FIRST PACTRUST BANCORP INC
Form 424B5
June 06, 2013
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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-170622

PROSPECTUS SUPPLEMENT

(To Prospectus dated November 23, 2010)

1,400,000 Depositary Shares Each Representing a 1/40th Interest

in a Share of 8.00% Non-Cumulative Perpetual Preferred Stock, Series C

First PacTrust Bancorp, Inc., or First PacTrust, is offering 1,400,000 depositary shares each representing a 1/40th ownership interest in a share of 8.00% Non-Cumulative Perpetual Preferred Stock, Series C, $0.01 par value, with a liquidation preference of $1,000 per share (equivalent to $25.00 per depositary share), referred to herein as the Preferred Stock. As a holder of depositary shares, you will be entitled to all proportional rights and preferences of the Preferred Stock (including dividend, voting, redemption and liquidation rights). You must exercise such rights through the depositary.

For a discussion of certain risks that you should consider in connection with an investment in the depositary shares, see Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2012, as amended, and all subsequent filings under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, referred to herein as the Exchange Act, as well as the additional risk factors contained in this prospectus supplement beginning on page S-10 and the accompanying prospectus.

We will pay dividends on the Preferred Stock, when, as and if declared by our board of directors or a duly authorized committee of our board of directors. If declared, dividends will accrue and be payable on the liquidation preference amount, on a non-cumulative basis, from the date of issuance at a rate of 8.00% per annum, payable quarterly, in arrears, on March 15, June 15, September 15 and December 15 of each year, beginning on September 15, 2013. Upon payment of any dividends on the Preferred Stock, holders of depositary shares will receive a proportionate payment.

Dividends on the Preferred Stock will not be cumulative. If our board of directors or a duly authorized committee of our board of directors does not declare a dividend on the Preferred Stock in respect of a dividend period, then no dividend shall be deemed to have accrued for such dividend period, be payable on the applicable dividend payment date or be cumulative, and we will have no obligation to pay any dividend for that dividend period, whether or not our board of directors or a duly authorized committee of our board of directors declares a dividend on the Preferred Stock for any future dividend period.

We may redeem the Preferred Stock at our option, (1) in whole or in part, from time to time, on any dividend payment date on or after September 15, 2018 at a redemption price equal to $1,000 per share (equivalent to $25.00 per depositary share), plus any declared and unpaid dividends, or (2) in whole but not in part, at any time within 90 days following a regulatory capital treatment event (as described herein), at a redemption price equal to $1,000 per share (equivalent to $25.00 per depositary share), plus any declared and unpaid dividends and any accrued and unpaid dividends (whether or not declared) for the then-current dividend period to but excluding the redemption date. If we redeem the Preferred Stock, the depositary will redeem a proportionate number of depositary shares.

The Preferred Stock will not have any voting rights, except as set forth under Description of the Preferred Stock Voting Rights on page S-38.

Neither the Preferred Stock nor the depositary shares are deposits or other obligations of a bank or are insured by the Federal Deposit Insurance Corporation, referred to herein as the FDIC, or any other government agency.

Neither the Securities and Exchange Commission, referred to herein as the SEC, nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus to which it relates is truthful or complete. Any representation to the contrary is a criminal offense.

	Public Offering Price(1)	Underwriting Discounts and Commissions	Proceeds to First PacTrust (before expenses)(2)
Per depositary share	$ 25.00	$ 0.7875	$ 24.2125
Total	$ 35,000,000	$ 1,102,500	$ 33,897,500

(1) Plus accrued dividends, if any, from the date of original issuance, which is expected to be June 12, 2013.
(2) Assumes no exercise of the underwriters overallotment option, described below.

The underwriters expect to deliver the depositary shares to purchasers in book-entry form through the facilities of The Depository Trust Company and its direct participants, including Euroclear Bank S.A./N.V., as operator of the Euroclear System, referred to herein as Euroclear, and Clearstream Banking, a société anonyme, referred to herein as Clearstream, on or about June 12, 2013.

We have granted the underwriters an option to purchase up to an additional 210,000 depositary shares within 30 days after the date of this prospectus supplement at the public offering price, less underwriting discounts and commissions, to cover overallotments, if any.

We have applied to list the depositary shares on the NASDAQ Global Market under the symbol BANCP. If the application is approved, trading of the depositary shares on the NASDAQ Global Market is expected to commence within 30 days after they are first issued.

Joint Book-Running Managers

Goldman, Sachs & Co.

Keefe, Bruyette & Woods
A Stifel Company

Lead Manager

D.A. Davidson & Co.

Co-Managers

Wunderlich Securities **Sandler O Neill + Partners, L.P.** **Sterne Agee** **FIG Partners, LLC**

The date of this prospectus supplement is June 5, 2013

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part, the base prospectus, gives more general information, some of which may not apply to this offering. Generally, when we refer only to the prospectus, we are referring to both parts combined, and when we refer to the accompanying prospectus, we are referring to the base prospectus. You should read both this prospectus supplement and the accompanying prospectus, together with additional information described under the heading Where You Can Find More Information in the accompanying prospectus and in this prospectus supplement and under the heading Incorporation by Reference in this prospectus supplement.

If the description of this offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus and any written communication from First PacTrust or the underwriters specifying the final terms of this offering. Neither we nor the underwriters have authorized anyone to provide you with different or additional information from that contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We and the underwriters are offering to sell the depositary shares and the Preferred Stock, and seeking offers to buy the depositary shares and the Preferred Stock, only in jurisdictions where offers and sales are permitted. Neither this prospectus supplement nor the accompanying prospectus constitutes an offer, or an invitation on our behalf or on behalf of the underwriters, to subscribe for and purchase any of the depositary shares or the Preferred Stock and they may not be used for or in connection with an offer or solicitation by anyone, in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.

The information contained in this prospectus supplement and the accompanying prospectus is accurate only as of the respective dates of this prospectus supplement and the accompanying prospectus, regardless of the time of delivery of this prospectus supplement or any sales of the depositary shares or Preferred Stock.

In this prospectus supplement and the accompanying prospectus, references to First PacTrust, we, our and us mean First PacTrust Bancorp, Inc excluding, unless the context otherwise requires or as otherwise expressly stated, its subsidiaries.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement and the accompanying prospectus and the information incorporated by reference in them include forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including those identified by the words may, will, should, could, anticipate, believe, continue, estimate, expect, forecast, intend, plan, potential, or project and similar exp forward-looking statements are subject to known and unknown risks, uncertainties and other factors that could cause the actual results to differ materially from the statements, including, but not limited to:

- the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement for our pending acquisition of The Private Bank of California, or PBOC, or our agreement for our pending sale of certain branches to AmericanWest Bank, each described in this prospectus supplement and in the documents incorporated by reference herein;
- the outcome of any legal proceedings that may be instituted against First PacTrust or PBOC;
- the inability to complete the pending PBOC transaction or our pending sale of certain branches to AmericanWest Bank due to the failure to satisfy the conditions to completion;
- risks that the pending PBOC transaction, our pending sale of certain branches to AmericanWest Bank or our recently completed acquisitions of Beach Business Bank and Gateway Bancorp, may disrupt current plans and operations, the potential difficulties in customer and employee retention as a result of the transactions and the amount of the costs, fees, expenses and charges related to the transactions;
- continuation or worsening of turmoil in the financial markets;
- the credit risks of lending activities, which may be affected by further deterioration in the real estate markets and the financial condition of borrowers, may lead to increased loan and lease delinquencies and losses and nonperforming assets in our loan portfolio, may result in our allowance for loan and lease losses not being adequate to cover actual losses and may require us to materially increase our loan and lease loss reserves;
- the quality and composition of our securities portfolio;
- changes in general economic conditions, either nationally or in our market areas;
- continuation of the historically low short-term interest rate environment, changes in the levels of general interest rates and the relative differences between short- and long-term interest rates, deposit interest rates, our net interest margin and funding sources;
- fluctuations in the demand for loans and leases, the number of unsold homes and other properties and fluctuations in commercial and residential real estate values in our market area;
- results of examinations of us by regulatory authorities and the possibility that any such regulatory authority may, among other things, require us to increase our allowance for loan and lease losses, write down asset values or increase our capital levels, or affect our

ability to borrow funds or maintain or increase deposits, which could adversely affect our liquidity and earnings;

legislative or regulatory changes that adversely affect our business, including changes in regulatory capital or other rules;

our ability to control operating costs and expenses;

staffing fluctuations in response to product demand or the implementation of corporate strategies that affect our work force and potential associated charges;

errors in our estimates in determining fair value of certain of our assets, which may result in significant declines in valuation;

- the network and computer systems on which we depend could fail or experience a security breach;
- our ability to attract and retain key members of our senior management team;
- costs and effects of litigation, including settlements and judgments;
- increased competitive pressures among financial services companies;
- changes in consumer spending, borrowing and saving habits;
- adverse changes in the securities markets;
- earthquake, fire or other natural disasters affecting the condition of real estate collateral;
- the availability of resources to address changes in laws, rules or regulations or to respond to regulatory actions;
- inability of key third-party providers to perform their obligations to us;
- changes in accounting policies and practices, as may be adopted by the financial institution regulatory agencies or the Financial Accounting Standards Board or their application to our business, including additional guidance and interpretation on accounting issues and details of the implementation of new accounting methods;
- war or terrorist activities; and
- other economic, competitive, governmental, regulatory and technological factors affecting our operations, pricing, products and services and the other risks described elsewhere in this prospectus or the documents incorporated by reference herein.

