

PRESS RELEASE

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FIRST REPUBLIC BANK

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FIRST REPUBLIC REPORTS SECOND QUARTER 2022 RESULTS

Year-Over-Year Revenues Increased 23% and Earnings Per Share Increased 11%
Tangible Book Value Per Share Increased 13% Year-Over-Year

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

“First Republic had an excellent quarter, reflecting the consistency of our client-focused model and culture,” said Mike Roffler, Chief Executive Officer and President. “Loan growth was very strong, and credit quality remains excellent.”

Quarterly Highlights

Financial Results

- Year-over-year:
 - Revenues were \$1.5 billion, up 22.6%.
 - Net interest income was \$1.2 billion, up 24.1%.
 - Net income was \$433 million, up 16.0%.
 - Diluted earnings per share of \$2.16, up 10.8%.
 - Tangible book value per share was \$69.81, up 13.1%.
- Loan originations totaled \$22.0 billion, our best quarter ever.
- Net interest margin was 2.80%, compared to 2.68% for the prior quarter.
- Efficiency ratio was 60.5%, compared to 62.0% for the prior quarter.

Continued Capital and Credit Strength


- Tier 1 leverage ratio was 8.59%.
- Nonperforming assets remained at a low 7 basis points of total assets.
- Net charge-offs were only \$1.3 million, or less than 1 basis point of average loans.

Continued Franchise Growth

- Year-over-year:
 - Loans totaled \$151.5 billion, up 23.1%.
 - Deposits were \$165.6 billion, up 23.0%.
 - Wealth management assets were \$246.8 billion, up 2.5%.
 - Wealth management revenues were \$232 million, up 26.4%.

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“We are pleased to see growth in total revenue of 23% and net interest income of 24% during the second quarter,” said Olga Tsokova, Chief Financial Officer (Acting) and Chief Accounting Officer. “Tangible book value per share increased 13% year-over-year, to just under \$70, and our capital remains strong.”

Quarterly Cash Dividend of \$0.27 per Share

The Bank declared a cash dividend for the second quarter of \$0.27 per share of common stock, which is payable on August 11, 2022 to shareholders of record as of July 28, 2022.

Strong Asset Quality

Credit quality remains very strong. Nonperforming assets were at a very low 7 basis points of total assets at June 30, 2022. The Bank had modest net loan charge-offs of only \$1.3 million for the quarter.

During the second quarter, the Bank recorded a provision for credit losses of \$31 million, which was primarily driven by loan growth.

Continued Book Value Growth

Book value per common share at June 30, 2022 was \$71.03, up 12.8% from a year ago. Tangible book value per common share at June 30, 2022 was \$69.81, up 13.1% from a year ago.

Capital Strength

The Bank’s Tier 1 leverage ratio was 8.59% at June 30, 2022, compared to 8.70% at March 31, 2022.

Continued Franchise Growth

Loan Originations

Loan originations were \$22.0 billion for the quarter, our best quarter ever. This was up 31.1% from the same quarter a year ago, primarily due to increases in single family and multifamily lending.

Single family loan originations were 48% of the total loan origination volume for the quarter and had a weighted average loan-to-value ratio of 61%. In addition, multifamily and commercial real estate loans originated were 14% of total originations and had a weighted average loan-to-value ratio of 52%.

Loans totaled \$151.5 billion at June 30, 2022, up 23.1% compared to a year ago. Our loan growth was primarily due to increases in single family, multifamily, stock secured and capital call lines of credit, partially offset by a decrease in loans under the Small Business Administration’s Paycheck Protection Program (“PPP”).

Investments

Total investment securities at June 30, 2022 were \$31.2 billion, a 2.9% increase compared to the prior quarter and a 36.1% increase compared to a year ago.

High-quality liquid assets, including eligible cash, totaled \$28.2 billion at June 30, 2022, and represented 14.7% of quarterly average total assets.

Deposit Growth and Funding

Total deposits increased to \$165.6 billion, up 23.0% compared to a year ago. Deposits were our primary source of funding at June 30, 2022, and represented 93% of our funding base.

At June 30, 2022, checking deposit balances were 71.6% of total deposits.

Other sources of funding at June 30, 2022 included short-term and long-term FHLB advances, which totaled \$11.0 billion, up 22.2% compared to a year ago.

Deposits had an average rate paid of 9 basis points during the quarter, and average total funding costs were 16 basis points during the quarter.

