



FIRST REPUBLIC REPORTS STRONG THIRD QUARTER 2017 RESULTS

Year-Over-Year Revenues Increased 20% Wealth Management Assets Surpassed \$100 Billion

San Francisco, California, October 13, 2017 – First Republic Bank (NYSE: FRC) today announced financial results for the quarter ended September 30, 2017.

“First Republic had another very good quarter,” said Jim Herbert, Chairman and CEO. “Wealth management assets reached a significant milestone, now exceeding \$100 billion. This was also our best third quarter loan origination volume ever.”

Quarterly Highlights

Financial Results

- Year-over-year:
 - Revenues were \$670.3 million, up 20.1%.
 - Net interest income was \$551.0 million, up 19.6%.
 - Net income was \$200.0 million, up 16.4%.
 - Diluted earnings per share of \$1.14, up 14.0%.
 - Tangible book value per share was \$38.90, up 16.4%.
- Loan originations totaled \$7.2 billion, our best third quarter ever.
- Loans sold totaled \$822.4 million.
- Loans held for sale totaled \$716.0 million, up from \$202.3 million at prior quarter-end.
- Net interest margin was 3.09%, compared to 3.16% for the prior quarter.
- Efficiency ratio was 62.4%.

Continued Capital and Credit Strength

- Total regulatory capital has grown 20.1% from a year ago.
- Common Equity Tier 1 ratio was 10.58%, compared to 10.52% a year ago.
- Nonperforming assets remained very low at 4 basis points of total assets.
- Net charge-offs were less than 1 basis point of average loans.
- Provision for loan losses totaled \$10.1 million for the quarter, reflecting continued loan growth.

Continued Franchise Development

- Year-over-year:
 - Loans, excluding loans held for sale, totaled \$59.5 billion, up 19.3%.
 - Deposits were \$65.4 billion, up 18.8%.
 - Wealth management assets were \$101.3 billion, up 26.4%.
 - Wealth management revenues were \$88.4 million, up 22.9%.

“Both net interest income and revenues were up 20% year-over-year,” said Mike Roffler, Chief Financial Officer. “Tangible book value per share increased more than 16%, and the Bank’s credit quality and capital remain strong.”

Quarterly Cash Dividend Declared

The Bank declared a cash dividend for the third quarter of \$0.17 per share of common stock, which is payable on November 9, 2017 to shareholders of record as of October 26, 2017.

Very Strong Asset Quality

Credit quality remains very strong. Nonperforming assets were only 4 basis points of total assets at September 30, 2017.

The Bank had net charge-offs for the quarter of only \$655,000, or less than 1 basis point of average loans, while adding \$10.1 million to its allowance for loan losses due to continued loan growth. For the nine months ended September 30, 2017, the Bank has had net charge-offs of only \$1.8 million, while adding \$43.1 million to its allowance for loan losses.

Continued Capital Strength

Total regulatory capital has grown 20.1% from a year ago.

The Bank’s Common Equity Tier 1 ratio was 10.58% at September 30, 2017, compared to 10.52% a year ago.

Tangible Book Value Growth

Tangible book value per common share at September 30, 2017 was \$38.90, up 16.4% from a year ago.

Continued Franchise Development

Strong Loan Originations

Loan originations were \$7.2 billion for the quarter, our best third quarter ever for loan volume. Loan originations were up 11.9% compared to the third quarter a year ago primarily due to increases in business, multifamily and single family lending.

Loans, excluding loans held for sale, totaled \$59.5 billion at September 30, 2017, up 19.3% compared to a year ago.

Deposit Growth

Total deposits increased to \$65.4 billion, up 18.8% compared to a year ago.

At September 30, 2017, checking accounts totaled 60.5% of deposits.

The average rate paid on deposits was 0.25% during the quarter, compared to 0.18% for the prior quarter.

Investments

Total investment securities at September 30, 2017 were \$17.5 billion, up 20.9% annualized, for the first nine months of 2017.

High-quality liquid assets, including eligible cash, totaled \$10.6 billion at September 30, 2017, and represented 13.0% of average total assets.

Mortgage Banking Activity

During the third quarter, the Bank sold \$822.4 million of loans and recorded a gain on sale of \$2.0 million, compared to loan sales of \$948.0 million and a gain of \$1.8 million during the third quarter of last year.

