FEDERAL DEPOSIT INSURANCE CORPORATION

Washington, D.C. 20429

FORM 8-K

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

Date of Report (Date of earliest event reported): July 14, 2017

FIRST REPUBLIC BANK

(Exact name of registrant as specified in its charter)

California	**80-0513856**
(State or other jurisdiction of incorporation)	**(I.R.S. Employer Identification No.)**

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

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

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

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Emerging growth company ☐

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

Item 2.02 Results of Operations and Financial Condition

Attached as Exhibit 99.1 and incorporated into this item by reference is a press release issued by First Republic Bank (the "Bank") on July 14, 2017, regarding its financial results for the quarter ended June 30, 2017. The information furnished by the Bank pursuant to this item shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, (the "Exchange Act") or otherwise subject to the liability of that section, and shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit 99.1	Press Release issued by the Bank, dated July 14, 2017, with respect to the Bank's financial results for the quarter ended June 30, 2017.

SIGNATURES

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

Date: July 14, 2017.

First Republic Bank

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

EXHIBIT INDEX

Exhibit Number	Description
Exhibit 99.1	Press Release issued by the Bank, dated July 14, 2017, with respect to the Bank’s financial results for the quarter ended June 30, 2017.

FIRST REPUBLIC BANK
It's a privilege to serve you®

Exhibit 99.1

PRESS RELEASE

IMMEDIATE RELEASE

FIRST REPUBLIC REPORTS STRONG SECOND QUARTER 2017 RESULTS

Year-Over-Year Revenues Increased 20% and Wealth Management Assets Exceeded $95 Billion

San Francisco, California, July 14, 2017 – First Republic Bank (NYSE: FRC) today announced financial results for the quarter ended June 30, 2017.

"First Republic had a very good quarter, driven by strong growth of loans, deposits and wealth management assets," said Jim Herbert, Chairman and CEO. "Credit quality remains excellent, and the Bank continues to be well-capitalized."

Quarterly Highlights

Financial Results

- Year-over-year:
  - Revenues were $641.3 million, up 19.9%.
  - Net interest income was $532.0 million, up 20.5%.
  - Net income was $186.6 million, up 13.1%.
  - Diluted earnings per share of $1.06, up 9.3%.
  - Tangible book value per share was $37.83, up 16.3%.
- Loan originations totaled $7.3 billion, our second best quarter ever.
- Net interest margin was 3.16%, compared to 3.13% for the prior quarter.
- Efficiency ratio was 61.9%.

Continued Capital and Credit Strength

- Total regulatory capital has grown 27.4% from a year ago.
- Common Equity Tier 1 ratio was 10.72%, compared to 10.74% a year ago.
- Nonperforming assets remained very low at 6 basis points of total assets.
- Net charge-offs were less than 1 basis point of average loans.
- Provision for loan losses totaled $23.9 million for the quarter, reflecting strong loan growth.

Continued Franchise Development

- Year-over-year:
  - Loans, excluding loans held for sale, totaled $57.8 billion, up 21.3%.
  - Deposits were $63.3 billion, up 23.7%.
  - Wealth management assets were $95.4 billion, up 25.9%.
  - Wealth management revenues were $86.3 million, up 22.2%.

"We're very pleased with the 20% year-over-year increase in net interest income for the quarter and the 16% increase in tangible book value per share," said Mike Roffler, Chief Financial Officer. "We continued to successfully access the capital markets and raised both debt and equity on attractive terms during the quarter."

Quarterly Cash Dividend Declared

The Bank declared a cash dividend for the second quarter of $0.17 per share of common stock, which is payable on August 10, 2017 to shareholders of record as of July 27, 2017.

Very Strong Asset Quality

Credit quality remains very strong. Nonperforming assets were only 6 basis points of total assets at June 30, 2017.

The Bank had net charge-offs for the quarter of only $609,000, while adding $23.9 million to its allowance for loan losses. The provision for loan losses was entirely due to loan growth, including an increase in the utilization rate of business lines of credit to 37% at quarter-end, compared to 29% last quarter-end.

