,295	953,390	1,941,112	1,446,057
Noninterest income:					
Investment management fees	136,516	85,083	119,042	255,558	184,379
Brokerage and investment fees	17,574	12,406	14,564	32,138	28,232
Insurance fees	2,668	1,713	3,074	5,742	3,870
Trust fees	6,245	4,599	5,731	11,976	9,575
Foreign exchange fee income	20,612	10,105	17,167	37,779	22,289
Deposit fees	6,618	5,248	6,169	12,787	11,845
Loan and related fees	8,877	7,456	7,485	16,362	13,570
Loan servicing fees, net	1,057	(4,445)	1,488	2,545	(2,793)
Gain (loss) on sale of loans	58	(1,147)	309	367	778
Gain on investment securities	1,329	1,529	655	1,984	4,157
Income from investments in life insurance	21,457	7,800	16,549	38,006	15,960
Other income	3,597	1,222	3,618	7,215	3,751
Total noninterest income	226,608	131,569	195,851	422,459	295,613
Noninterest expense:					
Salaries and employee benefits	481,503	344,204	463,404	944,907	705,408
Information systems	88,980	74,037	83,516	172,496	144,752
Occupancy	63,526	54,941	57,549	121,075	108,582
Professional fees	25,475	15,517	21,254	46,729	28,634
Advertising and marketing	16,560	8,621	12,633	29,193	20,464
FDIC assessments	13,254	11,275	11,900	25,154	21,460
Other expenses	73,467	60,863	70,140	143,607	122,175
Total noninterest expense	762,765	569,458	720,396	1,483,161	1,151,475
Income before provision for income taxes	451,565	318,406	428,845	880,410	590,195
Provision for income taxes	78,459	61,638	94,012	172,471	114,741
Net income	373,106	256,768	334,833	707,939	475,454
Dividends on preferred stock	23,655	14,817	18,525	42,180	27,837
Net income available to common shareholders	\$ 349,451	\$ 241,951	\$ 316,308	\$ 665,759	\$ 447,617
Basic earnings per common share	\$ 1.98	\$ 1.41	\$ 1.81	\$ 3.79	\$ 2.61
Diluted earnings per common share	\$ 1.95	\$ 1.40	\$ 1.79	\$ 3.74	\$ 2.60
Weighted average shares—basic	176,419	171,627	174,820	175,624	171,231
Weighted average shares—diluted	178,864	172,659	176,951	177,913	172,343