Wealth Management

Total wealth management assets were \$246.8 billion at June 30, 2022, down 10.0% compared to the prior quarter and up 2.5% compared to a year ago. The decrease in wealth management assets for the quarter was due to market decline. The increase in wealth management assets for the year was due to net client inflow, partially offset by market decline.

Wealth management revenues totaled \$232 million for the quarter, up 26.4% compared to last year's second quarter. Such revenues represented 15.4% of the Bank's total revenues for the quarter.

Wealth management assets at June 30, 2022 included investment management assets of \$100.2 billion, brokerage assets and money market mutual funds of \$127.5 billion, and trust and custody assets of \$19.1 billion.

Income Statement and Key Ratios

Revenue Growth

Total revenues were \$1.5 billion for the quarter, up 22.6% compared to the second quarter a year ago.

Net Interest Income Growth

Net interest income was \$1.2 billion for the quarter, up 24.1% compared to the second quarter a year ago. The increase in net interest income resulted primarily from growth in average interest-earning assets and the increase in net interest margin.

Net Interest Margin

The net interest margin increased to 2.80% in the second quarter, from 2.68% in the prior quarter. The increase was due to lower average cash balances, as well as average yields on interest-earning assets increasing more than the offsetting increase in average funding costs.

Noninterest Income

Noninterest income was \$263 million for the quarter, up 16.0% compared to the second quarter a year ago. The increase was primarily driven by higher wealth management fees, partially offset by a decrease in income from investments in life insurance.

Noninterest Expense and Efficiency Ratio

Noninterest expense was \$913 million for the quarter, up 19.7% compared to the second quarter a year ago, primarily due to continued investments in our business expansion, including hiring additional colleagues to support our growth and information systems initiatives, as well as higher travel and entertainment.

The efficiency ratio was 60.5% for the quarter, compared to 62.0% for last year's second quarter.

Income Taxes

The Bank's effective tax rate for the second quarter of 2022 was 23.4%, compared to 17.4% for the second quarter a year ago. The increase was primarily the result of lower excess tax benefits upon vesting of stock awards.

Conference Call Details

First Republic Bank's second quarter 2022 earnings conference call is scheduled for July 14, 2022 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 2688216 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 for the live presentation, a replay of the call will be available beginning July 14, 2022 at 11:00 a.m. PT / 2:00 p.m. ET through July 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 2688216#. International callers should dial +1 (719) 457-0820 and enter the same confirmation code. A replay of the webcast will also be available for 90 days following, accessible in the Investor Relations section of First Republic Bank's website at ir.firstrepublic.com/events-calendar.