Some of these and other factors are discussed in our annual and quarterly reports previously filed with the SEC. Such developments could have an adverse impact on our financial position and results of operations. If one or more of the factors affecting our forward-looking statements proves incorrect, the actual results, performance or achievements could differ materially from those expressed in, or implied by, forward-looking statements. The effects of the factors described above are difficult to predict. Factors other than those described above also could adversely affect us, and investors should not consider these factors to be a complete set of all potential risks or uncertainties. New factors emerge from time to time and management cannot assess the impact of any such factor on our business or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement.

The forward-looking statements are based on our management s beliefs and assumptions and are made as of the date of this prospectus supplement (or, in the case of such statements contained in the accompanying prospectus, or document incorporated by reference, as of the date on the front of such prospectus or document). We undertake no obligation to publicly update or revise any forward-looking statements, or to update the reasons why actual results could differ from those projected in the forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent required by the federal securities laws. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this prospectus supplement, the accompanying prospectus or the documents incorporated by reference might not occur, and you should not put undue reliance on any forward-looking statements.

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WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You can read and copy any materials we file with the SEC at the SEC s public reference room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You can obtain information about the operation of the SEC s public reference room by calling the SEC at 1-800-732-0330. The SEC also maintains a website at http://www.sec.gov that contains information we file electronically with the SEC.

We have filed a Registration Statement on Form S-3 (File No. 333-170622) with the SEC regarding the securities offered hereby. This prospectus supplement does not contain all of the information set forth in the registration statement or in the exhibits and schedules thereto, in accordance with the rules and regulations of the SEC, and we refer you to that omitted information. The statements made in this prospectus supplement pertaining to the content of any contract, agreement or other document that is an exhibit to the registration statement necessarily are summaries of their material provisions, and we qualify those statements in their entirety by reference to those exhibits for complete statements of their provisions. The registration statement and its exhibits and schedules are available at the SEC s public reference room or through its website.

INCORPORATION BY REFERENCE

The SEC allows us to incorporate by reference the information we file with it, which means we can disclose important information to you by referring you to those documents. The information we incorporate by reference is an important part of this prospectus supplement, and information we subsequently file with the SEC will automatically update and supersede that information. We incorporate by reference the documents listed below and any filings we make with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act (File Number 001-35522) (excluding, in each case, information deemed to be furnished and not filed with the SEC) after the date of this prospectus supplement until the completion of this offering. The documents we incorporate by reference are:

- our Annual Report on Form 10-K for the year ended December 31, 2012 filed on March 28, 2013, as amended on Form 10-K/A filed on April 30, 2013;

- our Quarterly Report on Form 10-Q for the quarter ended March 31, 2013 filed on May 10, 2013; and

- our Current Reports on Form 8-K filed with the SEC on November 2, 2012; January 3, 2013; February 19, 2013; March 4, 2013; March 5, 2013; April 2, 2013; April 11, 2013; April 25, 2013 (two filings); May 6, 2013; May 15, 2013; June 3, 2013; June 4, 2013 (two filings); and June 5, 2013.

Notwithstanding the foregoing, information furnished under Items 2.02 and 7.01 of any Current Report on Form 8-K, including the related exhibits under Item 9.01, is not incorporated by reference in this prospectus supplement or the accompanying prospectus.

We will provide without charge to each person to whom a copy of this prospectus supplement has been delivered, upon written or oral request, a copy of any or all of the documents we incorporate by reference in this prospectus supplement, other than any exhibit to any of those documents, unless we have specifically incorporated that exhibit by reference into the information this prospectus supplement incorporates. You may request a copy of these filings (other than an exhibit to a filing unless that exhibit is specifically incorporated by reference into that filing) at no cost, by writing or calling us at Investor Relations, First PacTrust Bancorp, Inc., 18500 Von Karman Avenue, Suite 1100, Irvine, California 92612, telephone number (949) 236-5300.

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In reviewing any agreements incorporated by reference, please remember that they are included to provide you with information regarding the terms of such agreements and are not intended to provide any other factual or disclosure information. The agreements may contain representations and warranties, which should not in all instances be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate. The representations and warranties were made only as of the date of the relevant agreement or such other date or dates as may be specified in such agreement and are subject to more recent developments. Accordingly, these representations and warranties alone may not describe the actual state of affairs as of the date they were made or at any other time.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information contained elsewhere in this prospectus supplement and the accompanying prospectus. Because it is a summary, it may not contain all of the information that is important to you. You should read carefully this entire prospectus supplement and the accompanying prospectus, including the section entitled Risk Factors beginning on page S-10 of this prospectus supplement, as well as the documents incorporated by reference in this prospectus supplement, before making a decision to invest in the depositary shares and Preferred Stock.

First PacTrust

We are a bank holding company incorporated in the state of Maryland, primarily engaged in the business of planning, directing and coordinating the business activities of our wholly owned subsidiaries, Pacific Trust Bank, a federally chartered savings bank, referred to herein as PacTrust, and Beach Business Bank, a California state-chartered bank, referred to herein as Beach. We are headquartered in Irvine, California and currently have 20 banking offices in Los Angeles, Orange, San Diego and Riverside counties, eight of which we have agreed to sell, as described under Recent Developments Pending Sale of Branches, and 38 loan production offices in California, Arizona, Oregon, Montana and Washington. PacTrust is a 71-year-old, community-oriented financial institution offering a variety of financial services to meet the needs of the communities we serve. PacTrust s principal business consists of attracting retail deposits from the general public and investing these funds primarily in permanent loans secured by first mortgages on owner-occupied, one- to four-family residences and a variety of consumer loans. PacTrust also originates loans secured by multi-family and commercial real estate and, to a lesser extent, commercial business loans. Beach is a community bank engaged in the general commercial banking business. Beach offers deposit and loan products to individuals and small- to mid-sized businesses. Beach s business plan emphasizes providing specialized financial services to individuals and businesses in its service area. In addition, Beach specializes in providing U.S. Small Business Administration, or SBA, loans, as a member of the SBA s Preferred Lender Program.

We had total consolidated assets of $2.1 billion at March 31, 2013, an increase of $368.4 million compared to $1.7 billion at December 31, 2012 and an increase of $968.0 million compared to $1.1 billion at March 31, 2012. Total consolidated loans and leases receivable of $1.6 billion at March 31, 2013 increased $377.2 million compared to $1.2 billion at December 31, 2012 and increased $783.0 million compared to $828.3 million at March 31, 2012. The increases in total assets and loans and leases receivable were due mainly to organic loan growth, loans acquired in the Beach and Gateway Bancorp, or Gateway, acquisitions and purchases of seasoned residential mortgage loans. Total consolidated deposits of $1.7 billion at March 31, 2013 represented an increase of $392.5 million compared to $1.3 billion at December 31, 2012 and an increase of $845.0 million compared to $853.8 million at March 31, 2012.

Total consolidated shareholders equity decreased $0.5 million, or 0.3%, to $188.3 million at March 31, 2013 compared to $188.8 million at December 31, 2012 and increased $4.3 million compared to $184.0 at March 31, 2012. Net income for the three month period ended March 31, 2013 was $929 thousand, reflecting a $552 thousand or 146.4% increase over net income of $377 thousand in the same period of the prior year. Pacific Trust Bank total equity was $174.7 million at March 31, 2013, or 10.6% of its total assets on that date. As of March 31, 2013, Pacific Trust Bank regulatory capital ratios were as follows: core capital 10.5%; Tier 1 risk-based capital 18.0%; and total risk-based capital 19.3%. Beach Business Bank total equity was $53.1 million at March 31, 2013, or 13.1% of its total assets on that date. As of March 31, 2013, Beach Business Bank s regulatory capital ratios were as follows: core capital 13.4%; Tier 1 risk-based capital 15.4%; and total risk-based capital 16.1%.

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Our goal is to be the premier community bank holding company in Southern California, serving the needs of growing families, high net worth individuals, professionals and small- to mid-sized businesses and their owners. Toward this end, we have adopted a business plan aimed at completing our transformation from a traditional thrift to a full-service community bank through a combination of organic growth and acquisitions.

Our principal executive offices are located at 18500 Von Karman Avenue, Suite 1100, Irvine, California 92612. Our telephone number is (949) 236-5300. Our internet address is www.firstpactrustbancorp.com. Information contained on or accessible from our website is not incorporated into this prospectus supplement or the accompanying prospectus and does not constitute a part of this prospectus supplement or the accompanying prospectus.

