



## FIRST REPUBLIC REPORTS STRONG SECOND QUARTER 2019 RESULTS

### *Strongest Loan Origination Quarter*

*Year-Over-Year Loans Increased 19%, Revenues Increased 10%*

**San Francisco, California, July 16, 2019** – First Republic Bank (NYSE: FRC) today announced financial results for the quarter ended June 30, 2019.

“The franchise continues to perform well,” said Jim Herbert, Chairman, CEO & Founder. “Loans and deposits grew very nicely and our client-focused business model continues to deliver strong, safe, organic growth.”

### **Quarterly Highlights**

#### ***Financial Results***

- Year-over-year:
  - Revenues were \$819.4 million, up 10.1%.
  - Net interest income was \$674.0 million, up 10.2%.
  - Net income was \$222.6 million, up 6.1%.
  - Diluted earnings per share of \$1.24, up 3.3%.
  - Tangible book value per share was \$47.64, up 13.0%.
- Loan originations totaled \$9.4 billion, our strongest quarter ever.
- Net interest margin was 2.85%, compared to 2.97% last quarter.
- Efficiency ratio was 64.5%, compared to 65.0% last quarter.

#### ***Continued Capital and Credit Strength***

- Common Equity Tier 1 ratio was 10.19%, compared to 10.18% a year ago.
- Nonperforming assets remained at a low 14 basis points of total assets.
- Net charge-offs were only \$1.2 million, or 1 basis point of average loans.

#### ***Continued Franchise Development***

- Year-over-year:
  - Loans, excluding loans held for sale, totaled \$82.2 billion, up 18.9%.
  - Deposits were \$83.4 billion, up 14.6%.
- Wealth management assets were \$137.6 billion and wealth management revenues were \$120.3 million. <sup>(1)</sup>

<sup>(1)</sup> The Bank currently expects an outflow of approximately \$4 billion of wealth management assets in the third quarter of 2019 from the departure of wealth managers previously announced in June 2019.

“New client household acquisition continues to be very strong, reflecting our continuing success in delivering exceptional client service,” said Mike Roffler, Chief Financial Officer. “Credit quality and capital strength remain excellent.”

### **Quarterly Cash Dividend Declared**

The Bank declared a cash dividend for the second quarter of \$0.19 per share of common stock, which is payable on August 8, 2019 to shareholders of record as of July 25, 2019.

### **Very Strong Asset Quality**

Credit quality remains strong. Nonperforming assets were only 14 basis points of total assets at June 30, 2019.

The Bank had net charge-offs for the quarter of \$1.2 million, while adding \$21.2 million to its allowance for loan losses due to continued loan growth.

### **Continued Capital Strength**

The Bank’s Common Equity Tier 1 ratio was 10.19% at June 30, 2019, compared to 10.18% a year ago.

### **Tangible Book Value Growth**

Tangible book value per common share at June 30, 2019 was \$47.64, up 13.0% from a year ago.

### **Continued Franchise Development**

#### *Loan Originations*

Loan originations were \$9.4 billion for the quarter, a slight increase compared to the same quarter a year ago.

Loans, excluding loans held for sale, totaled \$82.2 billion at June 30, 2019, up 18.9% compared to a year ago primarily due to increases in single family, business, multifamily and commercial real estate loans.

#### *Deposit Growth*

Total deposits increased to \$83.4 billion, up 14.6% compared to a year ago.

At June 30, 2019, checking accounts totaled 58.3% of deposits.

### Investments

Total investment securities at June 30, 2019 were \$16.2 billion, a slight increase compared to the prior quarter and a slight decrease compared to a year ago.

High-quality liquid assets, including eligible cash, totaled \$13.7 billion at June 30, 2019, and represented 13.3% of average total assets.

### Wealth Management

Wealth management revenues totaled \$120.3 million for the quarter. Such revenues represented 14.7% of the Bank's total revenues for the quarter.

Total wealth management assets were \$137.6 billion at June 30, 2019, down 1.6% for the quarter. This net decrease in wealth management assets was driven by the departure of wealth managers previously announced on June 2, 2019, and was largely offset by more than \$8 billion of client inflows and market appreciation. The Bank currently expects an outflow of approximately \$4 billion of wealth management assets in the third quarter of 2019 from the departure of these wealth managers. After adjusting for these expected outflows, wealth management assets would have increased by approximately 10% year-over-year as of June 30, 2019.

Wealth management assets included investment management assets of \$61.2 billion, brokerage assets and money market mutual funds of \$64.9 billion, and trust and custody assets of \$11.5 billion.