CONSOLIDATED BALANCE SHEETS

(\$ in thousands)	As of			
	June 30, 2021	March 31, 2021	December 31, 2020	June 30, 2020
ASSETS				
Cash and cash equivalents	\$ 7,876,952	\$ 8,889,492	\$ 5,094,754	\$ 3,099,170
Debt securities available-for-sale	2,634,983	2,428,833	1,906,315	1,576,956
Debt securities held-to-maturity	20,244,705	19,240,358	16,610,212	17,513,211
Less: Allowance for credit losses	(8,407)	(8,024)	(6,902)	(5,383)
Debt securities held-to-maturity, net	20,236,298	19,232,334	16,603,310	17,507,828
Equity securities (fair value)	29,550	21,221	20,566	21,104
Loans:				
Single family	69,908,787	65,178,442	61,370,246	52,435,246
Home equity lines of credit	2,441,034	2,392,314	2,449,533	2,419,359
Single family construction	877,548	841,962	787,854	733,909
Multifamily	14,803,219	14,141,208	13,768,957	13,187,857
Commercial real estate	8,234,934	8,065,262	8,018,158	7,793,137
Multifamily/commercial construction	2,060,980	2,101,119	2,024,420	1,966,292
Capital call lines of credit	8,127,473	8,653,802	8,149,946	6,173,992
Tax-exempt	3,566,385	3,454,471	3,365,572	3,186,066
Other business	3,656,598	3,679,420	3,340,048	3,179,023
PPP	1,374,765	2,142,253	1,841,376	2,092,307
Stock secured	2,965,857	2,519,637	2,518,338	1,924,107
Other secured	2,051,617	1,862,529	1,818,550	1,702,535
Unsecured	3,047,981	3,050,999	3,113,267	3,221,405
Total loans	123,117,178	118,083,418	112,566,265	100,015,235
Allowance for credit losses	(636,910)	(620,825)	(635,019)	(583,997)
Loans, net	122,480,268	117,462,593	111,931,246	99,431,238
Loans held for sale	3,169	—	20,679	313,655
Investments in life insurance	2,597,637	2,328,844	2,061,362	1,468,712
Tax credit investments	1,224,114	1,127,465	1,131,905	1,105,853
Premises, equipment and leasehold improvements, net	418,725	412,331	403,482	388,256
Goodwill and other intangible assets	224,497	225,925	227,512	230,975
Other real estate owned	—	1,334	—	1,071
Other assets	3,920,541	3,667,588	3,101,003	3,159,069
Total Assets	\$ 161,646,734	\$ 155,797,960	\$ 142,502,134	\$ 128,303,887
LIABILITIES AND SHAREHOLDERS' EQUITY				
Liabilities:				
Deposits:				
Noninterest-bearing checking	\$ 59,449,158	\$ 53,806,762	\$ 46,281,112	\$ 37,586,940
Interest-bearing checking	32,165,327	32,542,600	30,603,221	23,833,458
Money market checking	20,373,535	19,210,069	16,778,884	14,639,069
Money market savings and passbooks	14,747,597	14,097,001	12,584,522	10,236,015
Certificates of deposit	7,921,218	8,250,521	8,681,061	12,238,479
Total Deposits	134,656,835	127,906,953	114,928,800	98,533,961
Short-term borrowings	—	—	—	5,000
Long-term FHLB advances	9,000,000	10,505,000	11,755,000	15,405,000
Senior notes	997,193	996,668	996,145	995,109
Subordinated notes	778,535	778,423	778,313	778,096
Other liabilities	2,939,444	2,669,186	2,293,230	2,010,793
Total Liabilities	148,372,007	142,856,230	130,751,488	117,727,959
Shareholders' Equity:				
Preferred stock	2,142,500	2,142,500	1,545,000	1,145,000
Common stock	1,767	1,763	1,741	1,721
Additional paid-in capital	5,204,166	5,191,932	4,834,172	4,543,051
Retained earnings	5,936,669	5,626,958	5,346,355	4,858,965
Accumulated other comprehensive income (loss)	(10,375)	(21,423)	23,378	27,191
Total Shareholders' Equity	13,274,727	12,941,730	11,750,646	10,575,928
Total Liabilities and Shareholders' Equity	\$ 161,646,734	\$ 155,797,960	\$ 142,502,134	\$ 128,303,887