Recent Developments

Beach Business Bank Acquisition

On July 1, 2012, we completed our acquisition of Beach for aggregate cash consideration of approximately $39.1 million plus one-year warrants to purchase up to an aggregate of 1.4 million shares of our common stock at an exercise price of $14.00 per share. As of July 1, 2012, Beach had total assets of $312.0 million, total loans of $229.7 million and total deposits of $271.3 million. Upon the completion of the acquisition, Beach became a wholly owned subsidiary of First PacTrust.

Gateway Bancorp Acquisition

On August 17, 2012, we completed our acquisition of Gateway, the holding company for Gateway Business Bank, for an aggregate purchase price of $15.4 million in cash. In connection with the acquisition, Gateway Business Bank was merged into PacTrust. As of August 17, 2012, Gateway Business Bank had total assets of $178.0 million, total loans of $131.3 million and total deposits of $143.0 million. The acquisition included Mission Hills Mortgage Bankers, the mortgage banking division of Gateway Business Bank. From 2006 through the acquisition date, Mission Hills Mortgage Bankers originated approximately $6 billion of mostly prime mortgage loans, a majority of which have been sold servicing-released through correspondent relationships with financial institutions including through Government Sponsored Enterprises. Prior to merging with PacTrust, Gateway Business Bank independently operated two full service branches in Laguna Hills and Lakewood, California and Mission Hills Mortgage Bankers operated 22 retail mortgage production offices throughout California, Oregon, Washington and Arizona. Mission Hills Mortgage Bankers now operates as a division of PacTrust.

Pending Acquisition of The Private Bank of California

On August 21, 2012, First PacTrust and Beach entered into a definitive agreement to acquire all of the outstanding stock of The Private Bank of California, or PBOC, a California-chartered bank. Pursuant to the agreement, if the PBOC merger is completed, PBOC will merge with and into Beach (or at the option of First PacTrust, PacTrust). At March 31, 2013, PBOC had total assets of $674.3 million, total loans, net of allowance for loan losses, of $369.4 million and total deposits of $580.7 million. PBOC provides a range of financial services, including credit and deposit products, as well as cash management services, from its headquarters located in the Century City area of Los Angeles, California, its full-service branch in Hollywood and its loan production office in downtown Los Angeles. PBOC s target clients include high net worth and high income individuals, business professionals and their professional service firms, business owners, entertainment service businesses and non-profit organizations.

If the PBOC merger is completed, each holder of PBOC common stock outstanding immediately prior to the completion of the merger will receive his, her or its proportional share of (1) 2,083,333 shares of First PacTrust common stock and (2) $24,887,513 in cash, in each case subject to certain adjustments. If the total value of the merger consideration, calculated for this purpose using $12.00 as the value of one share of First PacTrust common stock, would otherwise exceed an amount equal to 1.30 times PBOC s tangible common equity as of the last business day of the month immediately prior to the closing of the merger (after subtracting from tangible common equity certain unaccrued one-time PBOC merger-related costs and expenses) then the cash portion of the merger consideration will be adjusted downward until the total value of the merger consideration is equal to such amount. We plan to finance the cash portion of the merger consideration with cash on hand.

In addition, if the PBOC merger is completed, each share of preferred stock issued by PBOC as part of the Small Business Lending Fund, or SBLF, program of the United States Department of Treasury (10,000 shares in the aggregate with a liquidation preference of $1,000 per share) will be converted automatically into one substantially identical share of First PacTrust preferred stock, to be designated Senior Non-Cumulative Perpetual Preferred Stock, Series B. The terms of the Senior Non-Cumulative Perpetual Preferred Stock, Series B, to be issued by First PacTrust in exchange for the PBOC preferred stock are substantially identical to, and will rank equally with, the Senior Non-Cumulative Perpetual Preferred Stock, Series A, previously issued by First PacTrust (and currently outstanding) as part of its own participation in the SBLF program (32,000 shares in the aggregate with a liquidation preference of $1,000 per share). Upon its issuance, the Senior Non-Cumulative Perpetual Preferred Stock, Series B, will rank equally with the Senior Non-Cumulative Perpetual Preferred Stock, Series A and the Preferred Stock. See Description of the Preferred Stock Ranking.

Completion of the transaction is subject to certain conditions, including receipt of approval of PBOC shareholders. Our merger application for Beach and PBOC was approved by the California Department of Financial Institutions on March 21, 2013 and by the FDIC on March 27, 2013. We expect to complete the transaction on or before July 5, 2013, although we cannot assure you that the transaction will close by such date or at all. The acquisition will be accounted for under the acquisition method of accounting.

Pending Sale of Branches

On May 31, 2013, PacTrust entered into a definitive agreement with AmericanWest Bank, or AWB, a Washington state chartered bank, pursuant to which PacTrust agreed to sell eight branches and related assets and deposit liabilities to AWB (referred to herein as the Branch Sale). The branches that are being sold are located in Riverside, Temecula, Chula Vista, El Cajon, San Diego and Lakewood, California. At the close of the transaction, AWB will assume certain of the liabilities and obligations of the branches, and PacTrust will sell and transfer to AWB certain real property for three of the branch locations that are owned by PacTrust, as well as leasehold interests for the other five of the branch locations, together with furniture, fixtures and equipment. At the close of the transaction, PacTrust will receive the following overall purchase price: (1) a deposit premium generally calculated as 2.3% of the average daily deposit balance of the assumed deposit accounts, subject to certain exclusions and exceptions as described in the agreement, (2) $5.8 million for the purchase of the three owned branches and (3) $0.5 million for furniture, fixtures and equipment. The agreement targets an October 4, 2013 closing date, subject to obtaining regulatory approval and satisfaction of other conditions to closing.

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Risk Factors

Investing in the depositary shares involves risks. You should carefully consider the information under Risk Factors beginning on page S-10 of this prospectus supplement and under Risk Factors in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012, filed with the SEC on March 28, 2013, as amended on Form 10-K/A, filed with the SEC on April 30, 2013, and in our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2013, filed with the SEC on May 10, 2013, as well as all other information included in this prospectus, including the documents incorporated by reference in this prospectus.

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THE OFFERING

The following summary contains basic information about the depositary shares, the Preferred Stock and this offering. This description is not complete and does not contain all of the information that you should consider before investing in the depositary shares. For a more complete understanding of the depositary shares and the Preferred Stock, you should read Description of the Preferred Stock and Description of the Depositary Shares in this prospectus supplement as well as Description of Common Stock and Preferred Stock Preferred Stock and Description of Depositary Shares in the accompanying prospectus. To the extent that the following information is inconsistent with the information in the accompanying prospectus, you should rely on the following information. In this section, The Offering, the Company, we, our, or us refer only to First PacTrust Bancorp, Inc. and not to any of its subsidiaries.

Issuer	First PacTrust Bancorp, Inc.
Securities Offered	1,400,000 depositary shares each representing a 1/40th ownership interest in a share of 8.00% Non-Cumulative Perpetual Preferred Stock, Series C, $0.01 par value, with a liquidation preference of $1,000 per share (equivalent to $25.00 per depositary share) of the Company, referred to herein as the Preferred Stock. Each holder of a depositary share will be entitled, through the depositary, in proportion to the applicable fraction of a share of Preferred Stock represented by such depositary share, to all of the rights and preferences of the Preferred Stock represented thereby (including dividend, voting, redemption and liquidation rights). We reserve the right to re-open this series of preferred stock and issue additional shares of the Preferred Stock and depositary shares representing the Preferred Stock either through public or private sales at any time and from time to time. The additional shares of Preferred Stock, and the depositary shares representing such Preferred Stock, would form a single series with the shares of Preferred Stock and the depositary shares offered by this prospectus supplement. We have granted the underwriters an option to purchase up to an additional 210,000 depositary shares within 30 days after the date of this prospectus supplement at the public offering price, less underwriting discounts and commissions, to cover overallotments, if any.
Dividends	We will pay dividends on the Preferred Stock, when, as, and if declared by our board of directors or a duly authorized committee of our board of directors. If declared, dividends will accrue and be payable on the liquidation preference amount, on a non-cumulative basis, from the date of issuance at a rate of 8.00% per annum, payable quarterly, in arrears. See also Dividend Payment Dates below. Upon the payment of any dividends on the Preferred Stock, holders of depositary shares will receive a related proportionate payment.

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Dividends on the Preferred Stock will not be cumulative. If our board of directors or a duly authorized committee of our board of directors does not declare a dividend on the Preferred Stock in respect of a dividend period, then no dividend shall be deemed to have accrued for such dividend period, be payable on the applicable dividend payment date or be cumulative, and we will have no obligation to pay any dividend for that dividend period, whether or not our board of directors or a duly authorized committee of our board of directors declares a dividend for any future dividend period with respect to the Preferred Stock or any other class or series of our preferred stock.

Notwithstanding any other provision hereof, dividends on the Preferred Stock will not be declared, paid or set aside for payment to the extent such act would cause us to fail to comply with the laws and regulations applicable to us, including applicable capital adequacy guidelines.

