



FIRST REPUBLIC REPORTS FIRST QUARTER 2020 RESULTS

Revenues Increased 13% Year-Over-Year

Tangible Book Value Per Share Increased 12% Year-Over-Year

San Francisco, California, April 14, 2020 – First Republic Bank (NYSE: FRC) today announced financial results for the quarter ended March 31, 2020.

“Results for the first quarter were strong,” said Jim Herbert, Founder, Chairman and CEO of First Republic. “In these very unusual times, our strength and durability, coupled with a time-tested culture of service, enable us to take great care of our colleagues, communities, and clients.”

Quarterly Highlights

Financial Results

- Year-over year:
 - Revenues were \$916.2 million, up 13.5%.
 - Net interest income was \$752.1 million, up 11.4%.
 - Provision for credit losses and unfunded loan commitments was \$62.4 million, compared to \$14.0 million for the first quarter of 2019.
 - Net income was \$218.7 million, down 3.5%.
 - Diluted earnings per share of \$1.20, down 4.8%.
 - Tangible book value per share was \$52.40, up 11.9%.
- Loan originations totaled \$10.3 billion.
- Net interest margin was 2.74%, compared to 2.73% for the prior quarter.
- Efficiency ratio was 65.1%, compared to 65.0% for the first quarter of 2019.

Continued Capital and Credit Strength

- Tier 1 leverage ratio was 8.46%, compared to 8.39% for the prior quarter.
- Increased quarterly dividend to \$0.20 per share in April 2020.
- Nonperforming assets remained at a low 10 basis points of total assets.
- Net charge-offs were only \$202,000, or less than 1 basis point of average loans.

Continued Franchise Development

- Year-over-year:
 - Loans, excluding loans held for sale, totaled \$95.3 billion, up 23.3%.
 - Deposits were \$93.7 billion, up 14.8%.
 - Wealth management assets were \$137.9 billion, down 1.4%.
 - Wealth management revenues were \$134.4 million, up 25.4%.

“Credit quality, capital strength and liquidity remained strong,” said Mike Roffler, Chief Financial Officer. “Loans and deposits grew nicely and we’re pleased with 11.4% growth in net interest income and a stable net interest margin.”

Recent Developments

The COVID-19 pandemic has caused substantial disruptions to the global economy and the communities we serve. In response to the pandemic, we have implemented our contingency plans, which include company-wide remote working arrangements, modified hours in our preferred banking offices, and promoting social distancing. In addition, we are focused on supporting our clients who may be experiencing a financial hardship due to COVID-19, including deferrals as needed and participation in the Small Business Administration’s Paycheck Protection Program.

We are closely monitoring the rapid developments and uncertainties regarding the pandemic. We remain confident in our long-term underlying strength and stability, and our ability to navigate these challenging conditions.

Quarterly Cash Dividend of \$0.20 per Share

The Bank announced an increase of \$0.01 in its quarterly cash dividend to \$0.20 per share of common stock. This first quarter dividend is payable on May 14, 2020 to shareholders of record as of April 30, 2020.

Strong Asset Quality

Credit quality remains strong. Nonperforming assets were only 10 basis points of total assets at March 31, 2020. The Bank had net loan charge-offs of \$202,000 for the quarter.

Beginning in the first quarter, the Bank fully adopted the Current Expected Credit Losses (“CECL”) methodology under Accounting Standards Codification (“ASC”) 326, in which the allowance for credit losses reflects expected credit losses over the life of loans and held-to-maturity debt securities, and incorporates macroeconomic forecasts as well as historical loss rates. The allowance for expected credit losses at the end of the first quarter incorporates a change in the economic forecast late in the first quarter of 2020, to reflect the pandemic conditions, as compared to our initial adoption of CECL.

During the first quarter, the Bank recorded a total provision for credit losses and unfunded loan commitments of \$62.4 million, which included a provision for credit losses of \$48.1 million for loans and held-to-maturity debt securities, and an additional provision of \$14.3 million included in noninterest expense for unfunded loan commitments. In the first quarter of 2019, the total provision for loans and unfunded loan commitments was \$14.0 million.

Continued Capital Strength and Access to Capital Markets

The Bank's Tier 1 leverage ratio was 8.46% at March 31, 2020, compared to 8.39% at December 31, 2019.