## **Income Statement and Key Ratios**

### Revenue Growth

Total revenues were \$819.4 million for the quarter, up 10.1% compared to the second quarter a year ago.

### Net Interest Income Growth

Net interest income was \$674.0 million for the quarter, up 10.2% compared to the second quarter a year ago. The increase in net interest income resulted primarily from growth in average earning assets.

### Net Interest Margin

The net interest margin was 2.85% for the second quarter, compared to 2.97% for the prior quarter. The decline was primarily due to an increase in the rate paid on deposits and an increase in average short-term borrowings, while earning asset yields were stable.

### Noninterest Income

Noninterest income was \$145.4 million for the quarter, up 9.8% compared to the second quarter a year ago. The increase was primarily from growth in wealth management revenues, partially offset by a decrease in the gain on sale of loans.

### Noninterest Expense and Efficiency Ratio

Noninterest expense was \$528.9 million for the quarter, up 11.9% compared to the second quarter a year ago. The increase was primarily due to increased salaries and benefits, information systems and other expenses from the continued investments in the expansion of the franchise.

The efficiency ratio was 64.5% for the quarter, compared to 63.5% for the second quarter a year ago.

### Income Taxes

The Bank's effective tax rate for the second quarter of 2019 was 17.4%, compared to 15.6% for the prior quarter, and 16.8% for the second quarter a year ago. The increase from the first quarter was primarily the result of lower excess tax benefits from a decrease in stock option exercises by employees. For the first six months of 2019, the Bank's effective tax rate was 16.5%.

### Conference Call Details

First Republic Bank's second quarter 2019 earnings conference call is scheduled for July 16, 2019 at 7:00 a.m. PT / 10:00 a.m. ET. To access the event by telephone, please dial (877) 407-0792 approximately 10 minutes prior to the start time (to allow time for registration). International callers should dial +1 (201) 689-8263.

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](http://firstrepublic.com). To listen to the live webcast, please visit the site at least 10 minutes prior to the start time to register, download and install any necessary audio software.

For those unable to join the live presentation, a replay of the call will be available beginning July 16, 2019, at 10:00 a.m. PT / 1:00 p.m. ET, through July 23, 2019, at 8:59 p.m. PT / 11:59 p.m. ET. To access the replay, dial (844) 512-2921 and use conference ID #13691471. International callers should dial +1 (412) 317-6671 and enter the same conference ID number. 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](http://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](http://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](http://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.

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; 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, which could result in other-than-temporary impairment if the general economy deteriorates, credit ratings decline, the financial condition of issuers deteriorates, interest rates increase or the liquidity for securities is limited; 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 reference rates, such as the London Interbank Offered Rate and the 11th District Monthly Weighted Average Cost of Funds Index; the regulatory environment in which we operate, our regulatory compliance and future regulatory requirements; the impact of tax reform legislation; 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; the impact of new accounting standards; 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 June 30,		Quarter Ended March 31,	Six Months Ended June 30,	
	2019	2018	2019	2019	2018
<b>Interest income:</b>					
Loans	\$ 741,328	\$ 589,912	\$ 700,088	\$ 1,441,416	\$ 1,131,225
Investments	134,044	133,992	133,765	267,809	272,262
Other	4,813	4,850	5,175	9,988	9,828
Cash and cash equivalents	5,547	5,685	7,989	13,536	9,598
Total interest income	885,732	734,439	847,017	1,732,749	1,422,913
<b>Interest expense:</b>					
Deposits	129,188	62,027	107,747	236,935	112,414
Borrowings	82,518	60,719	64,232	146,750	111,048
Total interest expense	211,706	122,746	171,979	383,685	223,462
Net interest income	674,026	611,693	675,038	1,349,064	1,199,451
Provision for loan losses	21,200	19,370	14,200	35,400	32,370
Net interest income after provision for loan losses	652,826	592,323	660,838	1,313,664	1,167,081
<b>Noninterest income:</b>					
Investment management fees	93,720	82,925	84,924	178,644	161,042
Brokerage and investment fees	8,287	7,705	7,659	15,946	16,563
Insurance fees	3,696	1,121	2,114	5,810	2,795
Trust fees	4,227	3,606	3,889	8,116	7,095
Foreign exchange fee income	10,345	9,547	8,631	18,976	16,944
Deposit fees	6,579	6,280	6,320	12,899	12,265
Loan and related fees	4,296	4,134	4,007	8,303	7,751
Loan servicing fees, net	3,425	3,186	3,788	7,213	6,705
Gain (loss) on sale of loans	(15)	4,045	359	344	4,734
Gain (loss) on investment securities	(1,063)	(1,027)	(149)	(1,212)	8,170
Income from investments in life insurance	10,049	9,612	9,335	19,384	19,089
Other income	1,804	1,287	1,441	3,245	2,370
Total noninterest income	145,350	132,421	132,318	277,668	265,523
<b>Noninterest expense:</b>					
Salaries and employee benefits	297,524	271,935	313,253	610,777	548,959
Information systems	70,277	59,530	67,170	137,447	118,494
Occupancy	47,587	37,216	43,895	91,482	73,388
Professional fees	16,435	15,588	11,681	28,116	29,002
Advertising and marketing	16,700	15,120	15,734	32,434	27,048
FDIC assessments	9,196	16,064	8,903	18,099	31,596
Other expenses	71,135	57,104	64,176	135,311	105,651
Total noninterest expense	528,854	472,557	524,812	1,053,666	934,138
Income before provision for income taxes	269,322	252,187	268,344	537,666	498,466
Provision for income taxes	46,758	42,406	41,753	88,511	89,602
Net income	222,564	209,781	226,591	449,155	408,864
Dividends on preferred stock	12,788	12,163	12,787	25,575	24,385
Net income available to common shareholders	\$ 209,776	\$ 197,618	\$ 213,804	\$ 423,580	\$ 384,479
Basic earnings per common share	\$ 1.25	\$ 1.22	\$ 1.28	\$ 2.53	\$ 2.37
Diluted earnings per common share	\$ 1.24	\$ 1.20	\$ 1.26	\$ 2.50	\$ 2.33
Weighted average shares—basic	167,685	162,152	167,112	167,400	161,953
Weighted average shares—diluted	169,572	165,013	169,410	169,503	164,929