During any dividend period while the Preferred Stock is outstanding, unless, in each case, the full dividends for the preceding dividend period on all outstanding shares of Preferred Stock have been declared and paid or declared and a sum sufficient for the payment thereof has been set aside:

no dividend will be declared or paid or set aside for payment and no distribution will be declared or made or set aside for payment on any junior stock, other than:

a dividend payable solely in junior stock; or

any dividend in connection with the implementation of a shareholders rights plan, or the redemption or repurchase of any rights under any such plan;

no shares of junior stock shall be repurchased, redeemed or otherwise acquired for consideration by us, directly or indirectly (nor shall any monies be paid to or made available for a sinking fund for the redemption of any such securities by us) other than:

as a result of a reclassification of junior stock for or into other junior stock;

the exchange or conversion of one share of junior stock for or into another share of junior stock;

through the use of the proceeds of a substantially contemporaneous sale of other shares of junior stock;

	purchases, redemptions or other acquisitions of shares of junior stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or consultants;
	purchases of shares of junior stock pursuant to a contractually binding requirement to buy junior stock existing prior to the preceding dividend period, including under a contractually binding stock repurchase plan; or
	the purchase of fractional interests in shares of junior stock pursuant to the conversion or exchange provisions of such stock or the security being converted or exchanged; and
	no shares of parity stock shall be repurchased, redeemed or otherwise acquired for consideration by us otherwise than pursuant to pro rata offers to purchase all, or a pro rata portion, of the Preferred Stock and such parity stock except by conversion into or exchange for junior stock.
	When dividends are not paid in full upon the shares of Preferred Stock and any parity stock, all dividends declared upon shares of Preferred Stock and any parity stock will be declared on a proportional basis so that the amount of dividends declared per share will bear to each other the same ratio that accrued dividends for the Preferred Stock, and accrued dividends, including any accumulations, on any parity stock, bear to each other for the then-current dividend period for the Preferred Stock.
Dividend Payment Dates	Dividends on the Preferred Stock will be payable when, as, and if declared by our board of directors or a duly authorized committee of our board of directors, quarterly, in arrears, on March 15, June 15, September 15 and December 15 of each year, each referred to herein as a dividend payment date, beginning on September 15, 2013. If any date on which dividends would otherwise be payable is not a business day, then the dividend payment date will be the next business day without any adjustment to the amount of dividends paid.
Redemption	The Preferred Stock is perpetual and has no maturity date. We may redeem the Preferred Stock at our option, (1) in whole or in part, from time to time, on any dividend payment date on or after September 15, 2018, at a redemption price equal to $1,000 per share (equivalent to $25.00 per depositary share), plus any declared and unpaid dividends, without accumulation of any

	undeclared dividends, or (2) in whole but not in part, at any time within 90 days following a regulatory capital treatment event (as defined herein), at a redemption price equal to $1,000 per share (equivalent to $25.00 per depositary share), plus any declared and unpaid dividends and, without duplication, any accrued and unpaid dividends (whether or not declared) for the then-current dividend period to but excluding the redemption date. If we redeem the Preferred Stock, the depositary will redeem a proportionate number of depositary shares. Neither the holders of Preferred Stock nor holders of depositary shares will have the right to require the redemption or repurchase of the Preferred Stock. Any redemption of the Preferred Stock is subject to our receipt of any required prior approval by the Board of Governors of the Federal Reserve System (including any successor bank regulatory authority that may become our appropriate federal banking agency, and referred to herein as the Federal Reserve) and to the satisfaction of any conditions set forth in the capital guidelines or regulations of the Federal Reserve applicable to redemption of the Preferred Stock.
Liquidation Rights	In the event we liquidate, dissolve or wind-up our business and affairs, either voluntarily or involuntarily, holders of the Preferred Stock are entitled to receive a liquidating distribution of $1,000 per share (equivalent to $25.00 per depositary share), plus any declared and unpaid dividends, without accumulation of any undeclared dividends, before we make any distribution of assets to the holders of our common stock or any other class or series of shares of junior stock. Distributions will be made only to the extent of our assets that are available after satisfaction of all liabilities to creditors and subject to the rights of holders of any securities ranking senior to the Preferred Stock and pro rata as to the Preferred Stock and any other shares of our stock ranking equally as to such distribution. Holders of the Preferred Stock will not be entitled to any other amounts from us after they have received their full liquidating distribution.
Voting Rights	None, except with respect to authorizing or increasing the authorized amount of senior stock, certain share exchanges, reclassifications, mergers or consolidations, certain changes in the terms of the Preferred Stock and in the case of certain dividend non-payments. The holders of Preferred Stock will have exclusive voting rights on any charter amendment that would alter only the contract rights, as expressly set forth in our charter, of the Preferred Stock. See Description of the Preferred Stock Voting Rights. Holders of depositary shares must act through the depositary to exercise any voting rights, as

	described under Description of the Depositary Shares Voting the Preferred Stock.
Ranking	Shares of the Preferred Stock will rank senior to our common stock, equally with our Senior Non-Cumulative Perpetual Preferred Stock, Series A, and the Senior Non-Cumulative Perpetual Preferred Stock, Series B, that we will issue if the PBOC merger is completed, and at least equally with each other class or series of our preferred stock that we may issue in the future that, by its terms, ranks equally to the Preferred Stock in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of First PacTrust. See Description of the Preferred Stock Ranking. We will generally be able to pay dividends and distributions upon liquidation, dissolution or winding up only out of lawfully available assets for such payment after satisfaction of all claims for indebtedness and other non-equity claims.
No Maturity	The Preferred Stock does not have any maturity date, and we are not required to redeem the Preferred Stock. Accordingly, the Preferred Stock will remain outstanding indefinitely, unless and until we decide to redeem it and receive prior approval of the Federal Reserve to do so.
Preemptive and Conversion Rights	None.
Tax Consequences	For discussion of the tax consequences relating to the depositary shares, see Certain U.S. Federal Income Tax Considerations.
Use of Proceeds	We estimate that the net proceeds of this offering will be approximately $33,722,500 (or approximately $38,807,125 if the underwriters exercise in full their option to purchase additional depositary shares), based on the public offering price of $25.00 per depositary share, after deducting underwriting commissions and expenses. We intend to retain the majority of the net proceeds from this offering at First PacTrust for possible acquisitions, support of organic growth, investments in, or extensions of credit to, our subsidiaries, investments in securities and for general corporate purposes.
Risk Factors	Investing in the depositary shares involves risks. Before deciding whether to invest in the depositary shares, you should carefully consider the information set forth in the section of the prospectus supplement entitled Risk Factors beginning on page S-10, as well as the other information contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus.
Listing	We have applied to list the depositary shares on the NASDAQ Global Market under the symbol BANCP. If the application is approved, trading of the depositary shares on the NASDAQ Global Market is expected to commence within 30 days after they are first issued.
Depositary, Transfer Agent and Registrar	Registrar and Transfer Company

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RISK FACTORS

An investment in the depositary shares involves various risks. You should carefully consider the risk factors described in Part I, Item 1A, Risk Factors in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012, filed on March 28, 2013, as amended on Form 10-K/A, filed on April 30, 2013, and in Part II, Item 1A, Risk Factors in our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2013, filed on May 10, 2013, and in our other reports filed from time to time with the SEC, which are incorporated by reference into this prospectus supplement and the accompanying prospectus, as the same may be amended, supplemented or superseded from time to time by our filings under the Exchange Act. You should carefully consider the risks described below, and the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus before investing in the depositary shares. The risks described below are not the only risks applicable to us. Additional risks not currently known to us or that we currently consider immaterial also may impair our business.

Risks Relating to The Depositary Shares and The Preferred Stock

You are making an investment decision about both the depositary shares and the Preferred Stock, which are different securities.

As described in this prospectus supplement, we are issuing depositary shares representing fractional interests in shares of Preferred Stock. The depositary will rely solely on the payments it receives on the Preferred Stock to fund all payments on the depositary shares. You should carefully review the information in this prospectus supplement and the accompanying prospectus regarding both of these securities because their rights and privileges are different.

Our ability to pay dividends on the Preferred Stock may be limited by federal regulatory considerations.

As a bank holding company, First PacTrust s ability to declare and pay dividends is primarily dependent on the receipt of dividends and other distributions from our subsidiaries. The principal source of our liquidity at the parent company level is dividends from PacTrust and Beach, which are subject to various statutory and regulatory limitations on their ability to pay dividends or make other capital distributions. The amount available for dividend payments by PacTrust and Beach to First PacTrust without prior regulatory approval at March 31, 2013 was approximately $18.6 million.