During the first quarter, the Bank sold 2,500,000 new shares of common stock in an underwritten public offering, which added approximately \$290.6 million to common equity. This common stock and the Tier 1 qualified preferred stock issued in the fourth quarter of 2019, net of preferred stock redeemed in the fourth quarter of 2019, added \$483.1 million of Tier 1 capital in the last six months.

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

Tangible Book Value Growth

Tangible book value per common share at March 31, 2020 was \$52.40, up 11.9% from a year ago.

Continued Franchise Development*Loan Originations*

Loan originations were \$10.3 billion for the quarter, up 59.2% from the same quarter a year ago primarily due to increases in single family, business, multifamily/commercial construction and stock secured lending. Single family loan originations were 34% of the total for the quarter, and had a weighted average loan-to-value ratio of 57%. Multifamily and commercial real estate loans originated during the quarter, 12% of the total, had a weighted average loan-to-value ratio of 52%.

Loans, excluding loans held for sale, totaled \$95.3 billion at March 31, 2020, up 23.3% compared to a year ago primarily due to increases in single family, multifamily and commercial real estate loans, along with an increase in capital call lines of credit outstanding.

Deposit Growth

Total deposits increased to \$93.7 billion, up 14.8% compared to a year ago.

At March 31, 2020, checking deposit balances were 61.8% of total deposits.

Investments

Total investment securities at March 31, 2020 were \$18.8 billion, a 16.9% increase compared to a year ago.

High-quality liquid assets, including eligible cash, totaled \$17.6 billion at March 31, 2020, and represented 14.8% of average total assets.

Wealth Management

Wealth management revenues totaled \$134.4 million for the quarter, up 25.4% compared to last year's first quarter. Such revenues represented 14.7% of the Bank's total revenues for the quarter.

Total wealth management assets were \$137.9 billion at March 31, 2020, down 8.7% for the quarter and down 1.4% compared to a year ago. The decrease in wealth management assets for the quarter was primarily due to market decline, partially offset by net new assets from existing and new clients.

Wealth management assets included investment management assets of \$60.1 billion, brokerage assets and money market mutual funds of \$67.1 billion, and trust and custody assets of \$10.7 billion.

Income Statement and Key Ratios

Revenue Growth

Total revenues were \$916.2 million for the quarter, up 13.5% compared to the first quarter a year ago.

Net Interest Income Growth

Net interest income was \$752.1 million for the quarter, up 11.4% compared to the first quarter a year ago. The increase in net interest income resulted primarily from growth in average interest-earning assets.

Net Interest Margin

The net interest margin was 2.74% for the first quarter, compared to 2.73% for the prior quarter.

Noninterest Income

Noninterest income was \$164.0 million for the quarter, up 24.0% compared to the first quarter a year ago. The increase was primarily from growth in wealth management fees and a gain on investment securities for the quarter.

Noninterest Expense and Efficiency Ratio

Noninterest expense was \$596.3 million for the quarter, up 13.6% compared to the first quarter a year ago. The increase was primarily due to increased salaries and benefits and occupancy expenses from the continued investments in the expansion of the franchise, along with an increase in the provision for unfunded loan commitments.

The efficiency ratio was 65.1% for the quarter, compared to 65.0% for the first quarter a year ago.

Income Taxes

The Bank's effective tax rate for the first quarter of 2020 was 19.5%, compared to 20.3% for the prior quarter, and 15.6% for the first quarter a year ago. The increase from a year ago was primarily the result of lower tax benefits due to a decrease in stock options exercised by employees.

Conference Call Details

First Republic Bank's first quarter 2020 earnings conference call is scheduled for April 14, 2020 at 7:00 a.m. PT / 10:00 a.m. ET. To access the event by telephone, please dial (800) 458-4148 and use confirmation code 1291711# approximately 15 minutes prior to the start time (to allow time for registration). International callers should dial +1 (720) 543-0206 and enter the same confirmation code.

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

For those unable to join the live presentation, a replay of the call will be available beginning April 14, 2020, at 11:00 a.m. PT / 2:00 p.m. ET, through April 21, 2020, at 8:59 p.m. PT / 11:59 p.m. ET. To access the replay, dial (888) 203-1112 and use confirmation code 1291711#. International callers should dial +1 (719) 457-0820 and enter the same confirmation code. A replay of the webcast also will be available for 90 days following, accessible in the Investor Relations section of First Republic Bank's website at firstrepublic.com.