Loans held for sale at quarter-end totaled \$716.0 million, compared to \$202.3 million at the end of the prior quarter and \$514.3 million a year ago.

Loans serviced for investors at quarter-end totaled \$12.1 billion, up 5.4% from a year ago. Net loan servicing fees for the quarter were \$3.5 million, up 10.6% from a year ago.

Continued Expansion of Wealth Management

Wealth management revenues totaled \$88.4 million for the quarter, up 22.9% compared to last year's third quarter. Such revenues represented 13.2% of the Bank's total revenues for the quarter.

Total wealth management assets were \$101.3 billion at September 30, 2017, up 26.4% compared to a year ago. The growth in wealth management assets was due to both net new assets from existing and new clients and market appreciation.

Wealth management assets included investment management assets of \$50.3 billion, brokerage assets and money market mutual funds of \$41.9 billion, and trust and custody assets of \$9.2 billion.

Income Statement and Key Ratios***Highlights******Strong Revenue Growth***

Total revenues were \$670.3 million for the quarter, up 20.1% compared to the third quarter a year ago.

Strong Net Interest Income Growth

Net interest income was \$551.0 million for the quarter, up 19.6% compared to the third 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 3.09% for the third quarter, compared to 3.16% for the prior quarter. The decrease from the prior quarter was primarily due to higher deposit and borrowing costs.

Noninterest Income

Noninterest income was \$119.3 million for the quarter, up 22.7% compared to the third quarter a year ago. The increase was primarily from growth in wealth management revenues.

Noninterest Expense and Efficiency Ratio

Noninterest expense was \$418.4 million for the quarter, up 23.9% compared to the third quarter a year ago. The increase was primarily due to increased salaries and benefits, information systems and other costs from the continued investments in the expansion of the franchise, including investments in Gradifi.

The efficiency ratio was 62.4% for the quarter, compared to 61.9% for the prior quarter and 60.5% for the third quarter a year ago.

Income Tax Rate

The Bank's effective tax rate for the third quarter of 2017 was 17.3%, compared to 15.3% for the prior quarter. The increase in the effective tax rate during the quarter resulted from lower tax benefits from vesting of share-based awards.

Conference Call Details

First Republic Bank's third quarter 2017 earnings conference call is scheduled for October 13, 2017 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 (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. 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 October 13, 2017, at 10:00 a.m. PT / 1:00 p.m. ET, through October 20, 2017, at 8:59 p.m. PT / 11:59 p.m. ET. To access the replay, dial (844) 512-2921 and use conference ID #13670890. International callers should dial (412) 317-6671 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.

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

About First Republic Bank

Founded in 1985, First Republic and its subsidiaries offer private banking, private business banking and private wealth management, including investment, trust and brokerage services. First Republic specializes in delivering exceptional, relationship-based service, 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.

