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## FIRST REPUBLIC REPORTS STRONG FIRST QUARTER 2017 RESULTS

*Year-Over-Year Revenues Increased 15.7% and Net Interest Income Increased 17.8%*

San Francisco, California, April 13, 2017 – First Republic Bank (NYSE: FRC) today announced financial results for the quarter ended March 31, 2017.

“First Republic had a strong quarter, including record first quarter loan volume and continued excellent credit quality,” said Jim Herbert, Chairman and CEO. “We also successfully accessed the capital markets twice during the quarter, contributing to a year-over-year increase in regulatory capital of 31%.”

### Quarterly Highlights

#### *Financial Results*

- Year-over-year:
  - Revenues were \$601.1 million, up 15.7%.
  - Net interest income was \$499.7 million, up 17.8%.
  - Net income was \$176.8 million, up 12.2%.
  - Diluted earnings per share (“EPS”) of \$1.01, up 8.6%.
  - Tangible book value per share was \$37.16, up 19.7%.
  - Loan originations totaled \$5.6 billion, our strongest first quarter ever, up 17.5%.
- Net interest margin was 3.13%, compared to 3.16% for the prior quarter. The prior quarter included a special FHLB dividend equal to 3 basis points.
- Efficiency ratio was 63.0%, reflecting the seasonal increase in payroll taxes and benefits.

#### *Continued Capital and Credit Strength*

- Common Equity Tier 1 ratio was 11.15%.
- Total regulatory capital has grown 31.3% from a year ago.
- Increased quarterly dividend to \$0.17 per share in April 2017.
- Nonperforming assets remained very low at 7 basis points of total assets.
- Net charge-offs were less than 1 basis point of average loans.

#### *Continued Franchise Development*

- Loans, excluding loans held for sale, totaled \$53.9 billion, up 18.8% from a year ago.
- Deposits were \$61.2 billion, up 20.2% from a year ago.
- Wealth management assets were \$90.1 billion, up 22.8% from a year ago.
- Wealth management revenues were \$78.0 million, up 13.2% from a year ago.

“Revenue, loans, deposits and wealth management assets grew strongly across the board,” said Mike Roffler, Chief Financial Officer. “We’re very pleased with the 18% year-over-year growth in net interest income and the 20% growth in tangible book value per share.”

### **Increased Quarterly Cash Dividend to \$0.17 per Share**

The Bank announced an increase in its quarterly cash dividend to \$0.17 per share of common stock. This first quarter dividend is payable on May 11, 2017 to shareholders of record as of April 27, 2017.

### **Very Strong Asset Quality**

Credit quality remains very strong. Nonperforming assets were 7 basis points of total assets at March 31, 2017.

The Bank had net charge-offs for the quarter of only \$508,000, while adding \$9.1 million to its allowance for loan losses due to continued loan growth.

### **Continued Capital Strength**

Total regulatory capital has grown 31.3% from a year ago.

The Bank’s Common Equity Tier 1 ratio was 11.15% at March 31, 2017, compared to 10.83% last quarter and 10.61% a year ago.

On March 10, 2017, the Bank issued and sold 2.5 million new shares of common stock in a public offering, which added approximately \$234 million to common equity.

On February 13, 2017, the Bank completed a public offering of 30-year term, 4.625% fixed-rate, unsecured subordinated notes, which added approximately \$389 million to Tier 2 capital.

In addition, as previously announced, on January 30, 2017, the Bank redeemed all of the outstanding shares of its 6.70% Noncumulative Perpetual Series A Preferred Stock, which totaled \$199.5 million.

### **Tangible Book Value Growth**

Tangible book value per common share at March 31, 2017 was \$37.16, up 19.7% from a year ago.

## **Continued Franchise Development**

### *Strong Loan Originations*

Loan originations were \$5.6 billion for the quarter, our strongest first quarter loan volume ever. Loan originations were up 17.5% compared to the first quarter a year ago.

Loans, excluding loans held for sale, totaled \$53.9 billion at March 31, 2017, up 3.7% for the quarter and up 18.8% compared to a year ago.

### *Deposit Growth*

Total deposits increased to \$61.2 billion, up 4.4% for the quarter and up 20.2% compared to a year ago.

At March 31, 2017, checking accounts totaled 62.7% of deposits.

The average rate paid on deposits continued to be 15 basis points, consistent with the prior two quarters.

### *Investments*

Total investment securities at March 31, 2017 were \$16.0 billion, up 5.4% for the quarter and up 40.2% compared to a year ago.