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

About First Republic Bank

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

Forward-Looking Statements

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

Forward-looking statements involving such risks and uncertainties include, but are not limited to, statements regarding: projections of loans, assets, deposits, liabilities, revenues, expenses, tax liabilities, net income, capital expenditures, liquidity, dividends, capital structure, investments or other financial items; expectations regarding the banking and wealth management industries; descriptions of plans or objectives of management for future operations, products or services; forecasts of future economic conditions generally and in our market areas in particular, which may affect the ability of borrowers to repay their loans and the value of real property or other property held as collateral for such loans; our opportunities for growth and our plans for expansion (including opening new offices); expectations about the performance of any new offices; projections about the amount and the value of intangible assets, 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; natural or other disasters, including earthquakes, wildfires, pandemics or acts of terrorism affecting the markets in which we operate; the adverse effects of climate change on our business, clients and counterparties; the negative impacts and disruptions resulting from COVID-19 on our colleagues and clients, the communities we serve and the domestic and global economy, which may have an adverse effect on our business, financial position and results of operations; inflation; interest rate risk and credit risk; our ability to maintain and follow high underwriting standards; economic and market conditions, including those affecting the valuation of our investment securities portfolio and credit losses on our loans and debt securities; real estate prices generally and in our markets; our geographic and product concentrations; demand for our products and services; developments and uncertainty related to the future use and availability of some reference rates; the regulatory environment in which we operate, our regulatory compliance and future regulatory requirements; 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 June 30,		Quarter Ended March 31,		Six Months Ended June 30,	
	2022	2021	2022	2021	2022	2021
Interest income:						
Loans	\$ 1,094	\$ 913	\$ 1,002	\$ 2,096	\$ 1,786	
Investments	209	157	180	389	298	
Other	2	5	2	4	10	
Cash and cash equivalents	11	3	5	16	6	
Total interest income	<u>1,316</u>	<u>1,078</u>	<u>1,189</u>	<u>2,505</u>	<u>2,100</u>	
Interest expense:						
Deposits	37	24	20	57	52	
Borrowings	33	51	24	57	106	
Total interest expense	<u>70</u>	<u>75</u>	<u>44</u>	<u>114</u>	<u>158</u>	
Net interest income	1,246	1,003	1,145	2,391	1,942	
Provision for credit losses	31	16	10	41	1	
Net interest income after provision for credit losses	<u>1,215</u>	<u>987</u>	<u>1,135</u>	<u>2,350</u>	<u>1,941</u>	
Noninterest income:						
Investment management fees	164	136	165	329	255	
Brokerage and investment fees	33	17	22	55	32	
Insurance fees	3	3	4	7	6	
Trust fees	7	6	7	14	12	
Foreign exchange fee income	25	21	23	48	38	
Deposit fees	8	7	6	14	13	
Loan and related fees	10	9	9	19	16	
Income from investments in life insurance	11	21	14	25	38	
Other income, net	2	6	1	3	12	
Total noninterest income	<u>263</u>	<u>226</u>	<u>251</u>	<u>514</u>	<u>422</u>	
Noninterest expense:						
Salaries and employee benefits	567	482	560	1,127	945	
Information systems	114	88	107	221	172	
Occupancy	70	63	69	139	121	
Professional fees	27	26	23	50	47	
Advertising and marketing	17	16	13	30	29	
FDIC assessments	15	13	15	30	25	
Other expenses	103	74	79	182	144	
Total noninterest expense	<u>913</u>	<u>762</u>	<u>866</u>	<u>1,779</u>	<u>1,483</u>	
Income before provision for income taxes	565	451	520	1,085	880	
Provision for income taxes	132	78	119	251	172	
Net income	433	373	401	834	708	
Dividends on preferred stock	41	23	37	78	42	
Net income available to common shareholders	<u>\$ 392</u>	<u>\$ 350</u>	<u>\$ 364</u>	<u>\$ 756</u>	<u>\$ 666</u>	
Basic earnings per common share	<u>\$ 2.18</u>	<u>\$ 1.98</u>	<u>\$ 2.03</u>	<u>\$ 4.21</u>	<u>\$ 3.79</u>	
Diluted earnings per common share	<u>\$ 2.16</u>	<u>\$ 1.95</u>	<u>\$ 2.00</u>	<u>\$ 4.17</u>	<u>\$ 3.74</u>	
Weighted average shares—basic	<u>180</u>	<u>176</u>	<u>180</u>	<u>180</u>	<u>176</u>	
Weighted average shares—diluted	<u>181</u>	<u>179</u>	<u>182</u>	<u>182</u>	<u>178</u>	

CONSOLIDATED BALANCE SHEETS

(\$ in millions)	As of			
	June 30, 2022	March 31, 2022	December 31, 2021	June 30, 2021
ASSETS				
Cash and cash equivalents	\$ 6,237	\$ 7,756	\$ 12,947	\$ 7,877
Debt securities available-for-sale	3,438	3,446	3,381	2,635
Debt securities held-to-maturity, net	27,710	26,831	22,292	20,236
Equity securities (fair value)	23	25	28	30
Loans:				
Single family	89,295	81,833	76,793	69,909
Home equity lines of credit	2,699	2,597	2,584	2,441
Single family construction	1,117	1,041	993	878
Multifamily	18,346	16,953	15,966	14,803
Commercial real estate	9,182	8,753	8,531	8,235
Multifamily/commercial construction	2,019	1,955	1,927	2,061
Capital call lines of credit	10,727	10,970	10,999	8,127
Tax-exempt	3,605	3,656	3,680	3,566
Other business	4,638	4,081	3,961	3,657
PPP	82	232	545	1,375
Stock secured	4,041	3,651	3,435	2,966
Other secured	2,774	2,623	2,457	2,052
Unsecured	2,994	2,968	3,085	3,048
Total loans	<u>151,519</u>	<u>141,313</u>	<u>134,956</u>	<u>123,118</u>
Allowance for credit losses	(729)	(701)	(694)	(637)
Loans, net	<u>150,790</u>	<u>140,612</u>	<u>134,262</u>	<u>122,481</u>
Investments in life insurance	3,340	2,682	2,650	2,598
Tax credit investments	1,304	1,231	1,220	1,224
Premises, equipment and leasehold improvements, net	474	467	454	419
Goodwill and other intangible assets	220	221	222	224
Other assets	4,372	3,850	3,631	3,923
Total Assets	<u>\$ 197,908</u>	<u>\$ 187,121</u>	<u>\$ 181,087</u>	<u>\$ 161,647</u>
LIABILITIES AND SHAREHOLDERS' EQUITY				
Liabilities:				
Deposits:				
Noninterest-bearing checking	\$ 75,208	\$ 72,424	\$ 70,840	\$ 59,449
Interest-bearing checking	43,421	41,589	41,248	32,165
Money market checking	21,235	21,846	20,303	20,374
Money market savings and passbooks	18,796	19,159	16,573	14,748
Certificates of deposit	6,987	7,042	7,357	7,921
Total Deposits	<u>165,647</u>	<u>162,060</u>	<u>156,321</u>	<u>134,657</u>
Short-term FHLB advances	6,300	—	—	—
Long-term FHLB advances	4,700	3,700	3,700	9,000
Senior notes	499	999	998	997
Subordinated notes	779	779	779	779
Other liabilities	3,557	3,429	3,391	2,939
Total Liabilities	<u>181,482</u>	<u>170,967</u>	<u>165,189</u>	<u>148,372</u>
Shareholders' Equity:				
Preferred stock	3,633	3,633	3,633	2,143
Common stock	2	2	2	2
Additional paid-in capital	5,782	5,763	5,725	5,203
Retained earnings	7,236	6,893	6,569	5,937
Accumulated other comprehensive loss	(227)	(137)	(31)	(10)
Total Shareholders' Equity	<u>16,426</u>	<u>16,154</u>	<u>15,898</u>	<u>13,275</u>
Total Liabilities and Shareholders' Equity	<u>\$ 197,908</u>	<u>\$ 187,121</u>	<u>\$ 181,087</u>	<u>\$ 161,647</u>