Average Balances, Yields and Rates	Quarter Ended June 30,						Quarter Ended March 31,		
	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 thousands)</i>									
Assets:									
Cash and cash equivalents	\$ 11,280,780	\$ 3,070	0.11 %	\$ 2,789,666	\$ 564	0.08 %	\$ 11,448,652	\$ 2,894	0.10 %
Investment securities:									
U.S. Government-sponsored agency securities	100,000	398	1.59 %	214,835	1,367	2.55 %	93,889	339	1.45 %
Agency residential and commercial MBS	5,646,537	29,000	2.05 %	6,615,707	42,661	2.58 %	5,625,748	30,536	2.17 %
Other residential and commercial MBS	30,297	154	2.04 %	27,499	182	2.65 %	32,992	154	1.87 %
Municipal securities	15,082,004	147,297	3.91 %	11,949,615	126,906	4.25 %	13,349,101	134,990	4.04 %
Other investment securities ⁽³⁾	1,375,557	9,800	2.85 %	43,800	309	2.83 %	429,289	2,568	2.39 %
Total investment securities	<u>22,234,395</u>	<u>186,649</u>	<u>3.36 %</u>	<u>18,851,456</u>	<u>171,425</u>	<u>3.64 %</u>	<u>19,531,019</u>	<u>168,587</u>	<u>3.45 %</u>
Loans:									
Residential real estate ⁽⁴⁾	69,853,517	491,229	2.81 %	53,737,207	404,691	3.01 %	65,458,977	469,010	2.87 %
Multifamily ⁽⁵⁾	14,392,073	126,888	3.49 %	12,887,676	120,657	3.70 %	13,922,237	122,829	3.53 %
Commercial real estate	8,117,288	78,427	3.82 %	7,718,257	77,635	3.98 %	8,032,825	77,879	3.88 %
Multifamily/commercial construction	2,969,059	37,522	5.00 %	2,632,682	29,468	4.43 %	2,867,284	31,100	4.34 %
Business ⁽⁶⁾	15,894,165	128,914	3.21 %	13,069,640	115,666	3.50 %	15,076,564	123,741	3.28 %
PPP	1,842,716	15,476	3.32 %	1,620,772	7,659	1.87 %	1,989,987	15,766	3.17 %
Other ⁽⁷⁾	7,652,991	41,518	2.15 %	6,658,487	42,116	2.50 %	7,347,624	39,685	2.16 %
Total loans	<u>120,721,809</u>	<u>919,974</u>	<u>3.03 %</u>	<u>98,324,721</u>	<u>797,892</u>	<u>3.23 %</u>	<u>114,695,498</u>	<u>880,010</u>	<u>3.07 %</u>
FHLB stock	<u>312,647</u>	<u>5,103</u>	<u>6.55 %</u>	<u>491,938</u>	<u>5,059</u>	<u>4.14 %</u>	<u>344,990</u>	<u>5,189</u>	<u>6.10 %</u>
Total interest-earning assets	<u>154,549,631</u>	<u>1,114,796</u>	<u>2.87 %</u>	<u>120,457,781</u>	<u>974,940</u>	<u>3.22 %</u>	<u>146,020,159</u>	<u>1,056,680</u>	<u>2.90 %</u>
Noninterest-earning cash	385,537			425,440			413,625		
Goodwill and other intangibles	225,183			231,934			226,683		
Other assets	<u>6,724,321</u>			<u>4,905,493</u>			<u>6,091,492</u>		
Total noninterest-earning assets	<u>7,335,041</u>			<u>5,562,867</u>			<u>6,731,800</u>		
Total Assets	<u>\$161,884,672</u>			<u>\$126,020,648</u>			<u>\$152,751,959</u>		
Liabilities and Shareholders' Equity:									
Deposits:									
Checking	\$ 91,379,594	1,740	0.01 %	\$ 58,978,081	3,127	0.02 %	\$ 83,679,569	2,074	0.01 %
Money market checking	19,927,834	6,100	0.12 %	14,315,050	9,860	0.28 %	18,888,949	7,644	0.16 %
Money market savings and passbooks	14,783,456	6,117	0.17 %	9,818,650	5,364	0.22 %	13,640,388	6,310	0.19 %
CDs	<u>8,039,804</u>	<u>10,139</u>	<u>0.51 %</u>	<u>12,721,452</u>	<u>54,129</u>	<u>1.71 %</u>	<u>8,413,083</u>	<u>11,543</u>	<u>0.56 %</u>
Total deposits	<u>134,130,688</u>	<u>24,096</u>	<u>0.07 %</u>	<u>95,833,233</u>	<u>72,480</u>	<u>0.30 %</u>	<u>124,621,989</u>	<u>27,571</u>	<u>0.09 %</u>
Borrowings:									
Short-term borrowings	—	—	— %	2,747	—	0.04 %	6	0	0.18 %
Long-term FHLB advances	10,062,253	34,892	1.39 %	15,868,682	68,391	1.73 %	11,321,666	40,463	1.45 %
Senior notes ⁽⁸⁾	996,937	6,040	2.42 %	994,905	6,034	2.43 %	996,412	6,038	2.42 %
Subordinated notes ⁽⁸⁾	778,480	9,112	4.68 %	778,044	9,107	4.68 %	778,369	9,110	4.68 %
Total borrowings	<u>11,837,670</u>	<u>50,044</u>	<u>1.69 %</u>	<u>17,644,378</u>	<u>83,532</u>	<u>1.90 %</u>	<u>13,096,453</u>	<u>55,611</u>	<u>1.72 %</u>
Total interest-bearing liabilities	<u>145,968,358</u>	<u>74,140</u>	<u>0.20 %</u>	<u>113,477,611</u>	<u>156,012</u>	<u>0.55 %</u>	<u>137,718,442</u>	<u>83,182</u>	<u>0.24 %</u>
Noninterest-bearing liabilities	2,796,202			2,067,585			2,637,481		
Preferred shareholders' equity	2,142,500			1,145,000			1,963,583		
Common shareholders' equity	<u>10,977,612</u>			<u>9,330,452</u>			<u>10,432,453</u>		
Total Liabilities and Shareholders' Equity	<u>\$161,884,672</u>			<u>\$126,020,648</u>			<u>\$152,751,959</u>		
Net interest spread ⁽⁹⁾			2.67 %			2.67 %			2.65 %
Net interest income (fully taxable-equivalent basis) and net interest margin ⁽¹⁰⁾		<u>\$1,040,656</u>	2.68 %		<u>\$ 818,928</u>	2.70 %		<u>\$ 973,498</u>	2.67 %
Reconciliation of tax-equivalent net interest income to net interest income: ⁽¹¹⁾									
Municipal securities tax-equivalent adjustment		(29,702)			(24,909)			(27,876)	
Business loans tax-equivalent adjustment		<u>(7,089)</u>			<u>(6,607)</u>			<u>(6,840)</u>	
Net interest income		<u>\$1,003,865</u>			<u>\$ 787,412</u>			<u>\$ 938,782</u>	