High-quality liquid assets, including eligible cash, totaled \$10.0 billion at March 31, 2017, up 11.2% for the quarter and up 43.7% compared to a year ago. At March 31, 2017, such assets represented 13.6% of average total assets for the first quarter.

### *Mortgage Banking Activity*

During the first quarter, the Bank sold \$645.8 million of loans and recorded a gain on sale of \$3.4 million.

Loans serviced for investors at quarter-end totaled \$11.8 billion, up 11.1% from a year ago. Net loan servicing fees for the quarter were \$2.8 million, down 26.1% from a year ago. The decline was primarily due to higher prepayments in the servicing portfolio.

### *Continued Expansion of Wealth Management*

Total wealth management assets were \$90.1 billion at March 31, 2017, up 7.8% for the quarter and up 22.8% compared to a year ago. The growth in wealth management assets was due to both market appreciation and net new assets from existing and new clients, including new clients of wealth management teams hired in the first quarter of 2017.

Wealth management assets included investment management assets of \$44.6 billion, brokerage assets and money market mutual funds of \$37.2 billion, and trust and custody assets of \$8.4 billion.

Wealth management revenues totaled \$78.0 million for the quarter, up 13.2% compared to last year's first quarter. Such revenues represented 13.0% of the Bank's total revenues for the quarter.

## **Income Statement and Key Ratios**

### ***Highlights***

#### ***Strong Revenue Growth***

Total revenues were \$601.1 million for the quarter, up 15.7% compared to the first quarter a year ago.

#### ***Continued Net Interest Income Growth***

Net interest income was \$499.7 million for the quarter, up 17.8% compared to the first quarter a year ago. The increase in net interest income resulted primarily from growth in average earning assets.

#### ***Net Interest Margin***

The Bank's net interest margin was 3.13% for the first quarter, compared to 3.16% for the prior quarter. The prior quarter included a positive 3 basis points impact from an FHLB special dividend.

#### ***Noninterest Income***

Noninterest income was \$101.5 million for the quarter, up 6.5% compared to the first quarter a year ago. The increase was primarily from growth in wealth management revenues.

#### ***Noninterest Expense and Efficiency Ratio***

Noninterest expense was \$378.5 million for the quarter, up 18.6% from the first quarter of last year. The efficiency ratio was 63.0% for the quarter, compared to 60.1% for the prior quarter and 61.4% for the first quarter a year ago.

The increases from the first quarter of last year were primarily due to increased salaries and benefits, information systems and occupancy costs from the continued investments in the expansion of the franchise. The increase in the efficiency ratio from the prior quarter was primarily the result of a seasonal increase in payroll taxes and benefits.

***Income Tax Rate***

The Bank's effective tax rate for the first quarter of 2017 was 17.2%, compared to 21.7% for the prior quarter. The decrease in the effective tax rate resulted from increased tax benefits from exercise and vesting of share-based awards, and from the continued increase in tax advantaged investments.

**Conference Call Details**

First Republic Bank's first quarter 2017 earnings conference call is scheduled for April 13, 2017 at 7:00 a.m. PT / 10:00 a.m. ET. To access the event by telephone, please dial (855) 224-3902 approximately 10 minutes prior to the start time (to allow time for registration) and use conference ID #92123179. International callers should dial (734) 823-3244 and enter the same conference ID number.

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 April 13, 2017, at 10:00 a.m. PT / 1:00 p.m. ET, through April 20, 2017, at 8:59 p.m. PT / 11:59 p.m. ET. To access the replay, dial (855) 859-2056 and use conference ID #92123179. International callers should dial (404) 537-3406 and enter the same conference ID number. A replay of the webcast also will be available for 90 days following the call, 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, with a solid commitment to responsiveness and action. 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; and New York, New York. First Republic offers a complete line of banking products for individuals and businesses, including deposit services, as well as residential, commercial and personal loans. For more information, visit [firstrepublic.com](http://firstrepublic.com).

**Note Regarding Non-GAAP Financial Measures**

Our accounting and reporting policies conform to generally accepted accounting principles in the United States (“GAAP”) and the prevailing practices in the banking industry. Due to the application of purchase accounting from the Bank’s re-establishment as an independent institution, our management historically used certain non-GAAP (i.e., core) measures and ratios that excluded the impact of certain net purchase accounting items to evaluate our performance. However, due to the diminished impact of these positive purchase accounting items, beginning in the first quarter of 2017, we no longer present any non-GAAP financial measures.