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

About First Republic Bank

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

Forward-Looking Statements

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

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

Factors that could cause actual results to differ from those discussed in the forward-looking statements include, but are not limited to: significant competition to attract and retain banking and wealth management customers, from both traditional and non-traditional financial services and technology companies; our ability to recruit and retain key managers, employees and board members; the possibility of earthquakes, fires and other natural disasters affecting the markets in which we operate; the negative impacts and disruptions resulting from the COVID-19 pandemic on our colleagues, the communities we serve and the domestic and global economy, which may have an adverse effect on our business, financial position and results of operations; interest rate risk and credit risk; our ability to maintain and follow high underwriting standards; economic and market conditions, including those affecting the valuation of our investment securities portfolio and credit losses on our loans and debt securities; real estate prices generally and in our markets; our geographic and product concentrations; demand for our products and services; developments and uncertainty related to the future use and availability of some reference rates, such as the London Interbank Offered Rate and the 11th District Monthly Weighted Average Cost of Funds Index, as well as other alternative reference rates; the regulatory environment in which we operate, our regulatory compliance and future regulatory requirements; any future changes to regulatory capital requirements; legislative and regulatory actions affecting us and the financial services industry, such as the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), including increased compliance costs, limitations on activities and requirements to hold additional capital, as well as changes to the Dodd-Frank Act pursuant to the Economic Growth, Regulatory Relief, and Consumer Protection Act; our ability to avoid litigation and its associated costs and liabilities; future Federal Deposit Insurance Corporation (“FDIC”) special assessments or changes to regular assessments; fraud, cybersecurity and privacy risks; and custom technology preferences of our customers and our ability to successfully execute on initiatives relating to enhancements of our technology infrastructure, including client-facing systems and applications. For a discussion of these and other risks and uncertainties, see First Republic’s FDIC filings, including, but not limited to, the risk factors in First Republic’s Annual Report on Form 10-K and any subsequent reports filed by First Republic with the FDIC. These filings are available in the Investor Relations section of our website.

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

CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except per share amounts)	Quarter Ended March 31,		Quarter Ended December 31,
	2020	2019	2019
Interest income:			
Loans	\$ 796,652	\$ 700,088	\$ 780,326
Investments	148,569	133,765	146,080
Other	6,960	5,175	5,679
Cash and cash equivalents	3,940	7,989	4,869
Total interest income	956,121	847,017	936,954
Interest expense:			
Deposits	118,845	107,747	128,705
Borrowings	85,144	64,232	88,131
Total interest expense	203,989	171,979	216,836
Net interest income	752,132	675,038	720,118
Provision for credit losses	48,097	14,200	9,579
Net interest income after provision for credit losses	704,035	660,838	710,539
Noninterest income:			
Investment management fees	99,296	84,924	97,106
Brokerage and investment fees	15,826	7,659	12,416
Insurance fees	2,157	2,114	4,186
Trust fees	4,976	3,889	4,328
Foreign exchange fee income	12,184	8,631	10,365
Deposit fees	6,597	6,320	6,609
Loan and related fees	6,114	4,007	6,175
Loan servicing fees, net	1,652	3,788	1,788
Gain on sale of loans	1,925	359	69
Gain (loss) on investment securities	2,628	(149)	(1,541)
Income from investments in life insurance	8,160	9,335	14,034
Other income	2,529	1,441	1,810
Total noninterest income	164,044	132,318	157,345
Noninterest expense:			
Salaries and employee benefits	361,204	313,253	325,094
Information systems	70,715	67,170	69,278
Occupancy	53,641	43,895	50,474
Professional fees	13,117	11,681	22,476
Advertising and marketing	11,843	15,734	17,615
FDIC assessments	10,185	8,903	10,912
Other expenses	75,585	64,176	62,996
Total noninterest expense	596,290	524,812	558,845
Income before provision for income taxes	271,789	268,344	309,039
Provision for income taxes	53,103	41,753	62,709
Net income	218,686	226,591	246,330
Dividends on preferred stock	13,020	12,787	10,708
Net income available to common shareholders	\$ 205,666	\$ 213,804	\$ 235,622
Basic earnings per common share	\$ 1.20	\$ 1.28	\$ 1.40
Diluted earnings per common share	\$ 1.20	\$ 1.26	\$ 1.39
Weighted average shares—basic	170,835	167,112	168,544
Weighted average shares—diluted	172,039	169,410	169,776

