FIRST REPUBLIC BANK
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# Press Release

FOR IMMEDIATE RELEASE

## FIRST REPUBLIC REPORTS RECORD ANNUAL EARNINGS

***Core EPS up 24% and Wealth Management Assets up 33% for the Year***

**San Francisco, California, January 16, 2014** – First Republic Bank (NYSE: FRC) today announced financial results for the fourth quarter and the year ended December 31, 2013.

"First Republic had a strong quarter and a terrific year," said Jim Herbert, Chairman and Chief Executive Officer. "Core diluted EPS increased 24% in 2013. We're quite pleased with the growth in our banking and wealth management businesses. Asset quality remains excellent and total equity grew 22%."

**2013 Full Year Highlights** [(1)]

***Strong Financial Results***

- Net income was $462.1 million, an increase of 15.2%.
- Diluted earnings per share ("EPS") were $3.10, up 12.7%.
- Core net income rose to $401.4 million, up 31.3%. [(2)]
- Core diluted EPS were $2.65, up 23.8%. [(2)]

***Continued Franchise Growth***

- Loan originations were a record $17.8 billion, up 15.4% from a year ago.
- Loans outstanding totaled $34.3 billion, up 20.2% from a year ago.
- Deposits were $32.1 billion, up 18.4% from a year ago.
- Total equity was $4.2 billion, up 22.4% from a year ago.
- Wealth management assets reached $41.6 billion, up 32.9% from a year ago.

***Operating Results***

- Core net interest margin was 3.26% in 2013 and 3.53% in 2012. [(2)]
- Nonperforming assets were 14 basis points of total assets at year-end.

(1) On January 15, 2014, the FASB issued an amended accounting standard for low income housing tax credit investments. In accordance with this standard, the Bank has adjusted its financial statements for all prior periods. The adoption of this standard reduced noninterest expense and increased provision for income taxes. See "Noninterest Expense and Efficiency Ratio" and "Income Tax Rate" for further discussion of this change and supplemental schedule "Impact of Low Income Housing Tax Credit Investments Accounting Adjustments" for the impact of the change in accounting to noninterest expense, provision for income taxes, core efficiency ratio, and, to a minor extent, net income, diluted EPS and core diluted EPS.

(2) See non-GAAP reconciliation under section "Use of Non-GAAP Financial Measures."

**Quarterly Financial Highlights**

- Loan originations were $4.1 billion for the quarter.
- Net income was $115.3 million.
- Diluted EPS were $0.75.
- Core net income was $103.3 million, up 16.3% from last year's fourth quarter. (2)
- Core diluted EPS were $0.66, up 8.2% from last year's fourth quarter. (2)
- Loans outstanding of $34.3 billion, up 4.8% for the quarter.
- Deposits of $32.1 billion, up 2.5% for the quarter.
- Wealth management assets were $41.6 billion, up 8.7% from the prior quarter.
- Core net interest margin was 3.06%, compared to 3.15% for the prior quarter. The margin decline was predominately due to higher average cash balances compared to the prior quarter. (2)

"Wealth management and business banking both had another very good quarter and continue to be important drivers of success," said Katherine August-deWilde, President and Chief Operating Officer. "We are actively adding new clients, and all of our markets are performing very well."

**Quarterly Cash Dividend Declared**

The Bank declared a cash dividend for the fourth quarter of $0.12 per share of common stock, which is payable on February 14, 2014 to shareholders of record as of January 31, 2014.

**Asset Quality**

The Bank's credit quality remains very strong. Nonperforming assets were 14 basis points of total assets.

Net charge-offs for the year totaled only 5 basis points of average loans.

In the fourth quarter, the Bank recorded a provision for loan losses of $7.8 million. This provision is related primarily to the continued growth in new loans. The allowance related to loans originated since our independence totaled $144.5 million, or 0.52% of such loans outstanding.

**Capital Strength**

Total equity increased 22.4% from a year ago. At year-end, the Bank's Tier 1 leverage ratio was 9.19%.

During the quarter, the Bank issued $200 million of 7.00% Noncumulative Perpetual Preferred Stock, which qualifies as Tier 1 capital.

**Book Value**

Book value per common share was $24.63 at December 31, 2013, up 11.4% from a year ago.

**Franchise Development**

*Composition of Loan Originations*

Loan originations totaled $4.1 billion for the quarter. Nearly half of such originations were attributable to business loans, multifamily and commercial real estate loans and other non-single family lending. Single family and home equity lines of credit originations were $2.2 billion; 58% of the home loans were for purchases.

*Total Assets*

Total assets were $42.1 billion, up 2.8% for the quarter. Loans were $34.3 billion, up 4.8% for the quarter.

*Excellent Deposit Growth*

Total deposits increased to $32.1 billion, up 2.5% compared to the prior quarter and up 18.4% compared to a year ago. At December 31, 2013, 96% of deposits were core deposits. [3]

The average contractual rate paid on all deposits declined to 0.25% for the quarter, compared to 0.28% for the prior quarter.

*Continued Expansion of Wealth Management*

Total wealth management assets were $41.6 billion, up $3.3 billion, or 8.7% from the prior quarter and up $10.3 billion, or 32.9% for the year. Such growth in wealth management assets for the year was driven significantly by net new assets obtained from new and existing clients. Wealth management assets include investment management assets of $21.8 billion, brokerage assets and money market mutual funds of $13.9 billion, and trust and custody assets of $5.9 billion.

Wealth management fees earned for the quarter totaled $37.1 million, up 9.7% compared to the prior quarter. The increased fees reflect the growth in assets under management.

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(3) Core deposits exclude CDs greater than $250,000.

*Limited Mortgage Banking Activity*

Mortgage banking volume and profitability were down compared to the fourth quarter of last year and the first two quarters of 2013. The Bank sold $215.8 million of primarily longer-term, fixed rate home loans during the quarter and recorded modest gains of $306,000, or 0.14% of loans sold.

Loans serviced for investors totaled $6.0 billion, up 31.0% from a year ago primarily due to the increased level of loan sales in the first half of 2013. The carrying value of mortgage servicing rights was $29.8 million, or 50 basis points of such loans serviced.

## Income Statement and Key Ratios

*Revenue Growth*

Total revenues were $371.0 million for the quarter, a 2.5% increase from the prior quarter. Total revenues for 2013 were $1.5 billion, up 9.4% from 2012.