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Average Balances, Yields and Rates	Six Months Ended June 30,					
	2021			2020		
	Average Balance	Interest Income/Expense ⁽¹⁾	Yields/Rates ⁽²⁾	Average Balance	Interest Income/Expense ⁽¹⁾	Yields/Rates ⁽²⁾
(\$ in thousands)						
Assets:						
Cash and cash equivalents	\$ 11,364,252	\$ 5,964	0.11 %	\$ 2,321,623	\$ 4,504	0.39 %
Investment securities:						
U.S. Government-sponsored agency securities	96,961	737	1.52 %	261,142	3,574	2.74 %
Agency residential and commercial MBS	5,636,200	59,537	2.11 %	6,681,185	89,846	2.69 %
Other residential and commercial MBS	31,637	309	1.95 %	15,667	214	2.73 %
Municipal securities	14,220,340	282,375	3.97 %	11,654,183	249,935	4.29 %
Other investment securities ⁽³⁾	905,037	12,367	2.73 %	43,791	629	2.87 %
Total investment securities	20,890,175	355,325	3.40 %	18,655,968	344,198	3.69 %
Loans:						
Residential real estate ⁽⁴⁾	67,668,387	960,239	2.84 %	52,518,610	809,674	3.08 %
Multifamily ⁽⁵⁾	14,158,453	249,718	3.51 %	12,726,699	239,601	3.72 %
Commercial real estate	8,075,290	156,306	3.85 %	7,646,415	156,244	4.04 %
Multifamily/commercial construction	2,918,453	68,622	4.68 %	2,591,664	59,753	4.56 %
Business ⁽⁶⁾	15,487,623	252,666	3.24 %	12,730,013	238,698	3.71 %
PPP	1,915,944	31,242	3.24 %	810,386	7,659	1.87 %
Other ⁽⁷⁾	7,501,151	81,201	2.15 %	6,555,772	89,687	2.71 %
Total loans	117,725,301	1,799,994	3.05 %	95,579,559	1,601,316	3.33 %
FHLB stock	328,729	10,292	6.31 %	449,455	12,019	5.38 %
Total interest-earning assets	150,308,457	2,171,575	2.88 %	117,006,605	1,962,037	3.34 %
Noninterest-earning cash	399,504			434,348		
Goodwill and other intangibles	225,929			233,006		
Other assets	6,409,654			4,813,403		
Total noninterest-earning assets	7,035,087			5,480,757		
Total Assets	\$ 157,343,544			\$ 122,487,362		
Liabilities and Shareholders' Equity:						
Deposits:						
Checking	\$ 87,550,852	3,813	0.01 %	\$ 56,420,801	11,559	0.04 %
Money market checking	19,411,261	13,744	0.14 %	13,519,835	39,163	0.58 %
Money market savings and passbooks	14,215,079	12,427	0.18 %	9,784,569	20,931	0.43 %
CDs	8,225,414	21,683	0.53 %	13,453,699	119,672	1.79 %
Total deposits	129,402,606	51,667	0.08 %	93,178,904	191,325	0.41 %
Borrowings:						
Short-term borrowings	3	—	0.18 %	617,287	4,700	1.53 %
Long-term FHLB advances	10,688,481	75,355	1.42 %	14,644,643	134,957	1.85 %
Senior notes ⁽⁸⁾	996,676	12,078	2.42 %	880,106	10,807	2.46 %
Subordinated notes ⁽⁸⁾	778,424	18,222	4.68 %	777,991	18,212	4.68 %
Total borrowings	12,463,584	105,655	1.71 %	16,920,027	168,676	2.00 %
Total interest-bearing liabilities	141,866,190	157,322	0.22 %	110,098,931	360,001	0.66 %
Noninterest-bearing liabilities	2,717,280			2,048,845		
Preferred shareholders' equity	2,053,536			1,145,000		
Common shareholders' equity	10,706,538			9,194,586		
Total Liabilities and Shareholders' Equity	\$ 157,343,544			\$ 122,487,362		
Net interest spread ⁽⁹⁾			2.66 %			2.68 %
Net interest income (fully taxable-equivalent basis) and net interest margin ⁽¹⁰⁾		\$ 2,014,253	2.67 %		\$ 1,602,036	2.72 %
Reconciliation of tax-equivalent net interest income to net interest income: ⁽¹¹⁾						
Municipal securities tax-equivalent adjustment		(57,667)			(49,113)	
Business loans tax-equivalent adjustment		(13,939)			(13,379)	
Net interest income		\$ 1,942,647			\$ 1,539,544	

