Sustainable Culture and Community Engagement at First Republic

2019 Corporate Social Responsibility Report
About this report:
This issue of Sustainable Culture and Community Engagement at First Republic is the second release, covering the fiscal year ending December 31, 2019, and published May 2020.

This corporate social responsibility report was produced in collaboration with Argyle Company, under the guidance of the Global Reporting Initiative (GRI) framework.
Since 1985 we have maintained a straightforward business model that is focused on delighting each and every client with exceptional service while operating in a very safe and responsible manner at all times. This model has performed very well through varying economic conditions, resulting in consistent profitability every year since inception.

Our success is predicated on having happy colleagues, which leads to happy clients and communities, and ultimately happy shareholders. This virtuous circle begins by supporting and empowering our people and creating a diverse and inclusive environment where they can thrive. During challenging times like those presented by the COVID-19 pandemic, our approach becomes even more important and we have been particularly focused on our communities, clients and colleagues. For example, we have rolled out new benefits to help our colleagues adapt to this new working environment; we are making prudent, client-friendly loan deferrals and are participating in the Small Business Administration’s Paycheck Protection Program; and we are actively supporting our nonprofit clients.

As we think about the long-term sustainability of our culture and business model, we reflect on our four core tenets: Safety & Soundness, Culture of Empowerment, Sustainable Growth and Socially Responsible Banking. These tenets are of the utmost importance to our leadership team and are reflected in the six strategic priorities around which this report is developed.

We are proud to deliver a service that is valued by our clients, as reflected in our high Net Promoter Score and the countless testimonials from satisfied clients. We are just as proud to be a valued part of our communities, as reflected in our high Net Promoter Score and well below the industry average.

Whether you are a colleague, a client or our neighbor, it is a privilege to serve you.

As of December 31, 2019:

**SAFETY & SOUNDNESS**

Are we effectively managing risk?

Our robust enterprise risk management framework ensures that we are prepared for various economic cycles and that the Bank and our clients are safeguarded against risk and fraud.

<table>
<thead>
<tr>
<th>Consistent Credit Quality</th>
<th>0.13%</th>
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<tbody>
<tr>
<td>Cumulative Net Losses on $267B in Loan Originations</td>
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<table>
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<tr>
<th>Strong Capital</th>
<th>8.39%</th>
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<tr>
<td>Tier 1 Leverage Ratio vs. 4% Minimum</td>
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<table>
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<tr>
<th>Well-Managed Liquidity</th>
<th>12.7%</th>
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<tbody>
<tr>
<td>HQLA to Average Total Assets</td>
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</table>

**SUSTAINABLE GROWTH**

Are we clear with our mission and growing with our client’s best interest at heart?

Our colleagues are empowered to do what’s best for clients and to delight them with exceptional service. This leads to additional business and strong word-of-mouth referrals which power our sustainable, organic growth.

<table>
<thead>
<tr>
<th>Exceptional Service</th>
<th>72</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Promoter Score more than 2x the Banking Sector</td>
<td></td>
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<table>
<thead>
<tr>
<th>Organic Growth</th>
<th>75%</th>
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<tbody>
<tr>
<td>Growth from existing satisfied clients and their referrals</td>
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<table>
<thead>
<tr>
<th>Developing Long-Term Client Relationships</th>
<th>2%</th>
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<tr>
<td>Annual Client Attrition — well below the industry average</td>
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</table>

**CULTURE OF EMPOWERMENT**

Are we taking care of our colleagues and empowering them to deliver exceptional service?

| Comprehensi benes and a Culture That Values Diversity |
|----------------------------------|-------|
| Female / Minority |

| Empower! Harnesses Our Collective Wisdom |
|----------------------------------------|-------|
| Eagle Intelligence |
| Continuous Process Improvement |
| Innovation |
| Trust and Delegate |
| Lifelong Learning |

**RESPONSIBLE BANKING**

Are we a positive force in our communities?

We believe in doing what is right and are committed to being a responsible corporate citizen by strengthening the communities where we work and live.

| Reducing the Burden of Debt |
|-----------------------------|-------|
| $2.6B Household Debt Refinanced by First Republic at lower rates |

| Serving the Underserved |
|-------------------------|-------|
| $5.7B1 Low-to-Moderate Income Community Development Loans |

| Supporting Nonprofits |
|-----------------------|-------|
| Over 975 Nonprofits Supported Through Charitable Giving |

1 Loans originated from 2011 through 2018, the most recent reportable time period.

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As of December 31, 2019:

| First Republic Thanks You |
|---------------------------|-------|
| Whether you are a colleague, a client or our neighbor, it is a privilege to serve you. |

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James H. Herbert, II
Founder, Chairman and CEO

Hafize Gaye Erkan
President and Board Member
Caring deeply for our communities, clients and colleagues is core to our business model and results directly in long-term, sustainable shareholder value. The relationship between doing the right thing and creating shareholder value is not an accidental one — it is a causative one.

James H. Herbert, II
Founder, Chairman and CEO
COVID-19: Supporting Communities, Clients and Colleagues

Committed to serving our stakeholders during challenging times.

CARING FOR OUR COMMUNITIES
Supporting those in need during challenging times

• First Republic COVID-19 Fund including a Community Advisory Board donation program and matching gift program for colleague donations
• Grants to support existing nonprofit clients in need
• Honoring sponsorship commitments for nonprofit partners regardless of whether events are being held
• Digital resources for our nonprofit communities and virtual volunteering

SERVING OUR CLIENTS
Strengthening relationships in all environments

• Frequent client touchpoints and communications
• Prudent, client-friendly modifications for clients experiencing hardship, typically deferring payments for six months¹
• Participation in the Small Business Administration’s Paycheck Protection Program
• Assistance with overdraft and late fees, and flexibility for early CD withdrawals
• Epidemiologist-guided Preferred Banking Office strategy and dedicated hours for at-risk populations
• Go Digital promotion to encourage clients to bank from home while social distancing practices are in place

SUPPORTING OUR COLLEAGUES
Focusing on health and well-being

• Paid time off and paid sick leave for issues related to COVID-19
• COVID-19 testing covered at 100%
• Bonus and ongoing remuneration for remote office setup and communications costs
• Employee Assistance Program offering employer-covered counseling sessions
• Employer-paid One Medical membership for colleagues and dependents in addition to existing health plans
• Employer-paid Calm app membership
• Information and education sessions on constructive work-from-home methods and CARES Act legislation

¹ Deferred amounts added to remaining principal and repaid over remaining life of loan.
As of December 31, 2019:

- **Total Bank Assets:** $116.3B
- **Cumulative Net Losses:** Only 13 bps on $266.5B of originated loans since 1985
- **Not Promoter Score (Lead Bank):** 80

- **Total Wealth Management Assets:** $151.0B
- **Tier 1 Leverage Capital Ratio:** 8.39%
- **Consistent Profitability:** 34 years

**Consistent Growth: 5-Year Trends**

<table>
<thead>
<tr>
<th>Year</th>
<th>Loans $B</th>
<th>Deposits $B</th>
<th>Wealth Management Assets $B</th>
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<th>Tangible Book Value Per Share $B</th>
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2. Represents recorded investment, excluding loans held for sale.
3. Wealth management assets under management or administration exclude account balances that are swept into Bank deposits and safekeeping assets from the Bank’s private equity and venture capital clients.
4. Four-year compounded annual growth rate from December 31, 2015, to December 31, 2019, except total revenues, which is from full-year 2015 through 2019.

**Community Engagement**

$5.7 billion Low-to-moderate income community development loans¹
Over 20,800 Hours volunteered by colleagues in 2019
Over 100,000 Affordable, low-income rental units financed by current investments²
Over 975 Nonprofit institutions supported with charitable contributions and grant awards in 2019

Founded in 1985, First Republic offers private banking, private business banking and private wealth management services. We specialize in delivering exceptional, relationship-based service, with a solid commitment to responsiveness and action.

The Communities We Serve

4,812 colleagues across 78 Preferred Banking Offices

Number of Preferred Banking Offices

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Our Strategic Priorities

In order to continue delivering exceptional service, which supports the long-term sustainability of our culture and growth, we are focused on:

<table>
<thead>
<tr>
<th>Fostering a Culture of Extraordinary Service</th>
<th>Engaging and Developing Happy Colleagues</th>
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<tbody>
<tr>
<td>13</td>
<td>41</td>
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<table>
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<tr>
<th>Executing our Long-Term Strategy</th>
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<tbody>
<tr>
<td>18</td>
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<table>
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<tr>
<th>Strengthening Our Communities</th>
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<tbody>
<tr>
<td>28</td>
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<table>
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<tr>
<th>Operating With Integrity</th>
</tr>
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<tr>
<td>46</td>
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<tr>
<th>Leading With Strong Governance</th>
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<tr>
<td>50</td>
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**HOW WE DETERMINE OUR PRIORITIES**

Our strategic priorities align with our core values and are critical to building a lasting business that serves the needs of our stakeholders — our communities, clients, colleagues, regulators and shareholders. These priorities are the outcome of:

- **Our stakeholder engagement:** In order to thoughtfully serve our stakeholders, we need to know what’s important to them. We believe open engagement helps us better understand the key drivers of our long-term sustainability.

- **Our business planning process:** To manage our business for the long term, we must plan for the long term. Every year, we conduct a rigorous planning process that culminates in a multiyear, long-term focused business plan approved by the Board of Directors.

- **Our benchmarking and research:** We maintain our focus on transparency in order to align our disclosure priorities with the expectations of our stakeholders. We identify additional topics material to our business by studying peers and benchmarking standards.

**FOSTERING A CULTURE OF EXTRAORDINARY SERVICE**

“At First Republic, we are committed to extraordinary service to our clients. Our caring colleagues and our culture of service, empowerment and teamwork are key to our continued success. Our colleagues’ happiness and stability lead to our clients’ delight and referrals, which in turn lead to sustainable organic growth.”

Hafize Gaye Erkan
President and Board Member
Culture Is Key

First Republic’s culture of extraordinary service is our differentiator. It is both our business strategy and a source of pride — and we are passionate about it.

