FIRST REPUBLIC BANK

Basel III Regulatory Capital Disclosures

September 30, 2018

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1. Introduction

Explanatory Note

As used throughout this document, the terms “First Republic,” the “Bank,” “we,” “our” and “us” mean, except as the context indicates otherwise, First Republic Bank, a California-chartered commercial bank including all of its subsidiaries.

For references to disclosures contained within this report and in the Bank’s other regulatory disclosures and public filings, refer to “Exhibit A: Cross-Reference Table.” Included in Exhibit A are references to the Bank’s Annual Report on Form 10-K for the year ended December 31, 2017 (“2017 Form 10-K”), the Bank’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2018 (“Q3 2018 Form 10-Q”) and the Bank’s Consolidated Reports of Condition and Income as of September 30, 2018 (“9/30/2018 Call Report”).

Company Overview

Founded in 1985, First Republic Bank is a California-chartered commercial bank and trust company headquartered in San Francisco with deposits insured by the Federal Deposit Insurance Corporation (“FDIC”). First Republic and its subsidiaries offer private banking, private business banking and private wealth management, including investment, trust and brokerage services. As of September 30, 2018, we had total assets of $96.1 billion, total deposits of $74.8 billion, total equity of $8.7 billion and wealth management assets under management or administration of $131.0 billion.

As of September 30, 2018, we provided our services through 80 offices, of which 73 are Preferred Banking licensed deposit-taking offices primarily in the following areas: 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. We have 7 additional offices that offer exclusively lending, wealth management or trust services. We have been continuously headquartered in San Francisco since our inception.

Basis of Consolidation

The basis of consolidation used for regulatory reporting is the same as that used under the accounting principles generally accepted in the United States (“GAAP”). There are no subsidiaries that are deconsolidated or deducted from total capital.

See “Basis of Presentation and Organization” in Note 1, "Summary of Significant Accounting Policies" in “Item 1. Financial Statements” in the Q3 2018 Form 10-Q for more information on the basis of consolidation.

Restrictions on the Transfer of Funds or Regulatory Capital

There are no material restrictions or other major impediments on transfer of funds or total capital within the consolidated group.

Capital of Insurance Subsidiaries

The Bank does not have any insurance subsidiaries.

Compliance with Capital Requirements

As of September 30, 2018, First Republic had capital levels in excess of the minimum regulatory capital requirements and was “well-capitalized” under the prompt corrective action requirements currently in effect. For further detail on capital ratios, see “Capital Resources” in “Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the Q3 2018 Form 10-Q. At September 30, 2018, each regulated subsidiary met all capital requirements to which it was subject.

2. Capital Structure

Common equity (i.e., common stock, capital surplus, and retained earnings) is the primary component of the Bank's capital structure. Common equity allows for the absorption of losses on an ongoing basis and is available for this purpose. Further, common equity allows for the conservation of resources during periods of stress, as it provides First Republic with discretion on the amount and timing of dividends and other distributions. However, regulators and rating agencies include forms of capital other than common equity (e.g., preferred stock and subordinated debt) in their calculations of capital adequacy. Such forms of capital are included in the Bank's Tier 1 capital and total capital under the final rule that was issued jointly by the federal banking agencies in July 2013 and that established a new comprehensive capital framework for U.S. banking organizations (the "Basel III Capital Rules").

The terms and conditions of the Bank's capital instruments are described in the following sections of the Bank's Q3 2018 Form 10-Q:

- Common Equity Tier 1 ("CET1") capital — Common stock terms and conditions are described in Note 11, "Common Stock and Stock Plans" in "Item 1. Financial Statements."
- Additional Tier 1 capital — Preferred stock terms and conditions are described in Note 10, "Preferred Stock" in "Item 1. Financial Statements."
- Tier 2 capital — Subordinated notes terms and conditions are described in Note 7, "Borrowings" in "Item 1. Financial Statements."

The following table presents the components of First Republic's capital structure:

Table 2.1: Capital Structure

($ in thousands)	September 30, 2018
Shareholders' equity:	
Preferred stock	$ 1,140,000
Common stock	1,648
Additional paid-in capital (surplus)	4,000,146
Retained earnings	3,546,298
Accumulated other comprehensive loss	(21,405)
Shareholders' equity	8,666,687
CET1 capital adjustments and deductions:	
Preferred stock	(1,140,000)
Goodwill and other intangible assets, net of deferred taxes	(264,378)
Deferred tax assets that arise from net operating loss and tax credit carryforwards, net of deferred tax liabilities	(125,671)
Accumulated other comprehensive loss	21,405
CET1 capital	7,158,043
Preferred stock	1,140,000
Additional Tier 1 capital	1,140,000
Tier 1 capital	8,298,043
Tier 2 capital instruments—subordinated notes	777,376
Qualifying allowance for loan losses	429,625
Tier 2 capital	1,207,001
Total risk-based capital	$ 9,505,044

3. Capital Adequacy

The Bank is committed to developing and maintaining a robust capital planning process based on current regulatory guidance. The objectives of the Bank's capital planning process are to (a) establish and refine capital goals, (b) determine appropriate capital targets and composition of capital, (c) make decisions about capital actions, and (d) maintain contingency capital plans. The Bank begins its capital planning process with its annual business planning process, including a rolling, multi-year projection of its balance sheet, income statement and key operating and capital ratios based on the current and expected state of the economy and expected growth and investment plans.

The business plan allows the Bank to project a baseline case and thereby estimate balance sheet growth, expected earnings and capital resources under normal business conditions.

On an annual basis, the Bank undertakes an enterprise-wide capital stress test in order to (a) translate risk measures into estimates of potential losses over a range of stressful scenarios, (b) define available capital resources under baseline, adverse and severely adverse scenarios provided by our regulators, and (c) bring together estimates of losses and capital resources under the given scenarios to assess the combined impact on capital adequacy in relation to the Bank's business plans and stated goals for the level and composition of capital and proposed capital actions.

Senior management and the Board of Directors of the Bank (the "Board") utilize stress testing to better understand the loss-absorption capabilities of the Bank's capital base and to better plan the Bank's capital actions, including new capital issuances and the payment of cash dividends on its common stock. In analyzing the Bank's performance and capital adequacy under stress, the Bank analyzes quarterly projected capital ratios under both adverse and severely adverse economic scenarios and compares the results to projected capital ratios under its business plan. The Bank's enterprise-wide capital stress testing activities are designed to comply with all relevant regulatory requirements.

In its capital adequacy assessment, the Bank also incorporates current and pending regulatory requirements, factors in material risks, and builds in appropriate capital buffers to manage against the impact of what we believe to be reasonably foreseeable sources of uncertainty and we seek to ensure adequate capital under a range of scenarios and capital requirements. All assessments of capital adequacy and our associated modeling are informed by current and relevant analysis and are subject to challenge by senior management and the Board and to regulatory examination and oversight.

The Bank maintains internal controls governing its business planning and capital adequacy assessment processes. Such controls include appropriate policies and procedures, change control processes, model validation, comprehensive documentation, and review by internal audit. The primary objective of such controls and governance procedures is to provide a consistent, thoughtful, transparent, and reviewed process for (a) generating a baseline set of business projections, and (b) estimating hypothetical losses and capital levels under various scenarios including stress. The Bank believes that its validation and review processes for models used in our capital adequacy process are both consistent with supervisory guidance on model risk management and appropriate for the Bank's size, complexity, and degree of reliance on models, although there can be no assurance this will be the case under all circumstances.

