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): January 13, 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))

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 January 13, 2017, regarding its financial results for the quarter and year ended December 31, 2016. 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 January 13, 2017, with respect to the Bank's financial results for the quarter and year ended December 31, 2016.

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: January 13, 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
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FIRST REPUBLIC REPORTS STRONG QUARTERLY AND ANNUAL RESULTS

Annual Revenues Increased 20.1% and Diluted EPS Increased 23.6%

San Francisco, California, January 13, 2017 – First Republic Bank (NYSE: FRC) today announced financial results for the quarter and year ended December 31, 2016.

"Results for the fourth quarter 2016 and full year were very strong and were a record in many respects," said Jim Herbert, Chairman and CEO. "Asset quality remains excellent. We are also pleased to have completed the acquisition of Gradifi, the leading provider of student debt repayment benefit plans."

Full Year Highlights

Financial Results

- Revenues for the year were $2.2 billion, up 20.1%.
- Net income was $673.4 million, up 29.0%.
- Diluted earnings per share ("EPS") of $3.93, up 23.6%.
- Loan originations were a record $25.7 billion for the year.
- Efficiency ratio of 60.5%, compared to 59.5% for the prior year.

Continued Capital and Credit Strength

- Common Equity Tier 1 ratio was 10.75%.
- Total regulatory capital has grown 27.3% from a year ago (23.8% (1) after the redemption of Series A Preferred Stock).
- Tangible book value per share was $35.35, up 17.2% from a year ago.
- Nonperforming assets remained very low at 7 basis points of total assets.
- Net charge-offs were only $1.9 million for the year, less than a basis point of average loans.

Continued Franchise Development

- Loans outstanding, excluding loans held for sale, totaled $52.0 billion, up 17.8% from a year ago.
- Deposits were $58.6 billion, up 22.4% from a year ago.
- Wealth management assets were $83.6 billion, up 15.6% from a year ago.
- Wealth management revenues were $291.3 million, up 25.7% from a year ago.
- Acquired Gradifi, Inc. ("Gradifi"), the leading provider of student debt repayment benefit plans nationwide, in December 2016.

(1) Regulatory capital growth excluding the $199.5 million 6.70% Series A Preferred Stock, which will be redeemed on January 30, 2017.

Quarterly Highlights

- Compared to last year's fourth quarter:
  - Revenues were $599.5 million, up 21.1%.
  - Net income was $179.1 million, up 27.9%.
  - Diluted EPS of $1.03, up 22.6%.
- Loan originations were a record $7.9 billion for the quarter.
- Net interest margin was 3.16% for both the fourth quarter of 2016 and the prior quarter.
- Core net interest margin was 3.08%, compared to 3.11% for the prior quarter. [2]
- Efficiency ratio was 60.1%, compared to 60.5% for the prior quarter.
- Wealth management assets were $83.6 billion, up 4.2% from the prior quarter.

"Revenue growth was strong, and net interest margin remained stable," said Mike Roffler, Chief Financial Officer. "During the fourth quarter, we were pleased to complete another successful common stock offering, bringing total new capital raised in 2016 to over $1 billion."

Quarterly Cash Dividend Declared

The Bank declared a cash dividend for the fourth quarter of $0.16 per share of common stock, which is payable on February 9, 2017 to shareholders of record as of January 26, 2017.

Continued Strong Asset Quality

Credit quality remains very strong. Nonperforming assets were 7 basis points of total assets at December 31, 2016.

The Bank had net charge-offs for the quarter of $207,000, while adding $10.5 million to its allowance for loan losses due to continued loan growth. Net charge-offs for the year were $1.9 million. A total of $47.2 million was added to the Bank's allowance for loan losses during the year.

Continued Capital Strength

Total regulatory capital has grown 27.3% from a year ago (23.8% [1] after the redemption of Series A Preferred Stock).

The Bank's Common Equity Tier 1 ratio was 10.75% at December 31, 2016, compared to 10.52% last quarter.

During the fourth quarter, the Bank issued and sold approximately 4.0 million new shares of common stock in an underwritten public offering, which added approximately $325 million to common equity.

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[2] Core net interest margin is a non-GAAP financial measure that excludes the positive impact of purchase accounting and also the special FHLB dividends received in the fourth quarter of 2016 and in the second quarter of 2015. See non-GAAP reconciliation under section "Use of Non-GAAP Financial Measures."

