



FIRST REPUBLIC REPORTS STRONG FIRST QUARTER 2016 RESULTS

*Year-Over-Year Revenues Up 23% and Earnings per Share Up 24%
Quarterly Dividend Increased to \$0.16 per Share*

San Francisco, California, April 14, 2016 – First Republic Bank (NYSE: FRC) today announced financial results for the quarter ended March 31, 2016.

“We’re quite pleased with first quarter results,” said Jim Herbert, Chairman and CEO. “Earnings, loans, deposits and wealth management assets all grew nicely. Credit quality and capital levels remain very strong.”

Quarterly Highlights

Financial Results⁽¹⁾

- Compared to last year’s first quarter:
 - Revenues were \$519.6 million, up 22.8%.
 - Net income was \$148.9 million, up 28.4%.
 - Diluted earnings per share (“EPS”) of \$0.88, up 23.9%.
- Loan originations totaled \$4.8 billion, our highest first quarter ever.
- Loans sold totaled \$477.7 million.
- Core net interest margin was 3.14%, compared to 3.02% for the prior quarter.⁽²⁾
- Efficiency ratio was 61.4%.

Continued Financial and Credit Strength

- Tier 1 leverage ratio was 9.38%.
- Common Equity Tier 1 ratio was 10.61%.
- Tangible book value per share was \$31.05, up 11.0% from a year ago.
- Nonperforming assets were low at 10 basis points of total assets.
- Credit quality remains very strong, with net recoveries of \$29,000 for the quarter.

Franchise Development

- Loans outstanding, excluding loans held for sale, totaled \$45.4 billion, up 16.2% from a year ago.
- Deposits were \$50.9 billion, up 27.5% from a year ago.
- Checking balances represented 64.0% of total deposits.
- Wealth management assets were \$73.4 billion, up 30.3% from a year ago.
- Wealth management revenues were \$68.9 million, up 31.4% from a year ago.

⁽¹⁾ Beginning in 2016, due to the diminishing impact of purchase accounting, we will no longer present the following non-GAAP (“core”) financial measures: net income, earnings per share, revenues, cost of average deposits, and efficiency ratio. See “Use of Non-GAAP Financial Measures” for additional information.

⁽²⁾ Core net interest margin is a non-GAAP financial measure that excludes the positive impact of purchase accounting. See non-GAAP reconciliation under section “Use of Non-GAAP Financial Measures.”

“Revenues grew 23% from a year ago and were driven by strong performance across all lines of business,” said Chief Financial Officer Mike Roffler. “Net interest margin improved and our efficiency ratio remains stable.”

Increased Quarterly Cash Dividend to \$0.16 per Share

The Bank today announced an increase in its quarterly cash dividend for the first quarter to \$0.16 per share of common stock, which is payable on May 12, 2016 to shareholders of record as of April 28, 2016.

Strong Asset Quality

Credit quality remains very strong. Nonperforming assets were 10 basis points of total assets at March 31, 2016.

The Bank had net recoveries for the quarter of \$29,000, while adding \$4.5 million to its allowance for loan losses due to continued loan growth.

Continued Capital Strength

During the first quarter, the Bank issued \$150.0 million of 5.50% Noncumulative Perpetual Preferred Stock, which qualifies as Tier 1 capital.

The Bank’s Tier 1 leverage ratio was 9.38% and Common Equity Tier 1 ratio was 10.61% at March 31, 2016. Total equity has grown 17.9% from a year ago.

Tangible Book Value Growth

Tangible book value per common share was \$31.05 at March 31, 2016, up 11.0% from a year ago.

Continued Franchise Development

Loan Originations

Loan originations totaled \$4.8 billion for the quarter, compared to \$4.2 billion for the first quarter a year ago, up 13.0%.

Loans outstanding, excluding loans held for sale, totaled \$45.4 billion at March 31, 2016, up 2.9% for the quarter and up 16.2% compared to a year ago.

Deposit Growth

Total deposits increased to \$50.9 billion, up 6.4% for the quarter and up 27.5% compared to a year ago. At March 31, 2016, checking accounts totaled 64.0% of deposits. The Bank is almost entirely deposit-funded, with deposits representing 91% of total liabilities at March 31, 2016.