**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. 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 and include statements about economic performance in our markets, growth in our loan originations and wealth management assets, our progress in preparing for, and our compliance with, any enhanced regulatory requirements, and our projected tax rate. 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 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 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; the regulatory environment in which we operate, our regulatory compliance and future regulatory requirements; the phase-in of the final capital rules regarding the Basel Committee’s “Basel III” December 2010 framework, changes to the definitions and components of regulatory capital and a new approach for risk-weighted assets; legislative and regulatory actions affecting us and the financial services industry, such as the Dodd-Frank Wall Street Reform and Consumer Protection Act, including increased compliance costs, limitations

on activities and requirements to hold additional capital; our ability to avoid litigation and its associated costs and liabilities; the impact of new accounting standards; future 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. 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. 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<br>March 31, |                   | Quarter Ended<br>December 31, |
|---|----------------------------|-------------------|-------------------------------|
|   | 2017                       | 2016              | 2016                          |
| Interest income:  |                            |                   |                               |
| Loans .....   | \$ 428,398                 | \$ 368,250        | \$ 418,423                    |
| Investments .....   | 118,058                    | 85,388            | 106,994                       |
| Other .....   | 3,371                      | 2,815             | 9,819                         |
| Cash and cash equivalents .....                           | 2,668                      | 3,100             | 2,358                         |
| Total interest income .....                               | <u>552,495</u>             | <u>459,553</u>    | <u>537,594</u>                |
| Interest expense:   |                            |                   |                               |
| Deposits .....  | 22,051                     | 16,508            | 21,206                        |
| Borrowings .....  | 30,759                     | 18,730            | 25,763                        |
| Total interest expense .....                              | <u>52,810</u>              | <u>35,238</u>     | <u>46,969</u>                 |
| Net interest income .....                                 | 499,685                    | 424,315           | 490,625                       |
| Provision for loan losses .....                           | 9,088                      | 4,492             | 10,500                        |
| Net interest income after provision for loan losses ..... | <u>490,597</u>             | <u>419,823</u>    | <u>480,125</u>                |
| Noninterest income:                                       |                            |                   |                               |
| Investment management fees .....                          | 60,895                     | 52,760            | 59,855                        |
| Brokerage and investment fees .....                       | 8,039                      | 7,860             | 10,151                        |
| Trust fees .....  | 3,202                      | 2,985             | 3,374                         |
| Foreign exchange fee income .....                         | 5,861                      | 5,318             | 6,384                         |
| Deposit fees .....  | 5,372                      | 4,958             | 5,341                         |
| Loan and related fees .....                               | 3,266                      | 3,240             | 3,650                         |
| Loan servicing fees, net .....                            | 2,771                      | 3,749             | 3,022                         |
| Gain on sale of loans .....                               | 3,364                      | 1,403             | 818                           |
| Gain (loss) on investment securities, net .....           | (1,435)                    | 3,268             | (1,363)                       |
| Income from investments in life insurance .....           | 9,635                      | 9,026             | 17,515                        |
| Other income .....  | 489                        | 683               | 87                            |
| Total noninterest income .....                            | <u>101,459</u>             | <u>95,250</u>     | <u>108,834</u>                |
| Noninterest expense:                                      |                            |                   |                               |
| Salaries and employee benefits .....                      | 221,907                    | 185,917           | 201,087                       |
| Information systems .....                                 | 45,770                     | 35,037            | 43,083                        |
| Occupancy .....   | 33,366                     | 27,648            | 32,277                        |
| Professional fees .....                                   | 11,165                     | 13,371            | 14,798                        |
| FDIC assessments .....                                    | 13,150                     | 9,600             | 13,000                        |
| Advertising and marketing .....                           | 9,026                      | 7,190             | 10,167                        |
| Amortization of intangibles .....                         | 5,567                      | 6,661             | 5,839                         |
| Other expenses .....                                      | 38,588                     | 33,770            | 39,923                        |
| Total noninterest expense .....                           | <u>378,539</u>             | <u>319,194</u>    | <u>360,174</u>                |
| Income before provision for income taxes .....            | 213,517                    | 195,879           | 228,785                       |
| Provision for income taxes .....                          | 36,743                     | 38,384            | 49,667                        |
| Net income .....  | <u>176,774</u>             | <u>157,495</u>    | <u>179,118</u>                |
| Dividends on preferred stock .....                        | 15,152                     | 16,460            | 17,376                        |
| Net income available to common shareholders .....         | <u>\$ 161,622</u>          | <u>\$ 141,035</u> | <u>\$ 161,742</u>             |
| Basic earnings per common share .....                     | <u>\$ 1.04</u>             | <u>\$ 0.97</u>    | <u>\$ 1.06</u>                |
| Diluted earnings per common share .....                   | <u>\$ 1.01</u>             | <u>\$ 0.93</u>    | <u>\$ 1.03</u>                |
| Dividends per common share .....                          | <u>\$ 0.16</u>             | <u>\$ 0.15</u>    | <u>\$ 0.16</u>                |
| Weighted average shares—basic .....                       | <u>155,012</u>             | <u>145,963</u>    | <u>151,990</u>                |
| Weighted average shares—diluted .....                     | <u>160,433</u>             | <u>151,701</u>    | <u>157,217</u>                |