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 nontraditional 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 III 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. Any forward-looking statements are qualified in their entirety by reference to the factors discussed in our Annual Report on Form 10-K and any subsequent reports filed by First Republic with the FDIC. 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 September 30,		Quarter Ended June 30,	Nine Months Ended September 30,	
	2017	2016	2017	2017	2016
Interest income:					
Loans	\$ 497,162	\$ 403,299	\$ 462,810	\$ 1,388,370	\$ 1,154,980
Investments	132,948	94,684	130,435	381,441	271,725
Other	3,864	3,701	2,784	10,019	9,447
Cash and cash equivalents	3,193	2,630	3,126	8,987	7,127
Total interest income	637,167	504,314	599,155	1,788,817	1,443,279
Interest expense:					
Deposits	40,260	19,661	26,355	88,666	52,559
Borrowings	45,954	24,049	40,836	117,549	64,183
Total interest expense	86,214	43,710	67,191	206,215	116,742
Net interest income	550,953	460,604	531,964	1,582,602	1,326,537
Provision for loan losses	10,113	18,000	23,938	43,139	36,692
Net interest income after provision for loan losses	540,840	442,604	508,026	1,539,463	1,289,845
Noninterest income:					
Investment management fees	70,796	56,843	68,819	200,510	164,771
Brokerage and investment fees	7,843	6,627	6,965	22,847	21,717
Trust fees	3,246	3,015	3,448	9,896	8,991
Foreign exchange fee income	6,551	5,460	7,081	19,493	16,022
Deposit fees	5,736	5,278	5,655	16,763	15,358
Loan and related fees	3,270	3,709	3,375	9,911	10,447
Loan servicing fees, net	3,520	3,182	3,577	9,868	10,443
Gain on sale of loans	1,963	1,785	841	6,168	4,010
Gain (loss) on investment securities, net	1,204	(663)	(602)	(833)	2,418
Income from investments in life insurance	8,865	12,065	9,538	28,038	30,604
Other income (loss)	6,339	(30)	675	7,503	1,197
Total noninterest income	119,333	97,271	109,372	330,164	285,978
Noninterest expense:					
Salaries and employee benefits	236,996	193,340	221,929	680,832	562,538
Information systems	53,663	38,917	51,053	150,486	110,124
Occupancy	34,129	30,945	33,631	101,126	86,862
Professional fees	17,573	12,466	12,236	40,974	37,942
FDIC assessments	14,197	11,800	13,601	40,948	31,200
Advertising and marketing	10,639	7,169	11,560	31,225	22,616
Amortization of intangibles	5,019	6,116	5,293	15,879	19,163
Other expenses	46,143	36,983	47,797	132,528	106,567
Total noninterest expense	418,359	337,736	397,100	1,193,998	977,012
Income before provision for income taxes	241,814	202,139	220,298	675,629	598,811
Provision for income taxes	41,805	30,321	33,698	112,246	104,501
Net income	200,009	171,818	186,600	563,383	494,310
Dividends on preferred stock	14,272	17,377	14,344	43,768	51,213
Net income available to common shareholders	\$ 185,737	\$ 154,441	\$ 172,256	\$ 519,615	\$ 443,097
Basic earnings per common share	\$ 1.18	\$ 1.03	\$ 1.10	\$ 3.32	\$ 3.00
Diluted earnings per common share	\$ 1.14	\$ 1.00	\$ 1.06	\$ 3.21	\$ 2.90
Dividends per common share	\$ 0.17	\$ 0.16	\$ 0.17	\$ 0.50	\$ 0.47
Weighted average shares—basic	157,752	149,800	157,302	156,699	147,665
Weighted average shares—diluted	162,377	154,824	162,335	161,725	153,038

CONSOLIDATED BALANCE SHEETS

(\$ in thousands)	As of		
	September 30, 2017	June 30, 2017	September 30, 2016
<u>ASSETS</u>			
Cash and cash equivalents	\$ 2,681,599	\$ 2,295,125	\$ 1,386,967
Investment securities available-for-sale	2,312,218	2,235,923	1,710,571
Investment securities held-to-maturity	15,218,615	14,642,402	11,094,535
Loans:			
Single family (1-4 units)	29,799,762	29,078,735	24,940,843
Home equity lines of credit	2,668,604	2,681,502	2,586,875
Multifamily (5+ units)	8,060,467	7,453,388	6,214,940
Commercial real estate	5,879,437	5,809,698	5,184,184
Single family construction	549,978	523,478	494,427
Multifamily/commercial construction	1,053,708	987,712	841,021
Business	7,952,335	7,981,609	7,113,369
Stock secured	1,029,463	994,413	872,392
Other secured	974,933	837,423	684,712
Unsecured	1,504,263	1,412,117	926,052
Total loans	59,472,950	57,760,075	49,858,815
Allowance for loan losses	(347,765)	(338,307)	(296,105)
Loans, net	59,125,185	57,421,768	49,562,710
Loans held for sale	716,046	202,348	514,291
Investments in life insurance	1,320,775	1,292,238	1,266,194
Tax credit investments	1,126,647	1,113,378	1,071,255
Prepaid expenses and other assets	1,183,044	1,146,712	845,329
Premises, equipment and leasehold improvements, net	277,809	260,308	190,213
Goodwill	198,447	203,177	171,616
Other intangible assets	96,520	101,539	118,238
Mortgage servicing rights	63,191	61,383	60,432
Other real estate owned	—	1,930	1,196
Total Assets	<u>\$ 84,320,096</u>	<u>\$ 80,978,231</u>	<u>\$ 67,993,547</u>
<u>LIABILITIES AND EQUITY</u>			
Liabilities:			
Deposits:			
Noninterest-bearing checking	\$ 25,122,856	\$ 25,769,912	\$ 20,965,249
Interest-bearing checking	14,457,910	14,374,273	12,747,952
Money market checking	9,895,827	9,019,626	8,381,381
Money market savings and passbooks	8,843,432	8,099,880	8,126,741
Certificates of deposit	7,116,298	6,030,015	4,840,374
Total Deposits	65,436,323	63,293,706	55,061,697
Short-term borrowings	450,000	150,000	200,000
Long-term FHLB advances	8,300,000	7,550,000	4,600,000
Senior notes	894,304	893,865	397,755
Subordinated notes	776,989	776,895	387,329
Debt related to variable interest entities	—	22,519	26,981
Other liabilities	1,034,534	1,031,163	875,287
Total Liabilities	76,892,150	73,718,148	61,549,049
Shareholders' Equity:			
Preferred stock	990,000	990,000	1,139,525
Common stock	1,579	1,577	1,501
Additional paid-in capital	3,536,400	3,525,283	2,962,355
Retained earnings	2,899,417	2,741,041	2,322,296
Accumulated other comprehensive income	550	2,182	18,821
Total Shareholders' Equity	7,427,946	7,260,083	6,444,498
Total Liabilities and Shareholders' Equity	<u>\$ 84,320,096</u>	<u>\$ 80,978,231</u>	<u>\$ 67,993,547</u>