The average rate paid on deposits was 0.13% for the first quarter, compared to 0.14% for the prior quarter.

Investments

Total investments at March 31, 2016 were \$11.4 billion, up 9.0% for the quarter and up 52.0% compared to a year ago.

High-quality liquid assets, from a regulatory perspective, totaled \$7.0 billion at March 31, 2016, up 20.4% for the quarter and up 53.1% compared to a year ago. Such assets represent 11.2% of total assets at March 31, 2016.

Mortgage Banking Activity

During the first quarter, the Bank sold \$477.7 million of loans and recorded a gain on sale of \$1.4 million, compared to loan sales of \$574.7 million and a gain on sale of \$1.8 million during the first quarter of last year.

Loans serviced for investors at quarter-end totaled \$10.7 billion, up 1.2% for the quarter and up 8.3% from a year ago. Net loan servicing fees for the quarter were \$3.7 million, up 16.1% from \$3.2 million a year ago.

Continued Expansion of Wealth Management

Wealth management revenues totaled \$68.9 million for the quarter, up 31.4% compared to last year's first quarter. Such revenues represent 13% of total revenues.

Total wealth management assets were \$73.4 billion at March 31, 2016, up 1.6% for the quarter and up 30.3% compared to a year ago.

The growth in wealth management assets for the quarter was primarily due to net new assets from both existing and new clients. Wealth management assets include investment management assets of \$36.9 billion, brokerage assets and money market mutual funds of \$29.2 billion, and trust and custody assets of \$7.3 billion.

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

Total revenues were \$519.6 million for the quarter, up 22.8% compared to last year's first quarter.

Continued Net Interest Income Growth

Net interest income was \$424.3 million for the quarter, up 21.9% compared to last year's first quarter, resulting primarily from growth in average earning assets.

Core Net Interest Margin

The Bank's net interest margin was 3.20% for the first quarter, compared to 3.10% for the prior quarter.

The core net interest margin was 3.14% for the quarter, compared to 3.02% for the prior quarter. The increase from the prior quarter was due to lower average cash balances, which were invested in loans and securities, and a 3 basis point increase in average contractual loan yields.⁽²⁾

Noninterest Income

Noninterest income was \$95.3 million for the quarter, up 27.1% compared to the first quarter a year ago, which was primarily from increased wealth management revenues.

Efficiency Ratio

Noninterest expense was \$319.2 million for the quarter, up 24.8% from the first quarter of last year.

The Bank's efficiency ratio was 61.4% for the quarter, compared to 60.8% for the prior quarter and 60.5% for the first quarter a year ago.

Income Tax Rate

The Bank's effective tax rate for 2016 is expected to be 24.0%, compared to 24.4% for 2015. The decrease in the effective tax rate results from the steady increase in tax credit investments, tax-exempt securities, tax-advantaged loans and bank-owned life insurance.

Conference Call Details

First Republic Bank's first quarter 2016 earnings conference call is scheduled for April 14, 2016 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 #75260974. 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 www.firstrepublic.com. To listen to the live webcast, please visit the site at least 10 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 join the live presentation, a replay will be available beginning April 14, 2016, at 10:00 a.m. PT / 1:00 p.m. ET, through April 21, 2016, at 8:59 p.m. PT / 11:59 p.m. ET. To access the replay, dial (855) 859-2056 and use conference ID #75260974. 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

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, San Diego, Portland, Boston, Palm Beach, Greenwich 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, 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 materially from those discussed in the forward-looking statements include, but are not limited to: our ability to deal with significant competition for banking and wealth management customers;

our projections for certain financial items; expectations concerning the bank and wealth management industries; earthquakes and other natural disasters in our markets; interest rate and credit risk; our plans or objectives for future operations, products or services; our ability to maintain and follow high underwriting standards; economic conditions generally and in our markets; our geographic concentration; our opportunities for growth; our future provisions for loan losses; our regulatory compliance and future regulatory requirements; the phase-in of the Basel III Capital Rules; and new accounting standards. 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 STATEMENT OF INCOME