Average Balances, Yields and Rates	Quarter Ended June 30,						Quarter Ended March 31,		
	2022			2021			2022		
	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⁾
(\$ in millions)									
Assets:									
Interest-bearing deposits with banks	\$ 5,713	\$ 11	0.80 %	\$ 11,281	\$ 3	0.11 %	\$ 11,342	\$ 5	0.18 %
Investment securities:									
U.S. Government-sponsored agency securities	165	1	2.05 %	100	1	1.59 %	117	0	1.37 %
Agency residential and commercial MBS	10,667	56	2.10 %	5,646	29	2.05 %	9,142	39	1.70 %
Other residential and commercial MBS	22	0	2.37 %	30	0	2.04 %	24	0	2.04 %
Tax-exempt municipal securities	16,711	161	3.86 %	13,470	136	4.02 %	15,595	151	3.87 %
Taxable municipal securities	1,774	14	3.18 %	1,612	12	3.00 %	1,715	13	2.97 %
Other investment securities	1,440	10	2.87 %	1,376	9	2.85 %	1,416	10	2.85 %
Total investment securities	<u>30,779</u>	<u>242</u>	<u>3.15 %</u>	<u>22,234</u>	<u>187</u>	<u>3.36 %</u>	<u>28,009</u>	<u>213</u>	<u>3.04 %</u>
Loans:									
Residential real estate	89,358	620	2.78 %	69,854	491	2.81 %	82,416	567	2.75 %
Multifamily	17,480	153	3.46 %	14,392	127	3.49 %	16,281	140	3.45 %
Commercial real estate	8,983	85	3.77 %	8,117	78	3.82 %	8,633	82	3.77 %
Multifamily/commercial construction	2,004	24	4.60 %	2,969	38	5.00 %	1,929	22	4.62 %
Business	18,469	160	3.43 %	15,894	129	3.21 %	18,590	145	3.12 %
PPP	138	3	8.46 %	1,843	15	3.32 %	381	7	7.59 %
Other	9,628	56	2.31 %	7,653	42	2.15 %	9,058	47	2.06 %
Total loans	<u>146,060</u>	<u>1,101</u>	<u>3.00 %</u>	<u>120,722</u>	<u>920</u>	<u>3.03 %</u>	<u>137,288</u>	<u>1,010</u>	<u>2.94 %</u>
FHLB stock	201	2	3.40 %	312	5	6.55 %	115	2	7.60 %
Total interest-earning assets	<u>182,753</u>	<u>1,356</u>	<u>2.96 %</u>	<u>154,549</u>	<u>1,115</u>	<u>2.87 %</u>	<u>176,754</u>	<u>1,230</u>	<u>2.78 %</u>
Noninterest-earning cash	442			386			449		
Goodwill and other intangibles	220			225			221		
Other assets	7,759			6,725			7,142		
Total noninterest-earning assets	<u>8,421</u>			<u>7,336</u>			<u>7,812</u>		
Total Assets	<u>\$191,174</u>			<u>\$161,885</u>			<u>\$184,566</u>		
Liabilities and Shareholders' Equity:									
Deposits:									
Interest-bearing checking	\$ 41,878	5	0.05 %	\$ 33,329	2	0.02 %	\$ 40,400	1	0.01 %
Money market checking	20,873	13	0.25 %	19,928	6	0.12 %	21,659	5	0.09 %
Money market savings and passbooks	17,682	11	0.25 %	14,783	6	0.17 %	17,925	7	0.15 %
CDs	6,975	8	0.43 %	8,040	10	0.51 %	7,217	7	0.40 %
Total interest-bearing deposits ⁽³⁾	<u>87,408</u>	<u>37</u>	<u>0.17 %</u>	<u>76,080</u>	<u>24</u>	<u>0.13 %</u>	<u>87,201</u>	<u>20</u>	<u>0.09 %</u>
Borrowings:									
Federal funds purchased	186	0	0.73 %	—	—	— %	—	—	— %
Short-term FHLB advances	2,953	9	1.20 %	—	—	— %	—	—	— %
Long-term FHLB advances	4,097	11	1.09 %	10,062	36	1.39 %	3,700	9	0.95 %
Senior notes	691	4	2.38 %	997	6	2.42 %	998	6	2.42 %
Subordinated notes	779	9	4.68 %	778	9	4.68 %	779	9	4.68 %
Total borrowings	<u>8,706</u>	<u>33</u>	<u>1.54 %</u>	<u>11,837</u>	<u>51</u>	<u>1.69 %</u>	<u>5,477</u>	<u>24</u>	<u>1.75 %</u>
Total interest-bearing liabilities ⁽⁴⁾	<u>96,114</u>	<u>70</u>	<u>0.29 %</u>	<u>87,917</u>	<u>75</u>	<u>0.34 %</u>	<u>92,678</u>	<u>44</u>	<u>0.19 %</u>
Noninterest-bearing checking	75,411			58,051			72,251		
Other noninterest-bearing liabilities	3,354			2,796			3,613		
Total noninterest-bearing liabilities	<u>78,765</u>			<u>60,847</u>			<u>75,864</u>		
Preferred shareholders' equity	3,633			2,143			3,633		
Common shareholders' equity	12,662			10,978			12,391		
Total Liabilities and Shareholders' Equity	<u>\$191,174</u>			<u>\$161,885</u>			<u>\$184,566</u>		
Net interest spread ⁽⁵⁾			2.66 %			2.54 %			2.59 %
Net interest income (fully taxable-equivalent basis) and net interest margin ⁽⁶⁾		<u>\$ 1,286</u>	2.80 %		<u>\$ 1,040</u>	2.68 %		<u>\$ 1,186</u>	2.68 %
Reconciliation of tax-equivalent net interest income to net interest income:⁽⁷⁾									
Municipal securities tax-equivalent adjustment		(33)			(30)			(34)	
Business loans tax-equivalent adjustment		(7)			(7)			(7)	
Net interest income		<u>\$ 1,246</u>			<u>\$ 1,003</u>			<u>\$ 1,145</u>	
Supplemental information:									
Total deposits (interest-bearing and noninterest-bearing)	\$162,819	\$ 37	0.09 %	\$134,131	\$ 24	0.07 %	\$159,452	\$ 20	0.05 %
Total deposits (interest-bearing and noninterest-bearing) and borrowings	\$171,525	\$ 70	0.16 %	\$145,968	\$ 75	0.20 %	\$164,929	\$ 44	0.11 %