Core revenues were $345.9 million for the quarter, a 4.4% increase from the prior quarter. Core revenues for 2013 were $1.3 billion, up 16.4% from 2012. (2)

*Net Interest Income Growth*

Net interest income was $314.8 million for the quarter, a 2.1% increase from the prior quarter. Net interest income for 2013 was $1.2 billion, up 4.4% from 2012.

Core net interest income was $289.7 million for the quarter, a 4.4% increase from the prior quarter. Core net interest income for 2013 was $1.1 billion, up 11.5% from 2012. (2)

*Net Interest Margin*

The Bank's net interest margin was 3.32% for the quarter, compared to 3.50% for the prior quarter. For 2013, the net interest margin was 3.62%.

The core net interest margin was 3.06% for the quarter, compared to 3.15% for the prior quarter. For 2013, the core net interest margin was 3.26%, compared to 3.53% for 2012. (2)

High average cash balances contributed significantly to the decline in core net interest margin. Increased liquidity in the fourth quarter, in the form of $2.6 billion of average cash, resulted in approximately 7 basis points of the 9 basis point decline in core net interest margin quarter-over-quarter. (2)

*Noninterest Income*

Noninterest income for the quarter was $56.2 million, up $2.6 million, or a 4.8% increase compared to the prior quarter. For 2013, noninterest income was $244.4 million.

The increase in noninterest income from the prior quarter is primarily due to increases in wealth management fees.

*Noninterest Expense and Efficiency Ratio* (1)

Effective as of the fourth quarter of 2013, the Bank adopted an amended FASB standard related to accounting for low income housing tax credit investments. This change results in lower noninterest expense, a better efficiency ratio, increased income tax expense and an increased effective tax rate. Under this new standard, the amortization expense related to these investments is now included in the provision for income taxes and is no longer included in operating expenses. We are reporting this way herein and going forward, consistent with the new FASB standard.

Noninterest expense for the quarter was $200.9 million, a 4.8% increase over the prior quarter. For 2013, noninterest expense was $768.0 million, up 13.4% from 2012.

The efficiency ratio was 54.2% for the quarter, compared to 53.0% for the prior quarter. For 2013 and 2012, the efficiency ratio was 52.3% and 50.5%, respectively.

The core efficiency ratio was 56.9% for the quarter, compared to 56.5% for the prior quarter. For 2013, the core efficiency ratio was 55.8% versus 56.8% for 2012. (2)

*Income Tax Rate* (1)

The Bank's effective tax rate for 2013 was 30.4%, compared to 33.0% for 2012. These effective tax rates reflect the adoption of the amended FASB standard, which does not alter the amount of income taxes actually paid by the Bank. The decrease in the effective tax rate in 2013 was the result of the steady increase in tax-exempt securities, bank-owned life insurance, tax credit investments and tax-advantaged loans.

**Conference Call Details**

First Republic Bank's fourth quarter 2013 earnings conference call is scheduled for January 16, 2014 at 11:00 a.m. PT / 2:00 p.m. ET. To listen to the live call by telephone, please dial (855) 224-3902 approximately 10 minutes prior to the start time (to allow time for registration) and use conference ID #29111696. International callers should dial (734) 823-3244. 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 www.firstrepublic.com. To listen to the live webcast, please visit the site at least 15 minutes prior to the start of the call to register, download and install any necessary audio software. A replay of the call will also be available for 90 days on the website. For those unable to participate in the live presentation, a replay will be available beginning January 16, 2014, at 12:00 p.m. PT / 3:00 p.m. ET, through January 24, 2014, at 8:59 p.m. PT / 11:59 p.m. ET. To access the replay, dial (855) 859-2056 (U.S.) and use conference ID #29111696. International callers should dial (404) 537-3406 and enter the same conference ID number. The Bank's press releases are available after release on the Bank's website at www.firstrepublic.com.

**About First Republic Bank**

First Republic Bank (NYSE: FRC) is a full-service bank specializing in private banking and private business banking. The Bank's wealth management affiliates offer trust, investment consulting and advisory services. Founded in 1985, First Republic specializes in exceptional, relationship-based service offered through preferred banking or wealth management offices primarily in San Francisco, Palo Alto, Los Angeles, Santa Barbara, Newport Beach, San Diego, Portland, Boston, Greenwich, Palm Beach and New York City. 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 www.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. 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, 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: our ability to compete for banking and wealth management customers; earthquakes and other natural disasters in our markets; changes in interest rates; our ability to maintain high underwriting standards; economic conditions in our markets; conditions in financial markets and economic conditions generally; regulatory restrictions on our operations and current or future legislative or regulatory changes affecting the banking and investment management industries. 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 Quarterly Reports on Form 10-Q. 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 STATEMENT OF INCOME