(in thousands, except per share amounts)	Quarter Ended March 31,		Quarter Ended December 31,
	2016	2015	2015
Interest income:			
Loans	\$ 368,250	\$ 321,875	\$ 357,446
Investments	85,388	57,359	77,333
Other	2,815	4,564	3,697
Cash and cash equivalents	3,100	1,105	2,730
Total interest income	459,553	384,903	441,206
Interest expense:			
Deposits	16,508	13,988	16,638
Borrowings	18,730	22,896	19,869
Total interest expense	35,238	36,884	36,507
Net interest income	424,315	348,019	404,699
Provision for loan losses	4,492	11,887	12,045
Net interest income after provision for loan losses	419,823	336,132	392,654
Noninterest income:			
Investment management fees	52,760	41,211	49,814
Brokerage and investment fees	7,860	3,699	7,654
Trust fees	2,985	2,385	3,259
Foreign exchange fee income	5,318	5,148	6,413
Deposit fees	4,958	4,629	4,914
Gain on sale of loans	1,403	1,812	1,480
Loan servicing fees, net	3,749	3,230	3,752
Loan and related fees	3,240	2,721	3,161
Income from investments in life insurance	9,026	9,179	9,289
Gain (loss) on investment securities, net	3,268	300	(515)
Other income	683	605	930
Total noninterest income	95,250	74,919	90,151
Noninterest expense:			
Salaries and employee benefits	185,917	139,948	168,424
Information systems	35,037	25,852	33,416
Occupancy	27,648	25,572	27,220
Professional fees	13,371	19,513	16,487
FDIC assessments	9,600	8,350	9,500
Advertising and marketing	7,190	5,214	7,617
Amortization of intangibles	6,661	5,155	6,933
Other expenses	33,770	26,069	31,327
Total noninterest expense	319,194	255,673	300,924
Income before provision for income taxes	195,879	155,378	181,881
Provision for income taxes	47,013	39,466	41,835
Net income	148,866	115,912	140,046
Dividends on preferred stock	16,460	13,889	15,314
Net income available to common shareholders	\$ 132,406	\$ 102,023	\$ 124,732
Basic earnings per common share	\$ 0.91	\$ 0.73	\$ 0.87
Diluted earnings per common share	\$ 0.88	\$ 0.71	\$ 0.84
Dividends per common share	\$ 0.15	\$ 0.14	\$ 0.15
Weighted average shares—basic	145,963	138,839	144,006
Weighted average shares—diluted	149,719	142,791	147,814