**CONSOLIDATED BALANCE SHEETS**

(\$ in thousands)	As of			
	June 30, 2019	March 31, 2019	December 31, 2018	June 30, 2018
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 2,220,073	\$ 3,693,396	\$ 2,811,159	\$ 3,993,226
Debt securities available-for-sale	1,438,061	1,624,970	1,779,116	2,163,773
Debt securities held-to-maturity	14,721,568	14,442,876	14,436,973	14,284,071
Equity securities (fair value)	19,529	19,386	18,719	19,997
Loans:				
Single family (1-4 units)	41,758,981	39,134,534	37,955,252	34,276,540
Home equity lines of credit	2,587,554	2,502,837	2,542,713	2,613,639
Multifamily (5+ units)	11,216,640	10,814,000	10,357,839	9,707,084
Commercial real estate	7,251,509	6,802,788	6,677,440	6,321,195
Single family construction	702,928	690,370	645,924	650,181
Multifamily/commercial construction	1,470,699	1,507,082	1,576,582	1,285,072
Business	11,686,510	10,616,044	10,998,503	9,603,626
Stock secured	1,514,855	1,375,454	1,432,911	1,380,255
Other secured	1,235,588	1,135,170	1,105,751	1,039,448
Unsecured	2,812,357	2,686,818	2,572,367	2,269,854
Total loans	82,237,621	77,265,097	75,865,282	69,146,894
Allowance for loan losses	(473,095)	(453,121)	(439,048)	(397,377)
Loans, net	81,764,526	76,811,976	75,426,234	68,749,517
Loans held for sale	12,502	9,878	98,985	46,753
Investments in life insurance	1,412,883	1,404,083	1,376,579	1,349,823
Tax credit investments	1,054,192	1,040,924	1,057,541	1,054,536
Prepaid expenses and other assets	2,390,649	2,136,675	1,538,971	1,533,840
Premises, equipment and leasehold improvements, net	348,609	339,745	332,483	312,278
Goodwill and other intangible assets	267,490	270,594	273,974	281,550
Mortgage servicing rights	49,554	52,725	54,470	62,096
Total Assets	<u>\$ 105,699,636</u>	<u>\$ 101,847,228</u>	<u>\$ 99,205,204</u>	<u>\$ 93,851,460</u>
<b><u>LIABILITIES AND EQUITY</u></b>				
Liabilities:				
Deposits:				
Noninterest-bearing checking	\$ 32,023,125	\$ 31,362,112	\$ 30,033,658	\$ 28,428,832
Interest-bearing checking	16,649,251	16,912,529	17,089,520	15,490,545
Money market checking	10,874,671	10,559,521	10,317,436	10,054,060
Money market savings and passbooks	9,921,688	9,858,736	10,245,107	8,599,957
Certificates of deposit	13,962,348	12,919,219	11,377,515	10,198,556
Total Deposits	83,431,083	81,612,117	79,063,236	72,771,950
Short-term borrowings	—	—	100,000	600,000
Long-term FHLB advances	9,800,000	8,000,000	8,700,000	9,650,000
Senior notes	497,269	896,866	896,432	895,572
Subordinated notes	777,678	777,576	777,475	777,278
Other liabilities	1,973,963	1,514,685	990,284	880,687
Total Liabilities	96,479,993	92,801,244	90,527,427	85,575,487
Shareholders' Equity:				
Preferred stock	940,000	940,000	940,000	1,140,000
Common stock	1,682	1,674	1,649	1,626
Additional paid-in capital	4,186,304	4,203,473	4,024,306	3,772,323
Retained earnings	4,091,636	3,914,294	3,731,205	3,379,725
Accumulated other comprehensive income (loss)	21	(13,457)	(19,383)	(17,701)
Total Shareholders' Equity	9,219,643	9,045,984	8,677,777	8,275,973
Total Liabilities and Shareholders' Equity	<u>\$ 105,699,636</u>	<u>\$ 101,847,228</u>	<u>\$ 99,205,204</u>	<u>\$ 93,851,460</u>