| (in thousands, except per share amounts) | Three Months Ended December 31, 2013 | Three Months Ended December 31, 2012 | Three Months Ended September 30, 2013 | Twelve Months Ended December 31, 2013 | Twelve Months Ended December 31, 2012 |
|---|---|---|---|---|---|
| Interest income: | | | | | |
| Loans | $ 307,876 | $ 294,763 | $ 303,747 | $ 1,193,931 | $ 1,160,522 |
| Investments | 43,965 | 33,278 | 41,212 | 159,086 | 124,040 |
| Cash and cash equivalents | 1,637 | 546 | 1,091 | 3,001 | 2,644 |
| Total interest income | 353,478 | 328,587 | 346,050 | 1,356,018 | 1,287,206 |
| Interest expense: | | | | | |
| Deposits | 18,049 | 11,732 | 18,504 | 60,817 | 56,981 |
| Borrowings | 20,605 | 14,521 | 19,336 | 71,026 | 57,205 |
| Total interest expense | 38,654 | 26,253 | 37,840 | 131,843 | 114,186 |
| Net interest income | 314,824 | 302,334 | 308,210 | 1,224,175 | 1,173,020 |
| Provision for loan losses | 7,815 | 17,204 | 10,023 | 36,969 | 63,436 |
| Net interest income after provision for loan losses | 307,009 | 285,130 | 298,187 | 1,187,206 | 1,109,584 |
| Noninterest income: | | | | | |
| Investment advisory fees | 30,731 | 16,305 | 28,766 | 112,121 | 59,054 |
| Brokerage and investment fees | 3,912 | 2,904 | 2,518 | 11,892 | 10,682 |
| Trust fees | 2,478 | 2,381 | 2,552 | 9,588 | 8,715 |
| Foreign exchange fee income | 3,248 | 3,147 | 2,938 | 13,912 | 11,504 |
| Deposit fees | 4,545 | 3,746 | 4,458 | 18,258 | 13,994 |
| Gain on sale of loans | 306 | 17,721 | 1,215 | 36,290 | 38,831 |
| Loan servicing fees, net | 2,152 | 217 | 3,443 | 7,230 | (5,307) |
| Loan and related fees | 1,741 | 1,829 | 1,753 | 7,515 | 6,291 |
| Income from investments in life insurance | 6,756 | 6,212 | 5,813 | 24,365 | 22,186 |
| Other income | 331 | 1,149 | 176 | 3,179 | 2,784 |
| Total noninterest income | 56,200 | 55,611 | 53,632 | 244,350 | 168,734 |
| Noninterest expense: | | | | | |
| Salaries and employee benefits | 103,301 | 88,412 | 98,880 | 402,222 | 339,656 |
| Occupancy | 23,306 | 21,834 | 22,822 | 91,120 | 83,648 |
| Information systems | 22,132 | 19,745 | 20,496 | 79,955 | 72,508 |
| FDIC and other deposit assessments | 7,500 | 6,684 | 6,849 | 27,976 | 24,386 |
| Advertising and marketing | 6,994 | 6,061 | 5,820 | 25,459 | 25,120 |
| Professional fees | 7,316 | 4,854 | 6,355 | 22,488 | 19,848 |
| Amortization of intangibles | 6,218 | 4,927 | 6,430 | 26,147 | 20,472 |
| Other expenses | 24,162 | 24,873 | 24,023 | 92,630 | 91,333 |
| Total noninterest expense | 200,929 | 177,390 | 191,675 | 767,997 | 676,971 |
| Income before provision for income taxes | 162,280 | 163,351 | 160,144 | 663,559 | 601,347 |
| Provision for income taxes | 46,981 | 53,762 | 48,396 | 201,489 | 198,645 |
| Net income before noncontrolling interests | 115,299 | 109,589 | 111,748 | 462,070 | 402,702 |
| Less: Net income from noncontrolling interests | — | — | — | — | 1,538 |
| First Republic Bank net income | 115,299 | 109,589 | 111,748 | 462,070 | 401,164 |
| Dividends on preferred stock | 12,800 | 6,534 | 10,389 | 40,671 | 18,743 |
| Redemption of preferred stock | — | — | — | — | 13,200 |
| Net income available to common shareholders | $ 102,499 | $ 103,055 | $ 101,359 | $ 421,399 | $ 369,221 |
| Basic earnings per common share | $ 0.78 | $ 0.79 | $ 0.77 | $ 3.21 | $ 2.84 |
| Diluted earnings per common share | $ 0.75 | $ 0.76 | $ 0.74 | $ 3.10 | $ 2.75 |
| Dividends per common share | $ 0.12 | $ 0.20 | $ 0.12 | $ 0.36 | $ 0.30 |
| Weighted average shares - basic | 131,905 | 130,614 | 131,436 | 131,326 | 130,051 |
| Weighted average shares - diluted | 136,522 | 134,731 | 136,133 | 135,949 | 134,189 |

# CONSOLIDATED BALANCE SHEET

| ($ in thousands) | As of December 31, 2013 | As of September 30, 2013 | As of December 31, 2012 |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and cash equivalents | $ 807,885 | $ 1,934,727 | $ 602,264 |
| Securities purchased under agreements to resell | 100 | 19,373 | 30,901 |
| Investment securities available-for-sale | 1,571,206 | 1,221,802 | 960,433 |
| Investment securities held-to-maturity | 3,252,534 | 2,966,120 | 2,545,189 |
| Loans: | | | |
| Single family (1-4 units) | 19,869,491 | 18,880,349 | 16,672,924 |
| Home equity lines of credit | 1,961,476 | 1,959,032 | 1,887,604 |
| Multifamily (5+ units) | 4,022,457 | 3,915,097 | 3,006,946 |
| Commercial real estate | 3,430,881 | 3,318,749 | 2,909,201 |
| Single family construction | 290,314 | 275,485 | 234,213 |
| Multifamily/commercial construction | 278,456 | 274,543 | 171,268 |
| Commercial business | 3,582,054 | 3,202,098 | 2,600,151 |
| Other secured | 397,878 | 422,651 | 391,833 |
| Unsecured loans and lines of credit | 202,197 | 271,393 | 279,515 |
| Stock secured | 163,650 | 120,195 | 145,460 |
| Total unpaid principal balance | 34,198,854 | 32,639,592 | 28,299,115 |
| Net unaccreted discount | (220,147) | (242,525) | (332,404) |
| Net deferred fees and costs | 21,841 | 17,192 | 20,048 |
| Allowance for loan losses | (153,005) | (145,912) | (129,889) |
| Loans, net | 33,847,543 | 32,268,347 | 27,856,870 |
| Loans held for sale | 58,759 | 60,054 | 204,631 |
| Investments in life insurance | 766,291 | 759,240 | 701,672 |
| Tax credit investments | 688,870 | 624,836 | 480,686 |
| Prepaid expenses and other assets | 680,756 | 655,067 | 581,162 |
| Premises, equipment and leasehold improvements, net | 166,544 | 162,839 | 142,201 |
| Goodwill | 106,549 | 106,549 | 106,549 |
| Other intangible assets | 132,745 | 138,963 | 158,892 |
| Mortgage servicing rights | 29,781 | 29,870 | 17,786 |
| Other real estate owned | 3,200 | 3,353 | — |
| Total Assets | $ 42,112,763 | $ 40,951,140 | $ 34,389,236 |
| **LIABILITIES AND EQUITY** | | | |
| Liabilities: | | | |
| Deposits: | | | |
| Noninterest-bearing checking accounts | $ 8,859,276 | $ 8,554,095 | $ 8,544,472 |
| Interest-bearing checking accounts | 7,325,235 | 6,440,239 | 5,408,325 |
| Money Market (MM) checking accounts | 4,966,626 | 5,111,552 | 4,104,791 |
| MM savings and passbooks | 7,025,686 | 7,151,758 | 6,064,629 |
| Certificates of deposit | 3,905,893 | 4,032,725 | 2,966,030 |
| Total Deposits | 32,082,716 | 31,290,369 | 27,088,247 |
| Short-term borrowings | — | — | 75,000 |
| Long-term debt | 5,150,000 | 5,150,000 | 3,150,000 |
| Debt related to variable interest entity | 43,132 | 46,999 | 56,450 |
| Other liabilities | 676,868 | 584,655 | 619,436 |
| Total Liabilities | 37,952,716 | 37,072,023 | 30,989,133 |
| Shareholders' Equity: | | | |
| Preferred stock | 889,525 | 689,525 | 499,525 |
| Common stock | 1,328 | 1,322 | 1,313 |
| Additional paid-in capital | 2,042,027 | 2,043,498 | 2,027,578 |
| Retained earnings | 1,213,896 | 1,127,397 | 840,311 |
| Accumulated other comprehensive income | 13,271 | 17,375 | 31,376 |
| Total Shareholders' Equity | 4,160,047 | 3,879,117 | 3,400,103 |
| Total Liabilities and Shareholders' Equity | $ 42,112,763 | $ 40,951,140 | $ 34,389,236 |