HAPPY CLIENTS AND COMMUNITIES

First Republic’s exemplary Net Promoter Score (NPS) is a strong testament to our exceptional service, which is the key driver of our growth. The NPS is derived from clients’ responses to a single question: “On a scale of 0 to 10, how likely are you to recommend First Republic to a friend or colleague?” In 2019, our NPS was more than two times greater than the U.S. banking industry average and higher than many top service-focused brands.

We strive to be a positive force in our communities by fulfilling our Community Reinvestment Act requirements, encouraging our colleagues to volunteer and partnering with nonprofit organizations that enrich our communities.

Our growth is the result of our colleagues taking great care of our clients. Our clients then do more with us, and they positively promote the Bank to new clients. It is the powerful network effect of First Republic’s culture of service that has driven consistent and sustainable growth and profitability since our founding in 1985, serving all of our constituents well — including, very importantly, our shareholders.

HAPPY COLLEAGUES

Happy, engaged colleagues are our secret sauce. Our colleague stability enables the consistent delivery of exceptional service and more meaningful relationships with our clients and communities. This, in turn, leads to very low client attrition of only 2%6 — or about one-fourth the average client attrition for U.S. banks.4

Everyone at First Republic shares the same goal: Take exceptional care of our clients. Our culture fosters individual and collective accountability in a flat organization uninhibited by organizational charts and departmental silos. The result is a diverse, inclusive workplace where colleagues are supported to achieve their best. Happy, empowered colleagues yield happy, endorsing clients.

HAPPY SHAREHOLDERS

Our client satisfaction is over 2x higher than the U.S. Banking Industry Average.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Company</th>
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<tbody>
<tr>
<td>80</td>
<td>First Republic — as “Lead Bank”</td>
</tr>
<tr>
<td>72</td>
<td>First Republic — Overall</td>
</tr>
<tr>
<td>71</td>
<td>Southwest</td>
</tr>
<tr>
<td>68</td>
<td>Ritz Carlton</td>
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<tr>
<td>68</td>
<td>Apple</td>
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<tr>
<td>58</td>
<td>Zappos</td>
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1 As measured by change in checking deposit balances from December 31, 2007, to December 31, 2019. Checking defined as all business and consumer checking, excluding money market checking.
3 Source: SATMETRIX NPS (2019) for brands listed and U.S. Banking Industry Average, excluding FRC. Please note: the brands listed under “Top Service-Focused Brands” are brands selected for comparison purposes.

Our Clients Say It Best

“First Republic is a partnership unlike any banking experience we’ve had.”

SALLY STEELE, Co-Director, City Hope
JUSTIN STEELE, Director, Google.org
Clients Since ’14

“First Republic understands our legacy and our bold aspirations. We define the goal, and they help us get there.”

AMERICAN BALLET THEATRE
Clients Since ’14

“First Republic believes in the work we’re doing. That makes all the difference in the world.”

CHINATOWN HEALTH CLINIC FOUNDATION
Clients Since ’14
Shared Core Values

Our values define how we operate each day to best take care of our clients and each other. We live our values and hire people who exemplify them.

**DO THE RIGHT THING**
We strive to do things right at First Republic. We also recognize that we’re a business of humans; mistakes will happen. Therefore, our mandate is to do the right thing: act with integrity, own our actions, correct mistakes, learn from experience.

**PROVIDE EXTRAORDINARY SERVICE**
We always aim to exceed expectations and serve our clients in unexpected ways. We’ll take on only what we can do right. Our business may be about wealth management and banking, but our success is all about service — exceptional client service.

**THINK POSITIVELY**
We operate in an environment of trust and encourage openness and flexibility. We hire positive people who act positively. Our goal is to “manage toward yes.”

**RESPECT THE TEAM**
Everyone at First Republic makes a difference and everyone at First Republic deserves to feel that his or her contribution is valued. We place high value on collaboration because we know that the power of many is greater than the power of one.

**TAKE RESPONSIBILITY**
At First Republic, it’s not enough to do our own jobs well. Making sure our clients are satisfied is everyone’s job. So if something needs fixing, we step up to the plate, “own” the problem and make things right.

**MOVE FORWARD, MOVE FAST**
There are two types of organizations — organizations that spend time checking and organizations that spend time doing. We’re doers. We value action and decisiveness and recognize that the best opportunities come to those who act quickly.

**GROW**
We’ve evolved greatly since our inception, expanding ourselves and our business purpose. At First Republic, we embrace change and every person has the opportunity to grow and contribute. We want our people to soar.

**HAVE FUN**
We know that if everyone enjoys their work they’ll do a better job — and our clients will feel the difference. It’s really that simple.
EXECUTING OUR LONG-TERM STRATEGY

“The foundation of our business is extraordinary client service built on a culture of caring. That means being there for clients as their needs evolve over time and welcoming the next generation of clients to the Bank.”

— Mike Selfridge, Chief Banking Officer

Committed to Sustainable Growth

We manage our business to deliver sustainable growth and strong, consistent performance so that we can continue to serve our stakeholders. Since inception in 1985, we have been consistently profitable through a variety of economic cycles.

Our differentiated service is the key driver of our growth; satisfied clients stay with First Republic, do more business with us and refer their friends and colleagues.

Over 75% of our growth comes from existing clients and their referrals.\(^1\)

DELIVERING EXCEPTIONAL SERVICE

At First Republic, we put our clients at the center of all we do, delivering our exceptional service through a single-point-of-contact model. Each of our clients benefits from having a dedicated relationship manager who acts as the primary point of contact for all financial needs. Our relationship managers assemble a team of experts across private banking, private business banking and private wealth management to deliver thoughtful, holistic solutions to our clients. At First Republic, we don’t operate in silos—we reward our colleagues for working collaboratively in the best interest of our clients. We also don’t restrict bankers to specific geographies or client net worth.

As clients move or grow, their relationship managers stay with them, allowing us to build long-term, rewarding relationships.

\(^1\) For more information, please refer to the Bank’s Investor Presentation.

STRONG MARKET’S EQUAL OPPORTUNITY

Strong economic activity and wealth creation in our primarily urban, coastal markets present substantial opportunities for continued growth.

As a whole, our geographic markets outgrow the U.S. by 40% on average.\(^3\)

Every two years we conduct a study with Capgemini to understand our market share of high net worth households (households with at least $1 million in investable assets). While these households represent less than 50% of our client households, our relatively modest market share of 4.21% indicates our continued opportunity.\(^4\) Despite our historic success attracting new clients to the Bank, we still have plenty of room to grow without compromising credit or taking on new risks.
Strength and Stability

EXCEPTIONAL CREDIT QUALITY

Managing a sustainable business requires balancing growth with prudent risk management. At First Republic, we never compromise on credit quality and have maintained disciplined, conservative underwriting standards through varying economic conditions.

We recognize that from time to time, clients may undergo hardship, often through no fault of their own. At such times, we work with our clients on a one-on-one basis to reach the best outcome.

Our exceptional credit quality enables us to be a better partner to our clients. Strong credit criteria increase the safety of the Bank and protect clients from taking excessive risk. Over the past 20 years, the average annual net charge-offs of the Top 50 U.S. Banks have been nearly seven times higher than those of First Republic.1

Our targeted markets and simple, consistent loan offerings have also allowed us to build substantial local knowledge and lending expertise. The stability of our people is key to reinforcing our strong credit culture as well. 90% of all the loans we’ve originated since 1985 were originated by bankers who are still with First Republic today.

CREDIT RISK MANAGEMENT

Credit risk management involves a partnership between our bankers and our credit approval team. At First Republic, both relationship managers and credit approvers work together, to fully understand the borrower’s financial picture. Our credit approvers are located throughout our geographic footprint, so they are making decisions based on areas and properties they know well. Each loan is also underwritten to withstand potential economic downturns, taking stress testing to the individual loan level.

Our compensation program reinforces responsible lending, with credit clawback provisions since 1986 on all loan originations. When credit issues do arise, bankers, in conjunction with credit administration, are responsible for resolving their own non-performing loans. This allows the banker to take a personalized approach with the client. Weekly, company-wide meetings attended by nearly all of our senior management, bankers, credit and loan production colleagues provide meaningful learning opportunities and reinforce credit quality as a cultural cornerstone of the Bank.

"We underwrite our loans one at a time, adhering to our conservative credit philosophy. Our credit approvers and bankers work together to assess each deal to make sure it’s structured appropriately for the client and the Bank.”

David Lichtman / Chief Credit Officer

As of December 31, 2019:

<table>
<thead>
<tr>
<th>Nonperforming Assets: 12 bps of total assets</th>
<th>Cumulative Net Losses: Only 13 bps on $266.5 billion of loans originated since 1985</th>
</tr>
</thead>
<tbody>
<tr>
<td>90% of all loans originated were originated by bankers who are still with First Republic</td>
<td>90% of all real estate loans are located within 20 miles of a First Republic office</td>
</tr>
</tbody>
</table>

MITIGATING NATURAL DISASTERS

Recognizing that a significant portion of our real estate lending is located in California, which is prone to earthquakes and other natural disasters, we have taken the following precautions to mitigate our exposure in the event of such potential occurrences:

- Requiring hazard insurance
- Originating loans at conservative loan-to-value ratios
- Lending against the value of only the land for properties with masonry buildings
- Purchasing a parametric earthquake insurance policy, which pays the Bank proceeds upon the occurrence of an earthquake with a minimum magnitude and within a specified distance from certain California offices, regardless of actual losses incurred

"We are a service organization with a goal of service excellence. That means we have to be there for our clients at all times, even during economic challenges.”

Mike Roffler / Chief Financial Officer

As of December 31, 2019:

<table>
<thead>
<tr>
<th>STRONG CAPITAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1 Leverage Capital Ratio: 8.39%</td>
</tr>
</tbody>
</table>

Strong capital enhances the safety of the Bank and provides us with the ability to continue to grow with our clients. We access the markets opportunistically with small deal sizes to ensure that we have enough capital on hand to fund approximately two years of growth. This proactive approach allows us to continue to serve our clients even during periods of market turmoil, when access to capital may be limited.