First Republic is not subject to the Market Risk requirements under subpart F of the Basel III Capital Rules (the "Market Risk Capital Rule").

For additional information related to capital requirements, see "Capital Requirements" in "Item 1. Business—Supervision and Regulation" in our 2017 Form 10-K and "Capital Resources" in "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Q3 2018 Form 10-Q. First Republic Bank is the top tier parent company of our corporate group and has no bank holding company or any depository institution subsidiaries.

The following table presents risk-weighted assets by exposure types:

Table 3.1: Basel III Standardized Approach Risk-Weighted Assets

($ in thousands)	September 30, 2018
On-balance sheet assets:	
Exposures to sovereign entities [1]	$ 42,014
Exposures to certain supranational entities and multilateral development banks (“MDBs”)	—
Exposures to depository institutions, foreign banks, and credit unions	23,020
Exposures to public sector entities (“PSEs”) [2]	5,575,444
Exposures to government-sponsored enterprises (“GSEs”)	839,571
Corporate exposures	21,821,391
Residential mortgage exposures	20,397,305
Statutory multifamily mortgages and pre-sold construction loans	985,416
High volatility commercial real estate (“HVCRE”) loans	540,178
Past due loans	49,064
Other loans	5,947,051
Other assets	2,494,295
Cleared transactions	—
Default fund contributions	—
Unsettled transactions	—
Securitization exposures	5,002
Equity exposures	1,651,662
Off-balance sheet exposures:	
Loan commitments	7,655,583
Letters of credit	329,347
Derivative contracts	14,287
Total Standardized Approach Risk-Weighted Assets	$ 68,370,630

[1] Represents exposures to the U.S. Government and U.S. Government agencies.

[2] Represents exposures to U.S. states and political subdivisions.

The following table presents the Bank’s risk-based capital ratios:

Table 3.2: Capital Ratios

	September 30, 2018
CET1 capital	10.47%
Tier 1 capital	12.14%
Total capital	13.90%

4. Capital Conservation Buffer

A "capital conservation buffer" is also required under the Basel III Capital Rules. The capital conservation buffer is designed to absorb losses during periods of economic stress. Banking institutions with a ratio of CET1 to risk-weighted assets above the minimum requirement but below the capital conservation buffer will face constraints on dividends, equity repurchases and compensation based on the amount of the shortfall. The implementation of the capital conservation buffer began on January 1, 2016 at 0.625% and will be phased in over a four-year period (increasing by that amount on each subsequent January 1, until it reaches 2.5% on January 1, 2019). Thus, when fully phased in on January 1, 2019, the Bank will be required to maintain this additional capital conservation buffer of 2.5% of risk-weighted assets.

The capital conservation buffer of a banking organization is the lowest of the following three ratios:

- The common equity tier 1 capital ratio minus its minimum common equity tier 1 capital ratio;
- The tier 1 capital ratio minus its minimum tier 1 capital ratio; and
- The total capital ratio minus its minimum total capital ratio.

The following table presents the minimum requirements for the capital conservation buffer under the Basel III Capital Rules:

	January 1,	
	2018	**2019**
Capital conservation buffer	1.875%	2.5%

The following table presents the capital conservation buffer calculations for the Bank:

	September 30, 2018		
	Capital Ratios	**Minimum Capital Ratios**	**Capital Conservation Buffer**
CET1 capital	10.47%	4.50%	5.97%
Tier 1 capital	12.14%	6.00%	6.14%
Total capital	13.90%	8.00%	5.90%

As of September 30, 2018, First Republic's capital conservation buffer was 5.90%, which exceeded both the transitional buffer of 1.875% and the fully phased-in minimum requirement of 2.5%.

There were no limitations on the Bank's distributions or discretionary bonus payments resulting from the capital conservation buffer framework. As of September 30, 2018, the Bank's eligible retained income was $637.4 million.

5. Credit Risk

Loans

The following credit risk policies are described in Note 1, "Summary of Significant Accounting Policies" in "Item 8. Financial Statements and Supplementary Data" in the 2017 Form 10-K and in "Asset Quality" in "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 3, "Loans and Allowance for Loan Losses" in "Item 1. Financial Statements" in the Q3 2018 Form 10-Q:

- Policy for determining past due or delinquency status
- Policy for placing loans on nonaccrual status
- Policy for returning loans to accrual status
- Definition of and policy for identifying impaired loans
- Methodology for estimating allowance for loan losses
- Policy for charging off uncollectible amounts

The majority of the Bank's loan portfolio is secured by real estate. A decline in real estate values can negatively impact our ability to recover our investment should the borrower become delinquent. We safeguard against this risk by rarely exceeding a loan-to-value ratio of 80% with respect to real estate lending. Discussion of the Bank's credit risk management process is presented in "Lending Activities—Underwriting" and "Lending Activities—Credit Risk Management" in "Item 1. Business" in the 2017 Form 10-K.

The following table presents the geographical distribution of total loan commitments. The location is based on the property address for real estate secured loans, and the borrower's mailing address for other loans.

Table 5.1: Total Loan Commitment by Geographic Location

	September 30, 2018									
				Percent of Total Commitment						
($ in thousands)	Unpaid Principal Balance	Unfunded Commitment	Total Commitment	San Francisco Bay Area	New York Metro Area	Los Angeles Area	Boston Area	San Diego Area	Other	Total
Single family (1-4 units) [(1)]	$ 36,106,111	$ —	$ 36,106,111	15.2%	8.6%	6.5%	4.0%	1.2%	3.2%	38.7%
Home equity lines of credit	2,527,627	5,195,141	7,722,768	3.9%	1.2%	1.4%	0.9%	0.2%	0.6%	8.2%
Multifamily (5+ units) [(1)]	10,057,776	217,742	10,275,518	4.8%	2.2%	1.8%	0.3%	0.9%	0.9%	10.9%
Commercial real estate	6,472,451	257,588	6,730,039	3.2%	1.3%	1.3%	0.3%	0.2%	0.9%	7.2%
Single family construction	658,132	666,823	1,324,955	0.5%	0.2%	0.3%	0.1%	0.1%	0.1%	1.3%
Multifamily/commercial construction	1,431,836	1,223,169	2,655,005	0.7%	0.4%	0.9%	0.1%	0.2%	0.5%	2.8%
Business	10,404,772	9,793,918	20,198,690	8.4%	5.3%	2.8%	1.5%	0.5%	3.1%	21.6%
Stock secured	1,369,510	2,154,702	3,524,212	0.8%	0.5%	0.8%	0.4%	0.1%	1.2%	3.8%
Other secured	1,101,236	905,988	2,007,224	0.5%	0.9%	0.1%	0.2%	0.0%	0.5%	2.2%
Unsecured	2,395,131	620,169	3,015,300	1.0%	0.9%	0.7%	0.3%	0.1%	0.3%	3.3%
Total	$ 72,524,582	$ 21,035,240	$ 93,559,822	39.0%	21.5%	16.6%	8.1%	3.5%	11.3%	100.0%

(1) Includes loans held for sale.