| | Three Months Ended December 31, | | Three Months Ended September 30, | Twelve Months Ended December 31, | |
|---|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2013 | 2012 |
| **Operating Information** | | | | | |
| Net income to average assets [4] | 1.07% | 1.30% | 1.12% | 1.20% | 1.28% |
| Net income available to common shareholders to average common equity [4] | 12.51% | 14.18% | 12.69% | 13.50% | 13.48% |
| Dividend payout ratio | 16.0% | 26.1% | 16.1% | 11.6% | 10.9% |
| Efficiency ratio [1], [5] | 54.2% | 49.6% | 53.0% | 52.3% | 50.5% |
| Efficiency ratio (non-GAAP) [1], [5], [6] | 56.9% | 54.4% | 56.5% | 55.8% | 56.8% |
| **Yields/Rates** [4] | | | | | |
| Cash and cash equivalents | 0.25% | 0.25% | 0.26% | 0.25% | 0.26% |
| Investment securities [7], [8] | 5.27% | 5.46% | 5.30% | 5.18% | 5.53% |
| Loans [7], [9] | 3.75% | 4.34% | 3.90% | 3.96% | 4.66% |
| Total interest-earning assets | 3.70% | 4.35% | 3.90% | 3.98% | 4.61% |
| Checking | 0.02% | 0.01% | 0.02% | 0.01% | 0.01% |
| Money market checking and savings | 0.22% | 0.12% | 0.26% | 0.20% | 0.20% |
| CDs [9] | 1.01% | 1.08% | 1.04% | 1.04% | 1.07% |
| Total deposits | 0.22% | 0.18% | 0.24% | 0.21% | 0.23% |
| Short-term borrowings | 0.00% | 0.29% | 0.00% | 0.19% | 0.25% |
| Long-term FHLB advances | 1.57% | 1.80% | 1.57% | 1.63% | 1.82% |
| Other long-term debt [9] | 1.84% | 1.85% | 1.79% | 1.79% | 2.47% |
| Total borrowings | 1.57% | 1.79% | 1.57% | 1.51% | 1.84% |
| Total interest-bearing liabilities | 0.40% | 0.35% | 0.43% | 0.39% | 0.41% |
| Net interest spread | 3.30% | 4.00% | 3.47% | 3.59% | 4.20% |
| Net interest margin | 3.32% | 4.02% | 3.50% | 3.62% | 4.22% |
| Net interest margin (non-GAAP) [6] | 3.06% | 3.46% | 3.15% | 3.26% | 3.53% |

[4] For the periods less than a year, ratios are annualized.
[5] Efficiency ratio is the ratio of noninterest expense to the sum of net interest income and noninterest income.
[6] For a reconciliation of these ratios to the equivalent GAAP ratios, see "Use of Non-GAAP Financial Measures."
[7] Yield is calculated on a tax-equivalent basis.
[8] Includes FHLB stock and securities purchased under agreements to resell.
[9] Yield/rate includes accretion/amortization of purchase accounting discounts/premiums.

The following table presents loans sold and gain on sale of loans for the periods indicated:

| | Three Months Ended December 31, | | Three Months Ended September 30, | Twelve Months Ended December 31, | |
|---|---|---|---|---|---|
| **($ in thousands)** | 2013 | 2012 | 2013 | 2013 | 2012 |
| **Mortgage Loan Sales** | | | | | |
| Loans sold: | | | | | |
| Agency | $ 53,296 | $ 242,073 | $ 48,509 | $ 467,049 | $ 922,475 |
| Non-agency | 162,480 | 429,241 | 235,658 | 2,196,439 | 1,510,905 |
| Total loans sold | $ 215,776 | $ 671,314 | $ 284,167 | $ 2,663,488 | $ 2,433,380 |
| Gain on sale of loans: | | | | | |
| Amount | $ 306 | $ 17,721 | $ 1,215 | $ 36,290 | $ 38,831 |
| Gain as a percentage of loans sold | 0.14% | 2.64% | 0.43% | 1.36% | 1.60% |

The following table presents loan originations, by product type, for the periods indicated:

| ($ in thousands) | Three Months Ended December 31, 2013 | Three Months Ended December 31, 2012 | Three Months Ended September 30, 2013 | Twelve Months Ended December 31, 2013 | Twelve Months Ended December 31, 2012 |
|---|---|---|---|---|---|
| Single family (1-4 units) | $ 1,862,710 | $ 2,260,035 | $ 2,269,410 | $ 9,039,956 | $ 8,603,111 |
| Home equity lines of credit | 308,318 | 322,440 | 350,452 | 1,271,646 | 1,112,655 |
| Multifamily | 216,388 | 413,367 | 576,604 | 1,695,073 | 1,185,727 |
| Commercial real estate | 247,825 | 334,913 | 366,820 | 1,156,273 | 1,044,507 |
| Construction | 196,085 | 117,814 | 297,878 | 868,070 | 496,472 |
| Commercial business | 994,361 | 661,888 | 871,356 | 3,042,350 | 2,190,685 |
| Other loans | 230,182 | 191,535 | 197,839 | 768,912 | 829,784 |
| Total loans originated | $ 4,055,869 | $ 4,301,992 | $ 4,930,359 | $ 17,842,280 | $ 15,462,941 |