Tangible Book Value Growth

Tangible book value per common share at December 31, 2016 was $35.35, up 17.2% from a year ago.

Continued Franchise Development

Loan Originations

Loan originations were a record $7.9 billion for the quarter, compared to $4.7 billion for the fourth quarter a year ago. For 2016, loans originations totaled $25.7 billion, compared to $19.7 billion for the prior year.

Loans outstanding, excluding loans held for sale, totaled $52.0 billion at December 31, 2016, up 4.3% for the quarter and up 17.8% compared to a year ago.

Deposit Growth

Total deposits increased to $58.6 billion, up 6.4% for the quarter and up 22.4% compared to a year ago.

At December 31, 2016, checking accounts totaled 63.7% of deposits.

The average rate paid on deposits was 15 basis points for both the fourth quarter and the prior quarter.

Investments

Total investment securities at December 31, 2016 were $15.2 billion, up 18.4% for the quarter and up 45.0% compared to a year ago.

The growth in investments reflected the completion of increasing our level of high-quality liquid assets to 12.7% of average total assets for the fourth quarter. High-quality liquid assets totaled $9.0 billion at December 31, 2016, up 34.5% for the quarter and up 55.5% compared to a year ago.

Mortgage Banking Activity

During the fourth quarter, the Bank sold $801.0 million of loans and recorded a gain on sale of $818,000. For the year ended December 31, 2016, the Bank sold $3.1 billion of loans and recorded a gain on sale of $4.8 million.

Loans serviced for investors at year-end totaled $11.7 billion, up 10.7% from a year ago. Net loan servicing fees for the year were $13.5 million.

Continued Expansion of Wealth Management

Wealth management revenues totaled $79.8 million for the quarter, up 18.8% compared to last year's fourth quarter. For the year ended December 31, 2016, wealth management revenues were $291.3 million, an increase of 25.7% compared to the prior year. Such revenues represented 13% of total revenues for both the quarter and the year. Wealth management revenues for 2016 include the full benefit of the Constellation Wealth Advisors acquisition on October 1, 2015.

Total wealth management assets were $83.6 billion at December 31, 2016, up 4.2% for the quarter and up 15.6% compared to a year ago. The growth in wealth management assets was primarily due to net new assets from both existing and new clients.

Wealth management assets included investment management assets of $41.2 billion, brokerage assets and money market mutual funds of $34.3 billion, and trust and custody assets of $8.2 billion.

Gradifi Acquisition

To further expand First Republic's franchise, the Bank completed the acquisition of Gradifi, the leading provider of student debt repayment benefit plans nationwide. Gradifi is now a wholly-owned subsidiary of the Bank.

Income Statement and Key Ratios

Highlights

Strong Revenue Growth

Total revenues were $599.5 million for the quarter, up 21.1% compared to the fourth quarter a year ago and $2.2 billion for 2016, up 20.1% compared to the prior year.

Continued Net Interest Income Growth

Net interest income was $490.6 million for the quarter, up 21.2% compared to the fourth quarter a year ago and $1.8 billion for 2016, up 19.8% compared to the prior year. The increase in net interest income resulted primarily from growth in average earning assets.

Net Interest Margin

For 2016, the Bank's net interest margin was 3.20%, compared to 3.21% for the prior year. The net interest margin was 3.16% for both the fourth quarter of 2016 and the prior quarter.

The core net interest margin was 3.14% for 2016, compared to 3.09% for the prior year. The core net interest margin was 3.08% for the quarter, compared to 3.11% for the prior quarter. (2)

Noninterest Income

Noninterest income was $108.8 million for the quarter, up 20.7% compared to the fourth quarter a year ago. Noninterest income was $394.8 million for 2016, up 21.5% compared to the prior year. The increases were primarily from increased wealth management revenues.

Efficiency Ratio

The Bank's efficiency ratio was 60.1% for the quarter, compared to 60.5% for the prior quarter and 60.8% for the fourth quarter a year ago. For all of 2016, the efficiency ratio was 60.5%, compared to 59.5% for 2015.