The following table presents the geographical distribution of the recorded investment in impaired loans and allowance on impaired loans:

Table 5.2: Recorded Investment in Impaired Loans by Geographic Location and Allowance on Impaired Loans

	September 30, 2018						
($ in thousands)	**San Francisco Bay Area**	**New York Metro Area**	**Los Angeles Area**	**Boston Area**	**San Diego Area**	**Other**	**Total**
Impaired Loans with No Related Allowance							
Single family (1-4 units)	$ 7,693	$ 7,669	$ 3,547	$ 3,774	$ —	$ 1,743	$ 24,426
Home equity lines of credit	2,059	4,949	1,108	2,539	1,250	763	12,668
Multifamily (5+ units)	14,606	—	—	—	—	—	14,606
Commercial real estate	—	—	—	—	—	1,998	1,998
Business	1,918	—	5,338	—	—	—	7,256
Unsecured	17	—	—	—	—	—	17
Total	26,293	12,618	9,993	6,313	1,250	4,504	60,971
Impaired Loans with Related Allowance							
Home equity lines of credit	—	—	—	—	785	—	785
Commercial real estate	—	—	—	—	—	4,500	4,500
Business	4,796	—		—	—	—	4,796
Total	4,796	—	—	—	785	4,500	10,081
Total impaired loans	$ 31,089	$ 12,618	$ 9,993	$ 6,313	$ 2,035	$ 9,004	$ 71,052
Allowance on impaired loans	$ 206	$ —	$ —	$ —	$ 31	$ 239	$ 476

The following table presents the geographical distribution of the recorded investment in past due loans:

Table 5.3: Recorded Investment in Past Due Loans by Geographic Location

	September 30, 2018						
($ in thousands)	**San Francisco Bay Area**	**New York Metro Area**	**Los Angeles Area**	**Boston Area**	**San Diego Area**	**Other**	**Total**
30 - 89 Days Past Due							
Single family (1-4 units)	$ 1,352	$ 11,744	$ 516	$ —	$ —	$ 622	$ 14,234
Home equity lines of credit	2,229	1,492	127	—	2,049	95	5,992
Single family construction	—	—	—	—	1,989	—	1,989
Business	55	—	—	—	—	—	55
Unsecured	268	155	—	—	—	167	590
Total	3,904	13,391	643	—	4,038	884	22,860
90 Days or More Past Due [(1)]							
Single family (1-4 units)	726	3,925	1,810	2,193	—	—	8,654
Home equity lines of credit	—	575	—	264	—	—	839
Business	—	—	5,338	—	—	—	5,338
Total	726	4,500	7,148	2,457	—	—	14,831
Total Past Due Loans	$ 4,630	$ 17,891	$ 7,791	$ 2,457	$ 4,038	$ 884	$ 37,691

[(1)] All loans are nonaccrual.

The following table presents the remaining contractual maturities of loans and unfunded loan commitments:

Table 5.4: Remaining Contractual Maturities of Loans and Unfunded Loan Commitments

	September 30, 2018			
($ in thousands)	**1 Year or Less**	**>1 to 5 Years**	**> 5 Years**	**Total**
Loans (unpaid principal balance) [(1)]	$ 7,892,375	$ 6,668,236	$ 57,963,971	$ 72,524,582
Unfunded loan commitments	11,276,072	4,047,098	5,712,070	21,035,240
Total	$ 19,168,447	$ 10,715,334	$ 63,676,041	$ 93,559,822

[(1)] Includes loans held for sale.

The following table presents information for business, multifamily and commercial real estate loans by industry or type. For information on other loan categories, refer to Note 3, "Loans and Allowance for Loan Losses" in "Item 1. Financial Statements" in the Q3 2018 Form 10-Q.

Table 5.5: Business, Multifamily and Commercial Real Estate Loans: Total Commitment by Industry or Type and Recorded Investment in Past Due, Nonaccrual and Impaired Loans by Industry or Type

	September 30, 2018							
					Impaired Loans			
		Recorded Investment			Recorded Investment			
($ in thousands)	Total Commitment	30 - 89 Days Past Due	90 Days or More Past Due	Nonaccrual	Total Recorded Investment	With No Allowance	With Allowance	Related Allowance
Business								
Private Equity/Venture Capital Funds	$ 11,910,247	$ —	$ —	$ 1,785	$ 1,785	$ 1,785	$ —	$ —
Schools/Non-profit Organizations	4,058,693	—	—		4,796	—	4,796	206
Investment Firms	892,142	—	—	—	—	—	—	—
Entertainment Industry	720,511	—	5,338	5,338	5,338	5,338	—	—
Real Estate Related Entities	766,273	—	—	—	133	133	—	—
Professional Service Firms	437,938	55	—	216	—	—	—	—
Aviation/Marine	293,185	—	—	—	—	—	—	—
Vineyard/Wine	243,564	—	—	—	—	—	—	—
Clubs and Membership Organizations	195,533	—	—	—	—	—	—	—
Other	680,604	—	—	40	—	—	—	—
Total	$ 20,198,690	$ 55	$ 5,338	$ 7,379	$ 12,052	$ 7,256	$ 4,796	$ 206
Multifamily and Commercial Real Estate								
Multifamily [(1)]	$ 10,275,518	$ —	$ —	$ 4,312	$ 14,606	$ 14,606	$ —	$ —
Mixed Use	1,752,991	—	—	—	—	—	—	—
Retail	1,741,453	—	—	—	4,500	—	4,500	239
Office	1,434,050	—	—	271	—	—	—	—
Warehouse/Industrial	630,752	—	—	—	—	—	—	—
Hotel/Motel	400,296	—	—	—	—	—	—	—
Healthcare Facility	221,284	—	—	—	—	—	—	—
Other	549,213	—	—	—	1,998	1,998	—	—
Total	$ 17,005,557	$ —	$ —	$ 4,583	$ 21,104	$ 16,604	$ 4,500	$ 239

(1) Includes loans held for sale.

Investment Securities

The Bank conducts a regular assessment of its investment securities portfolio to determine whether securities are other-than-temporarily impaired considering, among other factors, the nature of the securities, credit ratings or financial condition of the issuer, the extent and duration of the unrealized loss, expected cash flows, market conditions and the Bank's ability to hold the securities through the anticipated recovery period.

For information on credit exposures related to investment securities, refer to Note 2, "Investment Securities" in "Item 1. Financial Statements" in the Q3 2018 Form 10-Q.

6. Counterparty Credit Risk-Related Exposures

The Bank has exposure to various counterparties and routinely executes transactions with the Bank's clients and counterparties in the financial services industry, including commercial banks, brokers, dealers and investment banks. Such transactions may expose the Bank to credit risk in the event of a default by a counterparty. In addition, the Bank's credit risk may be increased in the event that any collateral that the Bank holds cannot be realized upon or is liquidated at prices not sufficient to recover the full amount of the credit or derivative exposure due to the Bank. The Bank posts collateral to certain counterparties to secure exposures to those counterparties. These collateral agreements do not require that additional collateral be posted in the event that the Bank experiences a deterioration in its creditworthiness. In accordance with internal policy on limitations on counterparty exposures, the Bank evaluates its collateral positions on a regular basis as part of its ongoing monitoring of counterparty exposures.

Foreign Exchange Contracts

The Bank has freestanding derivative assets and liabilities, which consist of foreign exchange contracts executed with clients in which the Bank offsets the customer exposure with a financial institution counterparty. The Bank does not retain significant foreign exchange risk. The Bank does not conduct proprietary trading activities in derivative instruments for its own accounts.