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- (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) Includes single family, home equity lines of credit, and single family construction loans. Also includes single family loans held for sale.
- (5) Includes multifamily loans held for sale.
- (6) Includes capital call lines of credit, tax-exempt and other business loans.
- (7) Includes stock secured, other secured and unsecured loans.
- (8) Average balances include unamortized issuance discounts and costs. Interest expense includes amortization of issuance discounts and costs.
- (9) Net interest spread represents the average yield on interest-earning assets less the average rate on interest-bearing liabilities.
- (10) Net interest margin represents net interest income on a fully taxable-equivalent basis divided by total average interest-earning assets.
- (11) Fully taxable-equivalent net interest income is considered a non-GAAP financial measure, and is reconciled to GAAP net interest income in this table.

<i>Selected Financial Data and Ratios</i>	Quarter Ended June 30,		Quarter Ended March 31,	Six Months Ended June 30,	
	2021	2020	2021	2021	2020
<i>(\$ in thousands, except per share amounts)</i>					
Return on average assets ^{(1),(2)}	0.92 %	0.82 %	0.89 %	0.91 %	0.78 %
Return on average common shareholders' equity ⁽¹⁾	12.77 %	10.43 %	12.30 %	12.54 %	9.79 %
Return on average tangible common shareholders' equity ^{(1),(3)}	13.04 %	10.70 %	12.57 %	12.81 %	10.04 %
Average total equity to average total assets	8.10 %	8.31 %	8.12 %	8.11 %	8.44 %
Dividends per common share	\$ 0.22	\$ 0.20	\$ 0.20	\$ 0.42	\$ 0.39
Dividend payout ratio	11.3 %	14.3 %	11.2 %	11.2 %	15.0 %
Book value per common share	\$ 62.99	\$ 54.80	\$ 61.26	\$ 62.99	\$ 54.80
Tangible book value per common share ⁽⁴⁾	\$ 61.72	\$ 53.46	\$ 59.98	\$ 61.72	\$ 53.46
Efficiency ratio ⁽⁵⁾	62.0 %	62.0 %	63.5 %	62.7 %	62.7 %
Net loan charge-offs	\$ 1,219	\$ 1,098	\$ 487	\$ 1,706	\$ 1,300
Net loan charge-offs to average total loans ⁽¹⁾	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Allowance for loan credit losses to:					
Total loans	0.52 %	0.58 %	0.53 %	0.52 %	0.58 %
Nonaccrual loans	479.3 %	354.1 %	359.3 %	479.3 %	354.1 %

- (1) Ratios are annualized.
- (2) Return on average assets is the ratio of net income to average assets.
- (3) Refer to "Return on Average Common Shareholders' Equity and Return on Average Tangible Common Shareholders' Equity" table in this document for a reconciliation of this non-GAAP financial measure to the most comparable GAAP measure.
- (4) Refer to "Book Value per Common Share and Tangible Book Value per Common Share" table in this document for a reconciliation of this non-GAAP financial measure to the most comparable GAAP measure.
- (5) Efficiency ratio is the ratio of noninterest expense to the sum of net interest income and noninterest income.