Average Balances, Yields and Rates	Quarter Ended June 30,						Quarter Ended March 31,		
	2019			2018			2019		
	Average Balance	Interest Income/ Expense <sup>(1)</sup>	Yields/ Rates <sup>(2)</sup>	Average Balance	Interest Income/ Expense <sup>(1)</sup>	Yields/ Rates <sup>(2)</sup>	Average Balance	Interest Income/ Expense <sup>(1)</sup>	Yields/ Rates <sup>(2)</sup>
(\$ in thousands)									
<b>Assets:</b>									
Cash and cash equivalents . . . . .	\$ 1,091,353	\$ 5,547	2.04%	\$ 1,404,683	\$ 5,685	1.62%	\$ 1,445,058	\$ 7,989	2.24%
Investment securities:									
U.S. Government-sponsored agency securities . . . . .	1,031,797	7,675	2.98%	1,044,897	7,772	2.98%	1,044,894	7,776	2.98%
Mortgage-backed securities:									
Agency residential and commercial MBS . . . . .	6,669,868	47,724	2.86%	7,423,001	50,842	2.74%	6,854,838	49,620	2.90%
Other residential and commercial MBS . . . . .	4,523	43	3.78%	4,753	38	3.21%	4,528	46	4.03%
Municipal securities . . . . .	8,497,645	96,980	4.57%	8,044,313	94,478	4.69%	8,180,654	94,501	4.62%
Other investment securities <sup>(3)</sup>	19,332	127	2.63%	19,863	127	2.55%	18,989	120	2.52%
Total investment securities . . . . .	<u>16,223,165</u>	<u>152,549</u>	3.76%	<u>16,536,827</u>	<u>153,257</u>	3.70%	<u>16,103,903</u>	<u>152,063</u>	3.78%
Loans:									
Residential real estate . . . . .	42,851,879	357,475	3.34%	36,424,028	287,872	3.16%	40,973,253	341,784	3.34%
Multifamily . . . . .	11,064,723	110,508	3.95%	9,389,300	87,044	3.67%	10,596,540	100,656	3.80%
Commercial real estate . . . . .	7,013,324	75,180	4.24%	6,276,975	65,473	4.13%	6,739,792	72,481	4.30%
Construction . . . . .	2,161,475	26,534	4.86%	1,893,614	22,238	4.65%	2,179,144	26,755	4.91%
Business . . . . .	11,410,239	131,658	4.57%	9,181,127	98,061	4.22%	10,678,134	121,044	4.53%
Other . . . . .	5,346,380	46,581	3.45%	4,414,474	35,746	3.20%	5,088,348	43,946	3.45%
Total loans . . . . .	<u>79,848,020</u>	<u>747,936</u>	3.73%	<u>67,579,518</u>	<u>596,434</u>	3.51%	<u>76,255,211</u>	<u>706,666</u>	3.71%
FHLB stock . . . . .	331,218	4,813	5.83%	300,068	4,850	6.48%	278,805	5,175	7.53%
Total interest-earning assets . . . . .	<u>97,493,756</u>	<u>910,845</u>	3.72%	<u>85,821,096</u>	<u>760,226</u>	3.53%	<u>94,082,977</u>	<u>871,893</u>	3.71%
Noninterest-earning cash . . . . .	345,174			344,451			345,237		
Goodwill and other intangibles . . . . .	269,404			283,575			272,371		
Other assets . . . . .	4,319,976			3,472,410			4,196,071		
Total noninterest-earning assets . . . . .	4,934,554			4,100,436			4,813,679		
Total Assets . . . . .	<u>\$ 102,428,310</u>			<u>\$89,921,532</u>			<u>\$98,896,656</u>		
<b>Liabilities and Equity:</b>									
Deposits:									
Checking . . . . .	\$ 45,813,205	6,946	0.06%	\$43,377,084	5,478	0.05%	\$46,516,109	6,094	0.05%
Money market checking and savings . . . . .	19,323,615	51,536	1.07%	16,885,281	21,787	0.52%	19,268,808	42,317	0.89%
CDs . . . . .	12,799,189	70,706	2.22%	8,710,862	34,762	1.60%	11,384,085	59,336	2.11%
Total deposits . . . . .	<u>77,936,009</u>	<u>129,188</u>	0.66%	<u>68,973,227</u>	<u>62,027</u>	0.36%	<u>77,169,002</u>	<u>107,747</u>	0.57%
Borrowings:									
Short-term borrowings . . . . .	2,875,590	18,282	2.55%	1,419,945	6,652	1.88%	956,670	6,030	2.56%
Long-term FHLB advances . . . . .	9,132,967	49,601	2.18%	8,904,396	39,045	1.76%	8,503,889	43,167	2.06%
Senior notes <sup>(4)</sup> . . . . .	835,544	5,534	2.65%	895,364	5,925	2.65%	896,654	5,934	2.65%
Subordinated notes <sup>(4)</sup> . . . . .	777,628	9,101	4.68%	777,230	9,097	4.68%	777,526	9,101	4.68%
Total borrowings . . . . .	<u>13,621,729</u>	<u>82,518</u>	2.43%	<u>11,996,935</u>	<u>60,719</u>	2.03%	<u>11,134,739</u>	<u>64,232</u>	2.33%
Total interest-bearing liabilities . . . . .	91,557,738	211,706	0.93%	80,970,162	122,746	0.61%	88,303,741	171,979	0.79%
Noninterest-bearing liabilities . . . . .	1,695,606			899,451			1,564,278		
Preferred equity . . . . .	940,000			900,989			940,000		
Common equity . . . . .	8,234,966			7,150,930			8,088,637		
Total Liabilities and Equity . . . . .	<u>\$ 102,428,310</u>			<u>\$89,921,532</u>			<u>\$98,896,656</u>		
Net interest spread <sup>(5)</sup> . . . . .			2.79%			2.92%			2.92%
Net interest income (fully taxable-equivalent basis) and net interest margin <sup>(6)</sup> . . . . .		<u>\$ 699,139</u>	2.85%		<u>\$ 637,480</u>	2.95%		<u>\$ 699,914</u>	2.97%
<b>Reconciliation of tax-equivalent net interest income to reported net interest income:</b>									
Tax-equivalent adjustment . . . . .		<u>(25,113)</u>			<u>(25,787)</u>			<u>(24,876)</u>	
Net interest income, as reported . . . . .		<u>\$ 674,026</u>			<u>\$ 611,693</u>			<u>\$ 675,038</u>	