**CONSOLIDATED BALANCE SHEETS**

| (\$ in thousands)                                   | As of                |                      |                      |
|---|----------------------|----------------------|----------------------|
|   | March 31,<br>2017    | December 31,<br>2016 | March 31,<br>2016    |
| <b><u>ASSETS</u></b>                                |                      |                      |                      |
| Cash and cash equivalents                           | \$ 2,756,385         | \$ 2,107,722         | \$ 1,946,147         |
| Securities purchased under agreements to resell     | 100                  | 100                  | 100                  |
| Investment securities available-for-sale            | 2,037,657            | 2,007,258            | 1,809,820            |
| Investment securities held-to-maturity              | 13,934,204           | 13,150,157           | 9,580,850            |
| Loans:  |                      |                      |                      |
| Single family (1-4 units)                           | 27,418,458           | 26,266,866           | 23,677,251           |
| Home equity lines of credit                         | 2,641,384            | 2,634,944            | 2,440,716            |
| Multifamily (5+ units)                              | 6,952,664            | 6,676,642            | 5,590,528            |
| Commercial real estate                              | 5,652,065            | 5,464,870            | 4,793,587            |
| Single family construction                          | 502,070              | 494,616              | 424,193              |
| Multifamily/commercial construction                 | 945,201              | 919,541              | 737,952              |
| Business  | 6,897,282            | 6,872,327            | 5,873,309            |
| Stock secured                                       | 907,576              | 822,908              | 662,277              |
| Other secured                                       | 758,058              | 723,648              | 585,960              |
| Unsecured   | 1,257,442            | 1,131,955            | 610,346              |
| Total loans   | 53,932,200           | 52,008,317           | 45,396,119           |
| Allowance for loan losses                           | (314,978)            | (306,398)            | (265,579)            |
| Loans, net  | 53,617,222           | 51,701,919           | 45,130,540           |
| Loans held for sale                                 | 178,226              | 407,226              | 42,380               |
| Investments in life insurance                       | 1,282,659            | 1,273,172            | 1,177,692            |
| Tax credit investments                              | 1,134,172            | 1,121,416            | 1,085,034            |
| Prepaid expenses and other assets                   | 954,955              | 923,224              | 797,116              |
| Premises, equipment and leasehold improvements, net | 236,774              | 207,592              | 174,857              |
| Goodwill  | 203,177              | 203,177              | 171,616              |
| Other intangible assets                             | 106,832              | 112,399              | 130,740              |
| Mortgage servicing rights                           | 61,988               | 62,410               | 54,225               |
| Other real estate owned                             | —                    | —                    | 1,393                |
| Total Assets  | <u>\$ 76,504,351</u> | <u>\$ 73,277,772</u> | <u>\$ 62,102,510</u> |
| <b><u>LIABILITIES AND EQUITY</u></b>                |                      |                      |                      |
| Liabilities:  |                      |                      |                      |
| Deposits:   |                      |                      |                      |
| Noninterest-bearing checking                        | \$ 23,622,962        | \$ 22,740,303        | \$ 19,693,998        |
| Interest-bearing checking                           | 14,731,109           | 14,575,890           | 12,910,792           |
| Money market checking                               | 8,769,899            | 7,969,787            | 6,405,530            |
| Money market savings and passbooks                  | 8,527,125            | 8,203,340            | 7,462,675            |
| Certificates of deposit                             | 5,556,153            | 5,113,061            | 4,462,260            |
| Total Deposits                                      | 61,207,248           | 58,602,381           | 50,935,255           |
| Short-term borrowings                               | 100,000              | 100,000              | 100,000              |
| Long-term FHLB advances                             | 5,900,000            | 5,900,000            | 3,800,000            |
| Senior notes  | 398,157              | 397,955              | 397,357              |
| Subordinated notes                                  | 776,803              | 387,380              | —                    |
| Debt related to variable interest entities          | 25,326               | 25,973               | 28,750               |
| Other liabilities                                   | 1,008,072            | 955,431              | 856,423              |
| Total Liabilities                                   | 69,415,606           | 66,369,120           | 56,117,785           |
| Shareholders' Equity:                               |                      |                      |                      |
| Preferred stock                                     | 940,000              | 1,139,525            | 1,139,525            |
| Common stock  | 1,571                | 1,543                | 1,463                |
| Additional paid-in capital                          | 3,547,447            | 3,301,705            | 2,764,626            |
| Retained earnings                                   | 2,595,978            | 2,459,540            | 2,068,500            |
| Accumulated other comprehensive income              | 3,749                | 6,339                | 10,611               |
| Total Shareholders' Equity                          | 7,088,745            | 6,908,652            | 5,984,725            |
| Total Liabilities and Shareholders' Equity          | <u>\$ 76,504,351</u> | <u>\$ 73,277,772</u> | <u>\$ 62,102,510</u> |