As of December 31, 2019:

HQLA totaled $14.5 billion and represented 12.7% of average total assets.1

"We are a service organization with a goal of service excellence. That means we have to be there for our clients at all times, even during economic challenges.”

Mike Roffler / Chief Financial Officer

INTEREST RATE RISK MANAGEMENT

Consistent with our conservative risk mindset, we strive for net interest margin stability. We manage our interest rate risk primarily by originating and retaining adjustable-rate and hybrid loans and funding these loans predominantly with deposits. We manage toward a neutral balance sheet position and typically sell our long-term fixed rate loans. With a stable net interest margin, we focus on growing net interest income as we grow our assets.

As of December 31, 2019:

<table>
<thead>
<tr>
<th>STRONG LIQUIDITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>26% of our total earning assets have reset periods or maturity of less than one year</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FOCUS AND DISCIPLINE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equally important to mitigating risk is clearly outlining what we don’t do as a business. We know our strengths and maintain a list of business activities not undertaken, emphasizing our continued focus. As the Bank evolves, we reevaluate this list periodically to ensure it continues to reflect our strategy and capabilities.</td>
</tr>
</tbody>
</table>

1 As of December 31, 2019. HQLA include $7.2 billion of municipal securities.
2 For more information, please refer to the Bank’s Investor Presentation.

2 Includes estimated charge-offs on delinquent loans retained by Bank of America (for period from July 1, 2010, to December 31, 2018). First Republic was added to Merrill Lynch in September 2021, through the acquisition of Merril Lynch. It became part of Bank of America in January 2009, then it became independent again through a management led buyback in July 2010.
Investing for the Future

We continually invest in opportunities to drive future growth. We look for what our clients need, and how we can help.

MEETING OUR CLIENTS EARLIER

First Republic got its start by offering mortgages to young professionals in the San Francisco Bay Area. Historically, mortgages have served as the initial product to attract new clients and introduce them to our client-focused model. Happy with our exceptional service, many of our home loan clients have stayed with us, and we’ve grown with them as their financial needs have evolved over time. Today, the financial needs of our next generation of clients have changed. To reach these individuals, we developed our Professional Loan Program and began refinancing household debt.

Next-generation clients now represent 35% of total consumer borrowing households, compared to only 17% three years ago.¹

Professional Loan Program

In 2009, we created the Professional Loan Program to finance the required capital contributions of clients who have been granted the opportunity to invest in their partnerships, companies or firms. Through this program, we are able to reach the next generation of business leaders.

As of December 31, 2019:

<table>
<thead>
<tr>
<th>Cumulative Number of Households</th>
<th>Average Age of Borrower</th>
<th>Average FICO of Borrower</th>
<th>Total Loans Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.6K</td>
<td>38</td>
<td>768</td>
<td>$1.2B</td>
</tr>
</tbody>
</table>

Household Debt Refinancing

One of the biggest challenges facing our next generation clients is household debt, including student loans. Approximately 44 million U.S. borrowers have outstanding loans, representing $1.6 trillion in balances.⁵

In 2014 we began refinancing household debt to address this challenge. Consolidating household debt such as student loans, credit card debt and auto loans into a single payment can result in significant savings and help clients get to a much better financial position.

Staying true to our prudent credit philosophy, we look for borrowers with strong credit scores, liquidity and debt service coverage.

By easing their debt burden, many of these clients have been able to take the next steps toward increasing savings, buying homes and more.

Eagle Invest

Eagle Invest is First Republic’s automated online investment management offering, providing an entry point into a Private Wealth Management relationship earlier in a client’s financial life cycle.

Consistent with our service-oriented culture, Eagle Invest includes access to Eagle Invest Advisors. The models that power Eagle Invest are developed by First Republic Investment Management’s Research Team, representing our best institutional thinking.

Eagle Invest clients benefit from the combination of efficient trading technology paired with a level of service and thoughtfulness they’ve come to expect from First Republic. This hybrid approach to investing means our clients get the best of both worlds.

Relationship Manager Development Program

To nurture these next-generation households, we’ve invested in developing the next generation of relationship managers who can serve these clients for life. These new relationship managers are typically existing First Republic colleagues, with an average First Republic tenure of five years already ingrained in our culture. Through our Relationship Manager Development Program, they receive additional training and mentoring to deliver exceptional client service. By the end of 2019, over 60 new relationship managers graduated from this program.

"I will do anything to help my clients who are in the early stages of their careers, whether it’s helping them save for a home or getting them on the right track to become a lifetime First Republic client."

Gayatri B. / Relationship Manager Development Program Graduate

¹ As of December 31, 2019.
² Represents the total number of households acquired since inception, as of December 31, 2019. Includes households with outstanding loans as well as paid off loans.
³ Average age of borrower at time of origination.
⁴ Loan amounts are based on unpaid principal balance as of December 31, 2019.

Please refer to page 63 for more information.
**Investing for the Future**

**SERVING OUR CLIENTS LONGER**

As our clients have matured, we've also expanded our Private Wealth Management and Business Banking offerings enabling us to further deepen our relationships.

**Private Wealth Management**

We've invested in Private Wealth Management to offer clients a wider range of solutions and expertise as their financial needs evolve. Our open architecture platform allows us to provide an unbiased perspective, aligning our interests with those of our clients.

- Financial Planning
- Investment Management
- Brokerage Services
- Trust Services
- Insurance Services
- Foreign Exchange

“The collaboration between our wealth management professionals and bankers allows us to serve our clients holistically. Our integrated approach and lack of silos are paramount to delivering exceptional client service.”

**Robert Thornton / President, Private Wealth Management**

In addition to allowing us to provide more comprehensive service to our clients, Private Wealth Management creates opportunity for referrals to and from the Bank, diversifies our revenues and is an important driver of our growth. Over the past five years, assets under management have grown at a 23% compounded annual growth rate.¹

**Wealth Management Growth**

Wealth Management fee income was 14.1% of total revenues in 2019.³

**AWARDS**

- Top 50 Private Wealth Management Teams
- Barron’s
- Top 100 Financial Advisors
- Barron’s
- Top Next-Gen Wealth Advisors
- Forbes

¹ Five-year CAGR from December 31, 2014, through December 31, 2019.
² Excluding account balances that are swept into Bank deposits and safekeeping assets from the Bank’s private equity and venture capital clients.
³ Private Wealth Management fee income includes investment management, brokerage and investment, insurance, trust and foreign exchange fees.
⁴ Please refer to page 60 for more information.
Business Banking

Business banking is another important driver of our growth, with both business loans and deposits growing at a 19% and 23% compounded annual growth rate, respectively, over the past five years.\(^1\)

We entered business banking in 1999 at the request of our satisfied personal banking clients. Following our clients to their hearts and minds has led us to our lending verticals today, with the majority of business loans outstanding to private equity firms, venture capital funds and nonprofit organizations. Business banking is also a key source of deposits: On average, for every dollar we lend, we gather over $4 of deposits.\(^2\) In fact, 66% of our total deposits are from business accounts.\(^3\)

Nonprofit Banking

Our earliest business banking clients were nonprofit organizations and independent schools, looking for a banking partner who understood their needs and cared for their mission. Today, fully 28% of business loans outstanding are to nonprofit organizations and independent schools, helping them make capital improvements and serve their communities and those in need.

Over the years, our broadened offerings — business banking, private wealth management or our next-generation banking partner who understood their needs and cared for their mission. Today, fully 28% of business loans outstanding are to nonprofit organizations and independent schools, helping them make capital improvements and serve their communities and those in need.

Over the years, our broadened offerings — business banking, private wealth management or our next-generation programs — coupled with our integrated approach have strengthened our client-service model and are key investments for achieving sustainable growth. More than just a bank, we provide value-added services such as networking events for our clients and access to experts who can help our nonprofit clients thrive.

As of December 31, 2019:

<table>
<thead>
<tr>
<th>Business Banking Portfolio by Loan Type(^1)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Equity / Venture Capital Funds</td>
<td>49%</td>
</tr>
<tr>
<td>Nonprofit Organizations / Schools</td>
<td>29%</td>
</tr>
<tr>
<td>Real Estate Related Entities</td>
<td>5%</td>
</tr>
<tr>
<td>Investment Firms</td>
<td>4%</td>
</tr>
<tr>
<td>Aviation / Marine</td>
<td>3%</td>
</tr>
<tr>
<td>Vineyards / Wine</td>
<td>2%</td>
</tr>
<tr>
<td>Professional Service Firms</td>
<td>2%</td>
</tr>
<tr>
<td>Clubs and Membership Organizations</td>
<td>1%</td>
</tr>
<tr>
<td>Other</td>
<td>5%</td>
</tr>
</tbody>
</table>

Total Business Banking Loan Portfolio 100%

Technology and Data

Technology improves the efficiency of our internal processes by allowing for greater workforce flexibility and freeing time for our bankers to provide more strategic advice to our clients while also offering an important channel of service delivery for clients.

Single-Family Loan Origination System

In 2017, we completed the rollout of a new single-family loan origination system that supports paperless loan files. In 2019 all single-family mortgage originations were processed through this system.

Deposit Client Onboarding System

Also in 2017, we completed the development and migration of our deposit client onboarding system. This technology reduces the number of systems necessary to open a new account from eight to one, and enables bankers to open new deposit accounts up to 50% faster than before its implementation.

Consumer Digital Banking Platform

In 2018, we completed the rollout of our redesigned consumer desktop and mobile online banking systems — the largest technology project for First Republic to date. The new platform offers clients greater convenience as well as the ability to contact their bankers with one click in the mobile app. This frictionless digital-to-human connection is another effective way to deliver a high level of personalized service.

DATA ENHANCEMENTS

Data enhances our ability to deliver personalized, customized solutions and better monitor and manage risk. Our Enterprise Data and Client Insights team has grown significantly over the past few years, in order to provide our relationship managers with actionable insights to help them deepen relationships.