In addition, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, or Dodd-Frank Act, requires federal banking agencies to establish more stringent risk-based capital requirements and leverage limits applicable to banks and bank holding companies. In June 2012, the Federal Reserve, the FDIC and the Office of the Comptroller of the Currency, or OCC, issued three notices of proposed rulemaking, including a joint notice of proposed rulemaking, referred to herein as the June NPR, addressing, among other matters, Section 171 of the Dodd-Frank Act and the agreement reached with the Basel Committee on Banking Supervision, or Basel III. The June NPR set forth the proposed criteria for qualifying additional Tier 1 capital instruments consistent with Basel III, including the requirement that any dividends on such instruments only be paid out of the banking organization s net income and retained earnings. Until the final rules are issued, we cannot predict the June NPR s actual effect on us. These requirements, and any other new regulations or capital distribution constraints, could adversely affect our ability to pay dividends on the Preferred Stock and, therefore, your ability to receive distributions on the depositary shares.

The Preferred Stock is equity and is subordinate to our existing and future indebtedness.

The shares of Preferred Stock are equity interests in First PacTrust and do not constitute indebtedness. This means that the depositary shares, which represent proportional fractional interests in the shares of Preferred Stock, will rank junior to all indebtedness and other non-equity claims on First PacTrust with respect to assets available to satisfy claims on First PacTrust, including in a liquidation of First PacTrust. Our existing and future indebtedness may restrict payment of dividends on the Preferred Stock.

Additionally, unlike indebtedness, where principal and interest customarily are payable on specified due dates, in the case of preferred stock like the Preferred Stock, (1) dividends are payable only if declared by our board of directors or a duly authorized committee of our board of directors, (2) dividends do not cumulate if they are not declared and (3) as a corporation, we are subject to restrictions on payments of dividends and redemption price out of lawfully available funds. Further, the Preferred Stock places no restrictions on our business or operations or on our ability to incur indebtedness or engage in any transactions, subject only to the limited voting rights referred to under Description of the Preferred Stock Voting Rights.

The Preferred Stock may be junior in rights and preferences to our future preferred stock.

We may in the future create and issue additional shares of preferred stock ranking senior to the Preferred Stock as to dividends and/or distribution of assets upon our liquidation, dissolution or winding up with the requisite consent of the holders of the Preferred Stock and other parity stock entitled to vote thereon. The terms of any of our future preferred stock which by its terms is expressly senior to the Preferred Stock may restrict dividend payments on the Preferred Stock. This could result in dividends on the Preferred Stock not being paid.

Dividends on the Preferred Stock are discretionary and non-cumulative.

Dividends on the Preferred Stock are discretionary and will not be cumulative. If our board of directors or a duly authorized committee of our board of directors does not declare a dividend on the Preferred Stock in respect of a dividend period, then no dividend shall be deemed to have accrued for such dividend period, be payable on the applicable dividend payment date or be cumulative, and we will have no obligation to pay any dividend for that dividend period, whether or not our board of directors or a duly authorized committee of our board of directors declares a dividend on the Preferred Stock for any future dividend period.

Investors should not expect First PacTrust to redeem the Preferred Stock on the date it becomes redeemable or on any particular date after it becomes redeemable.

The Preferred Stock is a perpetual equity security. This means that the Preferred Stock has no maturity or mandatory redemption date and is not redeemable at the option of investors, including the holders of the depositary shares offered by this prospectus supplement. The Preferred Stock may be redeemed by us at our option, (1) either in whole or in part, on any dividend payment date on or after September 15, 2018, or (2) in whole but not in part, at any time within 90 days following a regulatory capital treatment event. In addition, our right to redeem the Preferred Stock is subject to limitations established by the Federal Reserve s risk-based capital guidelines applicable to bank holding companies, and under current regulatory rules and regulations we would need prior regulatory approval to redeem the Preferred Stock. We cannot assure you that the Federal Reserve will approve any redemption of the Preferred Stock that we may propose.

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We may be able to redeem the Preferred Stock before September 15, 2018.

In addition to our ability to redeem the Preferred Stock on any dividend payment date on or after September 15, 2018, we may redeem the Preferred Stock at any time after it is issued upon the occurrence of certain events involving the capital treatment of the Preferred Stock if we determine in good faith that a regulatory capital treatment event has occurred. This redemption would be subject to the prior approval of the Federal Reserve. See Description of the Preferred Stock Redemption Redemption Following a Regulatory Capital Treatment Event.

It is possible that the Preferred Stock may not satisfy the proposed criteria for tier 1 capital instruments consistent with Basel III as set forth in the June NPR. As a result, in addition to other circumstances that may constitute a regulatory capital treatment event, if the Federal Reserve revises and replaces its current capital rules with the proposed risk-based and leverage capital requirements set forth in the June NPR, a regulatory capital treatment event could occur whereby we would have the right, subject to prior approval of the appropriate federal banking agency, to redeem the Preferred Stock in accordance with its terms prior to September 15, 2018 at a redemption price equal to $1,000 per share (equivalent to $25.00 per depositary share), plus any declared and unpaid dividends and any accrued and unpaid dividends (whether or not declared).

Holders of the Preferred Stock and the depositary shares will have limited voting rights.

Holders of the Preferred Stock have no voting rights, except with respect to authorizing or increasing the authorized amount of senior stock, certain share exchanges, reclassifications, mergers or consolidations, certain changes in the terms of the Preferred Stock and in the case of certain dividend non-payments, as described under Description of the Preferred Stock Voting Rights. Holders of depositary shares would instruct the depositary how to vote the shares of Preferred Stock in such circumstances based, in the case of each holder of depositary shares, on the proportional rights in the Preferred Stock represented by such holder s depositary shares.

General market conditions and unpredictable factors could adversely affect market prices for the depositary shares.

There can be no assurance about the market prices for the depositary shares. Several factors, many of which are beyond our control, will influence the market prices of the depositary shares. Factors that might influence the market prices of the depositary shares include:

- whether we declare or fail to declare dividends on the Preferred Stock from time to time;
- our creditworthiness;
- interest rates;
- developments in the credit, mortgage and housing markets, the markets for securities relating to mortgages or housing and developments with respect to financial institutions generally;
- the market for similar securities; and
- economic, financial, geopolitical, regulatory or judicial events that affect us or the financial markets generally.

Accordingly, the depositary shares that an investor purchases, whether in this offering or in the secondary market, may trade at a discount to their purchase price.

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Our ability to pay dividends depends upon the results of operations of our subsidiaries.

We are a holding company and conduct substantially all of our operations through subsidiaries. As a result, our ability to make dividend payments on the Preferred Stock will depend primarily upon the receipt of dividends and other distributions from our subsidiaries. Various legal limitations restrict the extent to which our subsidiaries may extend credit, pay dividends or other funds or otherwise engage in transactions with us.

In addition, our right to participate in any distribution of assets from any subsidiary, upon the subsidiary s liquidation or otherwise, is subject to the prior claims of creditors of that subsidiary, except to the extent that we are recognized as a creditor of that subsidiary. As a result, the Preferred Stock will be effectively subordinated to all existing and future liabilities of our subsidiaries.

Under the regulations of the Federal Reserve, a bank holding company is expected to act as a source of financial strength for its subsidiary banks. As a result of this regulatory policy, the Federal Reserve might require First PacTrust to commit resources to its subsidiary banks, even when doing so is not otherwise in the interests of First PacTrust or its shareholders or creditors.

We cannot assure you that a liquid trading market for the depositary shares will develop.

The depositary shares are a new issue of securities for the Company with no established trading market. We have applied to list the depositary shares on the NASDAQ Global Market. While we expect trading of the depositary shares on the NASDAQ Global Market to begin within the 30-day period after the initial issuance of the depositary shares, there is no guarantee that we will be able to list the depositary shares. Even if the depositary shares are listed, there may be little or no secondary market for the depositary shares and such market may not provide sufficient liquidity. Because the depositary shares do not have a stated maturity date, investors seeking liquidity will need to rely on the secondary market. We cannot assure you that a liquid trading market for the depositary shares will develop, that you will be able to sell your depositary shares at a particular time or that the price you receive when you sell will be favorable. We do not expect that there will be any separate public trading market for the shares of the Preferred Stock except as represented by the depositary shares.

Holders of depositary shares may be unable to use the dividends received deduction.

Distributions paid to corporate U.S. holders of the depositary shares out of dividends on the Preferred Stock may be eligible for the dividends received deduction if we have current or accumulated earnings and profits, as determined for U.S. federal income tax purposes. Although we presently have accumulated earnings and profits, we may not have sufficient current or accumulated earnings and profits during future fiscal years for the distributions on the Preferred Stock to qualify, in whole or in part, as dividends for U.S. federal income tax purposes. See Certain U.S. Federal Income Tax Considerations. If any distributions on the Preferred Stock with respect to any fiscal year are not eligible for the dividends received deduction because of insufficient current or accumulated earnings and profits, the market value of the depositary shares may decline.

Offerings of debt, which are senior to our Preferred Stock upon liquidation, or other senior equity securities may adversely affect the amounts potentially payable in respect of the Preferred Stock upon liquidation.