Noninterest expense was $360.2 million for the quarter, up 19.7% from the fourth quarter of last year. For 2016, noninterest expense was $1.3 billion, up 22.0% from the prior year. The increases were primarily due to increased salaries and benefits from the continued investments in the expansion of the franchise and regulatory compliance activities, along with growth across all areas of the Bank.

Income Tax Rate

The Bank's effective tax rate for the fourth quarter of 2016 was 21.7%, compared to 15.0% for the prior quarter. The increase in the effective tax rate was primarily due to lower tax benefits from exercised stock options.

The effective tax rate for 2016 was 18.6%, compared to 24.4% in 2015. The decrease in 2016 was due to the adoption of Accounting Standards Codification 718, "Compensation—Stock Compensation," along with higher levels of income associated with tax-advantaged investments.

Conference Call Details

First Republic Bank's fourth quarter and full year 2016 earnings conference call is scheduled for January 13, 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 #44886677. 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 January 13, 2017, at 10:00 a.m. PT / 1:00 p.m. ET, through January 20, 2017, at 8:59 p.m. PT / 11:59 p.m. ET. To access the replay, dial (855) 859-2056 and use conference ID #44886677. 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, 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 commitment to responsiveness and action. Services are offered through preferred banking or wealth management offices primarily in San Francisco, Palo Alto, Los Angeles, Santa Barbara, Newport Beach, San Diego, Portland, Boston, New York City, Greenwich and Palm Beach. First Republic offers a complete line of banking and wealth management services for individuals and businesses. 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 materially from those discussed in the forward-looking statements include, but are not limited to: our ability to deal with significant competition for banking and wealth management customers; our projections for certain financial items; expectations concerning the bank and wealth management industries; our ability to recruit and retain key managers, employees and board members; earthquakes and other natural disasters in our markets; interest rate and credit risk; our plans or objectives for future operations, products or services; our ability to maintain and follow high underwriting standards; economic conditions generally and in our markets; economic and market conditions affecting the valuation of our investment securities portfolio; real estate prices generally and in our markets; our geographic and product concentrations; our opportunities for growth; expectations about the performance of any new offices; demand for our products and services; projections about loan premiums and discounts; our future provisions for loan losses; projections about future levels of loan originations or loan repayments; projections regarding costs; our regulatory compliance and future regulatory requirements; the phase-in of the Basel III Capital Rules; legislative and regulatory actions affecting us and the financial services industry; our ability to avoid litigation and its associated costs and liabilities; new accounting standards; future FDIC special assessments or changes to regular assessments; fraud, cybersecurity and privacy risks; and our ability to successfully execute on initiatives relating to enhancements of our technology. 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 December 31, 2016	Quarter Ended December 31, 2015	Quarter Ended September 30, 2016	Year Ended December 31, 2016	Year Ended December 31, 2015
Interest income:					
Loans	$ 418,423	$ 357,446	$ 403,299	$ 1,573,403	$ 1,361,654
Investments	106,994	77,333	94,684	378,719	268,682
Other	9,819	3,697	3,701	19,266	27,464
Cash and cash equivalents	2,358	2,730	2,630	9,485	6,292
Total interest income	537,594	441,206	504,314	1,980,873	1,664,092
Interest expense:					
Deposits	21,206	16,638	19,661	73,765	61,072
Borrowings	25,763	19,869	24,049	89,946	86,357
Total interest expense	46,969	36,507	43,710	163,711	147,429
Net interest income	490,625	404,699	460,604	1,817,162	1,516,663
Provision for loan losses	10,500	12,045	18,000	47,192	55,439
Net interest income after provision for loan losses	480,125	392,654	442,604	1,769,970	1,461,224
Noninterest income:					
Investment management fees	59,855	49,814	56,843	224,626	178,738
Brokerage and investment fees	10,151	7,654	6,627	31,868	19,659
Trust fees	3,374	3,259	3,015	12,365	10,745
Foreign exchange fee income	6,384	6,413	5,460	22,406	22,517
Deposit fees	5,341	4,914	5,278	20,699	19,311
Gain on sale of loans	818	1,480	1,785	4,828	9,725
Loan servicing fees, net	3,022	3,752	3,182	13,465	13,040
Loan and related fees	3,650	3,161	3,709	14,097	12,393
Income from investments in life insurance	17,515	9,289	12,065	48,119	35,474
Gain (loss) on investment securities, net	(1,363)	(515)	(663)	1,055	821
Other income (loss)	87	930	(30)	1,284	2,630
Total noninterest income	108,834	90,151	97,271	394,812	325,053
Noninterest expense:					
Salaries and employee benefits	201,087	168,424	193,340	763,625	596,593
Information systems	43,083	33,416	38,917	153,207	119,114
Occupancy	32,277	27,220	30,945	119,139	106,856
Professional fees	14,798	16,487	12,466	52,740	73,022
FDIC assessments	13,000	9,500	11,800	44,200	35,250
Advertising and marketing	10,167	7,617	7,169	32,783	25,562
Amortization of intangibles	5,839	6,933	6,116	25,002	21,760
Other expenses	39,923	31,327	36,983	146,490	117,452
Total noninterest expense	360,174	300,924	337,736	1,337,186	1,095,609
Income before provision for income taxes	228,785	181,881	202,139	827,596	690,668
Provision for income taxes	49,667	41,835	30,321	154,168	168,523
Net income	179,118	140,046	171,818	673,428	522,145
Dividends on preferred stock	17,376	15,314	17,377	68,589	58,928
Net income available to common shareholders	$ 161,742	$ 124,732	$ 154,441	$ 604,839	$ 463,217
Basic earnings per common share	$ 1.06	$ 0.87	$ 1.03	$ 4.07	$ 3.27
Diluted earnings per common share	$ 1.03	$ 0.84	$ 1.00	$ 3.93	$ 3.18
Dividends per common share	$ 0.16	$ 0.15	$ 0.16	$ 0.63	$ 0.59
Weighted average shares—basic	151,990	144,006	149,800	148,752	141,689
Weighted average shares—diluted	157,217	147,814	154,824	154,095	145,510