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Average Balances, Yields and Rates	Six Months Ended June 30,					
	2019			2018		
	Average Balance	Interest Income/Expense <sup>(1)</sup>	Yields/Rates <sup>(2)</sup>	Average Balance	Interest Income/Expense <sup>(1)</sup>	Yields/Rates <sup>(2)</sup>
<i>(\$ in thousands)</i>						
<b>Assets:</b>						
Cash and cash equivalents	\$ 1,267,228	\$ 13,536	2.15%	\$ 1,266,512	\$ 9,598	1.53%
Investment securities:						
U.S. Treasury and other U.S. Government agency securities	—	—	—%	9,467	87	1.84%
U.S. Government-sponsored agency securities	1,038,310	15,452	2.98%	1,100,333	16,213	2.95%
Mortgage-backed securities:						
Agency residential and commercial MBS	6,761,842	97,343	2.88%	7,516,223	100,951	2.69%
Other residential and commercial MBS	4,525	88	3.91%	5,410	185	6.83%
Municipal securities	8,340,025	191,481	4.59%	8,215,189	194,023	4.72%
Other investment securities <sup>(3)</sup>	19,161	247	2.58%	19,923	244	2.45%
Total investment securities	<u>16,163,863</u>	<u>304,611</u>	3.77%	<u>16,866,545</u>	<u>311,703</u>	3.70%
Loans:						
Residential real estate	41,917,755	699,259	3.34%	35,584,566	553,401	3.11%
Multifamily	10,831,925	211,164	3.88%	9,121,973	165,732	3.61%
Commercial real estate	6,877,314	147,661	4.27%	6,211,132	127,985	4.10%
Construction	2,170,260	53,289	4.88%	1,835,197	42,863	4.65%
Business	11,046,209	252,702	4.55%	8,886,468	187,575	4.20%
Other	5,218,077	90,528	3.45%	4,191,601	66,488	3.15%
Total loans	<u>78,061,540</u>	<u>1,454,603</u>	3.72%	<u>65,830,937</u>	<u>1,144,044</u>	3.47%
FHLB stock	305,157	9,988	6.60%	290,568	9,828	6.82%
Total interest-earning assets	<u>95,797,788</u>	<u>1,782,738</u>	3.71%	<u>84,254,562</u>	<u>1,475,173</u>	3.50%
Noninterest-earning cash	345,205			346,000		
Goodwill and other intangibles	270,879			285,750		
Other assets	4,258,367			3,456,666		
Total noninterest-earning assets	<u>4,874,451</u>			<u>4,088,416</u>		
Total Assets	<u>\$ 100,672,239</u>			<u>\$ 88,342,978</u>		
<b>Liabilities and Equity:</b>						
Deposits:						
Checking	\$ 46,162,715	13,040	0.06%	\$ 42,911,318	10,987	0.05%
Money market checking and savings	19,296,363	93,854	0.98%	17,008,048	39,925	0.47%
CDs	12,095,546	130,041	2.17%	8,179,175	61,502	1.52%
Total deposits	<u>77,554,624</u>	<u>236,935</u>	0.62%	<u>68,098,541</u>	<u>112,414</u>	0.33%
Borrowings:						
Short-term borrowings	1,921,431	24,312	2.55%	1,054,503	9,161	1.75%
Long-term FHLB advances	8,820,165	92,768	2.12%	8,630,939	71,845	1.68%
Senior notes <sup>(4)</sup>	865,930	11,468	2.65%	895,153	11,849	2.65%
Subordinated notes <sup>(4)</sup>	777,578	18,202	4.68%	777,182	18,193	4.68%
Total borrowings	<u>12,385,104</u>	<u>146,750</u>	2.39%	<u>11,357,777</u>	<u>111,048</u>	1.97%
Total interest-bearing liabilities	<u>89,939,728</u>	<u>383,685</u>	0.86%	<u>79,456,318</u>	<u>223,462</u>	0.57%
Noninterest-bearing liabilities	1,630,305			939,648		
Preferred equity	940,000			871,492		
Common equity	8,162,206			7,075,520		
Total Liabilities and Equity	<u>\$ 100,672,239</u>			<u>\$ 88,342,978</u>		
Net interest spread <sup>(5)</sup>			2.85%			2.93%
Net interest income (fully taxable-equivalent basis) and net interest margin <sup>(6)</sup>		<u>\$ 1,399,053</u>	2.91%		<u>\$ 1,251,711</u>	2.96%
<b>Reconciliation of tax-equivalent net interest income to reported net interest income:</b>						
Tax-equivalent adjustment		(49,989)			(52,260)	
Net interest income, as reported		<u>\$ 1,349,064</u>			<u>\$ 1,199,451</u>	