Average Balances, Yields and Rates	Quarter Ended September 30,						Quarter Ended June 30,		
	2017			2016			2017		
	Average Balance	Interest Income/ Expense ⁽¹⁾	Yields/ Rates ⁽²⁾	Average Balance	Interest Income/ Expense ⁽¹⁾	Yields/ Rates ⁽²⁾	Average Balance	Interest Income/ Expense ⁽¹⁾	Yields/ Rates ⁽²⁾
<i>(\$ in thousands)</i>									
Assets:									
Cash and cash equivalents	\$ 1,121,328	\$ 3,193	1.13%	\$ 2,162,287	\$ 2,630	0.48%	\$ 1,321,995	\$ 3,126	0.95%
Investment securities	17,172,684	174,515	4.07%	12,082,727	127,614	4.22%	16,522,412	171,954	4.17%
Loans	58,965,714	509,222	3.41%	49,030,453	414,812	3.35%	55,752,697	474,401	3.39%
FHLB stock	274,424	3,864	5.59%	173,543	3,701	8.48%	221,393	2,784	5.04%
Total interest-earning assets	<u>77,534,150</u>	<u>690,794</u>	3.53%	<u>63,449,010</u>	<u>548,757</u>	3.43%	<u>73,818,497</u>	<u>652,265</u>	3.52%
Noninterest-earning cash	315,592			277,963			333,651		
Goodwill and other intangibles	301,823			292,824			307,275		
Other assets	3,280,800			3,002,133			3,258,671		
Total noninterest-earning assets	<u>3,898,215</u>			<u>3,572,920</u>			<u>3,899,597</u>		
Total Assets	<u><u>\$81,432,365</u></u>			<u><u>\$67,021,930</u></u>			<u><u>\$77,718,094</u></u>		
Liabilities and Equity:									
Checking	\$39,109,681	3,585	0.04%	\$33,276,648	1,387	0.02%	\$38,014,639	1,435	0.02%
Money market checking and savings	17,641,318	16,156	0.36%	15,921,781	4,667	0.12%	16,336,980	7,130	0.18%
CDs	6,327,378	20,519	1.29%	4,688,438	13,607	1.15%	5,774,830	17,790	1.24%
Total deposits	<u>63,078,377</u>	<u>40,260</u>	0.25%	<u>53,886,867</u>	<u>19,661</u>	0.15%	<u>60,126,449</u>	<u>26,355</u>	0.18%
Short-term borrowings	653,263	1,968	1.20%	174,205	515	1.18%	1,433,516	3,698	1.03%
Long-term FHLB advances	7,558,696	28,828	1.51%	4,794,022	17,924	1.49%	6,541,209	24,439	1.50%
Senior notes ⁽³⁾	894,086	5,918	2.65%	397,657	2,575	2.59%	534,418	3,469	2.60%
Subordinated notes ⁽³⁾	776,943	9,094	4.68%	256,805	2,951	4.60%	776,850	9,093	4.68%
Other borrowings	20,123	146	2.90%	27,557	84	1.23%	25,147	137	2.20%
Total borrowings	<u>9,903,111</u>	<u>45,954</u>	1.85%	<u>5,650,246</u>	<u>24,049</u>	1.70%	<u>9,311,140</u>	<u>40,836</u>	1.76%
Total interest-bearing liabilities	<u>72,981,488</u>	<u>86,214</u>	0.47%	<u>59,537,113</u>	<u>43,710</u>	0.29%	<u>69,437,589</u>	<u>67,191</u>	0.39%
Noninterest-bearing liabilities	1,029,656			1,055,656			1,036,242		
Preferred equity	990,000			1,139,525			966,374		
Common equity	6,431,221			5,289,636			6,277,889		
Total Liabilities and Equity	<u><u>\$81,432,365</u></u>			<u><u>\$67,021,930</u></u>			<u><u>\$77,718,094</u></u>		
Net interest spread ⁽⁴⁾			3.06%			3.14%			3.13%
Net interest income (fully taxable-equivalent basis) and net interest margin ⁽⁵⁾		<u>\$ 604,580</u>	3.09%		<u>\$ 505,047</u>	3.16%		<u>\$ 585,074</u>	3.16%
Reconciliation of tax-equivalent net interest income to reported net interest income:									
Tax-equivalent adjustment		(53,627)			(44,443)			(53,110)	
Net interest income, as reported		<u>\$ 550,953</u>			<u>\$ 460,604</u>			<u>\$ 531,964</u>	