CONSOLIDATED BALANCE SHEETS

($ in thousands)	As of December 31, 2016	As of September 30, 2016	As of December 31, 2015
ASSETS			
Cash and cash equivalents	$ 2,107,722	$ 1,386,967	$ 1,131,110
Securities purchased under agreements to resell	100	100	100
Investment securities available-for-sale	2,007,258	1,710,571	2,910,801
Investment securities held-to-maturity	13,150,157	11,094,535	7,540,678
Loans:			
Single family (1-4 units)	26,234,768	24,923,746	23,092,346
Home equity lines of credit	2,622,231	2,575,253	2,370,188
Multifamily (5+ units)	6,688,203	6,227,304	5,371,484
Commercial real estate	5,484,620	5,205,888	4,462,834
Single family construction	496,631	496,357	436,774
Multifamily/commercial construction	929,076	847,303	693,364
Business	6,886,816	7,128,758	6,232,378
Stock secured	821,708	871,195	521,005
Other secured	723,250	684,328	541,637
Unsecured	1,130,614	925,066	423,795
Total unpaid principal balance	52,017,917	49,885,198	44,145,805
Net unaccreted discount	(75,975)	(85,645)	(108,499)
Net deferred fees and costs	66,375	59,262	46,263
Allowance for loan losses	(306,398)	(296,105)	(261,058)
Loans, net	51,701,919	49,562,710	43,822,511
Loans held for sale	407,226	514,291	48,681
Investments in life insurance	1,273,172	1,266,194	1,168,596
Tax credit investments	1,121,416	1,071,255	1,006,836
Prepaid expenses and other assets	923,224	845,229	817,410
Premises, equipment and leasehold improvements, net	207,592	190,213	172,008
Goodwill	203,177	171,616	171,616
Other intangible assets	112,399	118,238	137,400
Mortgage servicing rights	62,410	60,432	53,538
Other real estate owned	—	1,196	—
Total Assets	$ 73,277,772	$ 67,993,547	$ 58,981,285
LIABILITIES AND EQUITY			
Liabilities:			
Deposits:			
Noninterest-bearing checking	$ 22,740,303	$ 20,965,249	$ 18,252,007
Interest-bearing checking	14,575,890	12,747,952	12,027,363
Money market checking	7,969,787	8,381,381	5,756,821
Money market savings and passbooks	8,203,340	8,126,741	7,270,396
Certificates of deposit	5,113,061	4,840,374	4,586,878
Total Deposits	58,602,381	55,061,697	47,893,465
Short-term borrowings	100,000	200,000	100,000
Long-term FHLB advances	5,900,000	4,600,000	4,000,000
Senior notes	397,955	397,755	397,159
Subordinated notes	387,380	387,329	—
Debt related to variable interest entities	25,980	26,981	29,643
Other liabilities	955,424	875,287	855,335
Total Liabilities	66,369,120	61,549,049	53,275,602
Shareholders' Equity:			
Preferred stock	1,139,525	1,139,525	989,525
Common stock	1,543	1,501	1,461
Additional paid-in capital	3,301,705	2,962,355	2,770,265
Retained earnings	2,459,540	2,322,296	1,949,652
Accumulated other comprehensive income (loss)	6,339	18,821	(5,220)
Total Shareholders' Equity	6,908,652	6,444,498	5,705,683
Total Liabilities and Shareholders' Equity	$ 73,277,772	$ 67,993,547	$ 58,981,285