<sup>(1)</sup> Interest income is presented on a fully taxable-equivalent basis.<sup>(2)</sup> Yields/rates are annualized.<sup>(3)</sup> Includes mutual funds and marketable equity securities.<sup>(4)</sup> Average balances include unamortized issuance discounts and costs. Interest expense includes amortization of issuance discounts and costs.<sup>(5)</sup> Net interest spread represents the average yield on interest-earning assets less the average rate on interest-bearing liabilities.<sup>(6)</sup> Net interest margin represents net interest income on a fully taxable-equivalent basis divided by total average interest-earning assets.

<b>Operating Information</b>	<b>Quarter Ended June 30,</b>		<b>Quarter Ended March 31,</b>		<b>Six Months Ended June 30,</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2019</b>	<b>2018</b>	
<i>(\$ in thousands, except per share amounts)</i>						
Net income to average assets <sup>(1)</sup> .....	0.87%	0.94%	0.93%	0.90%	0.93%	
Net income available to common shareholders to average common equity <sup>(1)</sup> .....	10.22%	11.08%	10.72%	10.47%	10.96%	
Net income available to common shareholders to average tangible common equity <sup>(1)</sup> .....	10.56%	11.54%	11.09%	10.82%	11.42%	
Dividends per common share .....	\$ 0.19	\$ 0.18	\$ 0.18	\$ 0.37	\$ 0.35	
Dividend payout ratio .....	15.4%	15.0%	14.3%	14.8%	15.0%	
Efficiency ratio <sup>(2)</sup> .....	64.5%	63.5%	65.0%	64.8%	63.8%	
Net loan charge-offs .....	\$ 1,226	\$ 771	\$ 127	\$ 1,353	\$ 925	
Net loan charge-offs to average total loans <sup>(1)</sup> .....	0.01%	0.00%	0.00%	0.00%	0.00%	
Allowance for loan losses to:						
Total loans .....	0.58%	0.57%	0.59%	0.58%	0.57%	
Nonaccrual loans .....	326.3%	780.4%	887.1%	326.3%	780.4%	