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

⁽²⁾ Yields/rates are annualized.

⁽³⁾ Average balances include unamortized issuance discounts and costs. Interest expense includes amortization of issuance discounts and costs.

⁽⁴⁾ Net interest spread represents the average yield on interest-earning assets less the average rate on interest-bearing liabilities.

⁽⁵⁾ Net interest margin represents net interest income on a fully taxable-equivalent basis divided by total average interest-earning assets.

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Average Balances, Yields and Rates	Nine Months Ended September 30,					
	2017			2016		
	Average Balance	Interest Income/Expense ⁽¹⁾	Yields/Rates ⁽²⁾	Average Balance	Interest Income/Expense ⁽¹⁾	Yields/Rates ⁽²⁾
(\$ in thousands)						
Assets:						
Cash and cash equivalents	\$ 1,296,152	\$ 8,987	0.93%	\$ 1,960,525	\$ 7,127	0.49%
Investment securities	16,382,720	501,874	4.08%	11,443,730	364,324	4.24%
Loans	55,957,670	1,423,277	3.37%	46,839,497	1,188,112	3.36%
FHLB stock	219,457	10,019	6.10%	156,165	9,447	8.08%
Total interest-earning assets	<u>73,855,999</u>	<u>1,944,157</u>	3.50%	<u>60,399,917</u>	<u>1,569,010</u>	3.44%
Noninterest-earning cash	318,898			273,545		
Goodwill and other intangibles	307,202			299,126		
Other assets	3,236,300			2,971,873		
Total noninterest-earning assets	<u>3,862,400</u>			<u>3,544,544</u>		
Total Assets	<u>\$ 77,718,399</u>			<u>\$ 63,944,461</u>		
Liabilities and Equity:						
Checking	\$ 38,165,057	6,146	0.02%	\$ 32,346,408	2,499	0.01%
Money market checking and savings	16,764,072	28,275	0.23%	14,385,197	9,738	0.09%
CDs	5,819,803	54,245	1.25%	4,552,188	40,322	1.18%
Total deposits	<u>60,748,932</u>	<u>88,666</u>	0.20%	<u>51,283,793</u>	<u>52,559</u>	0.14%
Short-term borrowings	738,187	6,185	1.12%	632,215	2,844	0.60%
Long-term FHLB advances	6,635,165	73,882	1.49%	4,294,161	50,314	1.57%
Senior notes ⁽³⁾	610,671	11,964	2.61%	397,459	7,720	2.59%
Subordinated notes ⁽³⁾	715,510	25,102	4.68%	86,227	2,951	4.56%
Other borrowings	23,694	416	2.34%	28,535	354	1.65%
Total borrowings	<u>8,723,227</u>	<u>117,549</u>	1.80%	<u>5,438,597</u>	<u>64,183</u>	1.58%
Total interest-bearing liabilities	<u>69,472,159</u>	<u>206,215</u>	0.40%	<u>56,722,390</u>	<u>116,742</u>	0.27%
Noninterest-bearing liabilities	1,035,590			1,057,461		
Preferred equity	986,836			1,117,627		
Common equity	6,223,814			5,046,983		
Total Liabilities and Equity	<u>\$ 77,718,399</u>			<u>\$ 63,944,461</u>		
Net interest spread ⁽⁴⁾			3.10%			3.17%
Net interest income (fully taxable-equivalent basis) and net interest margin ⁽⁵⁾		<u>\$ 1,737,942</u>	3.12%		<u>\$ 1,452,268</u>	3.19%
Reconciliation of tax-equivalent net interest income to reported net interest income:						
Tax-equivalent adjustment		<u>(155,340)</u>			<u>(125,731)</u>	
Net interest income, as reported		<u>\$ 1,582,602</u>			<u>\$ 1,326,537</u>	