The following table separates our loan portfolio as of December 31, 2013 between loans acquired on July 1, 2010 and loans originated since July 1, 2010:

| | Composition of Loan Portfolio | | |
|---|---|---|---|
| ($ in thousands) | Loans acquired on July 1, 2010 | Loans originated since July 1, 2010 | Total loans at December 31, 2013 |
| Single family (1-4 units) | $ 3,778,646 | $ 16,090,845 | $ 19,869,491 |
| Home equity lines of credit | 770,695 | 1,190,781 | 1,961,476 |
| Multifamily (5+ units) | 474,178 | 3,548,279 | 4,022,457 |
| Commercial real estate | 857,430 | 2,573,451 | 3,430,881 |
| Single family construction | 7,159 | 283,155 | 290,314 |
| Multifamily/commercial construction | 1,151 | 277,305 | 278,456 |
| Commercial business | 361,339 | 3,220,715 | 3,582,054 |
| Other secured | 37,734 | 360,144 | 397,878 |
| Unsecured loans and lines of credit | 41,741 | 160,456 | 202,197 |
| Stock secured | 4,371 | 159,279 | 163,650 |
| Total unpaid principal balance | 6,334,444 | 27,864,410 | 34,198,854 |
| Net unaccreted discount | (219,650) | (497) | (220,147) |
| Net deferred fees and costs | (6,644) | 28,485 | 21,841 |
| Allowance for loan losses | (8,551) | (144,454) | (153,005) |
| Loans, net | $ 6,099,599 | $ 27,747,944 | $ 33,847,543 |

| | As of | | | | |
|---|---|---|---|---|---|
| (in thousands, except per share amounts) | December 31, 2013 | September 30, 2013 | June 30, 2013 | March 31, 2013 | December 31, 2012 |
| **Book Value** | | | | | |
| Number of shares of common stock outstanding | 132,768 | 132,179 | 131,822 | 131,481 | 131,273 |
| Book value per common share | $ 24.63 | $ 24.13 | $ 23.50 | $ 22.97 | $ 22.10 |
| Tangible book value per common share | $ 22.83 | $ 22.27 | $ 21.59 | $ 21.00 | $ 20.07 |
| **Capital Ratios** | | | | | |
| Tier 1 leverage ratio | 9.19% | 9.18% | 9.83% | 9.36% | 9.33% |
| Tier 1 common equity ratio [10] | 10.30% | 10.57% | 10.87% | 11.44% | 11.14% |
| Tier 1 risk-based capital ratio | 13.34% | 13.06% | 13.52% | 13.53% | 13.28% |
| Total risk-based capital ratio | 13.89% | 13.62% | 14.12% | 14.13% | 13.87% |

[10] Tier 1 common equity ratio represents common equity less goodwill and intangible assets divided by risk-weighted assets.

| ($ in millions) | December 31, 2013 | September 30, 2013 | June 30, 2013 | March 31, 2013 | December 31, 2012 |
|---|---|---|---|---|---|
| | As of | | | | |
| **Assets Under Management** | | | | | |
| First Republic Investment Management | $ 21,812 | $ 20,093 | $ 19,045 | $ 18,573 | $ 17,000 |
| Brokerage and Investment: | | | | | |
| Brokerage | 12,933 | 11,905 | 10,784 | 10,357 | 8,810 |
| Money Market Mutual Funds | 941 | 870 | 929 | 870 | 852 |
| Total Brokerage and Investment | 13,874 | 12,775 | 11,713 | 11,227 | 9,662 |
| Trust Company: | | | | | |
| Trust | 3,013 | 2,857 | 2,822 | 2,326 | 2,157 |
| Custody | 2,879 | 2,510 | 2,766 | 2,520 | 2,471 |
| Total Trust Company | 5,892 | 5,367 | 5,588 | 4,846 | 4,628 |
| Total Wealth Management Assets | 41,578 | 38,235 | 36,346 | 34,646 | 31,290 |
| Loans serviced for investors | 6,000 | 5,957 | 6,036 | 5,433 | 4,581 |
| Total fee-based assets | $ 47,578 | $ 44,192 | $ 42,382 | $ 40,079 | $ 35,871 |

**Asset Quality Information**

| ($ in thousands) | December 31, 2013 | September 30, 2013 | June 30, 2013 | March 31, 2013 | December 31, 2012 |
|---|---|---|---|---|---|
| | As of | | | | |
| Nonperforming assets: | | | | | |
| Nonaccrual loans | $ 54,492 | $ 51,847 | $ 62,824 | $ 49,873 | $ 49,153 |
| Other real estate owned | 3,200 | 3,353 | — | — | — |
| Total nonperforming assets | $ 57,692 | $ 55,200 | $ 62,824 | $ 49,873 | $ 49,153 |
| Nonperforming assets to total assets | 0.14% | 0.13% | 0.17% | 0.14% | 0.14% |
| Accruing loans 90 days or more past due | $ — | $ — | $ — | $ 5,959 | $ — |
| Restructured accruing loans | $ 19,984 | $ 19,950 | $ 18,766 | $ 18,223 | $ 12,398 |

| | Three Months Ended December 31, | | Three Months Ended September 30, | Twelve Months Ended December 31, | |
|---|---|---|---|---|---|
| ($ in thousands) | 2013 | 2012 | 2013 | 2013 | 2012 |
| Net loan charge-offs to allowance for loan losses | $ 722 | $ 315 | $ 12,418 | $ 13,853 | $ 1,660 |
| Net loan charge-offs to average total loans [(4)] | 0.01% | 0.01% | 0.16% | 0.05% | 0.01% |