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Average Balances, Yields and Rates	Six Months Ended June 30,					
	2022			2021		
	Average Balance	Interest Income/Expense ⁽¹⁾	Yield/Rates ⁽²⁾	Average Balance	Interest Income/Expense ⁽¹⁾	Yield/Rates ⁽²⁾
(\$ in millions)						
Assets:						
Interest-bearing deposits with banks	\$ 8,512	\$ 16	0.39 %	\$ 11,364	\$ 6	0.11 %
Investment securities:						
U.S. Government-sponsored agency securities	141	1	1.76 %	97	1	1.52 %
Agency residential and commercial MBS	9,909	95	1.91 %	5,636	60	2.11 %
Other residential and commercial MBS	23	0	2.19 %	32	0	1.95 %
Tax-exempt municipal securities	16,156	309	3.83 %	12,874	263	4.08 %
Taxable municipal securities	1,744	27	3.07 %	1,347	20	2.98 %
Other investment securities	1,428	20	2.86 %	905	12	2.73 %
Total investment securities	<u>29,401</u>	<u>452</u>	<u>3.08 %</u>	<u>20,891</u>	<u>356</u>	<u>3.40 %</u>
Loans:						
Residential real estate	85,906	1,187	2.76 %	67,668	960	2.84 %
Multifamily	16,884	293	3.45 %	14,159	250	3.51 %
Commercial real estate	8,808	167	3.77 %	8,075	156	3.85 %
Multifamily/commercial construction	1,967	46	4.61 %	2,918	69	4.68 %
Business	18,529	305	3.27 %	15,488	253	3.24 %
PPP	259	10	7.82 %	1,916	31	3.24 %
Other	9,345	103	2.19 %	7,501	81	2.15 %
Total loans	<u>141,698</u>	<u>2,111</u>	<u>2.97 %</u>	<u>117,725</u>	<u>1,800</u>	<u>3.05 %</u>
FHLB stock	158	4	4.92 %	329	10	6.31 %
Total interest-earning assets	<u>179,769</u>	<u>2,583</u>	<u>2.87 %</u>	<u>150,309</u>	<u>2,172</u>	<u>2.88 %</u>
Noninterest-earning cash	446			400		
Goodwill and other intangibles	221			226		
Other assets	7,452			6,409		
Total noninterest-earning assets	<u>8,119</u>			<u>7,035</u>		
Total Assets	<u>\$187,888</u>			<u>\$157,344</u>		
Liabilities and Shareholders' Equity:						
Deposits:						
Interest-bearing checking	\$ 41,143	6	0.03 %	\$ 32,664	4	0.02 %
Money market checking	21,264	18	0.17 %	19,411	14	0.14 %
Money market savings and passbooks	17,803	18	0.20 %	14,215	12	0.18 %
CDs	7,095	15	0.41 %	8,225	22	0.53 %
Total interest-bearing deposits ⁽³⁾	<u>87,305</u>	<u>57</u>	<u>0.13 %</u>	<u>74,515</u>	<u>52</u>	<u>0.14 %</u>
Borrowings:						
Federal funds purchased	93	0	0.73 %	0	0	0.26 %
Short-term FHLB advances	1,485	9	1.20 %	0	0	0.15 %
Long-term FHLB advances	3,899	20	1.02 %	10,689	76	1.42 %
Senior notes	844	10	2.41 %	997	12	2.42 %
Subordinated notes	779	18	4.68 %	778	18	4.68 %
Total borrowings	<u>7,100</u>	<u>57</u>	<u>1.62 %</u>	<u>12,464</u>	<u>106</u>	<u>1.71 %</u>
Total interest-bearing liabilities ⁽⁴⁾	<u>94,405</u>	<u>114</u>	<u>0.24 %</u>	<u>86,979</u>	<u>158</u>	<u>0.36 %</u>
Noninterest-bearing checking	73,840			54,887		
Other noninterest-bearing liabilities	3,483			2,717		
Total noninterest-bearing liabilities	<u>77,323</u>			<u>57,604</u>		
Preferred shareholders' equity	3,633			2,054		
Common shareholders' equity	12,527			10,707		
Total Liabilities and Shareholders' Equity	<u>\$187,888</u>			<u>\$157,344</u>		
Net interest spread ⁽⁵⁾			2.63 %			2.52 %
Net interest income (fully taxable-equivalent basis) and net interest margin ⁽⁶⁾		<u>\$ 2,469</u>	2.74 %		<u>\$ 2,014</u>	2.67 %
Reconciliation of tax-equivalent net interest income to net interest income:⁽⁷⁾						
Municipal securities tax-equivalent adjustment		(64)			(58)	
Business loans tax-equivalent adjustment		(14)			(14)	
Net interest income		<u>\$ 2,391</u>			<u>\$ 1,942</u>	
Supplemental information:						
Total deposits (interest-bearing and noninterest-bearing)	\$161,145	\$ 57	0.07 %	\$129,402	\$ 52	0.08 %
Total deposits (interest-bearing and noninterest-bearing) and borrowings	\$168,245	\$ 114	0.14 %	\$141,866	\$ 158	0.22 %