<i>Effective Tax Rate</i>	Quarter Ended June 30,		Quarter Ended March 31,	Six Months Ended June 30,	
	2021	2020	2021	2021	2020
Effective tax rate, prior to excess tax benefits—stock awards	21.7 %	22.5 %	22.6 %	22.1 %	21.9 %
Excess tax benefits—stock awards	(4.3)	(3.1)	(0.7)	(2.5)%	(2.5)%
Effective tax rate	17.4 %	19.4 %	21.9 %	19.6 %	19.4 %

<i>Provision (Reversal of Provision) for Credit Losses</i>	Quarter Ended June 30,		Quarter Ended March 31,	Six Months Ended June 30,	
	2021	2020	2021	2021	2020
<i>(\$ in thousands)</i>					
Debt securities held-to-maturity	\$ 383	\$ 296	\$ 1,122	\$ 1,505	\$ 714
Loans	17,304	43,189	(13,707)	3,597	90,868
Unfunded loan commitments	(1,544)	(12,368)	(2,023)	(3,567)	1,905
Total provision (reversal of provision)	\$ 16,143	\$ 31,117	\$ (14,608)	\$ 1,535	\$ 93,487

Mortgage Loan Sales	Quarter Ended June 30,		Quarter Ended March 31,	Six Months Ended June 30,	
	2021	2020	2021	2021	2020
<i>(\$ in thousands)</i>					
Loans sold:					
Flow sales:					
Agency	\$ 4,315	\$ 10,810	\$ 42,402	\$ 46,717	\$ 36,584
Non-agency	—	—	1,073	1,073	31,870
Total flow sales	4,315	10,810	43,475	47,790	68,454
Bulk sales:					
Non-agency	—	—	—	—	437,669
Securitized	—	300,116	—	—	300,116
Total loans sold	<u>\$ 4,315</u>	<u>\$ 310,926</u>	<u>\$ 43,475</u>	<u>\$ 47,790</u>	<u>\$ 806,239</u>
Gain (loss) on sale of loans:					
Amount	\$ 58	\$ (1,147)	\$ 309	\$ 367	\$ 778
Gain (loss) as a percentage of loans sold	1.34 %	(0.37)%	0.71 %	0.77 %	0.10 %

Loan Originations	Quarter Ended June 30,		Quarter Ended March 31,	Six Months Ended June 30,	
	2021	2020	2021	2021	2020
<i>(\$ in thousands)</i>					
Single family	\$ 8,661,680	\$ 5,875,184	\$ 6,902,192	\$ 15,563,872	\$ 9,394,520
Home equity lines of credit	610,658	457,737	623,661	1,234,319	853,245
Single family construction	215,014	119,318	224,504	439,518	228,480
Multifamily	1,101,450	946,820	791,070	1,892,520	1,728,123
Commercial real estate	458,196	330,683	313,991	772,187	782,541
Multifamily/commercial construction	272,145	131,414	310,824	582,969	752,335
Capital call lines of credit	2,921,192	1,405,347	3,131,317	6,052,509	3,790,576
Tax-exempt	208,327	184,054	213,967	422,294	284,073
Other business	520,394	914,257	1,025,154	1,545,548	1,534,036
PPP	35,586	1,981,797	688,948	724,534	1,981,797
Stock secured	775,795	519,416	710,038	1,485,833	1,111,976
Other secured	598,630	358,730	438,989	1,037,619	772,554
Unsecured	372,192	203,270	345,848	718,040	526,158
Total loans originated	<u>\$ 16,751,259</u>	<u>\$ 13,428,027</u>	<u>\$ 15,720,503</u>	<u>\$ 32,471,762</u>	<u>\$ 23,740,414</u>