| <b>Operating Information and Yields/Rates</b>   | <b>Quarter Ended<br/>March 31,</b> |              | <b>Quarter Ended<br/>December 31,</b> |
|---|------------------------------------|--------------|---------------------------------------|
|   | <b>2017</b>                        | <b>2016</b>  | <b>2016</b>                           |
| <i>(\$ in thousands)</i>  |                                    |              |                                       |
| <b>Operating Information</b>  |                                    |              |                                       |
| Net income to average assets <sup>(1)</sup> .....   | 0.97%                              | 1.03%        | 1.00%                                 |
| Net income available to common shareholders to average common equity <sup>(1)</sup> ..... | 11.00%                             | 11.73%       | 11.51%                                |
| Dividend payout ratio .....   | 15.9%                              | 16.1%        | 15.6%                                 |
| Efficiency ratio <sup>(2)</sup> .....   | 63.0%                              | 61.4%        | 60.1%                                 |
| Net loan charge-offs (recoveries) .....   | \$ 508                             | \$ (29)      | \$ 207                                |
| Net loan charge-offs to average total loans <sup>(1)</sup> .....                          | 0.00%                              | 0.00%        | 0.00%                                 |
| <b>Yields/Rates <sup>(1)</sup></b>  |                                    |              |                                       |
| Cash and cash equivalents .....   | 0.75%                              | 0.50%        | 0.53%                                 |
| Investment securities <sup>(3), (4)</sup> .....   | 4.03%                              | 4.32%        | 3.97%                                 |
| Loans <sup>(3)</sup> .....  | 3.32%                              | 3.38%        | 3.33%                                 |
| FHLB stock <sup>(5)</sup> .....   | <u>8.48%</u>                       | <u>8.55%</u> | <u>26.45%</u>                         |
| Total interest-earning assets .....   | 3.43%                              | 3.44%        | 3.44%                                 |
| Checking .....  | 0.01%                              | 0.01%        | 0.01%                                 |
| Money market checking and savings .....   | 0.12%                              | 0.07%        | 0.13%                                 |
| CDs .....   | <u>1.21%</u>                       | <u>1.21%</u> | <u>1.17%</u>                          |
| Total deposits .....  | 0.15%                              | 0.13%        | 0.15%                                 |
| Short-term borrowings .....   | 1.72%                              | 1.45%        | 1.80%                                 |
| Long-term FHLB advances .....   | 1.44%                              | 1.63%        | 1.46%                                 |
| Senior notes <sup>(6)</sup> .....   | 2.59%                              | 2.59%        | 2.59%                                 |
| Subordinated notes <sup>(6)</sup> .....   | 4.68%                              | —%           | 4.57%                                 |
| Other borrowings .....  | <u>2.05%</u>                       | <u>1.83%</u> | <u>1.83%</u>                          |
| Total borrowings .....  | <u>1.79%</u>                       | <u>1.71%</u> | <u>1.75%</u>                          |
| Total interest-bearing liabilities .....  | 0.32%                              | 0.26%        | 0.30%                                 |
| Net interest spread .....   | 3.11%                              | 3.18%        | 3.14%                                 |
| Net interest margin <sup>(3)</sup> .....  | 3.13%                              | 3.20%        | 3.16%                                 |

<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.

<sup>(3)</sup> Calculated on a fully taxable-equivalent basis.

<sup>(4)</sup> Includes securities purchased under agreements to resell.

<sup>(5)</sup> Yield for the fourth quarter of 2016 includes a special FHLB dividend of \$5.9 million.