CONSOLIDATED BALANCE SHEETS

(\$ in thousands)	As of		
	March 31, 2020	December 31, 2019 ⁽¹⁾	March 31, 2019 ⁽¹⁾
ASSETS			
Cash and cash equivalents	\$ 3,949,378	\$ 1,699,557	\$ 3,693,396
Debt securities available-for-sale	1,243,798	1,282,169	1,624,970
Debt securities held-to-maturity	17,534,920	17,147,633	14,442,876
Less: Allowance for credit losses	(5,087)	—	—
Debt securities held-to-maturity, net	17,529,833	17,147,633	14,442,876
Equity securities (fair value)	19,575	19,586	19,386
Loans: ⁽¹⁾			
Single family (1-4 units)	49,063,193	47,985,651	39,134,534
Home equity lines of credit	2,703,919	2,501,432	2,502,837
Single family construction	779,239	761,589	690,370
Multifamily (5+ units)	12,823,392	12,353,359	10,755,210
Commercial real estate	7,715,266	7,449,058	6,763,664
Multifamily/commercial construction	1,839,445	1,695,954	1,604,996
Capital call lines of credit	7,512,231	5,570,322	4,524,749
Tax-exempt	3,087,751	3,042,193	3,046,352
Other business	3,094,922	3,034,301	3,044,943
Stock secured	1,919,971	1,897,511	1,375,454
Other secured	1,531,705	1,433,399	1,135,170
Student loan refinace	2,659,674	2,570,356	2,328,751
Other unsecured	554,354	501,706	358,067
Total loans	95,285,062	90,796,831	77,265,097
Allowance for credit losses	(541,906)	(496,104)	(453,121)
Loans, net	94,743,156	90,300,727	76,811,976
Loans held for sale	354,873	23,304	9,878
Investments in life insurance	1,460,909	1,434,642	1,404,083
Tax credit investments	1,106,693	1,100,509	1,040,924
Premises, equipment and leasehold improvements, net	392,953	386,841	339,745
Goodwill and other intangible assets	232,985	235,269	270,594
Other real estate owned	1,071	—	—
Other assets	2,879,705	2,633,397	2,189,400
Total Assets	\$ 123,914,929	\$ 116,263,634	\$ 101,847,228
LIABILITIES AND EQUITY			
Liabilities:			
Deposits:			
Noninterest-bearing checking	\$ 36,920,635	\$ 33,124,265	\$ 31,362,112
Interest-bearing checking	20,941,790	19,696,859	16,912,529
Money market checking	12,636,674	12,790,707	10,559,521
Money market savings and passbooks	9,052,690	10,586,355	9,858,736
Certificates of deposit	14,140,550	13,935,060	12,919,219
Total Deposits	93,692,339	90,133,246	81,612,117
Short-term borrowings	—	800,000	—
Long-term FHLB advances	16,250,000	12,200,000	8,000,000
Senior notes	994,742	497,719	896,866
Subordinated notes	777,990	777,885	777,576
Other liabilities	1,840,093	2,003,677	1,514,685
Total Liabilities	113,555,164	106,412,527	92,801,244
Shareholders' Equity:			
Preferred stock	1,145,000	1,145,000	940,000
Common stock	1,714	1,686	1,674
Additional paid-in capital	4,543,650	4,214,915	4,203,473
Retained earnings	4,652,089	4,484,375	3,914,294
Accumulated other comprehensive income (loss)	17,312	5,131	(13,457)
Total Shareholders' Equity	10,359,765	9,851,107	9,045,984
Total Liabilities and Shareholders' Equity	\$ 123,914,929	\$ 116,263,634	\$ 101,847,228