We may desire or, as a regulated financial institution, be required in the future to increase our capital resources or liquidity through additional offerings of debt or equity securities, including senior or subordinated notes, preferred stock and common stock. Upon liquidation, holders of our debt securities, lenders with respect to other borrowings and holders of any future preferred stock ranking

senior to the Preferred Stock will receive distributions of our available assets prior to the holders of our Preferred Stock and depositary shares, and holders of any future preferred stock ranking on parity with the Preferred Stock as to liquidation will share ratably in any distributions upon liquidation, thereby reducing the amounts potentially payable in respect of the Preferred Stock upon liquidation.

Additional issuances of preferred stock or securities convertible into preferred stock may dilute existing holders of the depositary shares and affect the market price of the depositary shares.

We may, in the future, determine that it is advisable, or we may encounter circumstances where we determine it is necessary, to issue additional shares of preferred stock, securities convertible into, exchangeable for or that represent an interest in preferred stock, or preferred stock-equivalent securities to fund strategic initiatives or other business needs or to build additional capital. Our board of directors is authorized to cause us to issue one or more classes or series of preferred stock from time to time generally without any action on the part of the shareholders, including issuing additional shares of Preferred Stock or additional depositary shares. The market price of the depositary shares could decline, and the voting power of the Preferred Stock or depositary shares be adversely affected, as a result of these other offerings. Although the approval of holders of depositary shares representing interests in the Preferred Stock will be required to issue any equity security ranking senior to the Preferred Stock, if we issue preferred stock in the future that has preference over, or is equal in preference to, the Preferred Stock with respect to the payment of dividends or upon liquidation, the rights of holders of the Preferred Stock and the depositary shares or the market price of the depositary shares could be adversely affected. Holders of the Preferred Stock and the depositary shares are not entitled to preemptive rights or other protections against dilution.

Risks Relating to Our Business and Operating Environment

Our business strategy includes significant growth plans, and our financial condition and results of operations could be negatively affected if we fail to grow or fail to manage our growth effectively.

We intend to pursue an organic and acquisition growth strategy for our business. We regularly evaluate potential acquisitions and expansion opportunities. If appropriate opportunities present themselves, we expect to engage in selected acquisitions of financial institutions, branch acquisitions and other business growth initiatives or undertakings. There can be no assurance that we will successfully identify appropriate opportunities, that we will be able to negotiate or finance such activities or that such activities, if undertaken, will be successful.

There are risks associated with our growth strategy. To the extent that we grow through acquisitions, we cannot ensure that we will be able to adequately or profitably manage this growth. Acquiring other banks, branches or other assets, as well as other expansion activities, involves various risks including the risks of incorrectly assessing the credit quality of acquired assets, encountering greater than expected costs of integrating acquired banks or branches into PacTrust, and/or Beach, the risk of loss of customers and/or employees of the acquired institution or branch, executing cost savings measures, not achieving revenue enhancements and otherwise not realizing the transaction s anticipated benefits. Our ability to address these matters successfully cannot be assured. In addition, our strategic efforts may divert resources or management s attention from ongoing business operations, may require investment in integration and in development and enhancement of additional operational and reporting processes and controls and may subject us to additional regulatory scrutiny.

Our growth initiatives may also require us to recruit experienced personnel to assist in such initiatives. Accordingly, the failure to identify and retain such personnel would place significant limitations on our ability to successfully execute our growth strategy. In addition, to the extent we

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expand our lending beyond our current market areas, we could incur additional risks related to those new market areas. We may not be able to expand our market presence in our existing market areas or successfully enter new markets.

If we do not successfully execute our acquisition growth plan, it could adversely affect our business, financial condition, results of operations, reputation and growth prospects. In addition, if we were to conclude that the value of an acquired business had decreased and that the related goodwill had been impaired, that conclusion would result in an impairment of goodwill charge to us, which would adversely affect our results of operations. While we believe we will have the executive management resources and internal systems in place to successfully manage our future growth, there can be no assurance growth opportunities will be available or that we will successfully manage our growth.

Additionally, we may pursue divestitures of non-strategic branches or other assets. Such divestitures involve various risks, including the risks of not being able to timely or fully replace liquidity previously provided by deposits which may be transferred as part of a divestiture, which could adversely affect our financial condition and results of operations.

Our allowance for loan and lease losses may prove to be insufficient to absorb probable incurred losses in our loan and lease portfolio.

Lending money is a substantial part of our business. Every loan and lease carries a certain risk that it will not be repaid in accordance with its terms or that any underlying collateral will not be sufficient to assure repayment. This risk is affected by, among other things:

- cash flow of the borrower and/or the project being financed;
- in the case of a collateralized loan or lease, the changes and uncertainties as to the future value of the collateral;
- the credit history of a particular borrower;
- changes in economic and industry conditions; and
- the duration of the loan or lease.

We maintain an allowance for loan and lease losses which we believe is appropriate to provide for probable incurred losses in our loan and lease portfolio. The amount of this allowance is determined by our management through a periodic review and consideration of several factors, including, but not limited to:

- an ongoing review of the quality, size and diversity of the loan and lease portfolio;
- evaluation of non-performing loans and leases;
- historical default and loss experience;
- historical recovery experience;
- existing economic conditions;

- risk characteristics of the various classifications of loans and leases; and

- the amount and quality of collateral, including guarantees, securing the loans and leases.

If our loan and lease losses exceed our allowance for probable incurred loan and lease losses, our business, financial condition and profitability may suffer.

The determination of the appropriate level of the allowance for loan and lease losses inherently involves a high degree of subjectivity and requires us to make various assumptions and judgments about the collectability of our loan and lease portfolio, including the creditworthiness of our borrowers and the value of the real estate and other assets serving as collateral for the repayment of many of our loans and leases. In determining the amount of the allowance for loan and lease losses, we review our loans and leases and the loss and delinquency experience, and evaluate economic conditions and make significant estimates of current credit risks and future trends, all of which may undergo material changes. If our estimates are incorrect, the allowance for loan and lease losses may not be sufficient to cover losses inherent in our loan and lease portfolio, resulting in the need for additions to our allowance through an increase in the provision for loan and lease losses. Continuing deterioration in economic conditions affecting borrowers, new information regarding existing loans and leases, identification of additional problem loans and leases and other factors, both within and outside of our control, may require an increase in the allowance for loan and lease losses. Our allowance for loan and lease losses was 1.53% of loans and leases held for investment attributable to the allowance and 94.9% of nonperforming loans at March 31, 2013. In addition, bank regulatory agencies periodically review our allowance for loan and lease losses and may require an increase in the provision for loan and lease losses or the recognition of further charge-offs, based on judgments different than that of management. If charge-offs in future periods exceed the allowance for loan and lease losses, we will need additional provisions to increase the allowance for loan and lease losses. Any increases in the provision for loan and lease losses will result in a decrease in net income and may have a material adverse effect on our financial condition and results of operations.

Our business may be adversely affected by credit risk associated with residential property and declining property values.

At March 31, 2013, $1.0 billion, or 63.3% of our total gross loan and lease portfolio, was secured by single-family mortgage loans and home equity lines of credit. This type of lending is generally sensitive to regional and local economic conditions that significantly impact the ability of borrowers to meet their loan payment obligations, making loss levels difficult to predict. The decline in residential real estate values as a result of the downturn in the California housing markets has reduced the value of the real estate collateral securing these types of loans and increased the risk that we would incur losses if borrowers default on their loans. Residential loans with high combined loan-to-value ratios generally will be more sensitive to declining property values than those with lower combined loan-to-value ratios and therefore may experience a higher incidence of default and severity of losses. In addition, if the borrowers sell their homes, the borrowers may be unable to repay their loans in full from the sale proceeds. As a result, these loans may experience higher rates of delinquencies, defaults and losses, which will in turn adversely affect our financial condition and results of operations.

Our underwriting practices may not protect us against losses in our loan portfolio.

We seek to mitigate the risks inherent in our loan portfolio by adhering to specific underwriting practices, including: analyzing a borrower s credit history, financial statements, tax returns and cash flow projections; valuing collateral based on reports of independent appraisers; and verifying liquid assets. Although we believe that our underwriting criteria are, and historically have been, appropriate for the various kinds of loans we make, we have incurred losses on loans that have met these criteria, and may continue to experience higher than expected losses depending on economic factors and consumer behavior. In addition, our ability to assess the creditworthiness of our customers may be impaired if the models and approaches we use to select, manage and underwrite our customers become less predictive of future behaviors. Finally, we may have higher credit risk, or experience higher credit losses, to the extent our loans are concentrated by loan type, industry segment, borrower type or location of the borrower or collateral. Our residential loan portfolio is largely jumbo loans that exceed the loan size limit of Fannie Mae and Freddie Mac and therefore have a more limited

secondary market demand than that of conforming loans. At March 31, 2013, 71% of our commercial real estate loans and 78% of our residential mortgages were secured by collateral in Southern California. Deterioration in real estate values and underlying economic conditions in Southern California could result in significantly higher credit losses to our portfolio.

Our income property loans, consisting of commercial and multi-family real estate loans, involve higher principal amounts than other loans and repayment of these loans may be dependent on factors outside our control or the control of our borrowers.