Continued Capital Strength and Access to Capital Markets

Total regulatory capital has grown 27.4% from a year ago.

The Bank's Common Equity Tier 1 ratio was 10.72% at June 30, 2017, compared to 10.74% a year ago.

During the second quarter, the Bank issued $200.0 million of 5.125% Noncumulative Perpetual Series H Preferred Stock, which qualifies as Tier 1 capital, and redeemed the $150.0 million 6.20% Noncumulative Perpetual Series B Preferred Stock.

During the second quarter, the Bank completed a public offering of $500.0 million of 2.50%, fixed-rate, 5-year term, unsecured senior notes.

Tangible Book Value Growth

Tangible book value per common share at June 30, 2017 was $37.83, up 16.3% from a year ago.

Continued Franchise Development

Strong Loan Originations

Loan originations were $7.3 billion for the quarter, our second best quarter for loan volume. Loan originations were up 12.1% compared to the second quarter a year ago primarily due to increases in single family, construction and business loans.

Loans, excluding loans held for sale, totaled $57.8 billion at June 30, 2017, up 11.1% for the first six months of 2017 and up 21.3% compared to a year ago.

Deposit Growth

Total deposits increased to $63.3 billion, up 8.0% for the first six months of 2017 and up 23.7% compared to a year ago.

At June 30, 2017, checking accounts totaled 63.4% of deposits.

The average rate paid on deposits was 0.18% during the quarter, compared to 0.15% for the prior quarter and 0.13% for the second quarter a year ago.

Investments

Total investment securities at June 30, 2017 were $16.9 billion, up 11.4% for the first six months of 2017 and up 45.6% compared to a year ago.

High-quality liquid assets, including eligible cash, represented 12.8% of average total assets for the second quarter of 2017 and totaled $9.9 billion at June 30, 2017.

Mortgage Banking Activity

During the second quarter, the Bank sold $439.8 million of loans and recorded a gain on sale of $841,000, compared to loan sales of $920.8 million and a gain of $822,000 during the second quarter of last year.

Loans serviced for investors at quarter-end totaled $11.8 billion, up 6.6% from a year ago. Net loan servicing fees for the quarter were $3.6 million, up 1.9% from a year ago.

Continued Expansion of Wealth Management

Wealth management revenues totaled $86.3 million for the quarter, up 22.2% compared to last year's second quarter. Such revenues represented 13.5% of the Bank's total revenues for the quarter.

Total wealth management assets were $95.4 billion at June 30, 2017, up 14.2% for the first six months of 2017 and up 25.9% 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 $47.5 billion, brokerage assets and money market mutual funds of $39.1 billion, and trust and custody assets of $8.8 billion.

Income Statement and Key Ratios

Highlights

Strong Revenue Growth

Total revenues were $641.3 million for the quarter, up 19.9% compared to the second quarter a year ago.

Continued Net Interest Income Growth

Net interest income was $532.0 million for the quarter, up 20.5% compared to the second 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 3.16% for the second quarter, compared to 3.13% for the prior quarter.

Noninterest Income

Noninterest income was $109.4 million for the quarter, up 17.0% compared to the second quarter a year ago. The increase was primarily from growth in wealth management revenues.

Noninterest Expense and Efficiency Ratio

Noninterest expense was $397.1 million for the quarter, up 24.1% from the second quarter of last year. The efficiency ratio was 61.9% for the quarter, compared to 63.0% for the prior quarter and 59.8% for the second quarter a year ago.

The increase in noninterest expense from the second quarter of last year was primarily due to increased salaries and benefits, information systems and occupancy costs from the continued investments in the expansion of the franchise.

Income Tax Rate

The Bank's effective tax rate for the second quarter of 2017 was 15.3%, compared to 17.2% for the prior quarter. The decrease in the effective tax rate resulted from increased tax benefits from vesting of share-based awards.