Counterparties in foreign exchange derivative contracts are either First Republic clients or financial institution counterparties. The Bank is exposed to the risk that the client or financial institution counterparty will not fulfill its transaction obligations. Such credit risk is not significant and is typically addressed by establishing a credit limit for the client or financial institution.

Client credit limits are based primarily on credit guidelines established and monitored by the Bank and take into account the client's outstanding debt and general creditworthiness, and collateral held by the Bank. Financial institution counterparty credit risk is managed through credit, contract and settlement limits established and monitored by the Bank. To mitigate this risk, the Bank enters into master netting and bilateral collateral agreements with financial institution counterparties. These agreements allow the Bank to settle its derivative contracts with such counterparties on a net basis and to offset the net derivative exposure against the related collateral in the event of default. Daily collateral management activities are performed by the Bank in accordance with bilateral netting agreements. Currently, the primary form of collateral related to foreign exchange contracts with clients and financial institution counterparties is cash.

Interest Rate Contracts

The Bank originates certain mortgage loans with the intention of selling these loans to investors. The Bank enters into commitments to originate the loans whereby the interest rate on the loan paid by the borrower is set prior to funding ("interest rate lock commitments"). Such interest rate lock commitments are accounted for as freestanding derivative instruments that do not qualify as hedges. However, the interest rate exposure is economically hedged by the forward loan sale commitment to the investor. Credit risk associated with these interest rate contracts is nominal.

The following table presents the Bank's over-the-counter derivatives:

Table 6.1: Over-the-Counter Derivatives

	September 30, 2018		
($ in thousands)	**Notional or Contractual Amount [1]**	**Fair Value [1]**	**Net Unsecured Credit Exposure [2]**
Foreign exchange contracts	$ 3,018,497	$ 17,333	$ 1,755
Interest rate contracts	7,623	5	5
Total over-the-counter derivatives	$ 3,026,120	$ 17,338	$ 1,760

(1) Excludes written options and spot contracts for regulatory capital purposes.

(2) Represents the amount of credit exposure that is reduced due to the netting of offsetting positive and negative exposures where a valid master netting agreement exists, and collateral is held.

Collateral Held

With respect to the Bank's counterparty credit risk, the primary form of collateral is cash. At September 30, 2018, the fair value of cash collateral accepted by the Bank as part of foreign exchange derivative activities was $13.4 million.

7. Credit Risk Mitigation

The Bank uses various strategies to mitigate counterparty credit risk, including establishing credit risk appetite measures and setting internal policy limits on acceptable levels of exposure to each counterparty, although there can be no assurance that these strategies will be successful under all circumstances. The Bank also obtains collateral from derivatives counterparties to manage overall credit risk. Refer to Section 6. "Counterparty Credit Risk-Related Exposures—Collateral Held" within this document for discussion of collateral related to derivative counterparties.

Certain exposures within the Bank's investment securities portfolio are issued or guaranteed by the U.S. Government, U.S. Government agencies or U.S. Government-sponsored agencies. The following table presents the investment securities exposures that are covered by guarantees and the risk-weighted asset amount associated with such exposures:

Table 7.1: Exposures Covered by Guarantees

	September 30, 2018	
($ in thousands)	**Exposure Amount [1]**	**Risk-Weighted Asset Amount**
Available-for-sale:		
Agency residential mortgage-backed securities ("MBS") [2]	$ 28,118	$ 3,764
Agency commercial MBS [2]	1,954,053	244,307
Held-to-maturity:		
U.S. Government-sponsored agency securities	1,044,907	208,981
Agency residential MBS [2]	1,912,596	382,519
Agency commercial MBS [2]	3,403,383	—
Total	$ 8,343,057	$ 839,571

[1] Since the Bank has made the accumulated other comprehensive income ("AOCI") opt-out election, the available-for-sale exposure amounts for purposes of risk weighting is the carrying value of the security less any unrealized gain on the exposure plus any unrealized loss on the exposure included in AOCI.

[2] Issued or guaranteed by U.S. Government agencies or U.S. Government-sponsored agencies.

8. Securitization

The disclosures in this section refer to the Bank's securitization exposures and the regulatory capital on these exposures calculated according to the Basel III Capital Rules. Currently, the Bank is not involved in securitization activities, however, the Bank has investments in non-agency residential mortgage backed securities created by third parties, which totaled $4.7 million as of September 30, 2018.

The Bank calculates the regulatory capital requirements in accordance with the Simplified Supervisory Formula Approach ("SSFA") to determine risk-weighted assets for its securitization exposures, which considers the Bank's seniority in the securitization structure and risk factors inherent in the underlying assets.

The following table presents the Bank's securitization exposures by risk weight range for the non-agency residential mortgage-backed securities created by third parties:

Table 8.1: Securitization Exposures by Risk Weight Range

	September 30, 2018		
($ in thousands)	On-Balance Sheet Exposure [1]	Risk-Weighted Asset Amount (SSFA)	Capital Requirement [2]
0% through 100%	$ 587	$ 567	$ 45
Greater than 100% through 1,250%	4,101	4,435	355
Total	$ 4,688	$ 5,002	$ 400

[1] Since the Bank has made the AOCI opt-out election, the available-for-sale exposure amounts for purposes of risk weighting is the carrying value of the security less any unrealized gain on the exposure plus any unrealized loss on the exposure included in AOCI.

[2] Calculated by multiplying the risk-weighted asset by the total risk-based capital ratio of 8%, which represents the minimum to be adequately capitalized.

9. Equity Exposures not Subject to Market Risk Capital Rule

The Bank's equity exposures, which are not subject to the Market Risk Capital Rule, include the following investments:

Federal Home Loan Bank ("FHLB") stock: FHLB stock is redeemable at par and recorded at cost, which approximates fair value. FHLB stock is a statutory investment required by regulation as part of FHLB membership.

Low income housing tax credit investments: Low income housing tax credit investments are accounted for using a proportional amortization method, whereby the initial cost of the Bank's low income housing tax credit investments is amortized over the life of the investment. Under the proportional amortization method, amortization expense recognized in each period is based on the amount of tax credits and other tax benefits for the period as a percentage of expected total tax credits and other tax benefits of the investment. Amortization expense is presented as a component of provision for income taxes on the statement of income. Such investments are designed to generate a return primarily through the realization of federal tax credits.

Investments in mutual funds and marketable equity securities: Mutual funds and marketable equity securities have readily determinable fair values and are recorded at fair value, with changes in fair value recognized in earnings.

Other investments: Other investments consist of equity investments without readily determinable fair values. These investments are accounted for under the equity method or at cost less impairment, adjusted for observable price changes of the same or similar investment. Equity method investments are recorded at cost and subsequently adjusted for allocated earnings or losses, as well as for cash distributions. Such investments are periodically evaluated for impairment.

Latent revaluation gains and losses are unrealized gains and losses, which are not recognized in the Bank's balance sheets or statements of income and comprehensive income. Since the carrying value of the Bank's equity method investments and non-marketable equity securities approximates their fair value, management believes that any unrealized latent revaluation gains or losses that may exist are immaterial.

Investments in separate account bank-owned life insurance ("BOLI"): Investments in separate account BOLI are initially recorded at cost and the carrying value of the investment is subsequently adjusted quarterly to its cash surrender value. The Bank recognizes the resulting income or loss in noninterest income. The carrying amount of investments in separate account BOLI reflects the total cash surrender value of each policy, which approximates fair value.