<sup>(6)</sup> Rate includes amortization of issuance discounts and costs.

| <b>Mortgage Loan Sales</b>               | <b>Quarter Ended<br/>March 31,</b> |                   | <b>Quarter Ended<br/>December 31,</b> |
|--|------------------------------------|-------------------|---------------------------------------|
|  | <b>2017</b>                        | <b>2016</b>       | <b>2016</b>                           |
| <i>(\$ in thousands)</i>                 |                                    |                   |                                       |
| Loans sold:                              |                                    |                   |                                       |
| Flow sales:                              |                                    |                   |                                       |
| Agency .....                             | \$ 49,732                          | \$ 60,228         | \$ 180,188                            |
| Non-agency .....                         | 56,202                             | 51,575            | 133,016                               |
| Total flow sales .....                   | <u>105,934</u>                     | <u>111,803</u>    | <u>313,204</u>                        |
| Bulk sales:                              |                                    |                   |                                       |
| Non-agency .....                         | 539,821                            | 365,899           | 487,803                               |
| Total loans sold .....                   | <u>\$ 645,755</u>                  | <u>\$ 477,702</u> | <u>\$ 801,007</u>                     |
| Gain on sale of loans:                   |                                    |                   |                                       |
| Amount .....                             | \$ 3,364                           | \$ 1,403          | \$ 818                                |
| Gain as a percentage of loans sold ..... | 0.52%                              | 0.29%             | 0.10%                                 |

| <b>Loan Servicing Portfolio</b>    | <b>As of</b>              |                              |                               |                          |                           |
|------------------------------------|---------------------------|------------------------------|-------------------------------|--------------------------|---------------------------|
|                                    | <b>March 31,<br/>2017</b> | <b>December 31,<br/>2016</b> | <b>September 30,<br/>2016</b> | <b>June 30,<br/>2016</b> | <b>March 31,<br/>2016</b> |
| <i>(\$ in millions)</i>            |                           |                              |                               |                          |                           |
| Loans serviced for investors ..... | \$ 11,838                 | \$ 11,655                    | \$ 11,494                     | \$ 11,061                | \$ 10,654                 |

| <b>Loan Originations</b>          | <b>Quarter Ended<br/>March 31,</b> |                     | <b>Quarter Ended<br/>December 31,</b> |
|-----------------------------------|------------------------------------|---------------------|---------------------------------------|
|                                   | <b>2017</b>                        | <b>2016</b>         | <b>2016</b>                           |
| <i>(\$ in thousands)</i>          |                                    |                     |                                       |
| Single family (1-4 units) .....   | \$ 2,516,674                       | \$ 1,812,817        | \$ 3,064,315                          |
| Home equity lines of credit ..... | 414,323                            | 425,732             | 452,445                               |
| Multifamily (5+ units) .....      | 408,946                            | 630,016             | 742,991                               |
| Commercial real estate .....      | 395,569                            | 241,045             | 446,677                               |
| Construction .....                | 238,801                            | 199,366             | 480,480                               |
| Business .....                    | 952,428                            | 657,206             | 2,137,549                             |
| Stock and other secured .....     | 483,522                            | 497,971             | 328,105                               |
| Unsecured .....                   | 230,874                            | 337,494             | 281,740                               |
| Total loans originated .....      | <u>\$ 5,641,137</u>                | <u>\$ 4,801,647</u> | <u>\$ 7,934,302</u>                   |

| <b>Asset Quality Information</b>              | <b>As of</b>              |                              |                               |                          |                           |
|---|---------------------------|------------------------------|-------------------------------|--------------------------|---------------------------|
|   | <b>March 31,<br/>2017</b> | <b>December 31,<br/>2016</b> | <b>September 30,<br/>2016</b> | <b>June 30,<br/>2016</b> | <b>March 31,<br/>2016</b> |
| <i>(\$ in thousands)</i>                      |                           |                              |                               |                          |                           |
| Nonperforming assets:                         |                           |                              |                               |                          |                           |
| Nonaccrual loans .....                        | \$ 51,694                 | \$ 49,020                    | \$ 52,759                     | \$ 57,953                | \$ 59,203                 |
| Other real estate owned .....                 | —                         | —                            | 1,196                         | 1,196                    | 1,393                     |
| Total nonperforming assets .....              | <u>\$ 51,694</u>          | <u>\$ 49,020</u>             | <u>\$ 53,955</u>              | <u>\$ 59,149</u>         | <u>\$ 60,596</u>          |
| Nonperforming assets to total assets .....    | 0.07%                     | 0.07%                        | 0.08%                         | 0.09%                    | 0.10%                     |
| Accruing loans 90 days or more past due ..... | \$ —                      | \$ —                         | \$ 3,083                      | \$ 451                   | \$ 3,189                  |
| Restructured accruing loans .....             | \$ 14,224                 | \$ 14,278                    | \$ 13,968                     | \$ 11,822                | \$ 13,978                 |