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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 June 30,		Quarter Ended March 31,	Six Months Ended June 30,	
	2022	2021	2022	2022	2021
(\$ in millions, except per share amounts)					
Selected Financial Data and Ratios:					
Return on average assets ^{(1), (2)}	0.91 %	0.92 %	0.88 %	0.90 %	0.91 %
Return on average common shareholders' equity ⁽¹⁾	12.43 %	12.77 %	11.91 %	12.17 %	12.54 %
Return on average tangible common shareholders' equity ^{(1), (3)}	12.65 %	13.04 %	12.12 %	12.39 %	12.81 %
Average equity to average assets	8.52 %	8.10 %	8.68 %	8.60 %	8.11 %
Dividends per common share	\$ 0.27	\$ 0.22	\$ 0.22	\$ 0.49	\$ 0.42
Dividend payout ratio	12.5 %	11.3 %	11.0 %	11.8 %	11.2 %
Efficiency ratio ⁽⁴⁾	60.5 %	62.0 %	62.0 %	61.2 %	62.7 %
Selected Asset Quality Ratios:					
Net loan charge-offs (recoveries)	\$ 1.3	\$ 1.2	\$ (0.3)	\$ 1.0	\$ 1.7
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	\$ 71.03	\$ 62.99	\$ 69.70		
Tangible book value per common share ⁽⁵⁾	\$ 69.81	\$ 61.72	\$ 68.47		