| | Average Balance Sheet | | | | |
|---|---|---|---|---|---|
| | Three Months Ended December 31, | | Three Months Ended September 30, | Twelve Months Ended December 31, | |
| **($ in thousands)** | **2013** | **2012** | **2013** | **2013** | **2012** |
| **Assets:** | | | | | |
| Cash and cash equivalents | $ 2,590,814 | $ 880,708 | $ 1,691,248 | $ 1,199,650 | $ 1,022,996 |
| Investment securities [11] | 4,696,478 | 3,513,251 | 4,350,133 | 4,322,772 | 3,243,171 |
| Loans [12] | 33,161,682 | 27,232,372 | 31,371,115 | 30,643,493 | 25,106,210 |
| Total interest-earning assets | 40,448,974 | 31,626,331 | 37,412,496 | 36,165,915 | 29,372,377 |
| Noninterest-earning cash | 230,262 | 232,787 | 247,206 | 240,043 | 205,978 |
| Goodwill and other intangibles | 242,297 | 148,834 | 248,641 | 251,942 | 151,396 |
| Other assets | 1,863,580 | 1,587,601 | 1,776,161 | 1,720,385 | 1,499,592 |
| Total noninterest-earning assets | 2,336,139 | 1,969,222 | 2,272,008 | 2,212,370 | 1,856,966 |
| Total Assets | $ 42,785,113 | $ 33,595,553 | $ 39,684,504 | $ 38,378,285 | $ 31,229,343 |
| **Liabilities and Equity:** | | | | | |
| Checking | $ 16,011,898 | $ 13,351,861 | $ 14,629,935 | $ 14,420,567 | $ 11,515,255 |
| Money market checking and savings | 12,814,579 | 10,095,930 | 11,884,853 | 11,443,203 | 9,691,658 |
| CDs [12] | 3,995,699 | 3,090,586 | 3,861,458 | 3,447,556 | 3,398,532 |
| Total deposits | 32,822,176 | 26,538,377 | 30,376,246 | 29,311,326 | 24,605,445 |
| Short-term borrowings | 12 | 10,804 | 2,391 | 402,176 | 3,262 |
| Long-term FHLB advances | 5,150,000 | 3,150,000 | 4,822,826 | 4,253,562 | 2,992,760 |
| Other long term-debt [12] | 45,874 | 59,257 | 49,233 | 50,709 | 105,535 |
| Total borrowings | 5,195,886 | 3,220,061 | 4,874,450 | 4,706,447 | 3,101,557 |
| Total interest-bearing liabilities | 38,018,062 | 29,758,438 | 35,250,696 | 34,017,773 | 27,707,002 |
| Noninterest-bearing liabilities | 685,217 | 533,589 | 575,420 | 571,576 | 464,605 |
| Preferred equity | 830,829 | 413,112 | 689,525 | 666,552 | 290,675 |
| Common equity | 3,251,005 | 2,890,414 | 3,168,863 | 3,122,384 | 2,738,937 |
| Noncontrolling interests | — | — | — | — | 28,124 |
| Total Liabilities and Equity | $ 42,785,113 | $ 33,595,553 | $ 39,684,504 | $ 38,378,285 | $ 31,229,343 |

(11) Includes FHLB stock and securities purchased under agreements to resell.

(12) Average balances are presented net of purchase accounting discounts or premiums.

## Purchase Accounting Accretion and Amortization

The following table presents the impact of purchase accounting from the Bank's re-establishment as an independent institution for the periods indicated:

| | Three Months Ended December 31, | | Three Months Ended September 30, | Twelve Months Ended December 31, | |
|---|---|---|---|---|---|
| **($ in thousands)** | **2013** | **2012** | **2013** | **2013** | **2012** |
| Accretion/amortization to net interest income: | | | | | |
| Loans | $ 22,356 | $ 36,746 | $ 28,008 | $ 111,682 | $ 162,018 |
| Deposits | 2,802 | 4,342 | 2,619 | 11,897 | 22,239 |
| Borrowings | — | — | — | — | 1,942 |
| Total | $ 25,158 | $ 41,088 | $ 30,627 | $ 123,579 | $ 186,199 |
| Noninterest income: | | | | | |
| Loan commitments | $ — | $ — | $ — | $ — | $ 255 |
| Amortization to noninterest expense: | | | | | |
| Intangible assets | $ 4,289 | $ 4,927 | $ 4,447 | $ 18,113 | $ 20,472 |

**Use of 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. However, due to the application of purchase accounting from the Bank's re-establishment as an independent institution, management uses certain non-GAAP measures and ratios that exclude the impact of these items to evaluate our performance, including net income, earnings per share, net interest margin and the efficiency ratio.

Our net income, earnings per share, net interest margin and efficiency ratio were significantly impacted by accretion and amortization of the fair value adjustments recorded in purchase accounting from the Bank's re-establishment as an independent institution. The accretion and amortization affect our net income, earnings per share and certain operating ratios as we accrete loan discounts to interest income; accrete discounts on loan commitments to noninterest income; amortize premiums on liabilities such as CDs and subordinated notes to interest expense; and amortize intangible assets to noninterest expense. In addition, earnings per share for the twelve months ended December 31, 2012 were impacted following the redemption of the First Republic Preferred Capital Corporation ("FRPCC") Series D preferred stock in the second quarter of 2012 due to the $13.2 million difference between the liquidation preference and the carrying value established in purchase accounting.

In December 2012, First Republic purchased substantially all of the assets of Luminous. The amortization of intangible assets from this transaction is not an adjustment in the calculation of the Bank's non-GAAP measures in 2013.

We believe these non-GAAP measures and ratios, when taken together with the corresponding GAAP measures and ratios, provide meaningful supplemental information regarding our performance. Our management uses, and believes that investors benefit from referring to, these non-GAAP measures and ratios in assessing our operating results and related trends and when planning and forecasting future periods. However, these non-GAAP measures and ratios should be considered in addition to, and not as a substitute for or preferable to, ratios prepared in accordance with GAAP. In the tables below, we have provided a reconciliation of, where applicable, the most comparable GAAP financial measures and ratios to the non-GAAP financial measures and ratios, or a reconciliation of the non-GAAP calculation of the financial measure for the periods indicated:

| | Three Months Ended December 31, | | Three Months Ended September 30, | Twelve Months Ended December 31, | |
|---|---|---|---|---|---|
| **(in thousands, except per share amounts)** | **2013** | **2012** | **2013** | **2013** | **2012** |
| **Non-GAAP earnings** | | | | | |
| Net income | $ 115,299 | $ 109,589 | $ 111,748 | $ 462,070 | $ 401,164 |
| Accretion/amortization added to net interest income | (25,158) | (41,088) | (30,627) | (123,579) | (186,199) |
| Accretion added to noninterest income | — | — | — | — | (255) |
| Amortization of intangible assets | 4,289 | 4,927 | 4,447 | 18,113 | 20,472 |
| Add back tax impact of the above items | 8,869 | 15,368 | 11,127 | 44,823 | 70,542 |
| Non-GAAP net income | 103,299 | 88,796 | 96,695 | 401,427 | 305,724 |
| Dividends on preferred stock | (12,800) | (6,534) | (10,389) | (40,671) | (18,743) |
| Redemption of FRPCC preferred stock | — | — | — | — | (13,200) |
| Impact of FRPCC preferred stock redemption | — | — | — | — | 13,200 |
| Non-GAAP net income available to common shareholders | $ 90,499 | $ 82,262 | $ 86,306 | $ 360,756 | $ 286,981 |
| | | | | | |
| GAAP earnings per common share – diluted | $ 0.75 | $ 0.76 | $ 0.74 | $ 3.10 | $ 2.75 |
| Impact of purchase accounting, net of tax | (0.09) | (0.15) | (0.11) | (0.45) | (0.71) |
| Impact of FRPCC preferred stock redemption | — | — | — | — | 0.10 |
| Non-GAAP earnings per common share – diluted | $ 0.66 | $ 0.61 | $ 0.63 | $ 2.65 | $ 2.14 |
| | | | | | |
| Weighted average diluted common shares outstanding | 136,522 | 134,731 | 136,133 | 135,949 | 134,189 |