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

Operating Information	Quarter Ended September 30,		Quarter Ended June 30,		Nine Months Ended September 30,	
	2017	2016	2017	2017	2016	2016
<i>(\$ in thousands)</i>						
Net income to average assets ⁽¹⁾	0.97%	1.02%	0.96%	0.97%	1.03%	
Net income available to common shareholders to average common equity ⁽¹⁾	11.46%	11.62%	11.01%	11.16%	11.73%	
Net income available to common shareholders to average tangible common equity ⁽¹⁾	12.02%	12.30%	11.57%	11.74%	12.47%	
Dividend payout ratio	14.9%	16.0%	16.0%	15.6%	16.2%	
Efficiency ratio ⁽²⁾	62.4%	60.5%	61.9%	62.4%	60.6%	
Net loan charge-offs	\$ 655	\$ 626	\$ 609	\$ 1,772	\$ 1,645	
Net loan charge-offs to average total loans ⁽¹⁾	0.00%	0.01%	0.00%	0.00%	0.00%	

⁽¹⁾ Ratios are annualized.

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

Mortgage Loan Sales	Quarter Ended September 30,		Quarter Ended June 30,		Nine Months Ended September 30,	
	2017	2016	2017	2017	2016	2016
<i>(\$ in thousands)</i>						
Loans sold:						
Flow sales:						
Agency	\$ 26,152	\$ 137,949	\$ 34,261	\$ 110,145	\$ 253,906	
Non-agency	88,534	92,750	72,829	217,565	190,439	
Total flow sales	114,686	230,699	107,090	327,710	444,345	
Bulk sales:						
Non-agency	707,669	717,256	332,735	1,580,225	1,902,075	
Total loans sold	\$ 822,355	\$ 947,955	\$ 439,825	\$ 1,907,935	\$ 2,346,420	
Gain on sale of loans:						
Amount	\$ 1,963	\$ 1,785	\$ 841	\$ 6,168	\$ 4,010	
Gain as a percentage of loans sold	0.24%	0.19%	0.19%	0.32%	0.17%	

Loan Servicing Portfolio	As of				
	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016
<i>(\$ in millions)</i>					
Loans serviced for investors	\$ 12,111	\$ 11,791	\$ 11,838	\$ 11,655	\$ 11,494

Loan Originations	Quarter Ended September 30,		Quarter Ended June 30,		Nine Months Ended September 30,	
	2017	2016	2017	2017	2016	2016
<i>(\$ in thousands)</i>						
Single family (1-4 units)	\$ 2,987,278	\$ 2,805,361	\$ 3,053,014	\$ 8,556,966	\$ 7,551,306	
Home equity lines of credit	459,709	454,529	424,223	1,298,255	1,362,807	
Multifamily (5+ units)	805,429	566,528	646,538	1,860,913	1,799,560	
Commercial real estate	197,596	311,466	336,054	929,219	907,850	
Construction	413,842	410,538	496,813	1,149,456	861,924	
Business	1,879,393	1,529,400	1,654,184	4,486,005	3,434,861	
Stock and other secured	320,952	207,241	450,674	1,255,148	1,073,454	
Unsecured	179,686	190,836	236,884	647,444	794,810	
Total loans originated	\$ 7,243,885	\$ 6,475,899	\$ 7,298,384	\$ 20,183,406	\$ 17,786,572	