The following table presents capital requirements for equity exposures:

Table 9.1: Equity Exposures by Type and Risk Weight

	September 30, 2018			
($ in thousands)	Non-Publicly Traded Exposures [1]	Publicly Traded Exposures [1]	Risk-Weighted Asset Amount	Capital Requirements [2]
Simple Risk Weight Approach: [3]				
20% risk weight:				
FHLB stock	$ 298,856	$ —	$ 59,771	$ 4,782
100% risk weight:				
Low income housing tax credit investments	1,074,834	—	1,074,834	85,987
Marketable equity securities	—	1,957	1,957	157
Other investments	41,299	—	41,299	3,304
Other Risk-Weighting Approaches: [4]				
Investments in BOLI—separate account	29,476	—	368,447	29,476
Mutual funds	—	17,164	3,433	275
Total	$ 1,444,465	$ 19,121	$ 1,549,741	$ 123,981

(1) For non-publicly traded exposures, the amount represents cost. For publicly traded exposures, the amount represents fair value.

(2) Calculated by multiplying the risk-weighted asset by the total risk-based capital ratio of 8%, which represents the minimum to be adequately capitalized.

(3) The Bank applies the simple risk-weight approach to equity exposures that are not mutual funds or other investment funds.

(4) The Bank applies the full look-through, simple modified look-through or alternative modified look-through approach to equity exposures that are mutual funds and other investment funds.

There were no net realized gains or losses arising from sales and liquidations of any equity exposures for the quarter ended September 30, 2018.

10. Interest Rate Risk for Non-Trading Activities

See "Interest Rate Risk Management" in "Item 3. Quantitative and Qualitative Disclosures About Market Risk" in the Q3 2018 Form 10-Q for information on interest rate risk for non-trading activities.

Information Regarding Forward-Looking Statements

This document, our 2017 Form 10-K and our Q3 2018 Form 10-Q contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Statements in this document, our 2017 Form 10-K and our Q3 2018 Form 10-Q 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 (the "Exchange Act"). 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. Accordingly, these statements are only predictions and involve estimates, known and unknown risks, assumptions and uncertainties. Our actual results could differ materially from those anticipated in such forward-looking statements as a result of risks and uncertainties more fully described in the risk factors in our 2017 Form 10-K and Q3 2018 Form 10-Q.

Forward-looking statements involving such risks and uncertainties include, but are not limited to, statements regarding: projections of loans, assets, deposits, liabilities, revenues, expenses, tax liabilities, net income, capital expenditures, liquidity, dividends, capital structure, investments or other financial items; expectations regarding the banking and wealth management industries; descriptions of plans or objectives of management for future operations, products or services; forecasts of future economic conditions generally and in our market areas in particular, which may affect the ability of borrowers to repay their loans and the value of real property or other property held as collateral for such loans; our opportunities for growth and our plans for expansion (including opening new offices); expectations about the performance of any new offices; projections about the amount and the value of intangible assets, as well as amortization of recorded amounts; future provisions for loan losses, changes in nonperforming assets, impairment of investments and our allowance for loan losses; projections about future levels of loan originations or loan repayments; projections regarding costs, including the impact on our efficiency ratio; and descriptions of assumptions underlying or relating to any of the foregoing. Factors that could cause actual results to differ from those discussed in the forward-looking statements include, but are not limited to: significant competition to attract and retain banking and wealth management customers, from both traditional and non-traditional financial services and technology companies; our ability to recruit and retain key managers, employees and board members; the possibility of earthquakes, fires 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 impact of tax reform legislation; the phase-in of capital requirements under the Basel III framework, and any future changes to regulatory capital requirements; legislative and regulatory actions affecting us and the financial services industry, such as the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), including increased compliance costs, limitations on activities and requirements to hold additional capital, as well as changes to the Dodd-Frank Act pursuant to the Economic Growth, Regulatory Relief, and Consumer Protection Act; 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 the risk factors in our 2017 Form 10-K and Q3 2018 Form 10-Q and any subsequent reports filed by First Republic under the Exchange Act. These filings are available in the Investor Relations section of our website. All forward-looking statements are necessarily only estimates of future results, and there can be no assurance that actual results will not differ materially from expectations, and, therefore, you are cautioned not to place undue reliance on such statements. Any forward-looking statements are qualified in their entirety by reference to the factors discussed in our 2017 Form 10-K and Q3 2018 Form 10-Q and our other public filings under the Exchange Act. 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.

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Exhibit A: Cross-Reference Table

	Disclosure Requirement	Disclosure Location	Basel III Regulatory Capital Disclosures Page	Form 10-K/10-Q Page
Table 1 - Scope of Application				
Qualitative Disclosures				
(a)	The name of the top corporate entity in the group to which subpart D of this part applies.	**Basel III Regulatory Capital Disclosures:** 1. Introduction **2017 Form 10-K:** - Item 1. Business—General **Q3 2018 Form 10-Q:** - Item 1. Financial Statements: Note 1. Summary of Significant Accounting Policies	3	 5 7
(b)	A brief description of the differences in the basis for consolidating entities for accounting and regulatory purposes, with a description of those entities: (1) That are fully consolidated; (2) That are deconsolidated and deducted from total capital; (3) For which the total capital requirement is deducted; and (4) That are neither consolidated nor deducted (for example, where the investment in the entity is assigned a risk weight in accordance with this subpart).	Not applicable. The Bank does not have a difference in the basis of consolidation for accounting and regulatory purposes. **Basel III Regulatory Capital Disclosures:** 1. Introduction	3	
(c)	Any restrictions, or other major impediments, on transfer of funds or total capital within the group.	**Basel III Regulatory Capital Disclosures:** 1. Introduction	3	
Quantitative Disclosures				
(d)	The aggregate amount of surplus capital of insurance subsidiaries included in the total capital of the consolidated group.	Not applicable. The Bank does not have insurance subsidiaries. **Basel III Regulatory Capital Disclosures:** 1. Introduction	3	
(e)	The aggregate amount by which actual total capital is less than the minimum total capital requirement in all subsidiaries, with total capital requirements and the name(s) of the subsidiaries with such deficiencies.	Not applicable. Actual total capital exceeds the minimum total capital requirements. **Basel III Regulatory Capital Disclosures:** 1. Introduction	3	
Table 2 - Capital Structure				
Qualitative Disclosures				
(a)	Summary information on the terms and conditions of the main features of all regulatory capital instruments.	**Basel III Regulatory Capital Disclosures:** 2. Capital Structure **Q3 2018 Form 10-Q:** - Item 1. Financial Statements: Note 7. Borrowings Note 10. Preferred Stock Note 11. Common Stock and Stock Plans - Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations—Capital Resources	4	 33-34 40-41 41-45 93-94