<sup>(1)</sup> Ratios are annualized.

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

<b>Effective Tax Rate</b>	<b>Quarter Ended June 30,</b>		<b>Quarter Ended March 31,</b>		<b>Six Months Ended June 30,</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2019</b>	<b>2018</b>	
Effective tax rate, prior to excess tax benefits .....	20.9%	21.5%	21.9%	21.4%	21.3%	
Excess tax benefits—stock options .....	(1.3)%	(1.3)%	(6.2)%	(3.8)%	(1.5)%	
Excess tax benefits—other stock awards .....	(2.2)%	(3.4)%	(0.1)%	(1.1)%	(1.8)%	
Total excess tax benefits .....	(3.5)%	(4.7)%	(6.3)%	(4.9)%	(3.3)%	
Effective tax rate .....	17.4%	16.8%	15.6%	16.5%	18.0%	

<b>Mortgage Loan Sales</b>	<b>Quarter Ended June 30,</b>		<b>Quarter Ended March 31,</b>		<b>Six Months Ended June 30,</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2019</b>	<b>2018</b>	
<i>(\$ in thousands)</i>						
Loans sold:						
Flow sales:						
Agency .....	\$ 14,533	\$ 7,724	\$ 11,679	\$ 26,212	\$ 21,771	
Non-agency .....	14,503	32,865	16,831	31,334	88,520	
Total flow sales .....	29,036	40,589	28,510	57,546	110,291	
Bulk sales:						
Non-agency .....	—	681,332	152,119	152,119	773,041	
Total loans sold .....	\$ 29,036	\$ 721,921	\$ 180,629	\$ 209,665	\$ 883,332	
Gain (loss) on sale of loans:						
Amount .....	\$ (15)	\$ 4,045	\$ 359	\$ 344	\$ 4,734	
Gain (loss) as a percentage of loans sold .....	(0.05)%	0.56%	0.20%	0.16%	0.54%	

<b>Loan Originations</b>	<b>Quarter Ended June 30,</b>		<b>Quarter Ended March 31,</b>	<b>Six Months Ended June 30,</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2019</b>	<b>2018</b>
<i>(\$ in thousands)</i>					
Single family (1-4 units) . . . . .	\$ 4,067,326	\$ 3,125,316	\$ 2,189,895	\$ 6,257,221	\$ 5,452,028
Home equity lines of credit . . . . .	356,589	416,098	352,138	708,727	762,431
Multifamily (5+ units) . . . . .	817,428	921,723	585,453	1,402,881	1,683,307
Commercial real estate . . . . .	571,454	341,707	248,828	820,282	617,390
Construction . . . . .	416,446	384,236	249,572	666,018	849,042
Business . . . . .	2,087,326	3,097,056	2,282,212	4,369,538	5,154,510
Stock and other secured . . . . .	824,162	748,450	473,462	1,297,624	1,414,996
Unsecured . . . . .	296,373	318,227	334,308	630,681	746,569
Total loans originated . . . . .	<u>\$ 9,437,104</u>	<u>\$ 9,352,813</u>	<u>\$ 6,715,868</u>	<u>\$ 16,152,972</u>	<u>\$ 16,680,273</u>

<b>Loan Servicing Portfolio</b>	<b>As of</b>				
	<b>June 30, 2019</b>	<b>March 31, 2019</b>	<b>December 31, 2018</b>	<b>September 30, 2018</b>	<b>June 30, 2018</b>
<i>(\$ in millions)</i>					
Loans serviced for investors . . . . .	\$ 10,746	\$ 11,326	\$ 11,573	\$ 11,733	\$ 12,374