Conference Call Details

First Republic Bank's second quarter 2017 earnings conference call is scheduled for July 14, 2017 at 7:00 a.m. PT / 10:00 a.m. ET. To access the event by telephone, please dial (855) 224-3902 approximately 10 minutes prior to the start time (to allow time for registration) and use conference ID #39414733. International callers should dial (734) 823-3244 and enter the same conference ID number.

The call will also be broadcast live over the Internet and can be accessed in the Investor Relations section of First Republic's website at firstrepublic.com. 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 July 14, 2017, at 10:30 a.m. PT / 1:30 p.m. ET, through July 21, 2017, at 8:59 p.m. PT / 11:59 p.m. ET. To access the replay, dial (855) 859-2056 and use conference ID #39414733. International callers should dial (404) 537-3406 and enter the same conference ID number. A replay of the webcast also will be available for 90 days following the call, accessible in the Investor Relations section of First Republic Bank's website at firstrepublic.com.

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. 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 June 30, 2017	Quarter Ended June 30, 2016	Quarter Ended March 31, 2017	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
Interest income:					
Loans	$ 462,810	$ 383,431	$ 428,398	$ 891,208	$ 751,681
Investments	130,435	91,653	118,058	248,493	177,041
Other	2,784	2,931	3,371	6,155	5,746
Cash and cash equivalents	3,126	1,397	2,668	5,794	4,497
Total interest income	599,155	479,412	552,495	1,151,650	938,965
Interest expense:					
Deposits	26,355	16,390	22,051	48,406	32,898
Borrowings	40,836	21,404	30,759	71,595	40,134
Total interest expense	67,191	37,794	52,810	120,001	73,032
Net interest income	531,964	441,618	499,685	1,031,649	865,933
Provision for loan losses	23,938	14,200	9,088	33,026	18,692
Net interest income after provision for loan losses	508,026	427,418	490,597	998,623	847,241
Noninterest income:					
Investment management fees	68,819	55,168	60,895	129,714	107,928
Brokerage and investment fees	6,965	7,230	8,039	15,004	15,090
Trust fees	3,448	2,991	3,202	6,650	5,976
Foreign exchange fee income	7,081	5,244	5,861	12,942	10,562
Deposit fees	5,655	5,122	5,372	11,027	10,080
Loan and related fees	3,375	3,498	3,266	6,641	6,738
Loan servicing fees, net	3,577	3,512	2,771	6,348	7,261
Gain on sale of loans	841	822	3,364	4,205	2,225
Gain (loss) on investment securities, net	(602)	(187)	(1,435)	(2,037)	3,081
Income from investments in life insurance	9,538	9,513	9,635	19,173	18,539
Other income	675	544	489	1,164	1,227
Total noninterest income	109,372	93,457	101,459	210,831	188,707
Noninterest expense:					
Salaries and employee benefits	221,929	183,281	221,907	443,836	369,198
Information systems	51,053	36,170	45,770	96,823	71,207
Occupancy	33,631	28,269	33,366	66,997	55,917
Professional fees	12,236	12,105	11,165	23,401	25,476
FDIC assessments	13,601	9,800	13,150	26,751	19,400
Advertising and marketing	11,560	8,257	9,026	20,586	15,447
Amortization of intangibles	5,293	6,386	5,567	10,860	13,047
Other expenses	47,797	35,814	38,588	86,385	69,584
Total noninterest expense	397,100	320,082	378,539	775,639	639,276
Income before provision for income taxes	220,298	200,793	213,517	433,815	396,672
Provision for income taxes	33,698	35,796	36,743	70,441	74,180
Net income	186,600	164,997	176,774	363,374	322,492
Dividends on preferred stock	14,344	17,376	15,152	29,496	33,836
Net income available to common shareholders	$ 172,256	$ 147,621	$ 161,622	$ 333,878	$ 288,656
Basic earnings per common share	$ 1.10	$ 1.00	$ 1.04	$ 2.14	$ 1.97
Diluted earnings per common share	$ 1.06	$ 0.97	$ 1.01	$ 2.07	$ 1.90
Dividends per common share	$ 0.17	$ 0.16	$ 0.16	$ 0.33	$ 0.31
Weighted average shares—basic	157,302	147,208	155,012	156,163	146,586
Weighted average shares—diluted	162,335	152,602	160,433	161,390	152,152