Operating Information and Yields/Rates	Quarter Ended December 31, 2016	Quarter Ended December 31, 2015	Quarter Ended September 30, 2016	Year Ended December 31, 2016	Year Ended December 31, 2015
($ in thousands)					
Operating Information					
Net income to average assets [3]	1.00%	0.93%	1.02%	1.02%	0.96%
Net income available to common shareholders to average common equity [3]	11.51%	10.74%	11.62%	11.67%	10.72%
Dividend payout ratio	15.6%	17.8%	16.0%	16.1%	18.5%
Efficiency ratio [4]	60.1%	60.8%	60.5%	60.5%	59.5%
Net loan charge-offs (recoveries)	$ 207	$ 1,395	$ 626	$ 1,852	$ 1,723
Net loan charge-offs to average total loans [3]	0.00%	0.01%	0.01%	0.00%	0.00%
Yields/Rates [3]					
Cash and cash equivalents	0.53%	0.28%	0.48%	0.50%	0.26%
Investment securities [5], [6]	3.97%	4.39%	4.22%	4.16%	4.58%
Loans [5], [7]	3.33%	3.39%	3.35%	3.38%	3.42%
FHLB stock [8]	26.45%	10.49%	8.48%	12.51%	14.29%
Total interest-earning assets	3.44%	3.36%	3.43%	3.46%	3.49%
Checking	0.01%	0.01%	0.02%	0.01%	0.00%
Money market checking and savings	0.13%	0.07%	0.12%	0.10%	0.07%
CDs [7]	1.17%	1.24%	1.15%	1.18%	1.24%
Total deposits	0.15%	0.14%	0.15%	0.14%	0.14%
Short-term borrowings	1.80%	1.31%	1.18%	0.66%	0.73%
Long-term FHLB advances	1.46%	1.55%	1.49%	1.54%	1.57%
Senior notes [9]	2.59%	2.59%	2.59%	2.59%	2.59%
Subordinated notes [9]	4.57%	—%	4.60%	4.56%	—%
Other borrowings	1.83%	1.67%	1.23%	1.69%	1.62%
Total borrowings	1.75%	1.63%	1.70%	1.62%	1.62%
Total interest-bearing liabilities	0.30%	0.27%	0.29%	0.28%	0.31%
Net interest spread	3.14%	3.09%	3.14%	3.18%	3.18%
Net interest margin [5]	3.16%	3.10%	3.16%	3.20%	3.21%
Core net interest margin (non-GAAP) [2], [5]	3.08%	3.02%	3.11%	3.14%	3.09%

[3] For periods less than a year, ratios are annualized.

[4] Efficiency ratio is the ratio of noninterest expense to the sum of net interest income and noninterest income.

[5] Calculated on a fully taxable-equivalent basis.

[6] Includes securities purchased under agreements to resell.

[7] Yield/rate includes accretion/amortization of purchase accounting discounts/premiums. For CDs, the premiums were fully amortized as of June 30, 2015, therefore there was no amortization in 2016.

[8] Yield for the quarter and year ended December 31, 2016 includes a special FHLB dividend of $5.9 million. Yield for the year ended December 31, 2015 includes a special FHLB dividend of $9.1 million.

[9] Rate includes amortization of issuance discounts and costs.