<b>Asset Quality Information</b>	<b>As of</b>				
	<b>June 30, 2019</b>	<b>March 31, 2019</b>	<b>December 31, 2018</b>	<b>September 30, 2018</b>	<b>June 30, 2018</b>
<i>(\$ in thousands)</i>					
Nonperforming assets:					
Nonaccrual loans . . . . .	\$ 144,993	\$ 51,081	\$ 46,465	\$ 42,578	\$ 50,920
Other real estate owned . . . . .	—	—	—	—	—
Total nonperforming assets . . . . .	<u>\$ 144,993</u>	<u>\$ 51,081</u>	<u>\$ 46,465</u>	<u>\$ 42,578</u>	<u>\$ 50,920</u>
Nonperforming assets to total assets . . . . .	0.14%	0.05%	0.05%	0.04%	0.05%
Accruing loans 90 days or more past due . . . . .	\$ —	\$ —	\$ —	\$ —	\$ —
Restructured accruing loans . . . . .	\$ 12,176	\$ 10,208	\$ 11,514	\$ 11,830	\$ 11,568

<b>Book Value and Capital Ratios</b>	<b>As of</b>				
	<b>June 30, 2019</b>	<b>March 31, 2019</b>	<b>December 31, 2018</b>	<b>September 30, 2018</b>	<b>June 30, 2018</b>
<i>(in thousands, except per share amounts)</i>					
Number of shares of common stock outstanding . . . . .	168,176	167,393	164,902	164,761	162,638
Book value per common share . . . . .	<u>\$ 49.23</u>	<u>\$ 48.42</u>	<u>\$ 46.92</u>	<u>\$ 45.68</u>	<u>\$ 43.88</u>
Tangible book value per common share . . . . .	<u>\$ 47.64</u>	<u>\$ 46.81</u>	<u>\$ 45.26</u>	<u>\$ 44.00</u>	<u>\$ 42.15</u>

<b>Capital Ratios</b>	<b>As of</b>				
	<b>June 30, 2019<sup>(1)</sup></b>	<b>March 31, 2019</b>	<b>December 31, 2018</b>	<b>September 30, 2018</b>	<b>June 30, 2018</b>
Tier 1 leverage ratio (Tier 1 capital to average assets) . . . . .	8.69%	8.84%	8.68%	8.94%	8.83%
Common Equity Tier 1 capital to risk-weighted assets . . . . .	10.19%	10.54%	10.38%	10.47%	10.18%
Tier 1 capital to risk-weighted assets . . . . .	11.39%	11.82%	11.70%	12.14%	11.90%
Total capital to risk-weighted assets . . . . .	13.02%	13.50%	13.43%	13.90%	13.68%
<b>Regulatory Capital<sup>(2)</sup></b>					
<i>(\$ in thousands)</i>					
Common Equity Tier 1 capital . . . . .	\$ 7,934,602	\$ 7,776,620	\$ 7,379,997	\$ 7,158,043	\$ 6,766,573
Tier 1 capital . . . . .	\$ 8,874,602	\$ 8,716,620	\$ 8,319,997	\$ 8,298,043	\$ 7,906,573
Total capital . . . . .	\$ 10,138,375	\$ 9,960,317	\$ 9,549,738	\$ 9,505,044	\$ 9,095,028
<b>Assets<sup>(2)</sup></b>					
<i>(\$ in thousands)</i>					
Average assets . . . . .	\$ 102,100,574	\$ 98,582,697	\$ 95,905,266	\$ 92,771,143	\$ 89,560,555
Risk-weighted assets . . . . .	\$ 77,889,191	\$ 73,753,991	\$ 71,116,459	\$ 68,370,630	\$ 66,461,529

<sup>(1)</sup> Ratios and amounts as of June 30, 2019 are preliminary.

<sup>(2)</sup> As defined by regulatory capital rules.

<b>Wealth Management Assets</b>	<b>As of</b>				
	<b>June 30, 2019</b>	<b>March 31, 2019</b>	<b>December 31, 2018</b>	<b>September 30, 2018</b>	<b>June 30, 2018</b>
<i>(\$ in millions)</i>					
First Republic Investment Management . . . . .	\$ 61,192	\$ 66,675	\$ 60,591	\$ 62,506	\$ 59,329
Brokerage and investment:					
Brokerage . . . . .	61,583	59,391	53,046	54,823	50,356
Money market mutual funds . . . . .	3,312	2,818	2,358	3,149	1,575
Total brokerage and investment . . . . .	64,895	62,209	55,404	57,972	51,931
Trust Company:					
Trust . . . . .	6,319	5,955	5,350	5,406	5,125
Custody . . . . .	5,225	5,060	4,868	5,105	4,739
Total Trust Company . . . . .	11,544	11,015	10,218	10,511	9,864
Total Wealth Management Assets . . . . .	\$ 137,631	\$ 139,899	\$ 126,213	\$ 130,989	\$ 121,124

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

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