CONSOLIDATED BALANCE SHEET

(\$ in thousands)	As of		
	March 31, 2016	December 31, 2015	March 31, 2015
<u>ASSETS</u>			
Cash and cash equivalents	\$ 1,946,147	\$ 1,131,110	\$ 1,644,534
Securities purchased under agreements to resell	100	100	100
Investment securities available-for-sale	1,809,820	2,910,801	1,428,898
Investment securities held-to-maturity	9,580,850	7,540,678	6,064,700
Loans:			
Single family (1-4 units)	23,674,216	23,092,346	21,167,697
Home equity lines of credit	2,431,527	2,370,188	2,121,713
Multifamily (5+ units)	5,605,914	5,371,484	4,851,874
Commercial real estate	4,818,890	4,462,834	4,021,575
Single family construction	426,220	436,774	399,814
Multifamily/commercial construction	743,900	693,364	494,539
Business	5,887,850	6,232,378	5,059,337
Stock secured	660,923	521,005	306,793
Other secured	585,617	541,637	444,690
Unsecured loans and lines of credit	609,917	423,795	245,942
Total unpaid principal balance	45,444,974	44,145,805	39,113,974
Net unaccreted discount	(101,071)	(108,499)	(140,639)
Net deferred fees and costs	52,216	46,263	33,423
Allowance for loan losses	(265,579)	(261,058)	(219,216)
Loans, net	45,130,540	43,822,511	38,787,542
Loans held for sale	42,380	48,681	63,824
Investments in life insurance	1,177,692	1,168,596	1,022,466
Tax credit investments	1,085,034	1,006,836	844,213
Prepaid expenses and other assets	797,116	817,410	786,488
Premises, equipment and leasehold improvements, net	174,857	172,008	162,051
Goodwill	171,616	171,616	106,549
Other intangible assets	130,740	137,400	104,846
Mortgage servicing rights	54,225	53,538	50,249
Other real estate owned	1,393	—	—
Total Assets	\$ 62,102,510	\$ 58,981,285	\$ 51,066,460
<u>LIABILITIES AND EQUITY</u>			
Liabilities:			
Deposits:			
Noninterest-bearing checking	\$ 19,693,998	\$ 18,252,007	\$ 14,523,454
Interest-bearing checking	12,910,792	12,027,363	9,261,476
Money market checking	6,405,530	5,756,821	5,261,424
Money market savings and passbooks	7,462,675	7,270,396	7,062,013
Certificates of deposit	4,462,260	4,586,878	3,830,823
Total Deposits	50,935,255	47,893,465	39,939,190
Securities sold under agreements to repurchase	100,000	100,000	—
Long-term FHLB advances	3,800,000	4,000,000	4,925,000
Senior notes	397,357	397,159	396,576
Debt related to variable interest entities	28,750	29,643	32,800
Other liabilities	856,423	855,335	697,897
Total Liabilities	56,117,785	53,275,602	45,991,463
Shareholders' Equity:			
Preferred stock	1,139,525	989,525	889,525
Common stock	1,463	1,461	1,421
Additional paid-in capital	2,773,255	2,770,265	2,522,159
Retained earnings	2,059,871	1,949,652	1,653,338
Accumulated other comprehensive income (loss)	10,611	(5,220)	8,554
Total Shareholders' Equity	5,984,725	5,705,683	5,074,997
Total Liabilities and Shareholders' Equity	\$ 62,102,510	\$ 58,981,285	\$ 51,066,460

<i>Operating Information and Yields/Rates</i>	Quarter Ended March 31,		Quarter Ended December 31,
	2016	2015	2015
<i>(\$ in thousands)</i>			
<u>Operating Information</u>			
Net income to average assets ⁽³⁾	0.98%	0.94%	0.93%
Net income available to common shareholders to average common equity ⁽³⁾	11.01%	10.32%	10.74%
Dividend payout ratio	17.0%	19.6%	17.8%
Efficiency ratio ⁽⁴⁾	61.4%	60.5%	60.8%
Net loan charge-offs (recoveries)	\$ (29)	\$ 13	\$ 1,395
Net loan charge-offs to average total loans ⁽³⁾	0.00%	0.00%	0.01%
<u>Yields/Rates</u> ⁽³⁾			
Cash and cash equivalents	0.50%	0.25%	0.28%
Investment securities ^{(5), (6)}	4.32%	4.65%	4.39%
Loans ^{(5), (7)}	3.38%	3.46%	3.39%
FHLB stock	<u>8.55%</u>	<u>7.48%</u>	<u>10.49%</u>
Total interest-earning assets	3.44%	3.53%	3.36%
Checking	0.01%	0.01%	0.01%
Money market checking and savings	0.07%	0.07%	0.07%
CDs ⁽⁷⁾	<u>1.21%</u>	<u>1.22%</u>	<u>1.24%</u>
Total deposits	0.13%	0.15%	0.14%
Long-term FHLB advances	1.63%	1.57%	1.55%
Senior notes ⁽⁸⁾	2.59%	2.59%	2.59%
Other borrowings	<u>1.53%</u>	<u>1.61%</u>	<u>1.39%</u>
Total borrowings	<u>1.71%</u>	<u>1.64%</u>	<u>1.63%</u>
Total interest-bearing liabilities	0.26%	0.34%	0.27%
Net interest spread	3.18%	3.19%	3.09%
Net interest margin ⁽⁵⁾	3.20%	3.21%	3.10%
Core net interest margin (non-GAAP) ^{(2), (5)}	3.14%	3.09%	3.02%

⁽³⁾ Ratios are annualized.