CONTINUOUS PROCESS IMPROVEMENT

Recognizing that many of our best ideas come from our colleagues who interact with our clients and systems everyday, we established the Continuous Process Improvement (CPI) initiative to help bring their ideas to fruition. The CPI team works with colleagues across the enterprise to implement solutions to give bankers time back in their day to engage with clients, enhance the client experience, reduce the Bank’s exposure to risk, and improve operational efficiency.

The Continuous Process Improvement initiative is one of many examples of how, at First Republic, every person matters. We listen to our colleagues’ ideas and provide them with tools and resources to deliver exceptional service.

Kushal G.,
Vice President, Head of Continuous Process Improvement
COMMUNITY LENDING AND DEVELOPMENT

At First Republic, we take pride in fulfilling our responsibilities as a community institution. Every day, we strive to be a force for good in the neighborhoods where we work and live, ensuring that our actions reflect our first corporate value: Do the right thing.

We are proud to have consistently received a satisfactory rating with respect to our Community Reinvestment Act responsibilities for the past 28 years, and we also continually look for ways to serve others beyond these requirements. We are passionate about improving the quality of life for our neighbors by supporting organizations that serve the underserved, empower financial literacy and ensure arts access for all.

This commitment to our communities is employee-driven. We encourage our colleagues to serve on committees and boards of nonprofits in their communities. As partners to nonprofits, we strive to understand their needs inside and out. We are devoted to building long-term relationships with and supporting the dedicated team members of these organizations to attain their goals.

First Republic colleagues volunteered over 20,800 hours in 2019.

Our commitment to our communities is not just about business. It’s personal. First Republic aligns its business and values with an emphasis on investing in and lending to the communities we serve. We have:

- Established a Community Advisory Board to help guide our community outreach and investment initiatives
- Designed a residential lending program to help more people become homeowners, offering attractive terms for buying or refinancing a primary residence in underserved and designated areas
- Committed substantially to low-income housing tax credit investments, helping to finance the development of affordable, low-income rental units
- Implemented the First Republic Volunteer Program, which provides every colleague with two paid workdays for volunteerism

1 As of December 31, 2019.
2 For full year 2019.
Affordable Housing

First Republic maintains an active program to reach our local communities. Through ongoing dialogue with community groups and government agencies, the Bank continually evaluates community needs and explores partnership opportunities to engage our low-to-moderate income and underserved communities. Furthermore, we’ve dedicated a team of regional Community Outreach Relationship Managers and a Community Lending Officer to focus specifically on outreach to these markets.

LENDING AND INVESTMENTS THAT SUPPORT PRESERVATION OF RENTAL HOUSING

We actively finance the development of affordable rental housing through low-income housing tax credit (LIHTC) funds. Since 2010, the Bank has invested $1.8 billion in LIHTCs, which directly contributed to the development of over 100,000 affordable rental units for low-income tenants nationwide.1 This investment includes over $200 million directly in the San Francisco Bay Area, which created over 7,000 affordable rental units for low-income tenants. From 2011 to 2018, First Republic originated over $5.7 billion in community development loans. Of those, close to $3 billion were used to finance the acquisition and maintenance of affordable rental units in the Bank’s footprint.

“Over the years, First Republic has made loans in communities where others have not. First Republic is also a committed partner in addressing income and wealth inequality in these same communities. Through its innovative banking and education programs, First Republic is helping create opportunities for individuals and small businesses.”

Faith Bautista / President and CEO, National Asian American Coalition (NAAC); CEO, National Diversity Coalition (NDC), First Republic Community Advisory Board Member

PARTNERSHIPS WITH INCOME RESTRICTED MORTGAGE ASSISTANCE PROGRAMS

First Republic is a participating lender in over 60 first-time homebuyer and mortgage assistance programs at the city and state level, and the number continues to grow. These programs offer competitive pricing, substantial subsidies and flexible underwriting to help low- and moderate-income (LMI) and workforce families achieve homeownership.

From 2010 to 2018, First Republic funded $135 million under these mortgage assistance programs, helping almost 700 LMI families to achieve homeownership.

To further our support to our communities, the Bank launched its own Down Payment Assistance Program in 2017 to offer matching grants for qualified LMI and workforce first-time buyers in our markets.

Additionally, as an active member of the Federal Home Loan Bank of San Francisco, we continue to bring additional funding resources to LMI homebuyers.

LENDING COMMITMENT TO INCREASE PERMANENT AFFORDABLE HOUSING RENTAL STOCK IN OUR MARKETS

San Francisco Housing Accelerator Fund

The San Francisco Housing Accelerator Fund is a cross-sector fund that provides dynamic financing tools to help produce and preserve affordable rental housing in San Francisco. First Republic made a critical funding commitment at the inception of the Fund and subsequently increased it to $100 million in early 2020. Our ongoing commitment enables the Fund to provide low-cost loans for acquiring vacant land for affordable housing development and preserving larger existing properties that are at risk of being converted to market rate units.

Bay’s Future Fund

The Bay’s Future Fund seeks to address the Bay Area’s affordable housing crisis through a three-prong strategy—production, preservation and protection. The Fund is an important part of the Partnership for the Bay’s Future, a multisector initiative invoking a broad array of stakeholders who are committed to addressing the severe lack of affordable housing in the region. Partners and funders include corporations, foundations, government agencies and community organizations who share a common vision to create and maintain vibrant, inclusive communities of racial and economic diversity.

First Republic made a significant funding commitment to the Bay’s Future Fund in early 2020. We are excited to be part of this collaborative solution championed by Partnership for the Bay’s Future.

“First Republic is a committed funder and strong supporter of affordable housing. We firmly believe that collaborative, region-wide partnership is key to addressing this critical issue and strengthening local communities.”

Rosana Han / Senior Vice President Head of Community Reinvestment

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1  As of September 30, 2019.
Empowering Financial Education

We understand that education is the path to opportunity, and we see firsthand the role that education plays in the vitality of our communities. By providing financial education to students at a young age, our hope is that they will be empowered to make smart financial decisions that will have a lifelong impact. We are committed to sharing our expertise and resources to support education with a focus on what we know best: financial literacy.

FINANCIAL SCHOLARS PROGRAM

This financial education program offers grade-school students the opportunity to earn certificates in financial topics including responsive choices, credit, borrowing, and investing.

Since its launch in 2014, the First Republic Financial Scholars Program has reached 17,774 students who have completed 43,157 hours of financial education.

After completing the Financial Scholars Program, high school students increased their knowledge gain by 68%.

FINANCIAL FOCUS PROGRAM

The Bank offers a series of short, interactive learning experiences to help adults gain a clear understanding of critical topics including credit scores, insurance, taxes and identity protection.

Together, the Financial Scholars Program and the Financial Focus Program educate participants of all ages on key topics to help them gain confidence and grow their knowledge of financial literacy.

FINANCIAL EDUCATION

At First Republic, we are committed to creating economic opportunity and fostering personal growth through education and financial literacy. We collaborated with three partners to support scholarship programs that serve deserving students in their pursuit of higher education and to alleviate the economic burden of student debt.

"We are very grateful to First Republic Bank for its financial support, its volunteer efforts and its involvement at the board level. We also greatly appreciate the Bank’s leadership in fostering the next generation of leaders and for its commitment to building stronger communities."

Deborah Bial
President and Founder, The Posse Foundation

THE POSSE FOUNDATION

The Posse Foundation identifies, recruits and trains individuals with extraordinary leadership potential and sends them to top colleges and universities in teams or “Posses.” The Foundation believes that a small, diverse group of talented students, carefully selected and trained, can serve as a catalyst for individual and community development. Posse Scholars reflect the country’s rich demographic mix and represent a uniquely diverse leadership pipeline. First Republic is proud to support two Posses from Los Angeles.

10,000 DEGREES

10,000 Degrees is a leading college success nonprofit supporting students to and through college. 10,000 Degrees believes that all students — regardless of race, ethnicity or socioeconomic status — should have the support to earn a college degree and reach their full potential. All 10,000 Degrees students come from low-income backgrounds and 85% will be the first in their family to attend college. First Republic partners with 10,000 Degrees to provide scholarships and personal support for 10 students.

"First Republic has been a champion partner of 10,000 Degrees, supporting us through employee volunteers, student scholarships and internships, and as a lead sponsor of our San Francisco Changemakers. It’s not just what they’ve done, but who they are — an incredible team who has inspired our thinking around what is possible and who cares deeply about our community."

Kim Mazuca
President and CEO, 10,000 Degrees

NEW YORKERS FOR CHILDREN

In 2019, First Republic and New Yorkers for Children (NYFC) partnered to launch a merit-based scholarship containing a financial literacy coaching component to help alleviate student loan debt for a handful of deserving NYFC scholars, who are either currently or were formerly in foster care. Each scholarship recipient meets with their Financial Youth Mentor once per semester and follows a strict curriculum that includes teaching the recipients how to navigate student loan debt and establish credit. While this scholarship fund is new this year, our relationship with NYFC is not. For over 15 years, First Republic has engaged with this organization in various capacities including board membership, volunteering and aiding youth in foster care.

"We are beyond grateful to First Republic Bank for their generous and ongoing support, and for being a trailblazer in reducing student debt for youth in foster care. Their commitment, along with their mentoring, will really move the needle and level the playing field for older youth in foster care attending college in NYC."

Saroya Friedman-Gonzalez
Executive Director, New Yorkers for Children
First Republic Internship Programs

First Republic internship programs provide students from underserved communities a chance to learn more about the many careers available in the financial services industry. Our colleagues provide mentorship and guidance through these internship programs that have a lasting impact on both the students and mentors.

I am invested in our internship program, and am focused on engaging with young people, because I am inspired to help them achieve their goals and unlock their potential.

Jacqueline M.
Enterprise for Youth Intern Supervisor, First Republic

ACHIEVE INTERNSHIP PROGRAM

The Achieve internship program provides students with academic support, mentoring, internships, cultural and community service activities, and college counseling. Through our summer internship program, students are encouraged to learn about the working world and gain experiences to expand their horizons and professional network.