Mortgage Loan Sales	Quarter Ended December 31, 2016	Quarter Ended December 31, 2015	Quarter Ended September 30, 2016	Year Ended December 31, 2016	Year Ended December 31, 2015
($ in thousands)					
Loans sold:					
Agency	$ 180,188	$ 73,244	$ 137,949	$ 434,094	$ 273,128
Non-agency	620,819	294,359	810,006	2,713,333	2,156,132
Total loans sold	$ 801,007	$ 367,603	$ 947,955	$ 3,147,427	$ 2,429,260
Gain on sale of loans:					
Amount	$ 818	$ 1,480	$ 1,785	$ 4,828	$ 9,725
Gain as a percentage of loans sold	0.10%	0.40%	0.19%	0.15%	0.40%

Loan Servicing Portfolio	As of December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015
($ in millions)					
Loans serviced for investors	$ 11,655	$ 11,494	$ 11,061	$ 10,654	$ 10,531

Loan Originations	Quarter Ended December 31, 2016	Quarter Ended December 31, 2015	Quarter Ended September 30, 2016	Year Ended December 31, 2016	Year Ended December 31, 2015
($ in thousands)					
Single family (1-4 units)	$ 3,064,315	$ 1,635,350	$ 2,805,361	$ 10,615,621	$ 7,633,653
Home equity lines of credit	452,445	398,267	454,529	1,815,252	1,575,262
Multifamily (5+ units)	742,991	302,435	566,528	2,542,551	1,461,123
Commercial real estate	446,677	292,369	311,466	1,354,527	1,344,072
Construction	480,480	305,085	410,538	1,342,404	1,291,902
Business	2,137,549	1,343,953	1,529,400	5,572,410	5,138,716
Stock and other secured	328,105	270,259	207,241	1,401,559	808,567
Unsecured	281,740	161,753	190,836	1,076,550	418,667
Total loans originated	$ 7,934,302	$ 4,709,471	$ 6,475,899	$ 25,720,874	$ 19,671,962

Asset Quality Information	As of December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015
($ in thousands)					
Nonperforming assets:					
Nonaccrual loans	$ 49,020	$ 52,759	$ 57,953	$ 59,203	$ 73,545
Other real estate owned	—	1,196	1,196	1,393	—
Total nonperforming assets	$ 49,020	$ 53,955	$ 59,149	$ 60,596	$ 73,545
Nonperforming assets to total assets	0.07%	0.08%	0.09%	0.10%	0.12%
Accruing loans 90 days or more past due	$ —	$ 3,083	$ 451	$ 3,189	$ 4,199
Restructured accruing loans	$ 14,278	$ 13,968	$ 11,822	$ 13,978	$ 14,043

Book Value Ratios	As of December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015
(in thousands, except per share amounts)					
Number of shares of common stock outstanding	154,292	150,109	149,722	146,314	146,110
Book value per common share	$ 37.39	$ 35.34	$ 34.51	$ 33.12	$ 32.28
Tangible book value per common share	$ 35.35	$ 33.41	$ 32.53	$ 31.05	$ 30.16

	As of					
	2016					2015
	December 31 (10)		September 30	June 30	March 31	December 31
Capital Ratios	Actual	Fully Phased-in (11)	Actual			
Tier 1 leverage ratio (Tier 1 capital to average assets)	9.37%	9.31%	9.26%	9.58%	9.38%	9.21%
Common Equity Tier 1 capital to risk-weighted assets	10.75%	10.64%	10.52%	10.74%	10.61%	10.76%
Tier 1 capital to risk-weighted assets	12.97%	12.87%	12.88%	13.23%	13.24%	13.13%
Total capital to risk-weighted assets	14.35%	14.25%	14.33%	13.86%	13.88%	13.78%
Regulatory Capital (12)						
($ in thousands)						
Common Equity Tier 1 capital	$ 5,496,610	$ 5,446,945	$ 5,046,133	$ 4,916,224	$ 4,592,972	$ 4,502,206
Tier 1 capital	$ 6,631,429	$ 6,586,470	$ 6,180,343	$ 6,055,749	$ 5,732,497	$ 5,491,731
Total capital	$ 7,337,771	$ 7,292,812	$ 6,875,478	$ 6,346,692	$ 6,010,910	$ 5,765,254
Assets (12)						
($ in thousands)						
Average assets	$ 70,779,234	$ 70,734,276	$ 66,758,108	$ 63,191,099	$ 61,092,211	$ 59,603,505
Risk-weighted assets	$ 51,132,230	$ 51,180,885	$ 47,969,927	$ 45,785,355	$ 43,298,200	$ 41,839,779

(10) Ratios and amounts as of December 31, 2016 are preliminary.