Asset Quality Information	As of				
	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
<i>(\$ in thousands)</i>					
Nonperforming assets:					
Nonaccrual loans	\$ 132,880	\$ 172,794	\$ 184,132	\$ 164,247	\$ 164,930
Other real estate owned	—	1,334	—	—	1,071
Total nonperforming assets	<u>\$ 132,880</u>	<u>\$ 174,128</u>	<u>\$ 184,132</u>	<u>\$ 164,247</u>	<u>\$ 166,001</u>
Nonperforming assets to total assets	0.08 %	0.11 %	0.13 %	0.12 %	0.13 %
Accruing loans 90 days or more past due	\$ —	\$ 851	\$ —	\$ 935	\$ 3,764
Restructured accruing loans	\$ 11,407	\$ 11,658	\$ 11,253	\$ 11,378	\$ 11,501

<i>COVID-19 Loan Modifications</i> ^{(1), (2), (3), (4), (5)}	June 30, 2021			
	Unpaid Principal Balance	LTV ⁽⁶⁾	Average Loan Size	Number of Loans
<i>(\$ in millions)</i>				
Single family	\$ 124	60 %	\$ 1.1	116
Home equity lines of credit	2	64 %	\$ 0.3	6
Single family construction	2	75 %	\$ 2.4	1
Multifamily	161	51 %	\$ 6.4	25
Commercial real estate	157	47 %	\$ 5.2	30
Multifamily/commercial construction	9	45 %	\$ 8.9	1
Capital call lines of credit	—	n/a	\$ —	—
Tax-exempt	141	n/a	\$ 23.5	6
Other business	30	n/a	\$ 2.5	12
Stock secured	—	n/a	\$ —	—
Other secured	2	n/a	\$ 0.4	6
Unsecured ⁽⁷⁾	6	n/a	\$ 0.1	60
Total	<u>\$ 634</u>			<u>263</u>

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

⁽²⁾ Includes 62 loans totaling \$274 million that have completed their deferral period, but for which a regular payment is not yet due.

⁽³⁾ Includes 136 loans totaling \$328 million that received additional relief beyond their initial modification period.

⁽⁴⁾ Excludes loans that have completed their deferral period and returned to a regular payment schedule or are no longer outstanding. As of June 30, 2021, \$3.4 billion of loans have completed their deferral period or are no longer outstanding, and 99% of the outstanding loans were current.

⁽⁵⁾ Loan modifications requested by borrowers that were in process but not yet completed as of June 30, 2021 totaled \$7 million for initial relief, and \$2 million for additional relief beyond the initial modification period.

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

⁽⁷⁾ Consists of household debt refinance loans.

<i>Loan Industry Information</i>	June 30, 2021				
	Unpaid Principal Balance	LTV	Average Loan Size	Number of Loans	Personal Guarantee %
<i>(\$ in millions)</i>					
Retail	\$ 1,859	49 %	\$ 2.6	729	78 %
Hotel	468	48 %	\$ 7.3	66	76 %
Restaurant ⁽¹⁾	210	49 %	\$ 1.1	199	95 %
Total ⁽²⁾	<u>\$ 2,537</u>			<u>994</u>	

⁽¹⁾ Approximately 74% of loans to restaurants are real estate secured.

⁽²⁾ Amounts in the table above exclude \$50 million of loans to hotels and \$214 million of loans to restaurants under the PPP.

<i>Loan Servicing Portfolio</i>	As of				
	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
<i>(\$ in millions)</i>					
Loans serviced for investors	\$ 5,640	\$ 6,314	\$ 7,094	\$ 7,799	\$ 8,316

Return on Average Common Shareholders' Equity and Return on Average Tangible Common Shareholders' Equity ^{(1), (2)}	Quarter Ended June 30,		Quarter Ended March 31,	Six Months Ended June 30,	
	2021	2020	2021	2021	2020
<i>(\$ in thousands)</i>					
Average common shareholders' equity (a)	\$ 10,977,612	\$ 9,330,452	\$ 10,432,453	\$ 10,706,538	\$ 9,194,586
Less: Average goodwill and other intangible assets	225,183	231,934	226,683	225,929	233,006
Average tangible common shareholders' equity (b)	<u>\$ 10,752,429</u>	<u>\$ 9,098,518</u>	<u>\$ 10,205,770</u>	<u>\$ 10,480,609</u>	<u>\$ 8,961,580</u>
Net income available to common shareholders (c)	\$ 349,451	\$ 241,951	\$ 316,308	\$ 665,759	\$ 447,617
Return on average common shareholders' equity (c) / (a)	12.77 %	10.43 %	12.30 %	12.54 %	9.79 %
Return on average tangible common shareholders' equity (c) / (b)	13.04 %	10.70 %	12.57 %	12.81 %	10.04 %