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

Effective Tax Rate	Quarter Ended June 30,		Quarter Ended March 31,	Six Months Ended June 30,	
	2022	2021	2022	2022	2021
Effective tax rate, prior to excess tax benefits—stock awards	24.0 %	21.7 %	23.4 %	23.7 %	22.1 %
Excess tax benefits—stock awards	(0.6)	(4.3)	(0.5)	(0.6)	(2.5)
Effective tax rate	<u>23.4 %</u>	<u>17.4 %</u>	<u>22.9 %</u>	<u>23.1 %</u>	<u>19.6 %</u>

Provision (Reversal of Provision) for Credit Losses	Quarter Ended June 30,		Quarter Ended March 31,		Six Months Ended June 30,	
	2022	2021	2022	2022	2021	2021
(\$ in millions)						
Debt securities held-to-maturity	\$ 1	\$ 1	\$ 1	\$ 2	\$ 2	\$ 2
Loans	29	17	7	36	3	3
Unfunded loan commitments	1	(2)	2	3	(4)	(4)
Total provision	<u>\$ 31</u>	<u>\$ 16</u>	<u>\$ 10</u>	<u>\$ 41</u>	<u>\$ 1</u>	<u>\$ 1</u>

Loan Originations	Quarter Ended June 30,		Quarter Ended March 31,		Six Months Ended June 30,	
	2022	2021	2022	2022	2021	2021
(\$ in millions)						
Single family	\$ 10,638	\$ 8,662	\$ 8,376	\$ 19,014	\$ 15,564	\$ 15,564
Home equity lines of credit	744	610	689	1,433	1,234	1,234
Single family construction	540	215	267	807	440	440
Multifamily	2,330	1,102	1,709	4,039	1,893	1,893
Commercial real estate	816	458	566	1,382	772	772
Multifamily/commercial construction	492	272	384	876	583	583
Capital call lines of credit	3,096	2,921	3,020	6,116	6,052	6,052
Tax-exempt	92	208	90	182	422	422
Other business	1,078	521	538	1,616	1,546	1,546
PPP	—	36	—	—	725	725
Stock secured	915	776	1,136	2,051	1,486	1,486
Other secured	815	598	666	1,481	1,037	1,037
Unsecured	413	372	369	782	718	718
Total loans originated	<u>\$ 21,969</u>	<u>\$ 16,751</u>	<u>\$ 17,810</u>	<u>\$ 39,779</u>	<u>\$ 32,472</u>	<u>\$ 32,472</u>

Asset Quality Information	As of				
	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
(\$ in millions)					
Nonperforming assets:					
Nonaccrual loans	\$ 137	\$ 140	\$ 139	\$ 127	\$ 133
Other real estate owned	—	—	—	—	—
Total nonperforming assets	<u>\$ 137</u>	<u>\$ 140</u>	<u>\$ 139</u>	<u>\$ 127</u>	<u>\$ 133</u>
Nonaccrual loans to total loans	0.09 %	0.10 %	0.10 %	0.10 %	0.11 %
Nonperforming assets to total assets	0.07 %	0.08 %	0.08 %	0.07 %	0.08 %
Accruing loans 90 days or more past due	\$ —	\$ —	\$ —	\$ —	\$ —
Restructured accruing loans	\$ 12	\$ 12	\$ 13	\$ 10	\$ 11
Allowance for loan credit losses to:					
Total loans	0.48 %	0.50 %	0.51 %	0.52 %	0.52 %
Nonaccrual loans	531.2 %	498.8 %	500.5 %	524.4 %	479.3 %