⁽⁴⁾ Efficiency ratio is the ratio of noninterest expense to the sum of net interest income and noninterest income.

⁽⁵⁾ Calculated on a fully taxable-equivalent basis.

⁽⁶⁾ Includes securities purchased under agreements to resell.

⁽⁷⁾ Yield/rate includes accretion/amortization of purchase accounting discounts/premiums.

⁽⁸⁾ Rate includes amortization of issuance discounts and costs.

<i>Mortgage Loan Sales</i>	Quarter Ended March 31,		Quarter Ended December 31,
	2016	2015	2015
<i>(\$ in thousands)</i>			
Loans sold:			
Agency	\$ 60,228	\$ 36,595	\$ 73,244
Non-agency	417,474	538,077	294,359
Total loans sold	<u>\$ 477,702</u>	<u>\$ 574,672</u>	<u>\$ 367,603</u>
Gain on sale of loans:			
Amount	\$ 1,403	\$ 1,812	\$ 1,480
Gain as a percentage of loans sold	0.29%	0.32%	0.40%

Loan Servicing Portfolio	As of				
	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015	March 31, 2015
<i>(\$ in millions)</i>					
Loans serviced for investors.....	\$ 10,654	\$ 10,531	\$ 10,550	\$ 10,305	\$ 9,840

Loan Originations	Quarter Ended March 31,		Quarter Ended December 31,
	2016	2015	2015
<i>(\$ in thousands)</i>			
Single family (1-4 units)	\$ 1,812,817	\$ 1,698,443	\$ 1,635,350
Home equity lines of credit	425,732	258,992	398,267
Multifamily (5+ units)	630,016	333,968	302,435
Commercial real estate	241,045	378,626	292,369
Construction	199,366	237,059	305,085
Business	657,206	1,133,879	1,343,953
Stock and other secured	497,971	161,463	270,259
Unsecured loans and lines of credit	337,494	46,600	161,753
Total loans originated	\$ 4,801,647	\$ 4,249,030	\$ 4,709,471

Composition of Loan Portfolio	As of March 31, 2016		
	Loans acquired on July 1, 2010	Loans originated since July 1, 2010	Total Loans
<i>(\$ in thousands)</i>			
Single family (1-4 units)	\$ 2,259,905	\$ 21,414,311	\$ 23,674,216
Home equity lines of credit	405,765	2,025,762	2,431,527
Multifamily (5+ units)	261,206	5,344,708	5,605,914
Commercial real estate	384,794	4,434,096	4,818,890
Single family construction	3,031	423,189	426,220
Multifamily/commercial construction	1,226	742,674	743,900
Business	260,523	5,627,327	5,887,850
Stock secured	4,268	656,655	660,923
Other secured	13,134	572,483	585,617
Unsecured loans and lines of credit	24,917	585,000	609,917
Total unpaid principal balance	3,618,769	41,826,205	45,444,974
Net unaccrued discount	(100,822)	(249)	(101,071)
Net deferred fees and costs	(3,633)	55,849	52,216
Allowance for loan losses	(6,035)	(259,544)	(265,579)
Loans, net	\$ 3,508,279	\$ 41,622,261	\$ 45,130,540

Asset Quality Information	As of				
	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015	March 31, 2015
<i>(\$ in thousands)</i>					
Nonperforming assets:					
Nonaccrual loans	\$ 59,203	\$ 73,545	\$ 51,987	\$ 55,872	\$ 49,830
Other real estate owned	1,393	—	2,541	—	—
Total nonperforming assets	\$ 60,596	\$ 73,545	\$ 54,528	\$ 55,872	\$ 49,830
Nonperforming assets to total assets	0.10%	0.12%	0.10%	0.11%	0.10%
Accruing loans 90 days or more past due	\$ 3,189	\$ 4,199	\$ 698	\$ 2,118	\$ 202
Restructured accruing loans	\$ 13,978	\$ 14,043	\$ 14,539	\$ 15,624	\$ 14,855