CONSOLIDATED BALANCE SHEETS

($ in thousands)	As of June 30, 2017	As of March 31, 2017	As of June 30, 2016
ASSETS			
Cash and cash equivalents	$ 2,295,125	$ 2,756,385	$ 1,564,057
Investment securities available-for-sale	2,235,923	2,037,657	1,482,765
Investment securities held-to-maturity	14,642,402	13,934,204	10,110,596
Loans:			
Single family (1-4 units)	29,078,735	27,418,458	24,125,707
Home equity lines of credit	2,681,502	2,641,384	2,598,858
Multifamily (5+ units)	7,453,388	6,952,664	6,019,689
Commercial real estate	5,809,698	5,652,065	5,010,932
Single family construction	523,478	502,070	448,333
Multifamily/commercial construction	987,712	945,201	786,350
Business	7,981,609	6,897,282	6,382,154
Stock secured	994,413	907,576	781,780
Other secured	837,423	758,058	619,774
Unsecured	1,412,117	1,257,442	834,029
Total loans	57,760,075	53,932,200	47,607,606
Allowance for loan losses	(338,307)	(314,978)	(278,731)
Loans, net	57,421,768	53,617,222	47,328,875
Loans held for sale	202,348	178,226	438,911
Investments in life insurance	1,292,238	1,282,659	1,238,646
Tax credit investments	1,113,378	1,134,172	1,058,761
Prepaid expenses and other assets	1,146,712	955,055	971,236
Premises, equipment and leasehold improvements, net	260,308	236,774	181,647
Goodwill	203,177	203,177	171,616
Other intangible assets	101,539	106,832	124,354
Mortgage servicing rights	61,383	61,988	57,203
Other real estate owned	1,930	—	1,196
Total Assets	$ 80,978,231	$ 76,504,351	$ 64,729,863
LIABILITIES AND EQUITY			
Liabilities:			
Deposits:			
Noninterest-bearing checking	$ 25,769,912	$ 23,622,962	$ 19,586,815
Interest-bearing checking	14,374,273	14,731,109	12,866,658
Money market checking	9,019,626	8,769,899	6,511,313
Money market savings and passbooks	8,099,880	8,527,125	7,701,456
Certificates of deposit	6,030,015	5,556,153	4,495,001
Total Deposits	63,293,706	61,207,248	51,161,243
Short-term borrowings	150,000	100,000	950,000
Long-term FHLB advances	7,550,000	5,900,000	5,050,000
Senior notes	893,865	398,157	397,555
Subordinated notes	776,895	776,803	—
Debt related to variable interest entities	22,519	25,326	27,199
Other liabilities	1,031,163	1,008,072	837,653
Total Liabilities	73,718,148	69,415,606	58,423,650
Shareholders' Equity:			
Preferred stock	990,000	940,000	1,139,525
Common stock	1,577	1,571	1,497
Additional paid-in capital	3,525,283	3,547,447	2,959,168
Retained earnings	2,741,041	2,595,978	2,192,313
Accumulated other comprehensive income	2,182	3,749	13,710
Total Shareholders' Equity	7,260,083	7,088,745	6,306,213
Total Liabilities and Shareholders' Equity	$ 80,978,231	$ 76,504,351	$ 64,729,863