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

Average Balances, Yields and Rates	Quarter Ended March 31,						Quarter Ended December 31,		
	2020			2019 ⁽⁴⁾			2019 ⁽⁴⁾		
	Average Balance	Interest Income/ ⁽¹⁾ Expense	Yields/ ⁽²⁾ Rates	Average Balance	Interest Income/ ⁽¹⁾ Expense	Yields/ ⁽²⁾ Rates	Average Balance	Interest Income/ ⁽¹⁾ Expense	Yields/ ⁽²⁾ Rates
<i>(\$ in thousands)</i>									
Assets:									
Cash and cash equivalents	\$ 1,853,579	\$ 3,940	0.85 %	\$ 1,445,058	\$ 7,989	2.24 %	\$ 1,377,686	\$ 4,869	1.40 %
Investment securities:									
U.S. Government-sponsored agency securities	307,449	2,207	2.87 %	1,044,894	7,776	2.98 %	461,671	3,239	2.81 %
Mortgage-backed securities:									
Agency residential and commercial MBS	6,746,664	47,186	2.80 %	6,854,838	49,620	2.90 %	6,826,144	47,764	2.80 %
Other residential and commercial MBS	3,834	32	3.33 %	4,528	46	4.03 %	4,276	39	3.66 %
Municipal securities	11,358,749	122,542	4.32 %	8,180,654	94,501	4.62 %	10,981,068	116,245	4.23 %
Other investment securities ⁽⁵⁾	43,783	320	2.92 %	18,989	120	2.52 %	43,840	322	2.94 %
Total investment securities	<u>18,460,479</u>	<u>172,287</u>	<u>3.73 %</u>	<u>16,103,903</u>	<u>152,063</u>	<u>3.78 %</u>	<u>18,316,999</u>	<u>167,609</u>	<u>3.66 %</u>
Loans: ⁽⁴⁾									
Residential real estate ⁽⁵⁾	51,300,013	404,982	3.16 %	40,973,253	341,784	3.34 %	48,938,892	391,415	3.20 %
Multifamily ⁽⁶⁾	12,565,723	118,944	3.74 %	10,534,919	99,701	3.79 %	12,043,858	118,431	3.85 %
Commercial real estate	7,574,573	78,609	4.11 %	6,702,263	71,947	4.29 %	7,414,885	78,229	4.13 %
Multifamily/commercial construction	2,550,647	30,285	4.70 %	2,278,294	28,244	4.96 %	2,415,923	28,931	4.69 %
Business ⁽⁷⁾	12,390,386	122,971	3.93 %	10,678,134	121,044	4.53 %	11,556,437	121,665	4.12 %
Other ⁽⁸⁾	6,453,056	47,572	2.92 %	5,088,348	43,946	3.45 %	6,085,084	48,261	3.10 %
Total loans	<u>92,834,398</u>	<u>803,363</u>	<u>3.44 %</u>	<u>76,255,211</u>	<u>706,666</u>	<u>3.71 %</u>	<u>88,455,079</u>	<u>786,932</u>	<u>3.52 %</u>
FHLB stock	406,974	6,960	6.88 %	278,805	5,175	7.53 %	394,487	5,678	5.71 %
Total interest-earning assets	<u>113,555,430</u>	<u>986,550</u>	<u>3.46 %</u>	<u>94,082,977</u>	<u>871,893</u>	<u>3.71 %</u>	<u>108,544,251</u>	<u>965,088</u>	<u>3.52 %</u>
Noninterest-earning cash	443,255			345,237			362,139		
Goodwill and other intangibles	234,078			272,371			256,614		
Other assets	4,721,313			4,196,071			4,581,436		
Total noninterest-earning assets	<u>5,398,646</u>			<u>4,813,679</u>			<u>5,200,189</u>		
Total Assets	<u>\$118,954,076</u>			<u>\$98,896,656</u>			<u>\$113,744,440</u>		
Liabilities and Equity:									
Deposits:									
Checking	\$ 53,863,519	8,432	0.06 %	\$46,516,109	6,094	0.05 %	\$ 51,333,186	8,777	0.07 %
Money market checking and savings	22,475,109	44,869	0.80 %	19,268,808	42,317	0.89 %	21,298,741	49,682	0.93 %
CDs	14,185,945	65,544	1.86 %	11,384,085	59,336	2.11 %	13,694,721	70,246	2.04 %
Total deposits	<u>90,524,573</u>	<u>118,845</u>	<u>0.53 %</u>	<u>77,169,002</u>	<u>107,747</u>	<u>0.57 %</u>	<u>86,326,648</u>	<u>128,705</u>	<u>0.59 %</u>
Borrowings:									
Short-term borrowings	1,231,827	4,700	1.53 %	956,670	6,030	2.56 %	3,056,545	13,530	1.76 %
Long-term FHLB advances	13,420,604	66,566	1.99 %	8,503,889	43,167	2.06 %	11,488,043	62,146	2.15 %
Senior notes ⁽⁹⁾	765,308	4,773	2.49 %	896,654	5,934	2.65 %	497,610	3,351	2.69 %
Subordinated notes ⁽⁹⁾	777,938	9,105	4.68 %	777,526	9,101	4.68 %	777,834	9,104	4.68 %
Total borrowings	<u>16,195,677</u>	<u>85,144</u>	<u>2.11 %</u>	<u>11,134,739</u>	<u>64,232</u>	<u>2.33 %</u>	<u>15,820,032</u>	<u>88,131</u>	<u>2.21 %</u>
Total interest-bearing liabilities	<u>106,720,250</u>	<u>203,989</u>	<u>0.77 %</u>	<u>88,303,741</u>	<u>171,979</u>	<u>0.79 %</u>	<u>102,146,680</u>	<u>216,836</u>	<u>0.84 %</u>
Noninterest-bearing liabilities	2,030,107			1,564,278			2,093,561		
Preferred equity	1,145,000			940,000			899,728		
Common equity	9,058,719			8,088,637			8,604,471		
Total Liabilities and Equity	<u>\$118,954,076</u>			<u>\$98,896,656</u>			<u>\$113,744,440</u>		
Net interest spread ⁽¹⁰⁾			2.69 %			2.92 %			2.68 %
Net interest income (fully taxable-equivalent basis) and net interest margin ⁽¹¹⁾		<u>\$ 782,561</u>	2.74 %		<u>\$ 699,914</u>	2.97 %		<u>\$ 748,252</u>	2.73 %
Reconciliation of tax-equivalent net interest income to reported net interest income:									
Tax-equivalent adjustment		<u>(30,429)</u>			<u>(24,876)</u>			<u>(28,134)</u>	
Net interest income, as reported		<u>\$ 752,132</u>			<u>\$ 675,038</u>			<u>\$ 720,118</u>	