(11) 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 December 31, 2016.

(12) As defined by regulatory capital rules.

Wealth Management Assets	As of December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015
($ in millions)					
First Republic Investment Management	$ 41,154	$ 40,103	$ 38,288	$ 36,872	$ 35,230
Brokerage and investment:					
Brokerage	32,218	31,058	28,644	27,296	26,059
Money market mutual funds	2,048	1,902	1,610	1,906	4,155
Total brokerage and investment	34,266	32,960	30,254	29,202	30,214
Trust Company:					
Trust	3,754	3,171	3,434	3,343	3,375
Custody	4,406	3,954	3,835	4,004	3,474
Total Trust Company	8,160	7,125	7,269	7,347	6,849
Total Wealth Management Assets	$ 83,580	$ 80,188	$ 75,811	$ 73,421	$ 72,293

Average Balance Sheet	Quarter Ended December 31, 2016	Quarter Ended December 31, 2015	Quarter Ended September 30, 2016	Year Ended December 31, 2016	Year Ended December 31, 2015
($ in thousands)					
Assets:					
Cash and cash equivalents	$ 1,773,312	$ 3,921,839	$ 2,162,287	$ 1,913,466	$ 2,425,747
Investment securities [13]	14,343,171	9,442,168	12,082,827	12,172,626	7,963,001
Loans [14]	51,107,467	43,042,968	49,030,453	47,912,320	40,889,434
FHLB stock	147,697	139,784	173,543	154,036	192,135
Total interest-earning assets	67,371,647	56,546,759	63,449,110	62,152,448	51,470,317
Noninterest-earning cash	312,323	287,695	277,963	283,292	263,627
Goodwill and other intangibles	294,699	312,665	292,824	298,014	235,044
Other assets	3,091,686	2,694,402	3,002,033	3,001,916	2,504,807
Total noninterest-earning assets	3,698,708	3,294,762	3,572,820	3,583,222	3,003,478
Total Assets	$ 71,070,355	$ 59,841,521	$ 67,021,930	$ 65,735,670	$ 54,473,795
Liabilities and Equity:					
Checking	$ 35,547,235	$ 30,189,409	$ 33,276,648	$ 33,150,987	$ 25,993,413
Money market checking and savings	16,751,447	13,607,852	15,921,781	14,979,993	12,905,039
CDs [14]	4,911,972	4,485,104	4,688,438	4,642,625	4,086,327
Total deposits	57,210,654	48,282,365	53,886,867	52,773,605	42,984,779
Short-term borrowings	103,261	100,000	174,205	499,253	120,339
Long-term FHLB advances	4,953,261	4,302,174	4,794,022	4,459,836	4,772,192
Senior notes [15]	397,857	397,064	397,657	397,559	396,774
Subordinated notes [15]	387,356	—	256,805	161,920	—
Other borrowings	26,700	30,211	27,557	28,076	32,017
Total borrowings	5,868,435	4,829,449	5,650,246	5,546,644	5,321,322
Total interest-bearing liabilities	63,079,089	53,111,814	59,537,113	58,320,249	48,306,101
Noninterest-bearing liabilities	1,262,604	1,133,650	1,055,656	1,109,027	899,116
Preferred equity	1,139,525	989,525	1,139,525	1,123,132	949,525
Common equity	5,589,137	4,606,532	5,289,636	5,183,262	4,319,053
Total Liabilities and Equity	$ 71,070,355	$ 59,841,521	$ 67,021,930	$ 65,735,670	$ 54,473,795

(13) Includes securities purchased under agreements to resell.

(14) Average balances are presented net of purchase accounting discounts or premiums. For CDs, the premiums were fully amortized as of June 30, 2015.

(15) Average balances include unamortized issuance discounts and costs.