Average Balances, Yields and Rates	Quarter Ended June 30, 2017 Average Balance	Interest Income/ Expense (1)	Yields/ Rates (2)	2016 Average Balance	Interest Income/ Expense (1)	Yields/ Rates (2)	Quarter Ended March 31, 2017 Average Balance	Interest Income/ Expense (1)	Yields/ Rates (2)
($ in thousands)									
Assets:									
Cash and cash equivalents	$ 1,321,995	$ 3,126	0.95%	$ 1,214,206	$ 1,397	0.46%	$ 1,448,729	$ 2,668	0.75%
Investment securities	16,522,412	171,954	4.17%	11,680,140	122,641	4.20%	15,433,958	155,405	4.03%
Loans	55,752,697	474,401	3.39%	46,845,931	394,297	3.35%	53,090,033	439,654	3.32%
FHLB stock	221,393	2,784	5.04%	162,320	2,931	7.26%	161,310	3,371	8.48%
Total interest-earning assets	73,818,497	652,265	3.52%	59,902,597	521,266	3.47%	70,134,030	601,098	3.43%
Noninterest-earning cash	333,651			273,438			307,359		
Goodwill and other intangibles	307,275			299,036			312,628		
Other assets	3,258,671			2,965,106			3,168,192		
Total noninterest-earning assets	3,899,597			3,537,580			3,788,179		
Total Assets	$77,718,094			$63,440,177			$73,922,209		
Liabilities and Equity:									
Checking	$38,014,639	$ 1,435	0.02%	$31,969,559	$ 579	0.01%	$37,351,531	$ 1,126	0.01%
Money market checking and savings	16,336,980	7,130	0.18%	13,687,722	2,749	0.08%	16,299,170	4,989	0.12%
CDs	5,774,830	17,790	1.24%	4,423,240	13,062	1.19%	5,346,421	15,936	1.21%
Total deposits	60,126,449	26,355	0.18%	50,080,521	16,390	0.13%	58,997,122	22,051	0.15%
Short-term borrowings	1,433,516	3,698	1.03%	1,621,978	1,949	0.48%	121,945	519	1.72%
Long-term FHLB advances	6,541,209	24,439	1.50%	4,225,824	16,746	1.59%	5,786,111	20,615	1.44%
Senior notes (3)	534,418	3,469	2.60%	397,458	2,573	2.59%	398,058	2,577	2.59%
Subordinated notes (3)	776,850	9,093	4.68%	—	—	—%	590,688	6,915	4.68%
Other borrowings	25,147	137	2.20%	28,788	136	1.88%	25,876	133	2.05%
Total borrowings	9,311,140	40,836	1.76%	6,274,048	21,404	1.37%	6,922,678	30,759	1.79%
Total interest-bearing liabilities	69,437,589	67,191	0.39%	56,354,569	37,794	0.27%	65,919,800	52,810	0.32%
Noninterest-bearing liabilities	1,036,242			932,418			1,040,994		
Preferred equity	966,374			1,139,525			1,004,291		
Common equity	6,277,889			5,013,665			5,957,124		
Total Liabilities and Equity	$77,718,094			$63,440,177			$73,922,209		
Net interest spread (4)			3.13%			3.20%			3.11%
Net interest income (fully taxable-equivalent basis) and net interest margin (5)		$ 585,074	3.16%		$ 483,472	3.21%		$ 548,288	3.13%
Reconciliation of tax-equivalent net interest income to reported net interest income:									
Tax-equivalent adjustment		(53,110)			(41,854)			(48,603)	
Net interest income, as reported		$ 531,964			$ 441,618			$ 499,685	

(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.

(continued on following page)