Book Value Ratios	As of				
	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015	March 31, 2015
<i>(in thousands, except per share amounts)</i>					
Number of shares of common stock outstanding	146,314	146,110	142,477	142,389	142,105
Book value per common share	\$ 33.12	\$ 32.28	\$ 30.84	\$ 30.03	\$ 29.45
Tangible book value per common share	\$ 31.05	\$ 30.16	\$ 29.43	\$ 28.58	\$ 27.97

Capital Ratios	As of					
	2016		2015			
	Actual	Fully Phased-in⁽¹⁰⁾	December 31,	September 30,	June 30,	March 31,
Tier 1 leverage ratio	9.38%	9.31%	9.21%	9.38%	9.86%	9.90%
Common Equity Tier 1 ratio	10.61%	10.48%	10.76%	10.71%	10.87%	11.25%
Tier 1 risk-based capital ratio	13.24%	13.11%	13.13%	13.21%	13.47%	13.73%
Total risk-based capital ratio	13.88%	13.75%	13.78%	13.87%	14.13%	14.37%

⁽⁹⁾ Ratios as of March 31, 2016 are preliminary.

⁽¹⁰⁾ Certain adjustments required under the Basel III Capital Rules will be phased in through the end of 2018. The ratios 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, 2016.

Wealth Management Assets	As of				
	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015	March 31, 2015
<i>(\$ in millions)</i>					
First Republic Investment Management	\$ 36,872	\$ 35,230	\$ 28,969	\$ 28,998	\$ 28,530
Brokerage and investment:					
Brokerage	27,296	26,059	19,746	19,852	18,973
Money market mutual funds	1,906	4,155	3,012	1,732	2,100
Total brokerage and investment	29,202	30,214	22,758	21,584	21,073
Trust Company:					
Trust	3,343	3,375	3,618	3,370	3,149
Custody	4,004	3,474	3,477	3,613	3,617
Total Trust Company	7,347	6,849	7,095	6,983	6,766
Total Wealth Management Assets	\$ 73,421	\$ 72,293	\$ 58,822	\$ 57,565	\$ 56,369

Average Balance Sheet	Quarter Ended March 31,		Quarter Ended December 31,
	2016	2015	2015
<i>(\$ in thousands)</i>			
Assets:			
Cash and cash equivalents	\$ 2,502,864	\$ 1,803,026	\$ 3,921,839
Investment securities ⁽¹¹⁾	10,561,401	6,732,867	9,442,168
Loans ⁽¹²⁾	44,618,029	38,246,042	43,042,968
FHLB stock	132,440	247,298	139,784
Total interest-earning assets	57,814,734	47,029,233	56,546,759
Noninterest-earning cash	269,185	252,964	287,695
Goodwill and other intangibles	305,588	213,900	312,665
Other assets	2,947,952	2,401,077	2,694,402
Total noninterest-earning assets	3,522,725	2,867,941	3,294,762
Total Assets	\$ 61,337,459	\$ 49,897,174	\$ 59,841,521
Liabilities and Equity:			
Checking	\$ 31,782,794	\$ 22,377,436	\$ 30,189,409
Money market checking and savings	13,529,204	12,316,558	13,607,852
CDs ⁽¹²⁾	4,543,388	3,796,301	4,485,104
Total deposits	49,855,386	38,490,295	48,282,365
Long-term FHLB advances	3,857,143	5,217,778	4,302,174
Senior notes	397,261	396,482	397,064
Other borrowings	134,767	34,460	130,211
Total borrowings	4,389,171	5,648,720	4,829,449
Total interest-bearing liabilities	54,244,557	44,139,015	53,111,814
Noninterest-bearing liabilities	1,184,329	858,821	1,133,650
Preferred equity	1,073,591	889,525	989,525
Common equity	4,834,982	4,009,813	4,606,532
Total Liabilities and Equity	\$ 61,337,459	\$ 49,897,174	\$ 59,841,521

⁽¹¹⁾ Includes securities purchased under agreements to resell.