	Disclosure Requirement	Disclosure Location	Basel III Regulatory Capital Disclosures Page	Form 10-K/10-Q Page
Table 2 - Capital Structure (continued)				
Quantitative Disclosures				
(b)	The amount of common equity tier 1 capital, with separate disclosure of:	**Basel III Regulatory Capital Disclosures:** Table 2.1: Capital Structure **Q3 2018 Form 10-Q:** - Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations—Capital Resources **9/30/2018 Call Report:** - Schedule RC-R	4	93-94
	(1) Common stock and related surplus;			
	(2) Retained earnings;			
	(3) Common equity minority interest;			
	(4) AOCI; and			
	(5) Regulatory adjustments and deductions made to common equity tier 1 capital.			
(c)	The amount of tier 1 capital, with separate disclosure of:			
	(1) Additional tier 1 capital elements, including additional tier 1 capital instruments and tier 1 minority interest not included in common equity tier 1 capital; and			
	(2) Regulatory adjustments and deductions made to tier 1 capital.			
(d)	The amount of total capital, with separate disclosure of:			
	(1) Tier 2 capital elements, including tier 2 capital instruments and total capital minority interest not included in tier 1 capital; and			
	(2) Regulatory adjustments and deductions made to total capital.			
Table 3 - Capital Adequacy				
Qualitative Disclosures				
(a)	A summary discussion of the FDIC-supervised institution's approach to assessing the adequacy of its capital to support current and future activities.	**Basel III Regulatory Capital Disclosures:** 3. Capital Adequacy **2017 Form 10-K:** - Item 1. Business—Supervision and Regulation—Capital Requirements **Q3 2018 Form 10-Q:** - Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations—Capital Resources	5	16-18 93-94
Quantitative Disclosures				
(b)	Risk-weighted assets for:	**Basel III Regulatory Capital Disclosures:** Table 3.1: Basel III Standardized Approach Risk-Weighted Assets **9/30/2018 Call Report:** -Schedule RC-R	6	
	(1) Exposures to sovereign entities;			
	(2) Exposures to certain supranational entities and MDBs;			
	(3) Exposures to depository institutions, foreign banks, and credit unions;			
	(4) Exposures to PSEs;			
	(5) Corporate exposures;			
	(6) Residential mortgage exposures;			
	(7) Statutory multifamily mortgages and pre-sold construction loans;			
	(8) HVCRE loans;			
	(9) Past due loans;			
	(10) Other assets;			
	(11) Cleared transactions;			
	(12) Default fund contributions;			
	(13) Unsettled transactions;			
	(14) Securitization exposures; and			
	(15) Equity exposures.			

	Disclosure Requirement	Disclosure Location	Basel III Regulatory Capital Disclosures Page	Form 10-K/10-Q Page
Table 3 - Capital Adequacy (continued)				
(c)	Standardized market risk-weighted assets as calculated under subpart F of this part.	Not applicable. The Bank is not subject to Subpart F (Market Risk Capital Rule) requirements. **Basel III Regulatory Capital Disclosures:** 3. Capital Adequacy	5	
(d)	Common equity tier 1, tier 1 and total risk-based capital ratios: (1) For the top consolidated group; and	**Basel III Regulatory Capital Disclosures:** Table 3.2: Capital Ratios **Q3 2018 Form 10-Q:** - Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations—Capital Resources **9/30/2018 Call Report:** -Schedule RC-R	6	93-94
	(2) For each depository institution subsidiary.	Not applicable. The Bank's subsidiaries are not depository institutions. **Basel III Regulatory Capital Disclosures:** 3. Capital Adequacy	5	
(e)	Total standardized risk-weighted assets.	**Basel III Regulatory Capital Disclosures:** Table 3.1: Basel III Standardized Approach Risk-Weighted Assets **Q3 2018 Form 10-Q:** - Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations—Capital Resources **9/30/2018 Call Report:** -Schedule RC-R	6	93-94
Table 4 - Capital Conservation Buffer				
Quantitative Disclosures				
(a)	At least quarterly, the FDIC-supervised institution must calculate and publicly disclose the capital conservation buffer as described under § 324.11.	**Basel III Regulatory Capital Disclosures:** 4. Capital Conservation Buffer **Q3 2018 Form 10-Q:** - Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations—Capital Resources **9/30/2018 Call Report:** -Schedule RC-R	7	93-94
(b)	At least quarterly, the FDIC-supervised institution must calculate and publicly disclose the eligible retained income of the FDIC-supervised institution, as described under § 324.11.	**Basel III Regulatory Capital Disclosures:** 4. Capital Conservation Buffer	7	
(c)	At least quarterly, the FDIC-supervised institution must calculate and publicly disclose any limitations it has on distributions and discretionary bonus payments resulting from the capital conservation buffer framework described under § 324.11, including the maximum payout amount for the quarter.	**Basel III Regulatory Capital Disclosures:** 4. Capital Conservation Buffer	7	

	Disclosure Requirement	Disclosure Location	Basel III Regulatory Capital Disclosures Page	Form 10-K/10-Q Page
Table 5 - Credit Risk				
Qualitative Disclosures				
(a)	The general qualitative disclosure requirement with respect to credit risk (excluding counterparty credit risk disclosed in accordance with Table 6 to § 324.63), including the: (1) Policy for determining past due or delinquency status; (2) Policy for placing loans on nonaccrual; (3) Policy for returning loans to accrual status; (4) Definition of and policy for identifying impaired loans (for financial accounting purposes); (5) Description of the methodology that the FDIC-supervised institution uses to estimate its allowance for loan and lease losses, including statistical methods used where applicable; (6) Policy for charging-off uncollectible amounts; and (7) Discussion of the FDIC-supervised institution's credit risk management policy.	**Basel III Regulatory Capital Disclosures:** 5. Credit Risk—Loans 5. Credit Risk—Investment Securities **2017 Form 10-K:** - Item 1. Business—Underwriting - Item 1. Business—Credit Risk Management - Item 8. Financial Statements and Supplementary Data: Note 1. Summary of Significant Accounting Policies **Q3 2018 Form 10-Q:** - Item 1. Financial Statements: Note 2. Investment Securities Note 3. Loans and Allowance for Loan Losses - Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations—Balance Sheet Analysis—Asset Quality - Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations—Balance Sheet Analysis—Allowance for Loan Losses	8 10	10 11 109-111 14 18, 23 85-86 86-87
Quantitative Disclosures				
(b)	Total credit risk exposures and average credit risk exposures, after accounting offsets in accordance with GAAP, without taking into account the effects of credit risk mitigation techniques (for example, collateral and netting not permitted under GAAP), over the period categorized by major types of credit exposure. For example, FDIC-supervised institutions could use categories similar to that used for financial statement purposes. Such categories might include, for instance: (1) Loans, off-balance sheet commitments, and other non-derivative off-balance sheet exposures; (2) Debt securities; and	**Basel III Regulatory Capital Disclosures:** Table 5.1: Total Loan Commitment by Geographic Location **Q3 2018 Form 10-Q:** - Item 1. Financial Statements: Note 2. Investment Securities Note 3. Loans and Allowance for Loan Losses - Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations: —Results of Operations—Net Interest Income—Yields/ Rates —Balance Sheet Analysis—Loan Portfolio **9/30/2018 Call Report:** - Schedule RC-B - Schedule RC-C - Schedule RC-L	8	12-16 16-28 61-63 78-85
	(3) OTC derivatives.	Not applicable. Credit risk exposures related to over-the-counter derivatives are not significant.		
(c)	Geographic distribution of exposures, categorized in significant areas by major types of credit exposure.	**Basel III Regulatory Capital Disclosures:** Table 5.1: Total Loan Commitment by Geographic Location **Q3 2018 Form 10-Q:** - Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations—Balance Sheet Analysis—Loan Portfolio	8	79
(d)	Industry or counterparty type distribution of exposures, categorized by major types of credit exposure.	**Basel III Regulatory Capital Disclosures:** - Table 5.1: Total Loan Commitment by Geographic Location - Table 5.5: Business, Multifamily and Commercial Real Estate Loans: Total Commitment by Industry or Type and Recorded Investment in Past Due, Nonaccrual and Impaired Loans by Industry or Type **9/30/2018 Call Report:** - Schedule RC-B - Schedule RC-C - Schedule RC-L	8 10	