Asset Quality Information	As of				
	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016
<i>(\$ in thousands)</i>					
Nonperforming assets:					
Nonaccrual loans	\$ 37,922	\$ 43,384	\$ 51,694	\$ 49,020	\$ 52,759
Other real estate owned	—	1,930	—	—	1,196
Total nonperforming assets	<u>\$ 37,922</u>	<u>\$ 45,314</u>	<u>\$ 51,694</u>	<u>\$ 49,020</u>	<u>\$ 53,955</u>
Nonperforming assets to total assets	0.04%	0.06%	0.07%	0.07%	0.08%
Accruing loans 90 days or more past due	\$ —	\$ —	\$ —	\$ —	\$ 3,083
Restructured accruing loans	\$ 18,242	\$ 13,001	\$ 14,224	\$ 14,278	\$ 13,968

Book Value Ratios	As of				
	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016
<i>(in thousands, except per share amounts)</i>					
Number of shares of common stock outstanding ..	157,930	157,686	157,122	154,292	150,109
Book value per common share	<u>\$ 40.76</u>	<u>\$ 39.76</u>	<u>\$ 39.13</u>	<u>\$ 37.39</u>	<u>\$ 35.34</u>
Tangible book value per common share	<u>\$ 38.90</u>	<u>\$ 37.83</u>	<u>\$ 37.16</u>	<u>\$ 35.35</u>	<u>\$ 33.41</u>

Capital Ratios	As of					September 30
	2017			2016		
	September 30 ⁽¹⁾	June 30	March 31	December 31	September 30	
	Actual	Fully Phased-in ⁽²⁾	Actual			
Tier 1 leverage ratio (Tier 1 capital to average assets)	8.78%	8.76%	8.99%	9.22%	9.37%	9.26%
Common Equity Tier 1 capital to risk-weighted assets	10.58%	10.48%	10.72%	11.15%	10.83%	10.52%
Tier 1 capital to risk-weighted assets	12.27%	12.18%	12.49%	12.94%	13.07%	12.88%
Total capital to risk-weighted assets	14.23%	14.13%	14.51%	15.04%	14.46%	14.33%
Regulatory Capital ⁽³⁾						
<i>(\$ in thousands)</i>						
Common Equity Tier 1 capital ..	\$ 6,140,330	\$ 6,112,026	\$ 5,975,457	\$ 5,852,885	\$ 5,496,582	\$ 5,046,133
Tier 1 capital	\$ 7,121,330	\$ 7,102,026	\$ 6,960,057	\$ 6,788,885	\$ 6,631,383	\$ 6,180,343
Total capital	\$ 8,259,581	\$ 8,240,277	\$ 8,087,714	\$ 7,892,528	\$ 7,337,725	\$ 6,875,478
Assets ⁽³⁾						
<i>(\$ in thousands)</i>						
Average assets	\$ 81,125,539	\$ 81,106,237	\$ 77,419,255	\$ 73,624,461	\$ 70,779,188	\$ 66,758,108
Risk-weighted assets	\$ 58,027,813	\$ 58,325,800	\$ 55,730,798	\$ 52,476,984	\$ 50,744,017	\$ 47,969,927

⁽¹⁾ Ratios and amounts as of September 30, 2017 are preliminary.

⁽²⁾ 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 September 30, 2017.

⁽³⁾ As defined by regulatory capital rules.

<i>Wealth Management Assets</i>	As of				
	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016
<i>(\$ in millions)</i>					
First Republic Investment Management	\$ 50,318	\$ 47,530	\$ 44,573	\$ 41,154	\$ 40,103
Brokerage and investment:					
Brokerage	40,652	37,658	35,397	32,218	31,058
Money market mutual funds	1,201	1,402	1,795	2,048	1,902
Total brokerage and investment	<u>41,853</u>	<u>39,060</u>	<u>37,192</u>	<u>34,266</u>	<u>32,960</u>
Trust Company:					
Trust	4,441	4,276	3,929	3,754	3,171
Custody	4,734	4,559	4,438	4,406	3,954
Total Trust Company	<u>9,175</u>	<u>8,835</u>	<u>8,367</u>	<u>8,160</u>	<u>7,125</u>
Total Wealth Management Assets	<u>\$ 101,346</u>	<u>\$ 95,425</u>	<u>\$ 90,132</u>	<u>\$ 83,580</u>	<u>\$ 80,188</u>

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