| <b>Book Value Ratios</b>                           | <b>As of</b>              |                              |                               |                          |                           |
|--|---------------------------|------------------------------|-------------------------------|--------------------------|---------------------------|
|  | <b>March 31,<br/>2017</b> | <b>December 31,<br/>2016</b> | <b>September 30,<br/>2016</b> | <b>June 30,<br/>2016</b> | <b>March 31,<br/>2016</b> |
| <i>(in thousands, except per share amounts)</i>    |                           |                              |                               |                          |                           |
| Number of shares of common stock outstanding . . . | 157,122                   | 154,292                      | 150,109                       | 149,722                  | 146,314                   |
| Book value per common share . . . . .              | \$ 39.13                  | \$ 37.39                     | \$ 35.34                      | \$ 34.51                 | \$ 33.12                  |
| Tangible book value per common share . . . . .     | \$ 37.16                  | \$ 35.35                     | \$ 33.41                      | \$ 32.53                 | \$ 31.05                  |

| <b>Capital Ratios</b>  | <b>As of</b>                   |   |                    |                     |                |                 |
|--|--------------------------------|---|--------------------|---------------------|----------------|-----------------|
|  | <b>2017</b>                    |   | <b>2016</b>        |                     |                |                 |
|  | <b>March 31 <sup>(7)</sup></b> | <b>Fully<br/>Phased-in <sup>(8)</sup></b> | <b>December 31</b> | <b>September 30</b> | <b>June 30</b> | <b>March 31</b> |
|  | <b>Actual</b>                  |   | <b>Actual</b>      |                     |                |                 |
| Tier 1 leverage ratio (Tier 1 capital to average assets) . . . . . | 9.22%                          | 9.19%                                     | 9.37%              | 9.26%               | 9.58%          | 9.38%           |
| Common Equity Tier 1 capital to risk-weighted assets . . . . .     | 11.15%                         | 11.09%                                    | 10.83%             | 10.52%              | 10.74%         | 10.61%          |
| Tier 1 capital to risk-weighted assets . . . . .                   | 12.94%                         | 12.88%                                    | 13.07%             | 12.88%              | 13.23%         | 13.24%          |
| Total capital to risk-weighted assets . . . . .                    | 15.04%                         | 14.98%                                    | 14.46%             | 14.33%              | 13.86%         | 13.88%          |

**Regulatory Capital <sup>(9)</sup>***(\$ in thousands)*

|                                    |              |              |              |              |              |              |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Common Equity Tier 1 capital . . . | \$ 5,852,885 | \$ 5,827,518 | \$ 5,496,582 | \$ 5,046,133 | \$ 4,916,224 | \$ 4,592,972 |
| Tier 1 capital . . . . .           | \$ 6,788,885 | \$ 6,767,518 | \$ 6,631,383 | \$ 6,180,343 | \$ 6,055,749 | \$ 5,732,497 |
| Total capital . . . . .            | \$ 7,892,528 | \$ 7,871,162 | \$ 7,337,725 | \$ 6,875,478 | \$ 6,346,692 | \$ 6,010,910 |

**Assets <sup>(9)</sup>***(\$ in thousands)*

|                                |               |               |               |               |               |               |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Average assets . . . . .       | \$ 73,624,706 | \$ 73,603,339 | \$ 70,779,188 | \$ 66,758,108 | \$ 63,191,099 | \$ 61,092,211 |
| Risk-weighted assets . . . . . | \$ 52,476,984 | \$ 52,548,599 | \$ 50,744,017 | \$ 47,969,927 | \$ 45,785,355 | \$ 43,298,200 |

<sup>(7)</sup> Ratios and amounts as of March 31, 2017 are preliminary.<sup>(8)</sup> Certain adjustments required under the Basel III Capital Rules will be phased in through the end of 2018. The ratios and amounts shown in this column are calculated assuming a fully phased-in basis of all such adjustments as if they were effective as of March 31, 2017.<sup>(9)</sup> As defined by regulatory capital rules.