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

Purchase Accounting Accretion and Amortization⁽¹³⁾	Quarter Ended March 31,		Quarter Ended December 31,
	2016	2015	2015
<i>(\$ in thousands)</i>			
Accretion/amortization to net interest income:			
Loans	\$ 7,425	\$ 12,122	\$ 9,974
Deposits	—	728	—
Total	\$ 7,425	\$ 12,850	\$ 9,974
Amortization to noninterest expense:			
Intangible assets	\$ 2,848	\$ 3,489	\$ 3,007
Net pre-tax impact of purchase accounting	\$ 4,577	\$ 9,361	\$ 6,967
Impact of purchase accounting, net of tax, per share	\$ 0.01	\$ 0.03	\$ 0.02

⁽¹³⁾ Related to the Bank's re-establishment as an independent institution.

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. Due to the application of purchase accounting from the Bank’s re-establishment as an independent institution, management has historically used certain non-GAAP (i.e., core) measures and ratios that exclude the impact of these items to evaluate our performance, including net income, earnings per share, revenues, yield on average loans, cost of average deposits, net interest margin and the efficiency ratio. However, because of the diminishing impact of purchase accounting, beginning in the first quarter of 2016, only the yield on average loans and net interest margin will be presented on a non-GAAP basis.

The accretion and amortization of the fair value adjustments recorded in purchase accounting from the Bank’s re-establishment as an independent institution affect our net interest margin and yield on average loans as we accrete loan discounts to interest income and amortize premiums on CDs to interest expense.

We believe these two non-GAAP measures, when taken together with the corresponding GAAP measures, 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. However, these non-GAAP measures should be considered in addition to, and not as a substitute for or preferable to, the measurements prepared in accordance with GAAP. In the tables below, we have provided a reconciliation of, where applicable, the most comparable GAAP financial measures to the non-GAAP financial measures, or a reconciliation of the non-GAAP calculation of the financial measure:

	Quarter Ended March 31,		Quarter Ended December 31,
	2016	2015	2015
<i>Yield on Average Loans</i>			
<i>(\$ in thousands)</i>			
Interest income on loans	\$ 368,250	\$ 321,875	\$ 357,446
Add: Tax-equivalent adjustment on loans	10,753	8,728	10,571
Interest income on loans (tax-equivalent basis)	379,003	330,603	368,017
Less: Accretion	(7,425)	(12,122)	(9,974)
Core interest income on loans (tax-equivalent basis) (non-GAAP)	<u>\$ 371,578</u>	<u>\$ 318,481</u>	<u>\$ 358,043</u>
Average loans	\$ 44,618,029	\$ 38,246,042	\$ 43,042,968
Add: Average unaccreted loan discounts	105,948	148,595	114,338
Average loans (non-GAAP)	<u>\$ 44,723,977</u>	<u>\$ 38,394,637</u>	<u>\$ 43,157,306</u>
Yield on average loans—reported ⁽⁵⁾	3.38%	3.46%	3.39%
Contractual yield on average loans (non-GAAP) ⁽⁵⁾	3.31%	3.32%	3.28%

	Quarter Ended March 31,		Quarter Ended December 31,
	2016	2015	2015
<i>Net Interest Margin</i>			
<i>(\$ in thousands)</i>			
Net interest income	\$ 424,315	\$ 348,019	\$ 404,699
Add: Tax-equivalent adjustment	39,434	29,658	36,927
Net interest income (tax-equivalent basis)	463,749	377,677	441,626
Less: Accretion/amortization	(7,425)	(12,850)	(9,974)
Core net interest income (tax-equivalent basis) (non-GAAP)	<u>\$ 456,324</u>	<u>\$ 364,827</u>	<u>\$ 431,652</u>
Average interest-earning assets	\$ 57,814,734	\$ 47,029,233	\$ 56,546,759
Add: Average unaccreted loan discounts	105,948	148,595	114,338
Average interest-earning assets (non-GAAP)	<u>\$ 57,920,682</u>	<u>\$ 47,177,828</u>	<u>\$ 56,661,097</u>
Net interest margin—reported ⁽⁵⁾	3.20%	3.21%	3.10%
Core net interest margin (non-GAAP) ⁽⁵⁾	3.14%	3.09%	3.02%

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