		Disclosure Requirement	Disclosure Location	Basel III Regulatory Capital Disclosures Page	Form 10-K/10-Q Page
Table 5 - Credit Risk (continued)					
	(e)	By major industry or counterparty type:			
		(1) Amount of impaired loans for which there was a related allowance under GAAP; (2) Amount of impaired loans for which there was no related allowance under GAAP; (3) Amount of loans past due 90 days and on nonaccrual; (4) Amount of loans past due 90 days and still accruing;	**Basel III Regulatory Capital Disclosures:** Table 5.5: Business, Multifamily and Commercial Real Estate Loans: Total Commitment by Industry or Type and Recorded Investment in Past Due and Impaired Loans by Industry or Type **Q3 2018 Form 10-Q:** - Item 1. Financial Statements: Note 3. Loans and Allowance for Loan Losses	10	18, 26
		(5) The balance in the allowance for loan and lease losses at the end of each period, disaggregated on the basis of the FDIC-supervised institution's impairment method. To disaggregate the information required on the basis of impairment methodology, an entity shall separately disclose the amounts based on the requirements in GAAP; and	**Q3 2018 Form 10-Q:** - Item 1. Financial Statements: Note 3. Loans and Allowance for Loan Losses **9/30/2018 Call Report:** - Schedule RI-C		24
		(6) Charge-offs during the period.	**Q3 2018 Form 10-Q:** - Item 1. Financial Statements: Note 3. Loans and Allowance for Loan Losses **9/30/2018 Call Report:** - Schedule RI-B		24
	(f)	Amount of impaired loans and, if available, the amount of past due loans categorized by significant geographic areas including, if practical, the amounts of allowances related to each geographical area, further categorized as required by GAAP.	**Basel III Regulatory Capital Disclosures:** - Table 5.2: Recorded Investment in Impaired Loans by Geographic Location and Allowance on Impaired Loans - Table 5.3: Recorded Investment in Past Due Loans by Geographic Location	9 9	
	(g)	Reconciliation of changes in ALLL.	**Q3 2018 Form 10-Q:** - Item 1. Financial Statements: Note 3. Loans and Allowance for Loan Losses **9/30/2018 Call Report:** - Schedule RI-B		24
	(h)	Remaining contractual maturity delineation (for example, one year or less) of the whole portfolio, categorized by credit exposure.	**Basel III Regulatory Capital Disclosures:** Table 5.4: Remaining Contractual Maturities of Loans and Unfunded Loan Commitments **Q3 2018 Form 10-Q:** - Item 1. Financial Statements: Note 2. Investment Securities **9/30/2018 Call Report:** - Schedule RC-B	9	16

	Disclosure Requirement	Disclosure Location	Basel III Regulatory Capital Disclosures Page	Form 10-K/10-Q Page
Table 6 - Counterparty Credit Risk-Related Exposures				
Qualitative Disclosures				
(a)	The general qualitative disclosure requirement with respect to OTC derivatives, eligible margin loans, and repo-style transactions, including a discussion of: (1) The methodology used to assign credit limits for counterparty credit exposures; (2) Policies for securing collateral, valuing and managing collateral, and establishing credit reserves; (3) The primary types of collateral taken; and	**Basel III Regulatory Capital Disclosures:** 6. Counterparty Credit Risk-Related Exposures **2017 Form 10-K:** - Item 8. Financial Statements and Supplementary Data: Note 1. Summary of Significant Accounting Policies **Q3 2018 Form 10-Q:** - Item 1. Financial Statements: Note 8. Derivative Financial Instruments	11	 113-114 34-35
	(4) The impact of the amount of collateral the FDIC-supervised institution would have to provide given a deterioration in the FDIC-supervised institution's own creditworthiness.	Not applicable. Collateral agreements do not require that additional collateral be posted in the event that the Bank experiences a deterioration in its creditworthiness. **Basel III Regulatory Capital Disclosures:** 6. Counterparty Credit Risk-Related Exposures	11	
Quantitative Disclosures				
(b)	Gross positive fair value of contracts, collateral held (including type, for example, cash, government securities), and net unsecured credit exposure. An FDIC-supervised institution also must disclose the notional value of credit derivative hedges purchased for counterparty credit risk protection and the distribution of current credit exposure by exposure type.	**Basel III Regulatory Capital Disclosures:** - Table 6.1: Over-the-Counter Derivatives 6. Counterparty Credit Risk-Related Exposures **Q3 2018 Form 10-Q:** - Item 1. Financial Statements: Note 8. Derivative Financial Instruments	11 12	34-35
(c)	Notional amount of purchased and sold credit derivatives, segregated between use for the FDIC-supervised institution's own credit portfolio and in its intermediation activities, including the distribution of the credit derivative products used, categorized further by protection bought and sold within each product group.	Not applicable. The Bank does not have credit derivatives.		
Table 7 - Credit Risk Mitigation				
Qualitative Disclosures				
(a)	The general qualitative disclosure requirement with respect to credit risk mitigation, including: (1) Policies and processes for collateral valuation and management; (2) A description of the main types of collateral taken by the FDIC-supervised institution; (3) The main types of guarantors/credit derivative counterparties and their creditworthiness; and (4) Information about (market or credit) risk concentrations with respect to credit risk mitigation.	**Basel III Regulatory Capital Disclosures:** 7. Credit Risk Mitigation **2017 Form 10-K:** - Item 1. Business—Underwriting - Item 1. Business—Credit Risk Management - Item 8. Financial Statements and Supplementary Data: Note 1. Summary of Significant Accounting Policies **Q3 2018 Form 10-Q:** - Item 1. Financial Statements: Note 8. Derivative Financial Instruments	12	10 11 113-114 34-35
Quantitative Disclosures				
(b)	For each separately disclosed credit risk portfolio, the total exposure that is covered by eligible financial collateral, and after the application of haircuts.	**Basel III Regulatory Capital Disclosures:** 6. Counterparty Credit Risk-Related Exposures	12	
(c)	For each separately disclosed portfolio, the total exposure that is covered by guarantees/credit derivatives and the risk-weighted asset amount associated with that exposure.	**Basel III Regulatory Capital Disclosures:** Table 7.1: Exposures Covered by Guarantees	12	