INROADS INTERNSHIP PROGRAM

INROADS develops and places talented, underserved youth in business, preparing them for corporate and community leadership. Aimed at increasing inclusion and diversity at large companies, this program seeks to drive community renewal and social change, as well as to elevate participants’ economic status and quality of life.

CRISTO REY NETWORK CAREER MENTORSHIP PROGRAM

The Cristo Rey Network Career Mentorship program, in New York and San Francisco, combines two commonly used business concepts, employee leasing and job sharing, in this ten-month work-study program. This initiative gives Cristo Rey students the means of financing their education and empowers them to succeed in school, work and life.

ENTERPRISE FOR YOUTH CAREER EXPLORATION PROGRAM

The Enterprise for Youth internship program gives students the opportunity to develop their skills and expand their networks as they experiment with roles in a variety of First Republic departments. After the internship, the youths indicate an increased confidence in their ability to see themselves belonging in professional and educational spheres.

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Jacqueline M.
Enterprise for Youth Intern Supervisor, First Republic

Health and Human Services

At First Republic, we are committed to helping our partners realize their fullest potential. We prioritize our engagement with nonprofits that address the financially vulnerable, the socially isolated and those affected by crisis. Over 45% of our 2019 contributions supported organizations committed to serving the underserved through health and human services. Through our support of these programs, our commitments help to improve the overall quality of life for those in our community.

MAKE-A-WISH MASSACHUSETTS AND RHODE ISLAND

Make-A-Wish® Massachusetts and Rhode Island creates life-changing wishes for children with critical illnesses. Since 1987, they have granted over 8,500 children’s wishes thanks to the partnership of donors and volunteers.

First Republic plays an essential role in strengthening Make-A-Wish’s ability to reach and serve as many eligible children as possible each year. The Bank also supports the mission through volunteerism and with colleagues serving on the Annual Gala committee.

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When choosing a bank, we wanted a partner that had a demonstrated track record of being engaged in the community and engaged with us. Our partnership with First Republic is broad, extending not just to philanthropy, but also to operational advice, volunteerism and advocacy for our mission. We chose the bank we most trusted.

Ashley McCumber / CEO, Meals on Wheels San Francisco

HABITAT FOR HUMANITY OF THE GREATER TETON AREA

Habitat for Humanity of the Greater Teton Area partners with families and individuals in a homeownership program to build simple and affordable housing in Jackson, Wyoming, and the surrounding areas. Habitat for Humanity and First Republic share in the belief that affordable housing plays a critical role in strong and stable communities and are honored to partner on this initiative.

When choosing a bank, we wanted a partner that had a demonstrated track record of being engaged in the community and engaged with us. Our partnership with First Republic is broad, extending not just to philanthropy, but also to operational advice, volunteerism and advocacy for our mission. We chose the bank we most trusted.

Ashley McCumber / CEO, Meals on Wheels San Francisco

Meals on Wheels San Francisco fosters independence by providing food and supportive services that reduce isolation to homebound people and those living below the poverty level. The Bank’s commitment to this long-term partnership goes beyond financial support — we have colleagues who sit on the board and honorary board of the organization, and numerous colleagues engaged through volunteerism.

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Arts for All

We believe in the power of the arts to inspire. By equalizing access to music, dance, theater, art and discovery, we hope to motivate the next generation of artists and entrepreneurs.

Gibney

Gibney is a performing arts and social justice powerhouse in Manhattan. At the heart of Gibney’s robust community action work is Move to Move Beyond, an annual series of movement workshops led within local domestic violence shelters. This social action program unites survivors of intimate partner violence with professional dancers. First Republic is proud to partner with Gibney to support its annual workshops for survivors of domestic violence in New York City.

Center for Creative Education

The Center for Creative Education (CCE) engages over 10,000 students annually from low-income homes and marginalized communities. Focused on students who are at risk of academic failure, CCE’s arts-based education programs help improve academic performance while enhancing creativity, critical thinking, communication skills and confidence. For 25 years, CCE has engaged students and increased their appetites for learning while helping them reach their full academic potential.

San Francisco Ballet

Since 1985, First Republic Bank has been a strong supporter of San Francisco Ballet. Over the past 35 years, the Bank and SF Ballet have partnered on many programs and events, from SF Ballet’s opening night galas to the young patron group, ENCORE!, board service and supporting their annual endowment, which goes towards arts education. SF Ballet’s Student Matinee Series provides free and low-cost tickets to elementary schools around the Bay Area. The Student Matinee performances expose students to the transformative power of creativity through the performing arts. Designed especially for school groups, these engaging and interactive performances captivate students’ imaginations with dazzling choreography, memorable music, and spectacular sets and costumes.

Philanthropy and Volunteerism

EAGLE CARES: EMPLOYEE VOLUNTEER PROGRAM

First Republic encourages colleagues to volunteer at their favorite nonprofit organizations by offering two days per year of paid time for volunteer work. In addition, colleagues are invited to learn more about our nonprofit partners by attending our Volunteer Day. In 2019, over 1,900 of our colleagues participated in volunteer events led by our Volunteer Ambassadors, with over 20,900 total hours volunteered. The following is a brief snapshot of a few organizations that our colleagues support through their volunteer efforts.

“While I often volunteer to have an impact on someone else’s life... in most cases it is the new people I meet who have left a lasting impression in my life.”

Anna A. / Executive Assistant, Internal Audit

“First Republic is so much more than a bank— they are a true champion of female potential, not just with words, but actions. Their participation in Project Glimmer provides at-risk teenage girls with powerful examples of purpose and passion, inspiring them to believe in themselves and thrive.”

Sonja Hoel Perkins / Managing Director of The Perkins Fund and Founder of Project Glimmer and Broadway Angels

Gibney

Gibney is a performing arts and social justice powerhouse in Manhattan. At the heart of Gibney’s robust community action work is Move to Move Beyond, an annual series of movement workshops led within local domestic violence shelters. This social action program unites survivors of intimate partner violence with professional dancers. First Republic is proud to partner with Gibney to support its annual workshops for survivors of domestic violence in New York City.

Project Glimmer

Project Glimmer is a national nonprofit that inspires girls to believe in themselves and has served over half a million at-risk teenage girls and women. First Republic’s partnership with Project Glimmer goes beyond financial support: Our colleagues sit on the organization’s board, and we are proud to host Work Your Magic, A Day of Empowerment. This program allows foster youth and at-risk teenage girls to participate in a day of workshops that build confidence, inner beauty and real-life career skills. Our volunteers host sessions focused on budgeting for the future, creating a resume and LinkedIn profile, and support in navigating career opportunities.
LOW CARBON IMPACT LENDING

Our lending activities are not concentrated in high carbon impact sectors. 80% of our loan portfolio is real estate-secured loans (single-family residential, home equity lines of credit, multifamily, commercial real estate and construction). Business loans make up 13% of our loan portfolio, 29% of which are to nonprofit organizations and schools.¹

³ As of December 31, 2019.


INFLUENCING A BROADER IMPACT

- We incentivize positive environmental behavior with our clients by offering the First Republic Green Discount on loans for LEED-certified commercial and construction programs.
- We installed solar energy panels to reduce our overall energy consumption at many of our offices in the San Francisco Bay Area.
- We have comprehensive paper and plastic recycling programs. Through our Shred It program, we recycled over 850 tons of paper and saved over 14,500 trees in 2019 alone.
- In 2017, we launched a new loan origination system that supports paperless loan files, an effort that we estimate has reduced our paper usage in 2019 by approximately 48 tons.

Eagles for Earth

Eagles for Earth is an employee-run colleague community group whose goal is to facilitate environmental stewardship — the responsible use, impact reduction and protection of the natural environment through conservation and sustainable practices — to positively impact communities in the First Republic footprint. Founded on Earth Day in 2019, the group consists of over 100 colleagues in the San Francisco Bay Area, New York, Boston, Los Angeles, San Diego and Portland.

The American Heart Association and First Republic Bank continue to make strategic investments of resources and time that will amplify our impact and will ultimately reduce health disparities. Together, we are a relentless force focused on healthier, longer lives, overall community well-being and employee engagement.¹

Maria Gonzalez Olson
Senior Vice President, American Heart Association

Disaster Relief

As unfortunate and unpredictable disasters impact communities, First Republic is committed to responding quickly to those experiencing disaster, by supplying hotel rooms, converting our banking offices into accessible Internet cafés, and partnering with frontline disaster relief organizations.

LOW PHYSICAL IMPACT

We maintain a relatively small physical footprint compared to other banks of similar asset size.

As of December 31, 2019:

<table>
<thead>
<tr>
<th>NUMBER OF BRANCHES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>First Republic Bank</td>
</tr>
<tr>
<td>$50-125B Total Assets U.S. Banks Average²</td>
</tr>
</tbody>
</table>

AMERICAN HEART ASSOCIATION

The American Heart Association wants to see a world free of cardiovascular disease and free of stroke. On September 13, 2019, over eight hundred First Republic colleagues walked in honor of the American Heart Association’s 2019 Greater Bay Area Heart Walk. Our support of the American Heart Association goes beyond this exciting day, from participating as mentors in the STEM Goes Red group, to board and committee service, to acting as founding partners of the Bay Area Young Professionals Board. Colleagues from all parts of the Bank have gotten involved with the goal to better their own health and bring awareness to the American Heart Association.

First Republic colleagues at the 2019 Greater Bay Area Heart Walk.

Environmental Responsibility

Exemplary citizenship includes not only taking strides to minimize First Republic’s environmental impact, but also encouraging others to reduce their carbon footprints.

AMERICAN HEART ASSOCIATION

Select organizations that we have supported in times of need include:

- American Red Cross
- FIRE Foundation

Coastal Cleanup Day 2019.
In 2018, we were recognized by Bank Director Research Group for “Best Branch Network Strategy – Overall.” This ranking was based on quantitative metrics to measure the efficiency of banks’ branch networks as well as qualitative factors to assess branding, innovation and alignment with strategic goals.

The effectiveness of our Preferred Banking Offices — or branch network — as evidenced by this award, helps minimize our overall carbon footprint.