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Average Balances, Yields and Rates	Six Months Ended June 30, 2017 Average Balance	2017 Interest Income/ Expense [(1)]	2017 Yields/ Rates [(2)]	2016 Average Balance	2016 Interest Income/ Expense [(1)]	2016 Yields/ Rates [(2)]
($ in thousands)						
Assets:						
Cash and cash equivalents	$ 1,385,012	$ 5,794	0.84%	$ 1,858,535	$ 4,497	0.49%
Investment securities	15,981,192	327,359	4.10%	11,120,721	236,710	4.26%
Loans	54,428,721	914,055	3.35%	45,731,980	773,300	3.36%
FHLB stock	191,517	6,155	6.48%	147,380	5,746	7.84%
Total interest-earning assets	71,986,442	1,253,363	3.48%	58,858,616	1,020,253	3.45%
Noninterest-earning cash	320,576			271,311		
Goodwill and other intangibles	309,937			302,312		
Other assets	3,213,682			2,956,579		
Total noninterest-earning assets	3,844,195			3,530,202		
Total Assets	$ 75,830,637			$ 62,388,818		
Liabilities and Equity:						
Checking	$ 37,684,917	2,561	0.01%	$ 31,876,177	1,112	0.01%
Money market checking and savings	16,318,179	12,119	0.15%	13,608,463	5,071	0.07%
CDs	5,561,809	33,726	1.22%	4,483,314	26,715	1.20%
Total deposits	59,564,905	48,406	0.16%	49,967,954	32,898	0.13%
Short-term borrowings	781,353	4,217	1.09%	863,736	2,329	0.54%
Long-term FHLB advances	6,165,746	45,054	1.47%	4,041,484	32,390	1.61%
Senior notes [(3)]	466,615	6,046	2.59%	397,359	5,145	2.59%
Subordinated notes [(3)]	684,284	16,008	4.68%	—	—	—%
Other borrowings	25,509	270	2.12%	29,031	270	1.86%
Total borrowings	8,123,507	71,595	1.77%	5,331,610	40,134	1.51%
Total interest-bearing liabilities	67,688,412	120,001	0.36%	55,299,564	73,032	0.27%
Noninterest-bearing liabilities	1,038,605			1,058,373		
Preferred equity	985,228			1,106,558		
Common equity	6,118,392			4,924,323		
Total Liabilities and Equity	$ 75,830,637			$ 62,388,818		
Net interest spread [(4)]			3.12%			3.18%
Net interest income (fully taxable-equivalent basis) and net interest margin [(5)]		$ 1,133,362	3.14%		$ 947,221	3.20%
Reconciliation of tax-equivalent net interest income to reported net interest income:						
Tax-equivalent adjustment		(101,713)			(81,288)	
Net interest income, as reported		$ 1,031,649			$ 865,933	

(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 June 30, 2017	Quarter Ended June 30, 2016	Quarter Ended March 31, 2017	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
($ in thousands)					
Net income to average assets [(1)]	0.96%	1.05%	0.97%	0.97%	1.04%
Net income available to common shareholders to average common equity [(1)]	11.01%	11.84%	11.00%	11.00%	11.79%
Dividend payout ratio	16.0%	16.5%	15.9%	16.0%	16.3%
Efficiency ratio [(2)]	61.9%	59.8%	63.0%	62.4%	60.6%
Net loan charge-offs	$ 609	$ 1,048	$ 508	$ 1,117	$ 1,019
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 June 30, 2017	Quarter Ended June 30, 2016	Quarter Ended March 31, 2017	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
($ in thousands)					
Loans sold:					
Flow sales:					
Agency	$ 34,261	$ 55,729	$ 49,732	$ 83,993	$ 115,957
Non-agency	72,829	46,114	56,202	129,031	97,689
Total flow sales	107,090	101,843	105,934	213,024	213,646
Bulk sales:					
Non-agency	332,735	818,920	539,821	872,556	1,184,819
Total loans sold	$ 439,825	$ 920,763	$ 645,755	$ 1,085,580	$ 1,398,465
Gain on sale of loans:					
Amount	$ 841	$ 822	$ 3,364	$ 4,205	$ 2,225
Gain as a percentage of loans sold	0.19%	0.09%	0.52%	0.39%	0.16%

Loan Servicing Portfolio	As of June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016
($ in millions)					
Loans serviced for investors	$ 11,791	$ 11,838	$ 11,655	$ 11,494	$ 11,061

Loan Originations	Quarter Ended June 30, 2017	Quarter Ended June 30, 2016	Quarter Ended March 31, 2017	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
($ in thousands)					
Single family (1-4 units)	$ 3,053,014	$ 2,933,128	$ 2,516,674	$ 5,569,688	$ 4,745,945
Home equity lines of credit	424,223	482,546	414,323	838,546	908,278
Multifamily (5+ units)	646,538	603,016	408,946	1,055,484	1,233,032
Commercial real estate	336,054	355,339	395,569	731,623	596,384
Construction	496,813	252,020	238,801	735,614	451,386
Business	1,654,184	1,248,255	952,428	2,606,612	1,905,461
Stock and other secured	450,674	368,242	483,522	934,196	866,213
Unsecured	236,884	266,480	230,874	467,758	603,974
Total loans originated	$ 7,298,384	$ 6,509,026	$ 5,641,137	$ 12,939,521	$ 11,310,673