| ($ in thousands) | Three Months Ended December 31, 2013 | Three Months Ended December 31, 2012 | Three Months Ended September 30, 2013 | Twelve Months Ended December 31, 2013 | Twelve Months Ended December 31, 2012 |
|---|---|---|---|---|---|
| **Average yield on loans** | | | | | |
| Interest income on loans | $ 307,876 | $ 294,763 | $ 303,747 | $ 1,193,931 | $ 1,160,522 |
| Add: Tax-equivalent adjustment on loans | 6,013 | 3,448 | 5,459 | 19,816 | 10,825 |
| Interest income on loans (tax-equivalent basis) | 313,889 | 298,211 | 309,206 | 1,213,747 | 1,171,347 |
| Less: Accretion | (22,356) | (36,746) | (28,008) | (111,682) | (162,018) |
| Non-GAAP interest income on loans (tax-equivalent basis) | $ 291,533 | $ 261,465 | $ 281,198 | $ 1,102,065 | $ 1,009,329 |
| Average loans | $ 33,161,682 | $ 27,232,372 | $ 31,371,115 | $ 30,643,493 | $ 25,106,210 |
| Add: Average unaccreted loan discounts | 234,580 | 358,084 | 261,121 | 277,231 | 418,583 |
| Average loans (non-GAAP) | $ 33,396,262 | $ 27,590,456 | $ 31,632,236 | $ 30,920,724 | $ 25,524,793 |
| Average yield on loans – reported | 3.75% | 4.34% | 3.90% | 3.96% | 4.66% |
| Average contractual yield on loans (non-GAAP) | 3.46% | 3.76% | 3.52% | 3.56% | 3.95% |

| ($ in thousands) | Three Months Ended December 31, 2013 | Three Months Ended December 31, 2012 | Three Months Ended September 30, 2013 | Twelve Months Ended December 31, 2013 | Twelve Months Ended December 31, 2012 |
|---|---|---|---|---|---|
| **Average cost of deposits** | | | | | |
| Interest expense on deposits | $ 18,049 | $ 11,732 | $ 18,504 | $ 60,817 | $ 56,981 |
| Add: Amortization of CD premiums | 2,802 | 4,342 | 2,619 | 11,897 | 22,239 |
| Non-GAAP interest expense on deposits | $ 20,851 | $ 16,074 | $ 21,123 | $ 72,714 | $ 79,220 |
| Average deposits | $ 32,822,176 | $ 26,538,377 | $ 30,376,246 | $ 29,311,326 | $ 24,605,445 |
| Less: Average unamortized CD premiums | (8,863) | (21,278) | (11,400) | (12,958) | (28,888) |
| Average deposits (non-GAAP) | $ 32,813,313 | $ 26,517,099 | $ 30,364,846 | $ 29,298,368 | $ 24,576,557 |
| Average cost of deposits – reported | 0.22% | 0.18% | 0.24% | 0.21% | 0.23% |
| Average contractual cost of deposits (non-GAAP) | 0.25% | 0.24% | 0.28% | 0.25% | 0.32% |

| ($ in thousands) | Three Months Ended December 31, 2013 | Three Months Ended December 31, 2012 | Three Months Ended September 30, 2013 | Twelve Months Ended December 31, 2013 | Twelve Months Ended December 31, 2012 |
|---|---|---|---|---|---|
| **Net interest margin** | | | | | |
| Net interest income | $ 314,824 | $ 302,334 | $ 308,210 | $ 1,224,175 | $ 1,173,020 |
| Add: Tax-equivalent adjustment | 23,919 | 18,121 | 21,955 | 84,830 | 66,114 |
| Net interest income (tax-equivalent basis) | 338,743 | 320,455 | 330,165 | 1,309,005 | 1,239,134 |
| Less: Accretion/amortization | (25,158) | (41,088) | (30,627) | (123,579) | (186,199) |
| Non-GAAP net interest income (tax-equivalent basis) | $ 313,585 | $ 279,367 | $ 299,538 | $ 1,185,426 | $ 1,052,935 |
| Average interest-earning assets | $ 40,448,974 | $ 31,626,331 | $ 37,412,496 | $ 36,165,915 | $ 29,372,377 |
| Add: Average unaccreted loan discounts | 234,580 | 358,084 | 261,121 | 277,231 | 418,583 |
| Average interest-earning assets (non-GAAP) | $ 40,683,554 | $ 31,984,415 | $ 37,673,617 | $ 36,443,146 | $ 29,790,960 |
| Net interest margin – reported | 3.32% | 4.02% | 3.50% | 3.62% | 4.22% |
| Net interest margin (non-GAAP) | 3.06% | 3.46% | 3.15% | 3.26% | 3.53% |

| ($ in thousands) | Three Months Ended December 31, 2013 | Three Months Ended December 31, 2012 | Three Months Ended September 30, 2013 | Twelve Months Ended December 31, 2013 | Twelve Months Ended December 31, 2012 |
|---|---|---|---|---|---|
| **Efficiency ratio** [(1)] | | | | | |
| Net interest income | $ 314,824 | $ 302,334 | $ 308,210 | $ 1,224,175 | $ 1,173,020 |
| Less: Accretion/amortization | (25,158) | (41,088) | (30,627) | (123,579) | (186,199) |
| Net interest income (non-GAAP) | $ 289,666 | $ 261,246 | $ 277,583 | $ 1,100,596 | $ 986,821 |
| Noninterest income | $ 56,200 | $ 55,611 | $ 53,632 | $ 244,350 | $ 168,734 |
| Less: Accretion of discounts on loan commitments | — | — | — | — | (255) |
| Noninterest income (non-GAAP) | $ 56,200 | $ 55,611 | $ 53,632 | $ 244,350 | $ 168,479 |
| Total revenue | $ 371,024 | $ 357,945 | $ 361,842 | $ 1,468,525 | $ 1,341,754 |
| Total revenue (non-GAAP) | $ 345,866 | $ 316,857 | $ 331,215 | $ 1,344,946 | $ 1,155,300 |
| Noninterest expense | $ 200,929 | $ 177,390 | $ 191,675 | $ 767,997 | $ 676,971 |
| Less: Intangible amortization | (4,289) | (4,927) | (4,447) | (18,113) | (20,472) |
| Noninterest expense (non-GAAP) | $ 196,640 | $ 172,463 | $ 187,228 | $ 749,884 | $ 656,499 |
| Efficiency ratio | 54.2% | 49.6% | 53.0% | 52.3% | 50.5% |
| Efficiency ratio (non-GAAP) | 56.9% | 54.4% | 56.5% | 55.8% | 56.8% |