PORTFOLIO MANAGEMENT CHOICES

We continue to make it easier for our clients to invest in opportunities that are conscious of social and environmental causes while simultaneously seeking to generate competitive market returns.

Our dedicated environmental, social and governance (ESG) research team seeks to provide best-in-class investment options and other solutions that are mindful of factors including resource and waste management, carbon emissions policy, opportunities in clean technology, workplace health and safety, employee benefits, factory conditions, product quality and safety, and board diversity.

“Suppliers are an essential part of our company’s operations, and we consider our relationships with them carefully. Our focus on sustainability and social responsibility allows us to make a positive impact on the communities we serve.”

Daniel L. / Senior Managing Director, Wealth Advisor

SUPPLIER DIVERSITY

At First Republic Bank, we make an effort to invest in our communities while engaging the best suppliers. Our Supplier Diversity Program helps foster equal opportunity and the growth of deserving companies owned by minorities, women, veterans and other underrepresented groups. By integrating supplier diversity into all aspects of our business, we believe we are contributing to the long-term economic sustainability of the communities that we are privileged to serve.

“Engaging and developing happy colleagues is a way of life at First Republic. We believe that a positive work environment leads to higher productivity and better outcomes for our clients.”

Mollie Richardson
Chief Administrative Officer and Chief People Officer

ENGAGING AND DEVELOPING HAPPY COLLEAGUES

“We recognize that each of us contributes to the maintenance, preservation and carrying forward of our client service culture. Service transcends race, gender, background, language. It’s emotional. It’s human. It’s relatable.”

Mollie Richardson
Chief Administrative Officer and Chief People Officer
Inclusive Culture and Diverse Workforce

Since First Republic was founded, diversity has been one of its key competitive advantages. A diverse workforce and inclusive culture create opportunities to better serve our clients and communities.

We are committed to growing and protecting our people—first by attracting, retaining and supporting our most valuable resource: our people.

The key to First Republic’s success lies in three key tenets: the selection of colleagues and their ongoing professional development, a comprehensive and highly evolved performance incentive system, and fair and respectful treatment. These principles are at the foundation of our relationship-based model, which is reliant on each of our colleagues’ ability to act individually to deliver the company’s services with the highest level of respect, trust and integrity.

Attracting Top Talent

Colleagues are continuously offered the opportunity to do the best work of their lives and get recognized for it. We recruit natural collaborators with an entrepreneurial spirit. We value diversity of perspective, expertise, background and tenure, as well as cultural, sexual orientation, ethnic and gender diversity.

Our workforce reflects the demographics of the vibrant, diverse, urban, coastal markets in which we operate. In fact, over 50 languages are spoken by First Republic colleagues.

First Republic has been recognized for its commitment to board and management diversity by:

**OUR DIVERSE WORKFORCE**

As of December 31, 2019:

<table>
<thead>
<tr>
<th>Representation</th>
<th>Total Workforce</th>
<th>Senior Management Team</th>
<th>Board of Directors</th>
<th>Nonwhite Minority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>47%</td>
<td>48%</td>
<td>40%</td>
<td>50%</td>
</tr>
<tr>
<td>Minority</td>
<td>48%</td>
<td>21%</td>
<td>20%</td>
<td>20%</td>
</tr>
</tbody>
</table>

First Republic has benefited enormously from diversity since our founding. I attribute a great deal of our success to the diversity of ideas, perspectives and approaches it provides.

JAMES H. HERBERT, II / Chairman, CEO and Founder

FINANCIAL ADVANTAGES

- $25 per hour minimum wage (up from $20 instituted January 2016)
- 401(k) employer match
- Employee Stock Purchase Plan (15% discount)
- Mortgage and household debt refinance discounts
- Employer-Paid Student Loan PayDown and College Savings Benefit Programs (Gradifi)
- Colleague referral bonus
- Monthly commuter stipend
- Technology, travel and entertainment discounts

WELL-BEING

- Insurance: medical (including dental and vision), life, business travel and pets
- Monthly wellness stipend and gym discounts
- On-site flu shots
- Biometric screenings with health coaching
- Work/life-ergonomic evaluations
- Employee assistance program
- Employer Health Savings Account contribution
- Health advocate program
- Wellness seminars and challenges

Employee Benefits and Compensation

Taking care of clients begins with taking care of one another.

Our benefits program is designed to provide help, support, coverage and peace of mind so that our inclusive culture and diverse workforce will continue to be key drivers of the Bank’s success. As we have adapted our ways of working to meet today’s challenges, we have offered additional benefits to facilitate this transition.

**EDUCATION**

- Employer-Paid Student Loan PayDown and College Savings Benefit Programs (Gradifi)

**INSURANCE**

- Medical (including dental and vision), life, business travel and pets

**WELLNESS**

- Monthly wellness stipend and gym discounts
- On-site flu shots
- Biometric screenings with health coaching
- Work/life-ergonomic evaluations
- Employee assistance program
- Employer Health Savings Account contribution
- Health advocate program
- Wellness seminars and challenges
Developing Our Colleagues

Every person has the opportunity to grow and contribute. We want our people to soar. Alongside our comprehensive benefits program designed to serve colleagues at every stage and every age, our development programs promote opportunities for advancement:

<table>
<thead>
<tr>
<th>NUMBER OF PARTICIPANTS</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Culture Carrier Roundtable 1,154 Participants since 2010</td>
<td>This program helps develop a shared understanding of how our culture, which is built on diverse perspectives and empowerment of the individual, has shaped our success and growth.</td>
</tr>
<tr>
<td>Leadership Development Program for Managers 379 Participants since 2017</td>
<td>In partnership with Wharton Executive Education, this program brings together new and seasoned managers across all departments to build a common leadership philosophy and learn the most advanced strategies, processes and tools to maximize their effectiveness as leaders.</td>
</tr>
<tr>
<td>Leadership Academy 184 Participants since 2015</td>
<td>This program, led in partnership with Board Member Professor Boris Groysberg, is an annual retreat for core leaders of the Bank to meet, deepen relationships, invest in each other and discuss how we can continue to make improvements in executing our business model.</td>
</tr>
<tr>
<td>Executive Education 127 Participants since 2013</td>
<td>This program strengthens the leadership bench and encourages openness to new ideas through participation in executive education programs at four top business schools: Harvard, Stanford, Tuck and Wharton.</td>
</tr>
<tr>
<td>Relationship Manager Development Program 84 Participants since 2017</td>
<td>We’ve invested in developing the next generation of relationship managers through a program which sets clear, high standards for our colleagues to grow and advance at a prudent pace.</td>
</tr>
<tr>
<td>Mentor Program 402 Participants since 2015</td>
<td>This annual program focuses on career development, coaching and expanding professional relationships.</td>
</tr>
<tr>
<td>Lunch and Learn Over 4,000 Participants since 2016</td>
<td>Each month, one department or team leads a session to introduce its area of expertise and share upcoming projects or initiatives.</td>
</tr>
<tr>
<td>Continuing Education</td>
<td>With our Tuition Assistance Program, colleagues are eligible for up to $5,250 per calendar year of financial assistance for their studies toward a degree program. In addition, our colleagues have access to LinkedIn Learning, an online platform that offers a variety of online courses about many topics, from using technology to providing feedback.</td>
</tr>
</tbody>
</table>

Retaining Our Colleagues

The stability of our people is key to reinforcing our strong culture. Investing in long-term relationships with our colleagues ultimately drives the extraordinary client experience. It’s simple: happy colleagues lead to happy clients.

Further, internal mobility is encouraged as a means of both retention and professional development. We know that our best candidates for open roles may be current colleagues, and we want to help ensure they have successful long-term careers with us. For this reason, we provide opportunities to network and stay engaged with all levels of experience.

NEW COLLEAGUE SUPPORT

All new colleagues get paired with a person who serves as a resource as they navigate through the organization. The goal is to give them an opportunity to connect with fellow new colleagues and more tenured ones, as well as learn about First Republic. In addition, new hires attend a New Colleague Orientation session and First Republic Flight School for a deeper immersion into our culture in their first 90 days.

CORE VALUE: HAVE FUN

We know that if our colleagues enjoy their work, they’ll do a better job — and our clients will feel the difference. We work hard and celebrate those efforts through Social Fridays and annual events, such as our Halloween Parade and Summer Ice Cream Social, where we connect with one another and build relationships across departments.

SERVICE RECOGNITION

Colleagues receive anniversary gifts after the first year and every five years, and special service recognition at the 25-, 30- and 35-year milestones. In addition, when an employee identifies or prevents fraud on a client, they are presented with a Screaming Eagle Award to recognize their extraordinary efforts to protect our clients and the Bank.

Annually, our Service and Sales Conference recognizes colleagues who have significantly contributed to our growth and credit quality through their leadership in client service.

“I like to think of us as people who like doing what they’re doing. It’s not about the next job, it’s about the next client. How do I maximize my time to serve that client better and to serve the Bank better?”

Mike Roffler / Chief Financial Officer

All participant totals are as of December 31, 2019.
Employee Incentives and Accountability

We have a tremendous responsibility to uphold the highest standards of trust, integrity, professionalism, credit quality and service to protect our key stakeholders. We take our obligation to protect those who have entrusted us with their wealth, financial well-being and security very seriously. In addition, as a highly regulated financial institution, we are subject to laws and regulations that govern our daily activities.

Our incentive plans reinforce our culture of accountability and encourage our bankers to do the right thing. We reward retention and growth of relationships as a fundamental reflection of providing exceptional client service. Colleagues in the same lines of business share a common incentive plan, and we collectively focus on:

- Taking great care of our clients
- Retaining excellent credit quality
- Growing deposit funding

Our collective focus and corporate values form the foundation for all that we do at First Republic. To underscore their importance, and to ensure our incentives and activities align with these principles, we include in our incentive plans certain clawback provisions for reversing or withholding compensation if these principles are not adhered to.

Together, our incentives and clawbacks align our colleagues’ interests with our clients’ and result in a competitive return to shareholders.