	Disclosure Requirement	Disclosure Location	Basel III Regulatory Capital Disclosures Page	Form 10-K/10-Q Page
Table 8 - Securitization				
Qualitative Disclosures				
(a)	The general qualitative disclosure requirement with respect to a securitization (including synthetic securitizations), including a discussion of:	Not applicable. Currently, the Bank is not involved in securitization activities.		
	(1) The FDIC-supervised institution's objectives for securitizing assets, including the extent to which these activities transfer credit risk of the underlying exposures away from the FDIC-supervised institution to other entities and including the type of risks assumed and retained with resecuritization activity;			
	(2) The nature of the risks (e.g. liquidity risk) inherent in the securitized assets;			
	(3) The roles played by the FDIC-supervised institution in the securitization process and an indication of the extent of the FDIC-supervised institution's involvement in each of them;			
	(4) The processes in place to monitor changes in the credit and market risk of securitization exposures including how those processes differ for resecuritization exposures;			
	(5) The FDIC-supervised institution's policy for mitigating the credit risk retained through securitization and resecuritization exposures; and			
	(6) The risk-based capital approaches that the FDIC-supervised institution follows for its securitization exposures including the type of securitization exposure to which each approach applies.			
(b)	A list of:	Not applicable. Currently, the Bank is not involved in securitization activities.		
	(1) The type of securitization SPEs that the FDIC-supervised institution, as sponsor, uses to securitize third-party exposures. The FDIC-supervised institution must indicate whether it has exposure to these SPEs, either on- or off- balance sheet; and			
	(2) Affiliated entities:			
	(i) That the FDIC-supervised institution manages or advises; and			
	(ii) That invest either in the securitization exposures that the FDIC-supervised institution has securitized or in securitization SPEs that the FDIC-supervised institution sponsors.			
(c)	Summary of the FDIC-supervised institution's accounting policies for securitization activities, including:	Not applicable. Currently, the Bank is not involved in securitization activities.		
	(1) Whether the transactions are treated as sales or financings;			
	(2) Recognition of gain-on-sale;			
	(3) Methods and key assumptions applied in valuing retained or purchased interests;			
	(4) Changes in methods and key assumptions from the previous period for valuing retained interests and impact of the changes;			
	(5) Treatment of synthetic securitizations;			
	(6) How exposures intended to be securitized are valued and whether they are recorded under subpart D of this part; and			
	(7) Policies for recognizing liabilities on the balance sheet for arrangements that could require the FDIC-supervised institution to provide financial support for securitized assets.			
(d)	An explanation of significant changes to any quantitative information since the last reporting period.	Not applicable. Currently, the Bank is not involved in securitization activities.		

	Disclosure Requirement	Disclosure Location	Basel III Regulatory Capital Disclosures Page	Form 10-K/10-Q Page
Table 8 - Securitization (continued)				
Quantitative Disclosures				
(e)	The total outstanding exposures securitized by the FDIC-supervised institution in securitizations that meet the operational criteria provided in § 324.41 (categorized into traditional and synthetic securitizations), by exposure type, separately for securitizations of third-party exposures for which the FDIC-supervised institution acts only as sponsor.	Not applicable. Currently, the Bank is not involved in securitization activities.		
(f)	For exposures securitized by the FDIC-supervised institution in securitizations that meet the operational criteria in § 324.41:	Not applicable. Currently, the Bank is not involved in securitization activities.		
	(1) Amount of securitized assets that are impaired/past due categorized by exposure type; and			
	(2) Losses recognized by the FDIC-supervised institution during the current period categorized by exposure type.			
(g)	The total amount of outstanding exposures intended to be securitized categorized by exposure type.	Not applicable. Currently, the Bank is not involved in securitization activities.		
(h)	Aggregate amount of:	**Basel III Regulatory Capital Disclosures:** Table 8.1: Securitization Exposures by Risk Weight Range	13	
	(1) On-balance sheet securitization exposures retained or purchased categorized by exposure type; and			
	(2) Off-balance sheet securitization exposures categorized by exposure type.	Not applicable. The Bank does not have any off-balance sheet securitization exposures.		
(i)	(1) Aggregate amount of securitization exposures retained or purchased and the associated capital requirements for these exposures, categorized between securitization and resecuritization exposures, further categorized into a meaningful number of risk weight bands and by risk-based capital approach (e.g., SSFA); and	**Basel III Regulatory Capital Disclosures:** Table 8.1: Securitization Exposures by Risk Weight Range	13	
	(2) Exposures that have been deducted entirely from tier 1 capital, CEIOs deducted from total capital (as described in § 324.42(a)(1)), and other exposures deducted from total capital should be disclosed separately by exposure type.	Not applicable. The Bank does not have any securitization exposures that have been deducted from Tier 1 capital.		
(j)	Summary of current year's securitization activity, including the amount of exposures securitized (by exposure type), and recognized gain or loss on sale by exposure type.	Not applicable. Currently, the Bank is not involved in securitization activities.		
(k)	Aggregate amount of resecuritization exposures retained or purchased categorized according to:	Not applicable. The Bank does not have any resecuritization exposures.		
	(1) Exposures to which credit risk mitigation is applied and those not applied; and			
	(2) Exposures to guarantors categorized according to guarantor creditworthiness categories or guarantor name.			

	Disclosure Requirement	Disclosure Location	Basel III Regulatory Capital Disclosures Page	Form 10-K/10-Q Page
Table 9 - Equity Exposures not Subject to Market Risk Capital Rules				
Qualitative Disclosures				
(a)	The general qualitative disclosure requirement with respect to equity risk for equities not subject to subpart F of this part, including:	**Basel III Regulatory Capital Disclosures:** 9. Equity Exposures not Subject to Market Risk Capital Rule	13	
	(1) Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and			
	(2) Discussion of important policies covering the valuation of and accounting for equity holdings not subject to subpart F of this part. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices.			
Quantitative Disclosures				
(b)	Value disclosed on the balance sheet of investments, as well as the fair value of those investments; for securities that are publicly traded, a comparison to publicly-quoted share values where the share price is materially different from fair value.	**Basel III Regulatory Capital Disclosures:** Table 9.1: Equity Exposures by Type and Risk Weight **9/30/2018 Call Report:** - Schedule RC-F - Schedule RC-R	14	
(c)	The types and nature of investments, including the amount that is:			
	(1) Publicly traded; and			
	(2) Non-publicly traded.			
(d)	The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.	**Basel III Regulatory Capital Disclosures:** 9. Equity Exposures not Subject to Market Risk Capital Rule	14	
(e)	(1) Total unrealized gains (losses).	Not applicable. There are no unrealized gains (losses) included in tier 1 or tier 2 capital related to publicly traded equity exposures.		
	(2) Total latent revaluation gains (losses).	Not applicable. Any latent revaluation gains or losses that may exist are immaterial. **Basel III Regulatory Capital Disclosures:** 9. Equity Exposures not Subject to Market Risk Capital Rule	13	
	(3) Any amounts of the above included in tier 1 or tier 2 capital.	Not applicable. There are no unrealized gains (losses) included in tier 1 or tier 2 capital related to publicly traded equity exposures.		
(f)	Capital requirements categorized by appropriate equity groupings, consistent with the FDIC-supervised institution's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory transition regarding regulatory capital requirements.	**Basel III Regulatory Capital Disclosures:** Table 9.1: Equity Exposures by Type and Risk Weight	14	
Table 10 - Interest Rate Risk for Non-Trading Activities				
Qualitative Disclosures				
(a)	The general qualitative disclosure requirement, including the nature of interest rate risk for non-trading activities and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits, and frequency of measurement of interest rate risk for non-trading activities.	**Q3 2018 Form 10-Q:** - Item 3. Quantitative and Qualitative Disclosures About Market Risk		94-97
Quantitative Disclosures				
(b)	The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring interest rate risk for non-trading activities, categorized by currency (as appropriate).	**Q3 2018 Form 10-Q:** - Item 3. Quantitative and Qualitative Disclosures About Market Risk		96