Asset Quality Information	As of June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016
($ in thousands)					
Nonperforming assets:					
Nonaccrual loans	$ 43,384	$ 51,694	$ 49,020	$ 52,759	$ 57,953
Other real estate owned	1,930	—	—	1,196	1,196
Total nonperforming assets	$ 45,314	$ 51,694	$ 49,020	$ 53,955	$ 59,149
Nonperforming assets to total assets	0.06%	0.07%	0.07%	0.08%	0.09%
Accruing loans 90 days or more past due	$ —	$ —	$ —	$ 3,083	$ 451
Restructured accruing loans	$ 13,001	$ 14,224	$ 14,278	$ 13,968	$ 11,822

Book Value Ratios	As of June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016
(in thousands, except per share amounts)					
Number of shares of common stock outstanding	157,686	157,122	154,292	150,109	149,722
Book value per common share	$ 39.76	$ 39.13	$ 37.39	$ 35.34	$ 34.51
Tangible book value per common share	$ 37.83	$ 37.16	$ 35.35	$ 33.41	$ 32.53

	As of					
	2017			2016		
	June 30 (1)		March 31	December 31	September 30	June 30
Capital Ratios	Actual	Fully Phased-in (2)	Actual			
Tier 1 leverage ratio (Tier 1 capital to average assets)	8.99%	8.97%	9.22%	9.37%	9.26%	9.58%
Common Equity Tier 1 capital to risk-weighted assets	10.72%	10.63%	11.15%	10.83%	10.52%	10.74%
Tier 1 capital to risk-weighted assets	12.49%	12.39%	12.94%	13.07%	12.88%	13.23%
Total capital to risk-weighted assets	14.51%	14.41%	15.04%	14.46%	14.33%	13.86%
***Regulatory Capital* (3)**						
($ in thousands)						
Common Equity Tier 1 capital	$ 5,975,457	$ 5,949,749	$ 5,852,885	$ 5,496,582	$ 5,046,133	$ 4,916,224
Tier 1 capital	$ 6,960,057	$ 6,939,749	$ 6,788,885	$ 6,631,383	$ 6,180,343	$ 6,055,749
Total capital	$ 8,087,714	$ 8,067,406	$ 7,892,528	$ 7,337,725	$ 6,875,478	$ 6,346,692
***Assets* (3)**						
($ in thousands)						
Average assets	$ 77,419,255	$ 77,398,947	$ 73,624,461	$ 70,779,188	$ 66,758,108	$ 63,191,099
Risk-weighted assets	$ 55,730,798	$ 55,988,677	$ 52,476,984	$ 50,744,017	$ 47,969,927	$ 45,785,355

(1) Ratios and amounts as of June 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 June 30, 2017.

(3) As defined by regulatory capital rules.

Wealth Management Assets	As of June 30, 2017	As of March 31, 2017	As of December 31, 2016	As of September 30, 2016	As of June 30, 2016
($ in millions)					
First Republic Investment Management	$ 47,530	$ 44,573	$ 41,154	$ 40,103	$ 38,288
Brokerage and investment:					
Brokerage	37,658	35,397	32,218	31,058	28,644
Money market mutual funds	1,402	1,795	2,048	1,902	1,610
Total brokerage and investment	39,060	37,192	34,266	32,960	30,254
Trust Company:					
Trust	4,276	3,929	3,754	3,171	3,434
Custody	4,559	4,438	4,406	3,954	3,835
Total Trust Company	8,835	8,367	8,160	7,125	7,269
Total Wealth Management Assets	$ 95,425	$ 90,132	$ 83,580	$ 80,188	$ 75,811

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