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## Supplemental Schedule

The following table presents the impact of the Bank's adoption of an amended accounting standard related to low income housing tax credit investments issued by the FASB on January 15, 2014 and its retroactive application for the periods indicated:

### Impact of Low Income Housing Tax Credit Investments Accounting Adjustments

| | Three Months Ended | | Three Months Ended | | | | Three Months Ended | | | | Three Months Ended | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **($ in thousands, except per share amounts)** | **Sept. 30, 2010** | **Dec. 31, 2010** | **Mar. 31, 2011** | **Jun. 30, 2011** | **Sept. 30, 2011** | **Dec. 31, 2011** | **Mar. 31, 2012** | **Jun. 30, 2012** | **Sept. 30, 2012** | **Dec. 31, 2012** | **Mar. 31, 2013** | **Jun. 30, 2013** | **Sept. 30, 2013** |
| **Noninterest expense** | | | | | | | | | | | | | |
| *As previously reported* | $ 136,203 | $ 143,033 | $ 134,989 | $ 138,829 | $ 144,789 | $ 158,001 | $ 164,755 | $ 171,555 | $ 178,390 | $ 183,144 | $ 197,434 | $ 200,139 | $ 203,647 |
| *As reported under new guidance* | $ 136,061 | $ 140,767 | $ 133,385 | $ 137,355 | $ 141,627 | $ 154,321 | $ 159,505 | $ 167,034 | $ 173,042 | $ 177,390 | $ 186,534 | $ 188,859 | $ 191,675 |
| **Provision for income taxes** | | | | | | | | | | | | | |
| *As previously reported* | $ 46,972 | $ 49,535 | $ 52,895 | $ 46,142 | $ 49,986 | $ 49,016 | $ 41,635 | $ 42,274 | $ 45,069 | $ 47,486 | $ 44,097 | $ 38,831 | $ 36,189 |
| *As reported under new guidance* | $ 47,193 | $ 51,155 | $ 54,497 | $ 47,395 | $ 52,152 | $ 51,615 | $ 46,495 | $ 47,442 | $ 50,946 | $ 53,762 | $ 54,752 | $ 51,360 | $ 48,396 |
| **Net income** | | | | | | | | | | | | | |
| *As previously reported* | $ 66,395 | $ 75,967 | $ 88,772 | $ 84,832 | $ 87,793 | $ 90,691 | $ 91,758 | $ 97,907 | $ 102,696 | $ 110,111 | $ 122,308 | $ 113,719 | $ 111,983 |
| *As reported under new guidance* | $ 66,316 | $ 76,613 | $ 88,774 | $ 85,053 | $ 88,789 | $ 91,772 | $ 92,148 | $ 97,260 | $ 102,167 | $ 109,589 | $ 122,553 | $ 112,470 | $ 111,748 |
| **Diluted EPS** | | | | | | | | | | | | | |
| *As previously reported* | $ 0.53 | $ 0.60 | $ 0.67 | $ 0.64 | $ 0.66 | $ 0.68 | $ 0.67 | $ 0.60 | $ 0.72 | $ 0.77 | $ 0.85 | $ 0.77 | $ 0.75 |
| *As reported under new guidance* | $ 0.53 | $ 0.60 | $ 0.67 | $ 0.64 | $ 0.67 | $ 0.69 | $ 0.67 | $ 0.60 | $ 0.72 | $ 0.76 | $ 0.85 | $ 0.76 | $ 0.74 |
| **Diluted EPS (non-GAAP)** | | | | | | | | | | | | | |
| *As previously reported* | $ 0.35 | $ 0.35 | $ 0.41 | $ 0.41 | $ 0.42 | $ 0.44 | $ 0.49 | $ 0.50 | $ 0.54 | $ 0.61 | $ 0.72 | $ 0.64 | $ 0.64 |
| *As reported under new guidance* | $ 0.35 | $ 0.36 | $ 0.41 | $ 0.41 | $ 0.42 | $ 0.45 | $ 0.49 | $ 0.49 | $ 0.54 | $ 0.61 | $ 0.72 | $ 0.64 | $ 0.63 |
| **Efficiency ratio (non-GAAP)** | | | | | | | | | | | | | |
| *As previously reported* | 59.0% | 59.4% | 58.7% | 59.1% | 58.8% | 59.9% | 59.6% | 60.5% | 58.6% | 56.2% | 57.3% | 58.9% | 60.1% |
| *As reported under new guidance* | 58.9% | 58.3% | 57.9% | 58.5% | 57.5% | 58.5% | 57.6% | 58.8% | 56.8% | 54.4% | 54.1% | 55.5% | 56.5% |

| | Six Months Ended | Twelve Months Ended | |
|---|---|---|---|
| **($ in thousands, except per share amounts)** | **Dec. 31, 2010** | **Dec. 31, 2011** | **Dec. 31, 2012** |
| **Noninterest expense** | | | |
| *As previously reported* | $ 279,236 | $ 576,608 | $ 697,844 |
| *As reported under new guidance* | $ 276,828 | $ 566,688 | $ 676,971 |
| **Provision for income taxes** | | | |
| *As previously reported* | $ 96,507 | $ 198,039 | $ 176,464 |
| *As reported under new guidance* | $ 98,348 | $ 205,659 | $ 198,645 |
| **Net income** | | | |
| *As previously reported* | $ 142,362 | $ 352,088 | $ 402,472 |
| *As reported under new guidance* | $ 142,929 | $ 354,388 | $ 401,164 |
| **Diluted EPS** | | | |
| *As previously reported* | $ 1.12 | $ 2.65 | $ 2.76 |
| *As reported under new guidance* | $ 1.13 | $ 2.67 | $ 2.75 |
| **Diluted EPS (non-GAAP)** | | | |
| *As previously reported* | $ 0.71 | $ 1.68 | $ 2.15 |
| *As reported under new guidance* | $ 0.71 | $ 1.70 | $ 2.14 |
| **Efficiency ratio (non-GAAP)** | | | |
| *As previously reported* | 59.2% | 59.2% | 58.6% |
| *As reported under new guidance* | 58.6% | 58.1% | 56.8% |