Loan Servicing Portfolio	As of				
	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
(\$ in millions)					
Loans serviced for investors	\$ 3,919	\$ 4,298	\$ 4,677	\$ 5,117	\$ 5,640

Return on Average Common Shareholders' Equity and Return on Average Tangible Common Shareholders' Equity^{(1), (2)}

	Quarter Ended June 30,		Quarter Ended	Six Months Ended	
	2022	2021	March 31, 2022	June 30, 2022	2021
(\$ in millions)					
Average common shareholders' equity (a)	\$ 12,662	\$ 10,978	\$ 12,391	\$ 12,527	\$ 10,707
Less: Average goodwill and other intangible assets	(220)	(225)	(221)	(221)	(226)
Average tangible common shareholders' equity (b)	<u>\$ 12,442</u>	<u>\$ 10,753</u>	<u>\$ 12,170</u>	<u>\$ 12,306</u>	<u>\$ 10,481</u>
Net income available to common shareholders (c)	\$ 392	\$ 350	\$ 364	\$ 756	\$ 666
Return on average common shareholders' equity (c) / (a)	12.43 %	12.77 %	11.91 %	12.17 %	12.54 %
Return on average tangible common shareholders' equity (c) / (b)	12.65 %	13.04 %	12.12 %	12.39 %	12.81 %

⁽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, 2022	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
(in millions, except per share amounts)					
Total shareholders' equity	\$ 16,426	\$ 16,154	\$ 15,898	\$ 14,802	\$ 13,275
Less: Preferred stock	(3,633)	(3,633)	(3,633)	(2,893)	(2,143)
Total common shareholders' equity (a)	12,793	12,521	12,265	11,909	11,132
Less: Goodwill and other intangible assets	(220)	(221)	(222)	(223)	(224)
Total tangible common shareholders' equity (b)	<u>\$ 12,573</u>	<u>\$ 12,300</u>	<u>\$ 12,043</u>	<u>\$ 11,686</u>	<u>\$ 10,908</u>
Number of shares of common stock outstanding (c)	180	180	179	179	177
Book value per common share (a) / (c)	\$ 71.03	\$ 69.70	\$ 68.34	\$ 66.44	\$ 62.99
Tangible book value per common share (b) / (c)	\$ 69.81	\$ 68.47	\$ 67.10	\$ 65.19	\$ 61.72

⁽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, 2022 ⁽³⁾	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
(\$ in millions)					
Capital Ratios:					
Tier 1 leverage ratio (Tier 1 capital to average assets)	8.59 %	8.70 %	8.76 %	8.55 %	8.05 %
Common Equity Tier 1 capital to risk-weighted assets	9.15 %	9.48 %	9.65 %	9.81 %	9.51 %
Tier 1 capital to risk-weighted assets	11.75 %	12.25 %	12.56 %	12.25 %	11.38 %
Total capital to risk-weighted assets	12.82 %	13.37 %	13.72 %	13.45 %	12.60 %
Regulatory Capital:					
Common Equity Tier 1 capital	\$ 12,791	\$ 12,418	\$ 12,045	\$ 11,674	\$ 10,875
Tier 1 capital	\$ 16,424	\$ 16,051	\$ 15,678	\$ 14,566	\$ 13,018
Total capital	\$ 17,924	\$ 17,521	\$ 17,124	\$ 15,994	\$ 14,421
Assets:					
Average assets	\$191,202	\$184,410	\$ 178,969	\$ 170,373	\$161,637
Risk-weighted assets	\$139,811	\$131,024	\$ 124,820	\$ 118,941	\$114,406

⁽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, 2022 are preliminary.

Wealth Management Assets	As of				
	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
(\$ in millions)					
First Republic Investment Management	\$ 100,204	\$ 108,771	\$ 109,130	\$ 101,105	\$ 99,459
Brokerage and investment:					
Brokerage	116,979	128,129	128,258	115,793	112,359
Money market mutual funds	10,510	18,543	23,673	18,074	13,109
Total brokerage and investment	127,489	146,672	151,931	133,867	125,468
Trust Company:					
Trust	14,994	14,344	13,695	12,220	11,496
Custody	4,099	4,408	4,687	4,533	4,439
Total Trust Company	19,093	18,752	18,382	16,753	15,935
Total Wealth Management Assets	\$ 246,786	\$ 274,195	\$ 279,443	\$ 251,725	\$ 240,862

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