

FEDERAL DEPOSIT INSURANCE CORPORATION
Washington, D.C. 20429

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): December 22, 2017

FIRST REPUBLIC BANK

(Exact name of registrant as specified in its charter)

California
(State or other jurisdiction
of incorporation)

80-0513856
(I.R.S. Employer
Identification No.)

111 Pine Street, 2nd Floor
San Francisco, CA 94111
(Address, including zip code, of principal executive office)

Registrant's telephone number, including area code: (415) 392-1400

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 8.01 Other Events

On December 22, 2017, H.R.1, formerly known as the Tax Cuts and Jobs Act (the “Tax Reform Act”), was enacted into law. The Tax Reform Act provides for significant changes to the U.S. Internal Revenue Code of 1986, as amended, including the reduction of the federal tax rate for corporations from 35% to 21% and changes or limitations to certain tax deductions.

First Republic Bank (the “Bank”) is currently assessing impacts of the changes resulting from the Tax Reform Act. Based on its preliminary assessment of the reduction in the federal corporate tax rate from 35% to 21%, the Bank currently expects to record a one-time revaluation adjustment to its deferred tax assets as of December 31, 2017 of approximately \$40 million, which will be recorded as a one-time increase to the provision for income taxes in the fourth quarter of 2017.

The Bank has built a portfolio of tax-advantaged investments over the past several years, including municipal securities and tax-exempt loans. The contractual interest income of these investments, and therefore the Bank’s reported interest income, will not be impacted by the change in the tax rate. In addition, because the Bank’s reported interest income is not impacted by the change in the tax rate, the Bank’s efficiency ratio will not be impacted. However, beginning in the first quarter of 2018, the Bank currently expects its tax-equivalent net interest margin will be reduced by 13 to 15 basis points, entirely as the result of calculating the tax-equivalent yields on tax-exempt municipal securities and loans at a tax rate of 21% as compared to 35% previously.

As previously noted in our Form 8-K filed on November 30, 2017, employees of the Bank increased the volume of their stock option exercises considerably in the fourth quarter of 2017, including December 2017 activity, in response to tax reform legislation. During the fourth quarter of 2017, a total of 1.7 million stock options were exercised by employees and directors. As a result, the Bank expects to record approximately \$50 million in excess tax benefits, which will be recorded as a reduction to the provision for income taxes in the fourth quarter of 2017.

Taking into account the Bank’s October 2017 underwritten public offering of an aggregate of 2,875,000 new shares of common stock, the Bank expects to have weighted average diluted shares of approximately 164.2 million shares for the fourth quarter of 2017 and approximately 162.3 million shares for the year ended December 31, 2017.

These estimated impacts of the Tax Reform Act are based on information available at this time and results for the quarter and year ended December 31, 2017. Future periods may differ from the estimated impact disclosed herein, possibly materially, due to, among other things, changes in interpretations and assumptions the Bank has made, guidance that may be issued and actions the Bank may take as a result of the Tax Reform Act. The overall impact of the Tax Reform Act is also subject to the effect of other provisions of

the Tax Reform Act, including the limitations on business interest expense deduction, which the Bank continues to review.

The Bank will announce financial results for the quarter and year ended December 31, 2017 on January 16, 2018.

Forward-Looking Statements

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that are not historical facts, such as forecasts of the Bank's future financial results and condition, and the underlying assumptions of such forecasts. Such information involves risks and uncertainties that could result in the Bank's actual results differing materially from those projected in the forward-looking statements. In this report, we make forward-looking statements regarding management's expectations about certain financial results for the quarter and year ended December 31, 2017 and future periods, all of which are based on certain assumptions. Although management believes that the expectations reflected in our forward-looking statements are reasonable and has based these expectations on our current knowledge, beliefs and assumptions, such expectations are not guarantees, may prove to be incorrect, and are necessarily subject to associated risks. For information about important factors that could cause actual results to differ materially from those discussed in such forward-looking statements, please refer to our public reports filed with the Federal Deposit Insurance Corporation, including our most recently-filed quarterly or annual report. The forward-looking statements included in this filing are made only as of the date of this filing and the Bank undertakes no obligation to update any forward-looking statement to reflect events or circumstances that arise after the date such statements are made.

Forward-looking statements include statements regarding the estimated effects of the Tax Reform Act on the Bank's financial results for the fourth quarter and year ending December 31, 2017 and future periods. These forward-looking statements consist of preliminary estimates, are based on currently available information, as well as our current interpretations, assumptions and expectations relating to the Tax Reform Act, and are subject to change, possibly materially, as the Bank completes its year-end financial statements.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: January 3, 2018.

First Republic Bank

By: /s/ Michael J. Roffler
Name: Michael J. Roffler
Title: Executive Vice President and
Chief Financial Officer