We originate commercial and multi-family real estate loans for individuals and businesses for various purposes, which are secured by commercial properties. These loans typically involve higher principal amounts than other types of loans, and repayment is dependent upon income generated, or expected to be generated, by the property securing the loan in amounts sufficient to cover operating expenses and debt service, which may be adversely affected by changes in the economy or local market conditions. For example, if the cash flow from the borrower s project is reduced as a result of leases not being obtained or renewed, the borrower s ability to repay the loan may be impaired. Commercial and multi-family real estate loans also expose us to greater credit risk than loans secured by residential real estate because the collateral securing these loans typically cannot be sold as easily as residential real estate. In addition, many of our commercial and multi-family real estate loans are not fully amortizing and contain large balloon payments upon maturity. Such balloon payments may require the borrower to either sell or refinance the underlying property in order to make the payment, which may increase the risk of default or non-payment.

If we foreclose on a commercial or multi-family real estate loan, our holding period for the collateral typically is longer than for residential mortgage loans because there are fewer potential purchasers of the collateral. Additionally, commercial and multi-family real estate loans generally have relatively large balances to single borrowers or related groups of borrowers. Accordingly, if we make any errors in judgment in the collectability of our commercial and multi-family real estate loans, any resulting charge-offs may be larger on a per loan basis than those incurred with our residential or consumer loan portfolios. As of March 31, 2013, our commercial and multi-family real estate loans totaled $457.7 million, or 28.2% of our total gross loan portfolio.

Our portfolio of Green Loans subjects us to greater risks of loss.

We have a portfolio of Green Account home equity loans, referred to herein as Green Loans, which generally have a 15-year draw period with interest-only payment requirements and a balloon payment requirement at the end of the draw period. The Green Loans include an associated clearing account that allows all types of deposit and withdrawal transactions to be performed by the borrower during the term. We ceased originating new Green Loans in 2011; however, existing Green Loan borrowers are entitled to continue to draw on their Green Loans, and at March 31, 2013, the balance of Green Loans in our portfolio totaled $193.3 million.

In 2011, we implemented an information reporting system which allowed us to capture more detailed information than was previously possible, including transaction level data concerning our Green Loans. Although such transaction level data would have enabled us to more closely monitor trends in the credit quality of our Green Loans, we do not possess the enhanced transaction level data relating to the Green Loans for periods prior to the implementation of those enhanced systems. Although we do not believe that the absence of such historical data itself represents a material impediment to our current mechanisms for monitoring the credit quality of the Green Loans, until we compile sufficient transaction level data going forward we are limited in our ability to use historical information to monitor trends in the portfolio that might assist us in anticipating credit problems. Green Loans expose us to greater credit risk than other residential mortgage loans because they are non-

amortizing and contain large balloon payments upon maturity. Although the Green Loans require the borrower to make monthly interest payments, we are also subject to an increased risk of loss because payments due under the loans can be made by means of additional advances drawn by the borrower, up to the amount of the credit limit, thereby increasing our overall loss exposure due to negative amortization. The balloon payment due on maturity may require the borrower to either sell or refinance the underlying property in order to make the payment, which may increase the risk of default or non-payment. Our ability to take remedial actions in response to these additional risks of loss is limited by the terms and conditions of the Green Loans, and our alternatives consist primarily of the ability to curtail additional borrowing when we determine that either the collateral value of the underlying real property or the credit worthiness of the borrower no longer supports the level of credit originally extended. Additionally, many of our Green Loans have larger balances than traditional residential mortgage loans, and accordingly, if the loans go into default either during the draw period or at maturity, any resulting charge-offs may be larger on a per loan basis than those incurred with traditional residential mortgage loans.

Repayment of our commercial and industrial loans is often dependent on the cash flows of the borrower, which may be unpredictable, and the collateral securing these loans may not be sufficient to repay the loan in the event of default.

We make our commercial and industrial loans primarily based on the identified cash flow of the borrower and secondarily on the underlying collateral provided by the borrower. Collateral securing commercial and industrial loans may depreciate over time, be difficult to appraise and fluctuate in value. In the case of loans secured by accounts receivable, the availability of funds for the repayment of these loans may be substantially dependent on the ability of the borrower to collect the amounts due from its customers. Accordingly, we make our commercial and industrial loans primarily based on the historical and expected cash flow of the borrower and secondarily on underlying collateral provided by the borrower. As of March 31, 2013, our commercial and industrial loans totaled $79.4 million, or 4.9% of our total gross loan portfolio.

Any breach of representations and warranties made by us to our residential mortgage loan purchasers or credit default on our loan sales may require us to repurchase residential mortgage loans we have sold.

We sell a majority of the residential mortgage loans we originate in the secondary market pursuant to agreements that generally require us to repurchase loans in the event of a breach of a representation or warranty made by us to the loan purchaser. Any fraud or misrepresentation during the mortgage loan origination process, whether by us, the borrower, mortgage broker or another party to the transaction, or, in some cases, any early payment default on such mortgage loans, may require us to repurchase such loans.

We believe that, as a result of the increased defaults and foreclosures during the past several years resulting in increased demands for repurchases and indemnifications in the secondary market, many purchasers of residential mortgage loans are particularly aware of the conditions under which originators must indemnify or repurchase loans and would benefit from enforcing any repurchase remedies they may have. We believe that our exposure to repurchases under our representations and warranties includes the current unpaid balance of all loans we have sold, including loans originated and sold by Gateway prior to our acquisition. Gateway previously originated loans that had more flexible underwriting guidelines than our current guidelines, and we believe, a higher risk of loss. From 2004 through the time of our acquisition of Gateway in 2012, Gateway sold an aggregate of approximately $8.0 billion of residential loans. To recognize the potential loan repurchase or indemnification losses from those loans, we have recorded a reserve of $3.498 million as of March 31, 2013. During 2012, we sold an aggregate of $543.4 million of residential loans. A deterioration in the economy, an increase in

interest rates or a decrease in home values could increase customer defaults on residential loans we sold, increase demands for repurchases and indemnification and increase our losses from loan repurchases and indemnifications. If we are required to indemnify or repurchase loans that we originate and sell that result in losses that exceed our reserve, this could adversely affect our business, financial condition and results of operations. In addition, any claims asserted against us in the future by one of our loan purchasers may result in liabilities or legal expenses that could have a material adverse effect on our results of operations and financial condition.

Other-than-temporary impairment charges in our investment securities portfolio could result in losses and adversely affect our continuing operations.

As of March 31, 2013, our investment securities portfolio consisted of 73 securities, 31 of which were in an unrealized loss position. The majority of unrealized losses are related to private label residential mortgage-backed securities, as discussed below.

Our private label residential mortgage-backed securities that are in an unrealized loss position had a fair value of $12.3 million with unrealized losses of $91 thousand at March 31, 2013. Our agency residential mortgage-backed securities that are in an unrealized loss position had a fair value of $15.6 million with unrealized losses of $126 thousand at March 31, 2013. We monitor our securities portfolio to insure it has adequate credit support, and we believe as of March 31, 2013 there is no other than temporary impairment, or OTTI. We do not have the intent to sell these securities, and it is not likely that we will be required to sell the securities before their anticipated recovery. Of the $99.7 million securities portfolio, $92.9 million were rated AAA, AA or A, $5.9 million were rated BBB and $882 thousand were rated BB based on the most recent credit rating as of March 31, 2013. We consider the lowest credit rating for identification of potential OTTI. We sold the non-investment grade investment of $882 thousand during the month of April 2013, at a nominal gain, to maintain compliance with our investment policy.

We closely monitor our investment securities for changes in credit risk. The valuation of our investment securities also is influenced by external market and other factors, including implementation of SEC and Financial Accounting Standards Board guidance on fair value accounting. Accordingly, if market conditions deteriorate further and we determine our holdings of other investment securities are OTTI, our future earnings, shareholders equity, regulatory capital and continuing operations could be materially and adversely affected.

We currently hold a significant amount of bank-owned life insurance.

At March 31, 2013, we held $18.7 million of bank-owned life insurance, or BOLI, on certain key and former employees and executives, with a cash surrender value of $18.7 million. The eventual repayment of the cash surrender value is subject to the ability of the various insurance companies to pay death benefits or to return the cash surrender value to us if needed for liquidity purposes. We continually monitor the financial strength of the various companies with whom we carry these policies. However, any one of these companies could experience a decline in financial strength, which could impair its ability to pay benefits or return our cash surrender value. If we need to liquidate these policies for liquidity purposes, we would be subject to taxation on the increase in cash surrender value and penalties for early termination, both of which would adversely impact earnings.

If our investment in the Federal Home Loan Bank of San Francisco becomes impaired, our earnings and shareholders equity could decrease.

At March 31, 2013, we owned $8.4 million in Federal Home Loan Bank, or FHLB, stock. We are required to own this stock to be a member of and to obtain advances from our FHLB. This stock is not marketable and can only be redeemed by our FHLB. Our FHLB s financial condition is linked, in part, to

the 11 other members of the FHLB system and to accounting rules and asset quality risks that could materially lower their capital, which would cause our FHLB stock to be deemed impaired, resulting in a decrease in our earnings and assets.