⁽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				
	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
<i>(in thousands, except per share amounts)</i>					
Total shareholders' equity	\$ 13,274,727	\$ 12,941,730	\$ 11,750,646	\$ 11,344,609	\$ 10,575,928
Less: Preferred stock	2,142,500	2,142,500	1,545,000	1,645,000	1,145,000
Total common shareholders' equity (a)	11,132,227	10,799,230	10,205,646	9,699,609	9,430,928
Less: Goodwill and other intangible assets	224,497	225,925	227,512	229,185	230,975
Total tangible common shareholders' equity (b)	<u>\$ 10,907,730</u>	<u>\$ 10,573,305</u>	<u>\$ 9,978,134</u>	<u>\$ 9,470,424</u>	<u>\$ 9,199,953</u>
Number of shares of common stock outstanding (c)	176,742	176,287	174,124	172,188	172,094
Book value per common share (a) / (c)	\$ 62.99	\$ 61.26	\$ 58.61	\$ 56.33	\$ 54.80
Tangible book value per common share (b) / (c)	\$ 61.72	\$ 59.98	\$ 57.30	\$ 55.00	\$ 53.46

⁽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				
	June 30, 2021 ⁽³⁾	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
<i>(\$ in thousands)</i>					
Capital Ratios:					
Tier 1 leverage ratio (Tier 1 capital to average assets)	8.05 %	8.32 %	8.14 %	8.38 %	8.15 %
Common Equity Tier 1 capital to risk-weighted assets	9.51 %	9.64 %	9.67 %	9.78 %	9.80 %
Tier 1 capital to risk-weighted assets	11.38 %	11.60 %	11.18 %	11.50 %	11.04 %
Total capital to risk-weighted assets	12.60 %	12.87 %	12.55 %	12.94 %	12.49 %
Regulatory Capital:					
Common Equity Tier 1 capital	\$ 10,875,436	\$ 10,548,615	\$ 9,894,870	\$ 9,375,688	\$ 9,103,771
Tier 1 capital	\$ 13,017,936	\$ 12,691,115	\$ 11,439,870	\$ 11,020,688	\$ 10,248,771
Total capital	\$ 14,420,504	\$ 14,082,378	\$ 12,842,344	\$ 12,396,304	\$ 11,604,141
Assets:					
Average assets	\$ 161,636,891	\$ 152,465,399	\$ 140,493,283	\$ 131,517,445	\$ 125,690,830
Risk-weighted assets	\$ 114,404,874	\$ 109,413,168	\$ 102,321,489	\$ 95,823,385	\$ 92,870,859

⁽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 June 30, 2021 are preliminary.

<i>Wealth Management Assets</i>	As of				
	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
<i>(\$ in millions)</i>					
First Republic Investment Management	\$ 99,459	\$ 90,819	\$ 83,596	\$ 74,661	\$ 68,124
Brokerage and investment:					
Brokerage	112,359	101,478	88,059	76,769	70,178
Money market mutual funds	13,109	11,435	9,003	4,416	5,933
Total brokerage and investment	<u>125,468</u>	<u>112,913</u>	<u>97,062</u>	<u>81,185</u>	<u>76,111</u>
Trust Company:					
Trust	11,496	10,986	9,910	8,687	7,905
Custody	4,439	4,216	3,889	3,651	3,646
Total Trust Company	<u>15,935</u>	<u>15,202</u>	<u>13,799</u>	<u>12,338</u>	<u>11,551</u>
Total Wealth Management Assets	<u>\$ 240,862</u>	<u>\$ 218,934</u>	<u>\$ 194,457</u>	<u>\$ 168,184</u>	<u>\$ 155,786</u>

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