Purchase Accounting Accretion and Amortization [16]	Quarter Ended December 31, 2016	Quarter Ended December 31, 2015	Quarter Ended September 30, 2016	Year Ended December 31, 2016	Year Ended December 31, 2015
($ in thousands)					
Accretion/amortization to net interest income:					
Loans	$ 6,487	$ 9,974	$ 7,804	$ 29,248	$ 43,467
Deposits	—	—	—	—	1,006
Total	$ 6,487	$ 9,974	$ 7,804	$ 29,248	$ 44,473
Amortization to noninterest expense:					
Intangible assets	$ 2,368	$ 3,007	$ 2,530	$ 10,434	$ 12,993
Net pre-tax impact of purchase accounting	$ 4,119	$ 6,967	$ 5,274	$ 18,814	$ 31,480

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

Use of Non-GAAP Financial Measures

Our accounting and reporting policies conform to generally accepted accounting principles in the United States ("GAAP") and the prevailing practices in the banking industry. Due to the application of purchase accounting from the Bank's re-establishment as an independent institution, management has historically used certain non-GAAP (i.e., core) measures and ratios that excluded the impact of these net positive purchase accounting items to evaluate our performance, including net income, earnings per share, revenues, yield on average loans, cost of average deposits, net interest margin and the efficiency ratio. However, due to the diminishing impact of these positive purchase accounting items since the beginning of 2016, only the yield on average loans and net interest margin are presented on a non-GAAP, or core, basis.

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

In addition, in the fourth quarter of 2016 and in the second quarter of 2015, the Bank received special dividends from the FHLB of $5.9 million and $9.1 million, respectively. Management has also excluded the positive impact of these items from the non-GAAP net interest margin.

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

	Quarter Ended December 31,		Quarter Ended September 30,	Year Ended December 31,	
Yield on Average Loans	**2016**	**2015**	**2016**	**2016**	**2015**
($ in thousands)					
Interest income on loans	$ 418,423	$ 357,446	$ 403,299	$ 1,573,403	$ 1,361,654
Add: Tax-equivalent adjustment on loans	11,403	10,571	11,513	44,535	38,657
Interest income on loans (tax-equivalent basis)	429,826	368,017	414,812	1,617,938	1,400,311
Less: Accretion	(6,487)	(9,974)	(7,804)	(29,248)	(43,467)
Core interest income on loans (tax-equivalent basis) (non-GAAP)	$ 423,339	$ 358,043	$ 407,008	$ 1,588,690	$ 1,356,844
Average loans	$ 51,107,467	$ 43,042,968	$ 49,030,453	$ 47,912,320	$ 40,889,434
Add: Average unaccreted loan discounts	83,195	114,338	90,723	94,537	131,111
Average loans (non-GAAP)	$ 51,190,662	$ 43,157,306	$ 49,121,176	$ 48,006,857	$ 41,020,545
Yield on average loans—reported (5)	3.33%	3.39%	3.35%	3.38%	3.42%
Contractual yield on average loans (non-GAAP) (5)	3.27%	3.28%	3.28%	3.31%	3.31%

Net Interest Margin					
($ in thousands)					
Net interest income	$ 490,625	$ 404,699	$ 460,604	$ 1,817,162	$ 1,516,663
Add: Tax-equivalent adjustment	46,693	36,927	44,443	172,424	134,352
Net interest income (tax-equivalent basis)	537,318	441,626	505,047	1,989,586	1,651,015
Less: Accretion/amortization	(6,487)	(9,974)	(7,804)	(29,248)	(44,473)
Less: Special FHLB dividend	(5,920)	—	—	(5,920)	(9,134)
Core net interest income (tax-equivalent basis) (non-GAAP)	$ 524,911	$ 431,652	$ 497,243	$ 1,954,418	$ 1,597,408
Average interest-earning assets	$ 67,371,647	$ 56,546,759	$ 63,449,110	$ 62,152,448	$ 51,470,317
Add: Average unaccreted loan discounts	83,195	114,338	90,723	94,537	131,111
Average interest-earning assets (non-GAAP)	$ 67,454,842	$ 56,661,097	$ 63,539,833	$ 62,246,985	$ 51,601,428
Net interest margin—reported (5)	3.16%	3.10%	3.16%	3.20%	3.21%
Core net interest margin (non-GAAP) (5)	3.08%	3.02%	3.11%	3.14%	3.09%

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