INDIVIDUAL AND COLLECTIVE ACCOUNTABILITY: GOOD CITIZEN CLAWBACK

As good citizens, colleagues must strive to interact with all stakeholders with integrity, fairness, respect, transparency and professional excellence.

DOING THE RIGHT THING FOR THE CLIENT: CLIENT SUITABILITY CLAWBACK

Clients must have a need for the services we offer them and understand the services they are receiving suitably address their need through clear disclosures and documentation.
Fair and Responsible Banking Compliance

As a Fair and Responsible Banking institution, we do not tolerate any prohibited discriminatory practice in serving our clients and communities. We have established and implemented Fair Lending statements and a UDAAP (Unfair, Deceptive or Abusive Acts or Practices) policy and periodically review our practices and performance to ensure proper compliance with applicable regulations. We also collaborate with our business partners to help educate and train them on appropriate practices and respond immediately to any issues that may arise regarding our Fair and Responsible Banking compliance.

“Our Legal and Compliance teams promote a culture of compliance by serving as a partner to our business colleagues and by engaging with our regulatory agencies.”

Ed Dobranski / EVP, General Counsel

Responding to Client Concerns

We take client feedback very seriously and seek to resolve any concerns on a timely basis. We work to proactively address any related potential or actual regulatory findings to prevent their recurrence and to manage and mitigate our legal, reputational and compliance risk. Our formal process to prevent their recurrence and to manage and mitigate our client concerns and take appropriate action.

Ethics and Whistleblower Complaints

Our Code of Ethics and Corporate Conduct outlines specific guiding principles designed to ensure we are doing the right thing. Colleagues must review the Code on a regular basis and annually renew their commitment to uphold these exemplary standards. The Bank does not allow retaliation for any report made in good faith. In addition, we have a channel for colleagues to submit confidential or anonymous reports through an independent third-party, as part of the Bank’s Speak Up! program.

Anti-Money Laundering

First Republic Bank maintains policies and procedures to comply with applicable United States anti-money laundering (AML) and anti-terrorist financing requirements, including those set forth in the Bank Secrecy Act and those published by the Office of Foreign Assets Control. Our AML programs are designed to ensure that our clients, the Bank, the U.S. financial system and our country are protected from illicit actors who exploit banking services with nefarious and criminal intent.

Anti-Corruption and Bribery

Our colleagues are required to adhere to the provisions of the Federal Bank Bribery Law and Foreign Corrupt Practices Act and may not solicit or accept anything of value that would compromise the Bank or violate law.

Political Contributions

First Republic Bank does not make corporate contributions to candidates for public office or political parties. Our lobbying activities are minimal and limited to issues specific to our business. As required by law, expenses related to federal lobbying activities are publicly disclosed.

Client Privacy and Protection

Maintaining client confidentiality is of the utmost importance to the Bank and is the foundation of establishing trust with our clients. All records and documents concerning the business and affairs of First Republic represent confidential or proprietary information.

In addition to complying with all applicable privacy related laws and regulations, our policy is to disclose client information only as outlined in our Privacy Policy. We never sell client information and have implemented significant layered physical and electronic security controls to prevent unauthorized access to client information. We also limit employee access to client information to those with a need to know.

On a regular basis, we work with third-party firms to perform security testing of our systems and audit our security controls. We also conduct vendor security due diligence to determine the adequacy of our service providers’ security programs through a review of audits, summaries of test results, and other evaluations. Our vendors must also comply with our Code of Ethics and Corporate Conduct, which requires keeping client information confidential. We also monitor financial transactions, social media and the dark web to identify and prevent fraud and to protect the Bank, clients and key vendors from compromise. Regular disaster recovery and crisis management exercises help ensure continued banking operations.

Client Education and Awareness

INTERNET SECURITY HEALTH CHECKS

All of our clients have access to on-site assessments of both home and business computers used for banking with First Republic to ensure they are optimally configured to provide the best possible protection.

TRUSTEE RAPPORT

Available at no cost to all of our clients, Trustee Rapport is security software that can both remove existing financial malware infections and protect against future attacks.

ACCESS TO FRAUD EXPERTS

First Republic hosts several informational sessions on what clients can do to ensure their information is protected with panel experts from the FBI, CIA and Secret Service. In addition, our Online Security and Fraud Prevention provides access to tips and tools covering the latest trends in cybertheft and email scams.

“Safeguarding our clients’ data is of paramount importance and we look holistically at effective data, cybersecurity and risk management. In addition to using state-of-the-art technology safeguards to monitor accounts for fraudulent activity, we take a client-service approach toward managing cybersecurity risk by providing tools and educational opportunities for our clients and vendors.”

Mark Van Duyn / Chief Information Security Officer
LEADING WITH STRONG GOVERNANCE

“First Republic’s Board of Directors draws upon a diverse set of skills and experience when evaluating challenges and opportunities. We consider many stakeholders, in addition to shareholders, including clients, communities and regulators.”

Boris Groysberg
Board Member, Compensation Committee Chair
Professor of Business Administration, Harvard Business School

Our Leadership

First Republic’s leadership is aligned with our service-oriented culture and is focused on building a lasting business. Our consistent results over time demonstrate our leadership’s long-term orientation.

EXECUTIVE TEAM

Over the past several years, we have carefully expanded our executive team through key hires and internal promotions. Today, we are led by a closely coordinated executive team of experienced and highly talented individuals.

<table>
<thead>
<tr>
<th>James H. Herbert, II</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voted 3rd Place as “Best CEO” by Buy-Side Banks/Large-Cap Category Institutional Investor</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Average age: 50 years¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average tenure at First Republic: 16 years²</td>
</tr>
</tbody>
</table>

SENIOR MANAGEMENT TEAM

Our thoughtful leadership planning extends beyond our executive team, and in recent years we have added numerous roles and deputies to key positions throughout our overall senior management team. This team, inclusive of executive leadership, reflects a very deep and diverse leadership bench with a wide breadth of skills and knowledge.³

As of December 31, 2019:

<table>
<thead>
<tr>
<th>Female representation: 46%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minority representation³ 21%</td>
</tr>
</tbody>
</table>

¹ As of April 1, 2020, excluding James H. Herbert, II.
² Senior Management (71 colleagues) is defined as those people with a bank title of Regional Managing Director, Executive Managing Director or Senior Vice President and above, as well as subsidiary titles of Executive Vice President and above.
³ Minority as defined by the Equal Employment Opportunity Commission (“EEOC”).

“When you have an organization with such a strong representation of women at the senior levels, all the younger women can see a clear path for success.”

Susie Cranston
Executive Vice President, Private Wealth Management
First Republic’s Board of Directors is composed of industry leaders in their respective fields. Like our senior management team, the Board is diverse, consisting of 40% females and 20% minorities.¹ In recent years, we have strategically added directors to balance new perspectives and expertise with depth of institutional knowledge and experience. Our directors’ diverse backgrounds help support the long-term strength and success of First Republic by providing the mix of skills, experiences and perspectives necessary to guide our company’s strategies and monitor their execution. Directors are subject to reelection every year.

Board Evaluation

The Board conducts annual self-assessments and evaluates whether its current members collectively have the experience, education, diversity and skills necessary to carry out their responsibilities effectively. The Board also regularly assesses the process for selecting board members, as well as whether current membership brings diverse perspectives and experiences to the Board. These ongoing evaluations demonstrate our Board’s commitment to effective governance as well as diversity of perspective, expertise, background and tenure.

Recognition for our Commitment to Board Diversity

²⁰¹⁸ Leading the Way
Twenty 2018 Women on Boards Bay Area

²⁰¹⁹ Corporate Champion
Women’s Forum of New York

DIRECTOR NOMINEES STANDING FOR ELECTION TO THE BOARD ON MAY 12, 2020

<table>
<thead>
<tr>
<th>NAME AND POSITION</th>
<th>AGE</th>
<th>DIRECTOR SINCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>James H. Herbst, II</td>
<td>75</td>
<td>1985</td>
</tr>
<tr>
<td>Chairman</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Founder, Chairman and CEO, First Republic Bank</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reynold Levy</td>
<td>74</td>
<td>2013</td>
</tr>
<tr>
<td>Lead Outside Director</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consultant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Former President, Lincoln Center for the Performing Arts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Katherine August-deWilde</td>
<td>72</td>
<td>1988</td>
</tr>
<tr>
<td>Vice Chair</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Former President, First Republic Bank</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hafize Gaye Erkan</td>
<td>40</td>
<td>2019</td>
</tr>
<tr>
<td>President, First Republic Bank</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frank J. Fuerstenkopf, Jr.</td>
<td>80</td>
<td>1985</td>
</tr>
<tr>
<td>Former President and Chief Executive Officer, American Gaming Association</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Boris Groysberg</td>
<td>48</td>
<td>2015</td>
</tr>
<tr>
<td>Professor of Business Administration, Harvard Business School</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sandra R. Hernández, M.D.</td>
<td>62</td>
<td>2010</td>
</tr>
<tr>
<td>President and Chief Executive Officer, California Health Care Foundation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pamela J. Joyner</td>
<td>61</td>
<td>2004</td>
</tr>
<tr>
<td>Founding Partner, Avid Partners LLC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Duncan L. Niederer</td>
<td>60</td>
<td>2015</td>
</tr>
<tr>
<td>Founding Partner, Communitas Capital Partners</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Co-Founder and Managing Member, Transcend Wealth Collective, Former Chief Executive Officer, New York Stock Exchange</td>
<td></td>
<td></td>
</tr>
<tr>
<td>George G.C. Parker</td>
<td>81</td>
<td>2003</td>
</tr>
<tr>
<td>Dean, Davenport Distinguished Professor of Finance, Emeritus, Graduate School of Business, Stanford University</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

For more information on our directors, please refer to the Bank’s Proxy Statement.

¹ Board members consist of the 10 director nominees included in the 2020 Proxy Statement.