| <b>Wealth Management Assets</b>                | <b>As of</b>              |                              |                               |                          |                           |
|--|---------------------------|------------------------------|-------------------------------|--------------------------|---------------------------|
|  | <b>March 31,<br/>2017</b> | <b>December 31,<br/>2016</b> | <b>September 30,<br/>2016</b> | <b>June 30,<br/>2016</b> | <b>March 31,<br/>2016</b> |
| <i>(\$ in millions)</i>                        |                           |                              |                               |                          |                           |
| First Republic Investment Management . . . . . | \$ 44,573                 | \$ 41,154                    | \$ 40,103                     | \$ 38,288                | \$ 36,872                 |
| Brokerage and investment:                      |                           |                              |                               |                          |                           |
| Brokerage . . . . .                            | 35,397                    | 32,218                       | 31,058                        | 28,644                   | 27,296                    |
| Money market mutual funds . . . . .            | 1,795                     | 2,048                        | 1,902                         | 1,610                    | 1,906                     |
| Total brokerage and investment . . . . .       | 37,192                    | 34,266                       | 32,960                        | 30,254                   | 29,202                    |
| Trust Company:                                 |                           |                              |                               |                          |                           |
| Trust . . . . .                                | 3,929                     | 3,754                        | 3,171                         | 3,434                    | 3,343                     |
| Custody . . . . .                              | 4,438                     | 4,406                        | 3,954                         | 3,835                    | 4,004                     |
| Total Trust Company . . . . .                  | 8,367                     | 8,160                        | 7,125                         | 7,269                    | 7,347                     |
| Total Wealth Management Assets . . . . .       | \$ 90,132                 | \$ 83,580                    | \$ 80,188                     | \$ 75,811                | \$ 73,421                 |

| <b>Average Balance Sheet</b>          | <b>Quarter Ended</b> |               | <b>Quarter Ended</b> |
|---------------------------------------|----------------------|---------------|----------------------|
|                                       | <b>2017</b>          | <b>2016</b>   | <b>December 31,</b>  |
| <i>(\$ in thousands)</i>              |                      |               | <b>2016</b>          |
| <b>Assets:</b>                        |                      |               |                      |
| Cash and cash equivalents             | \$ 1,448,729         | \$ 2,502,864  | \$ 1,773,312         |
| Investment securities <sup>(10)</sup> | 15,434,058           | 10,561,401    | 14,343,171           |
| Loans                                 | 53,090,033           | 44,618,029    | 51,107,467           |
| FHLB stock                            | 161,310              | 132,440       | 147,697              |
| Total interest-earning assets         | 70,134,130           | 57,814,734    | 67,371,647           |
| Noninterest-earning cash              | 307,359              | 269,185       | 312,323              |
| Goodwill and other intangibles        | 312,628              | 305,588       | 294,699              |
| Other assets                          | 3,168,092            | 2,947,952     | 3,091,686            |
| Total noninterest-earning assets      | 3,788,079            | 3,522,725     | 3,698,708            |
| Total Assets                          | \$ 73,922,209        | \$ 61,337,459 | \$ 71,070,355        |
| <b>Liabilities and Equity:</b>        |                      |               |                      |
| Checking                              | \$ 37,351,531        | \$ 31,782,794 | \$ 35,547,235        |
| Money market checking and savings     | 16,299,170           | 13,529,204    | 16,751,447           |
| CDs                                   | 5,346,421            | 4,543,388     | 4,911,972            |
| Total deposits                        | 58,997,122           | 49,855,386    | 57,210,654           |
| Short-term borrowings                 | 121,945              | 105,494       | 103,261              |
| Long-term FHLB advances               | 5,786,111            | 3,857,143     | 4,953,261            |
| Senior notes <sup>(11)</sup>          | 398,058              | 397,261       | 397,857              |
| Subordinated notes <sup>(11)</sup>    | 590,688              | —             | 387,356              |
| Other borrowings                      | 25,876               | 29,273        | 26,700               |
| Total borrowings                      | 6,922,678            | 4,389,171     | 5,868,435            |
| Total interest-bearing liabilities    | 65,919,800           | 54,244,557    | 63,079,089           |
| Noninterest-bearing liabilities       | 1,040,994            | 1,184,329     | 1,262,604            |
| Preferred equity                      | 1,004,291            | 1,073,591     | 1,139,525            |
| Common equity                         | 5,957,124            | 4,834,982     | 5,589,137            |
| Total Liabilities and Equity          | \$ 73,922,209        | \$ 61,337,459 | \$ 71,070,355        |

<sup>(10)</sup> Includes securities purchased under agreements to resell.

<sup>(11)</sup> Average balances include unamortized issuance discounts and costs.

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