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⁽¹⁾ Interest income is presented on a fully taxable-equivalent basis.

⁽²⁾ Yields/rates are annualized.

⁽³⁾ Includes corporate debt securities, mutual funds and marketable equity securities.

⁽⁴⁾ For comparability, the Bank has adjusted certain prior period loan amounts to conform to the current period presentation under CECL.

⁽⁵⁾ Includes single family, home equity lines of credit, and single family construction loans. Also includes single family loans held for sale.

⁽⁶⁾ Includes multifamily loans held for sale.

⁽⁷⁾ Includes capital call lines of credit, tax-exempt loans and other business loans.

⁽⁸⁾ Includes stock secured, other secured, student loan refinance and other unsecured loans.

⁽⁹⁾ Average balances include unamortized issuance discounts and costs. Interest expense includes amortization of issuance discounts and costs.

⁽¹⁰⁾ Net interest spread represents the average yield on interest-earning assets less the average rate on interest-bearing liabilities.

⁽¹¹⁾ Net interest margin represents net interest income on a fully taxable-equivalent basis divided by total average interest-earning assets.

Operating Information	Quarter Ended March 31,		Quarter Ended December 31,
	2020	2019	2019
<i>(\$ in thousands, except per share amounts)</i>			
Net income to average assets ⁽¹⁾	0.74 %	0.93 %	0.86 %
Net income available to common shareholders to average common equity ⁽¹⁾	9.13 %	10.72 %	10.86 %
Net income available to common shareholders to average tangible common equity ⁽¹⁾	9.37 %	11.09 %	11.20 %
Dividends per common share	\$ 0.19	\$ 0.18	\$ 0.19
Dividend payout ratio	15.9 %	14.3 %	13.7 %
Efficiency ratio ⁽²⁾	65.1 %	65.0 %	63.7 %
Net loan charge-offs (recoveries)	\$ 202	\$ 127	\$ (1,060)
Net loan charge-offs (recoveries) to average total loans ⁽¹⁾	0.00 %	0.00 %	(0.00)%
Allowance for loan credit losses to:			
Total loans	0.57 %	0.59 %	0.55 %
Nonaccrual loans	432.1 %	887.1 %	346.5 %

⁽¹⁾ Ratios are annualized.