² The legal predecessors to First Republic Bank have been in existence since 1985. In September 2007, First Republic merged into Merrill Lynch Bank & Trust Company, F.S.B. (“MLFSB”), a subsidiary of Merrill Lynch & Co., Inc., which itself subsequently merged into Bank of America, N.A. (“BANA”), a subsidiary of Bank of America Corporation, in November 2009. The current First Republic Bank acquired the First Republic division of BANA in mid-2010. While a division of MLFSB and BANA, First Republic maintained a separate Advisory Board. Each of the individuals listed in this table has been a director of First Republic, a member of our Advisory Board or a director of our publically traded predecessor since the date indicated.
Corporate Governance

Strong corporate governance practices demonstrate our Board and executive team’s accountability to our stakeholders.

CORPORATE GOVERNANCE PROFILE

- Lead Outside Director
- All members of the Corporate Governance and Nominating Committee, Compensation Committee and Audit Committee are independent directors
- Annual director elections
- Annual compensation limits for non-employee directors
- Stock ownership guidelines for directors
- Strong director attendance
- Robust investor outreach program
- Annual Board self-assessments
- Majority voting for director elections
- No shares with enhanced voting rights

EXECUTIVE COMPENSATION

Our executive compensation philosophy is informed by the same values that shape our culture: commitment to performance, accountability, safety and soundness. Our executive compensation program emphasizes sustainable and responsible growth, appropriately balancing near-term and long-term performance goals with safe operations. Importantly, our compensation program intends to motivate and reward adherence to our core value of Doing the Right Thing for all key stakeholders.

Because our executives set our long-term strategic goals and have the greatest ability to influence our strategy, a majority of our executives’ compensation is directly linked to our strategy and performance, with the greatest compensation opportunities weighted toward long-term objectives. We seek to utilize metrics and incentives that further our main objective of long-term sustainable growth that is achieved in a safe and sound manner and without excessive risk-taking.

Executive Compensation Features

- Performance-based variable and “at risk” compensation
- Stock ownership guidelines
- Clawback policy
- Limited perquisites
- Limits on Annual Bonuses
- No excise tax gross-ups
- No “single trigger” cash payments
- No guaranteed base salary increases
- No guaranteed minimum bonuses
- No guaranteed equity award grants
- No repricing of stock options
- No holding Bank securities in margin accounts
- No pledging Bank securities as collateral for loans
- No hedging transactions with respect to Bank securities
- No short sales with respect to Bank securities
- No excessive risk-taking

For more information on our compensation program, please refer to the Bank’s Proxy Statement.

Board Oversight and Enterprise Risk Management

Our Board and Enterprise Risk Management (ERM) program provide formal oversight and structure to monitor and respond to risks within the Bank.

COMMITTEES OF THE BOARD

The Board is responsible for overseeing all strategic aspects of our operations and management and maintains several standing committees through which it oversees risk.

- Audit Committee
  - Reviews the integrity of First Republic’s financial statements, effectiveness of internal controls and compliance with certain legal and regulatory requirements.

- Compensation Committee
  - Designs the compensation program to promote the Bank’s strategic focus on consistency, stability and responsible growth over the long term.

- Corporate Governance and Nominating Committee
  - Oversees corporate governance matters and recommends individuals to serve as directors and on various committees to optimize Board organization, membership, diversity and structure.

- Directors’ Enterprise Risk Management Committee
  - Provides additional oversight of First Republic’s ERM program to help ensure that risks are prioritized and that appropriate risk management strategies are in place.

- Directors’ Information Security and Technology Committee
  - Provides oversight of the information security and enterprise-wide technology functions of the Bank.

- Directors’ Loan Committee
  - Reviews all new loans or renewals made by the Bank that exceed certain limits as set forth in the Board-approved loan policy.

- Investment Committee
  - Monitors First Republic’s investment portfolio and recommends investment policies to optimize performance while keeping the portfolio within the bounds of good banking practices.

- Directors’ Trust Committee
  - Oversees First Republic’s exercise of trust powers.
Our Enterprise Risk Management (ERM) program enhances our safety by guiding how we identify, measure, monitor and control risks. The Bank’s Chief Risk Officer oversees our ERM program and reports to the Board’s Enterprise Risk Management Committee.

Our ERM program follows the “three lines of defense” approach, demonstrating the collaboration between our business groups who own and manage our risks (the first line); our ERM, Compliance and Bank Secrecy Act / Anti-Money Laundering teams who provide guidance to and monitor our business groups (the second line), and our Internal Audit team who reviews the efforts of our first two lines (the third line). Our ERM program is further strengthened by our Risk Liaison Network, composed of members of the first line who help colleagues understand and address the risks associated with their activities and processes.

ERM is also dedicated to promoting and preserving our strong and unique risk culture. First Republic’s culture of extraordinary service has allowed the Bank to manage risk prudently through an intentional focus on Doing the Right Thing. ERM regularly conducts a Risk Mindset Survey to assess the health of our risk culture and ensure it remains strong as we grow. Our year-over-year results show a strong risk mindset and steady improvement in our focal areas. We continue to adapt our ERM program to reflect the ever-changing nature of our risks, helping ensure that our strategy remains aligned with our risk appetite and our core values.

Stephanie Bontemps / Executive Vice President, Chief Risk Officer

ENTERPRISE RISK MANAGEMENT

“Corporate culture is one of the most important and underappreciated drivers of long-term stock returns. Companies with distinctive cultures — like First Republic — are genuinely run for the long term. They are companies that are entrepreneurial and willing to invest and experiment in order to grow well into the future.”

Gary Robinson
Investment Manager, Baillie Gifford & Co., First Republic Shareholder

Stakeholder Engagement

We value feedback from each of our key stakeholder groups and believe ongoing engagement is a cornerstone of strong corporate governance. We embrace year-round dialogue. Whether discussing career growth with our colleagues or long-term sustainable value with our shareholders, we enjoy learning about our stakeholders’ priorities so we can better serve them.

HOW WE ENGAGE

Clients

• Our clients have a direct line to their bankers, who are available to engage with them in person, over the phone or via email.
• We regularly host events to educate our clients and promote community and relationship building.
• We established a formal outreach program to connect our largest client relationships with executive team members to gather feedback on our service.
• A sample of our clients rate our service via our annual Net Promoter Score (NPS) survey. The survey’s results are incorporated in the compensation program for our executives as well as over 1,000 colleagues.
• As a service-oriented institution, we take all complaints against the Bank very seriously and have a formal process for escalating and resolving complaints in a timely manner.

Colleagues

• Our flat organization enables many colleagues to have direct access to our executive team and vice versa. Two weekly companywide meetings led by our executives provide a forum for management to engage our colleagues.
• Annual employee engagement and periodic Risk Mindset Survey results are communicated to the Board, executive and senior management, and colleagues to highlight opportunities for improvement.
• Midyear and annual performance reviews offer guidance for continued career growth.
• Learning and development programs encourage new ideas, strengthen our culture, improve skills and promote advancement.
• Our Continuous Process Improvement initiative provides resources to implement our colleagues’ ideas to improve our processes, enhance the client experience and reduce risk.

Local Communities

• We are active in supporting our local communities through our lending, investment, charitable giving and volunteer activities.
• Through our Community Advisory Board and engagement programs, we keep our priorities aligned with the communities we serve.
• We remain committed to supporting underserved borrowers and low-to-moderate income communities.
• We develop strong partnerships with nonprofits, particularly those focused on affordable housing, the arts, education, economic development, and health and human services.

“At First Republic, every individual is accountable for risk management, and the stability of our performance over time reflects our strong risk mindset.”

Stephanie Bontemps / Executive Vice President, Chief Risk Officer

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We believe in operating with integrity and proactively work with our regulators to monitor and enhance the strength and stability of the Bank.

Throughout the year, we participate in regulatory exams, publish financial results and respond to regulatory inquiries. We are committed to transparency and accuracy so our regulators can help us improve our decision-making and operations. Dedicated representatives from our primary regulators sit in our offices.

We engage with many of our shareholders throughout the year to communicate performance results and corporate governance matters. During 2019, we held over 240 meetings and phone calls with shareholders, representing over 70% of outstanding shares.

Our executives conduct governance-specific outreach to major institutional shareholders during the proxy preseason and ahead of our Annual Shareholder Meeting. Trends and themes in feedback received are presented to the Compensation Committee and Corporate Governance and Nominating Committee of the Board for consideration.
In accordance with the Securities Exchange Act of 1934 (the "Exchange Act"), First Republic files annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements for the annual meeting of shareholders and other information with the FDIC.Copies of certain of such reports may be obtained free of charge on the FDIC’s website at https://www.fdic.gov/annualreport.html, in the Investor Relations section of our website at first republic.com, or upon written or telephone request to us at: First Republic Bank Investor Relations, 111 Pine Street, San Francisco, CA 94111, (415) 392-1400.

Information Regarding Forward-Looking Statements

This document may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1996. Statements in this document that are not historical facts are hereby identified as “forward-looking statements” for the purpose of the safe harbor provided by Section 27A 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 that 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,” “seeks,” “will,” “estimates,” “plans,” “projects,” “continuing,” “ongoing,” “expects,” “friends” and similar words or phrases. Accordingly, these statements are only predictions and involve estimates, known and unknown risks, assumptions and uncertainties. Our actual results could differ materially from those expressed or anticipated in such forward-looking statements as a result of risks and uncertainties more fully described in this risk factors in our Annual Report on Form 10-K for the year ended December 31, 2019 (our “2019 Form 10-K”) and any subsequent reports filed by First Republic under the Exchange Act.

Forward-looking statements involve 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 unfunded loan commitments; changes in nonperforming assets; expectations regarding the impact of the COVID-19 pandemic; 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 to 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 Rates (“LIBOR”) and the 11th District Monthly Weighted Average Cost of Funds Index (“COFI”), 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 (“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 (the “EGRRCPA”); 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 the risk factors in our 2019 Form 10-K and any subsequent reports filed by First Republic under the Exchange Act. 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 in our 2019 Form 10-K and our other 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.
Thank You.

It's a privilege to serve you, and we thank you for your continued support.

Please do not hesitate to share your thoughts with your First Republic representative or by emailing info@firstrepublic.com.