⁽²⁾ Efficiency ratio is the ratio of noninterest expense to the sum of net interest income and noninterest income.

Effective Tax Rate	Quarter Ended March 31,		Quarter Ended December 31,
	2020	2019	2019
Effective tax rate, prior to excess tax benefits	21.3 %	21.9 %	21.6 %
Excess tax benefits—stock options	(1.5)	(6.2)	(1.2)
Excess tax benefits—other stock awards	(0.3)	(0.1)	(0.1)
Total excess tax benefits	(1.8)	(6.3)	(1.3)
Effective tax rate	19.5 %	15.6 %	20.3 %

Provision for Credit Losses and Unfunded Loan Commitments	Quarter Ended March 31,		Quarter Ended
	2020	2019	December 31,
<i>(\$ in thousands)</i>			2019
Debt securities held-to-maturity	\$ 418	\$ —	\$ —
Loans	47,679	14,200	9,579
Provision for credit losses	48,097	14,200	9,579
Provision (reversal of provision) for unfunded loan commitments ⁽¹⁾	14,273	(217)	(1,449)
Total provision	\$ 62,370	\$ 13,983	\$ 8,130

Allowance for Credit Losses	Debt Securities Held-to-Maturity	Loans	Unfunded Loan Commitments	Total
<i>(\$ in thousands)</i>				
Balance at 12/31/2019 (pre-CECL)	\$ —	\$ 496,104	\$ 12,029	\$ 508,133
Cumulative adjustment ⁽²⁾	4,669	(1,675)	3,668	6,662
Balance at 1/1/2020 (CECL)	4,669	494,429	15,697	514,795
Provision for credit losses	418	47,679	—	48,097
Provision for unfunded loan commitments	—	—	14,273 ⁽¹⁾	14,273
Total provision	418	47,679	14,273	62,370
Net charge-offs	—	(202)	—	(202)
Balance at 3/31/2020 (CECL)	\$ 5,087	\$ 541,906	\$ 29,970 ⁽³⁾	\$ 576,963

⁽¹⁾ Included in other noninterest expense.

⁽²⁾ Cumulative effect adjustment recorded on January 1, 2020.

⁽³⁾ Included in other liabilities.

Mortgage Loan Sales	Quarter Ended March 31,		Quarter Ended
	2020	2019	December 31,
<i>(\$ in thousands)</i>			2019
Loans sold:			
Flow sales:			
Agency	\$ 25,774	\$ 11,679	\$ 34,519
Non-agency	31,870	16,831	7,717
Total flow sales	57,644	28,510	42,236
Bulk sales:			
Non-agency	437,669	152,119	—
Total loans sold	\$ 495,313	\$ 180,629	\$ 42,236
Gain on sale of loans:			
Amount	\$ 1,925	\$ 359	\$ 69
Gain as a percentage of loans sold	0.39 %	0.20 %	0.16 %

Loan Originations	Quarter Ended		Quarter Ended
	2020	2019 ⁽¹⁾	December 31, 2019 ⁽¹⁾
<i>(\$ in thousands)</i>			
Single family (1-4 units)	\$ 3,519,336	\$ 2,189,895	\$ 5,275,965
Home equity lines of credit	395,508	352,138	456,150
Single family construction	109,162	124,269	133,368
Multifamily (5+ units)	781,303	582,943	1,214,394
Commercial real estate	451,858	246,528	401,084
Multifamily/commercial construction	620,921	130,113	340,650
Capital call lines of credit ⁽²⁾	2,385,229	1,702,723	1,708,006
Tax-exempt	100,019	84,425	52,550
Other business	619,779	255,999	512,954
Stock secured	592,560	206,713	650,240
Other secured	413,824	266,749	170,231
Student loan refinance	236,882	271,268	218,596
Other unsecured	86,006	63,040	89,764
Total loans originated	\$ 10,312,387	\$ 6,476,803	\$ 11,223,952

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

⁽²⁾ Origination amounts for certain business lines of credit (i.e., capital call lines of credit) reflect the Bank's contractual obligations in effect during the reporting period, and exclude amounts that are contingent upon future credit approvals.

Loan Servicing Portfolio	As of				
	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
<i>(\$ in millions)</i>					
Loans serviced for investors	\$ 9,203	\$ 9,298	\$ 10,080	\$ 10,746	\$ 11,326

Asset Quality Information	As of				
	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
<i>(\$ in thousands)</i>					
Nonperforming assets:					
Nonaccrual loans	\$ 125,418	\$ 143,181	\$ 136,928	\$ 144,993	\$ 51,081
Other real estate owned	1,071	—	—	—	—
Total nonperforming assets	\$ 126,489	\$ 143,181	\$ 136,928	\$ 144,993	\$ 51,081
Nonperforming assets to total assets	0.10 %	0.12 %	0.12 %	0.14 %	0.05 %
Accruing loans 90 days or more past due	\$ —	\$ —	\$ —	\$ —	\$ —
Restructured accruing loans	\$ 13,418	\$ 13,287	\$ 14,964	\$ 12,176	\$ 10,208

Book Value and Capital Ratios	As of				
	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
<i>(in thousands, except per share amounts)</i>					
Number of shares of common stock outstanding	171,395	168,621	168,450	168,176	167,393
Book value per common share	\$ 53.76	\$ 51.63	\$ 50.41	\$ 49.23	\$ 48.42
Tangible book value per common share	\$ 52.40	\$ 50.24	\$ 48.84	\$ 47.64	\$ 46.81

<i>Capital Ratios</i>	As of				
	March 31, 2020 ^{(1),(2)}	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
Tier 1 leverage ratio (Tier 1 capital to average assets)	8.46 %	8.39 %	8.50 %	8.69 %	8.84 %
Common Equity Tier 1 capital to risk-weighted assets	9.87 %	9.86 %	9.91 %	10.19 %	10.54 %
Tier 1 capital to risk-weighted assets	11.14 %	11.21 %	11.05 %	11.39 %	11.82 %
Total capital to risk-weighted assets	12.62 %	12.73 %	12.61 %	13.02 %	13.50 %
Regulatory Capital ⁽³⁾					
<i>(\$ in thousands)</i>					
Common Equity Tier 1 capital	\$ 8,887,905	\$ 8,371,192	\$ 8,124,179	\$ 7,934,602	\$ 7,776,620
Tier 1 capital	\$ 10,032,905	\$ 9,516,192	\$ 9,064,179	\$ 8,874,602	\$ 8,716,620
Total capital	\$ 11,365,654	\$ 10,802,209	\$ 10,340,902	\$ 10,138,375	\$ 9,960,317
Assets ⁽³⁾					
<i>(\$ in thousands)</i>					
Average assets	\$ 118,626,842	\$ 113,403,507	\$ 106,659,003	\$ 102,097,363	\$ 98,582,697
Risk-weighted assets	\$ 90,072,911	\$ 84,885,943	\$ 81,994,651	\$ 77,889,111	\$ 73,753,991

⁽¹⁾ Ratios and amounts as of March 31, 2020 are preliminary.

⁽²⁾ In accordance with regulatory capital rules, the Bank elected an option to delay the estimated impact of CECL on its regulatory capital over a five-year transition period ending December 31, 2024. As a result, capital ratios and amounts as of March 31, 2020 exclude the impact of the increased allowance for credit losses on loans, held-to-maturity debt securities and unfunded loan commitments attributed to the adoption of CECL.

⁽³⁾ As defined by regulatory capital rules.

<i>Wealth Management Assets</i>	As of				
	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
<i>(\$ in millions)</i>					
First Republic Investment Management	\$ 60,056	\$ 66,029	\$ 61,204	\$ 61,192	\$ 66,675
Brokerage and investment:					
Brokerage	60,189	68,807	63,053	61,583	59,391
Money market mutual funds	6,893	4,268	4,402	3,312	2,818
Total brokerage and investment	<u>67,082</u>	<u>73,075</u>	<u>67,455</u>	<u>64,895</u>	<u>62,209</u>
Trust Company:					
Trust	7,288	7,121	6,366	6,319	5,955
Custody	3,461	4,818	5,210	5,225	5,060
Total Trust Company	<u>10,749</u>	<u>11,939</u>	<u>11,576</u>	<u>11,544</u>	<u>11,015</u>
Total Wealth Management Assets	<u>\$ 137,887</u>	<u>\$ 151,043</u>	<u>\$ 140,235</u>	<u>\$ 137,631</u>	<u>\$ 139,899</u>

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