We have a significant deferred tax asset that may or may not be fully realized.

We account for income taxes by recognizing deferred tax assets and liabilities based upon temporary differences between the financial reporting and tax basis of our assets and liabilities. A valuation allowance is established when necessary to reduce deferred tax assets when it is more-likely-than-not that a portion or all of the net deferred tax assets will not be realized. In assessing the realization of deferred tax assets, we evaluate both positive and negative evidence, including the existence of any cumulative losses in the current year and the prior two years, the amount of taxes paid in available carry-back years, the forecasts of future income, applicable tax planning strategies and assessments of current and future economic and business conditions. This analysis is updated quarterly and adjusted as necessary. As of March 31, 2013, we had a net deferred tax asset of $7.6 million, net of a $7.8 million valuation allowance. The net deferred tax asset as of March 31, 2013 is supported by tax planning strategies.

Our ability to utilize our deferred tax asset to offset future taxable income may be significantly limited if we experiences an ownership change under the Internal Revenue Code.

As of March 31, 2013, we had recognized a net deferred tax asset of approximately $7.6 million, which is included in our tangible common equity. Our ability to utilize our deferred tax asset to offset future taxable income may be significantly limited if we experience an ownership change as defined in Section 382 of the Internal Revenue Code of 1986, as amended, referred to herein as the Code. In general, an ownership change will occur if there is a cumulative change in the ownership by 5-percent or more shareholders (as defined in the Code) that exceeds 50 percentage points over a rolling three-year period. If this were to occur, we would be subject to an annual limitation on our pre-ownership change deferred tax asset equal to the value of the corporation immediately before the ownership change, provided that the annual limitation would be increased each year to the extent that there is an unused limitation in a prior year.

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USE OF PROCEEDS

We estimate that the net proceeds of this offering will be approximately $33,722,500 (or approximately $38,807,125 if the underwriters exercise in full their option to purchase additional depositary shares), based on the public offering price of $25.00 per depositary share, after deducting underwriting commissions and expenses. We intend to retain the majority of the net proceeds from this offering at First PacTrust for possible acquisitions, support of organic growth, investments in, or extensions of credit to, our subsidiaries, investments in securities and for general corporate purposes.

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UNAUDITED PRO FORMA COMBINED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The following unaudited pro forma combined condensed consolidated financial information has been prepared using the acquisition method of accounting, giving effect to our pending acquisition of PBOC and our pending Branch Sale. The unaudited pro forma combined condensed consolidated statement of financial condition combines the historical financial information of First PacTrust, the pro forma impact of our pending Branch Sale and the historical financial information of PBOC as of March 31, 2013, and assumes that our pending acquisition of PBOC and our pending Branch Sale were completed on that date. The unaudited pro forma combined condensed consolidated statement of operations for the three-month period ended March 31, 2013 and for the twelve-month period ended December 31, 2012 gives effect to our completed acquisitions of Beach and Gateway, which closed on July 1, 2012 and August 17, 2012, respectively, and our pending acquisition of PBOC and our pending Branch Sale, as if all such transactions had been completed on January 1, 2012.

The unaudited pro forma combined condensed consolidated financial information is presented for illustrative purposes only and does not indicate the financial results of the combined company had the companies actually been combined on the dates described above, nor is it necessarily indicative of the results of operations in future periods or the future financial position of the combined entities. The unaudited pro forma combined condensed consolidated financial information also does not consider any potential impacts of current market conditions on revenues, expense efficiencies, asset dispositions and share repurchases, among other factors.

The value of our shares of common stock issued in connection with the PBOC acquisition will be based on the closing price of our common stock on the date the merger is completed. For purposes of the unaudited pro forma combined condensed consolidated financial information, the fair value of our common stock was assumed to be $12.00 per share. The actual value of our common stock at the completion of the merger could be different.

The unaudited pro forma combined condensed consolidated financial information includes estimated pro forma adjustments to record assets and liabilities for the pending Branch Sale and represents our pro forma estimates based upon information available as of March 31, 2013 and December 31, 2012. The pro forma adjustments included herein are subject to change depending on changes in interest rates and the fair value of the components of assets and liabilities and as additional information becomes available and additional analyses are performed.

The unaudited pro forma combined condensed consolidated financial information includes estimated pro forma adjustments to record assets and liabilities of PBOC at their respective fair values and represents our pro forma estimates based on available information. The pro forma adjustments included herein are subject to change depending on changes in interest rates and the fair value of the components of assets and liabilities and as additional information becomes available and additional analyses are performed. The final allocation of the purchase price will be determined after the PBOC acquisition is completed and after completion of thorough analyses to determine the fair value of PBOC s tangible and identifiable intangible assets and liabilities as of the date the PBOC acquisition is completed. Increases or decreases in the estimated fair values of the net assets as compared with the information shown in the unaudited pro forma combined condensed consolidated financial information may change the amount of the purchase price allocated to goodwill and other assets and liabilities and may impact our consolidated statement of operations due to adjustments in yields and interest rates and/or amortization or accretion of the adjusted assets or liabilities. Any changes to PBOC s shareholders equity, including results of operations from March 31, 2013 through the date the PBOC acquisition is completed, will also change the purchase price allocation, which may include the recording of a lower or higher amount of goodwill. The final adjustments may be materially different from the unaudited pro forma adjustments presented herein.

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The unaudited pro forma combined condensed consolidated financial information includes estimated pro forma adjustments to record assets and liabilities of Beach and Gateway at their respective fair values as of the transaction closing dates of July 1, 2012 and August 17, 2012, respectively, and represents our pro forma estimates based on available information. The pro forma adjustments included herein are subject to change as additional information becomes available and additional analyses are performed. The final allocation of the purchase price will be determined after completion of thorough analyses to determine the fair value of Beach s and Gateway s tangible and identifiable intangible assets and liabilities as of the respective transaction closing dates.

We anticipate that the completed acquisitions of Beach and Gateway, and the pending acquisition of PBOC and the pending Branch Sale, will provide the combined company with financial benefits that include reduced operating expenses. The unaudited pro forma combined condensed consolidated financial information, although helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not necessarily reflect the exact benefits of expected cost savings or opportunities to earn additional revenue and, accordingly, does not attempt to predict or suggest future results. It also does not necessarily reflect what the historical results of the combined company would have been had the companies been combined during these periods.

The unaudited pro forma combined condensed consolidated financial information has been derived from and should be read in conjunction with the applicable historical consolidated financial statements and the related notes of First PacTrust, Beach, Gateway and PBOC. Historical consolidated financial statements of First PacTrust, Beach, Gateway and PBOC have been filed with the SEC and incorporated by reference into this prospectus supplement. See Where You Can Find More Information.

The unaudited pro forma combined shareholders equity and net income are qualified by the statements set forth under this caption and should not be considered indicative of the market value of our common stock or the actual or future results of operations of First PacTrust for any period. Actual results may be materially different than the pro forma information presented.

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UNAUDITED PRO FORMA COMBINED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL CONDITION

as of March 31, 2013

(In thousands of dollars except per share data)

					PBOC Merger			
	BANC Historical	Pro Forma Branch Sale Adjustments		Pro Forma BANC	PBOC Historical	Pro Forma Merger Adjustments		Pro Forma Combined BANC & PBOC
Assets:								
Cash and due from banks	$ 8,420	$		$ 8,420	$ 24,171	$ (26,923)	(16)	$ 5,668
Interest-bearing deposits, fed funds sold & time deposits	118,411			118,411	3,586			121,997
Securities available for sale	99,658			99,658	267,312			366,970
Federal Home Loan Bank stock, at cost	8,844			8,844				8,844
Loans held for sale	114,582			114,582				114,582
Loans	1,627,272			1,627,272	376,280	(11,288)	(17)	1,992,264
Less: Allowance for loan losses	16,015			16,015	6,857	(6,857)	(18)	16,015
Net Loans	1,725,839			1,725,839	369,423	(4,431)		2,090,831
Servicing rights, net	3,077			3,077				3,077
Real estate owned, net	1,764			1,764				1,764
Premises and equipment, net	17,695	(3,205)	(13)	14,490	1,226			15,716
Bank owned life insurance investment	18,742			18,742				18,742
Deferred income tax	7,572			7,572	1,778	(1,352)	(19)	7,998
Goodwill	7,048			7,048		7,818	(20)	14,866
Other identifiable intangibles	5,107			5,107		8,564	(21)	13,671
Accrued interest receivable and other assets	28,878			28,878	6,825			35,703
Total assets	$ 2,051,055	$ (3,205)		$ 2,047,850	$ 674,321	$ (16,324)		$ 2,705,847
Liabilities and Stockholders Equity:								
Noninterest-bearing	$ 142,735	$ (28,214)	(14)	$ 114,521	$ 244,849	$		$ 359,370
Interest-bearing	200,902	(58,353)	(14)	142,549	25,153			167,702
Money market accounts	348,169	(49,586)	(14)	298,583	216,244			514,827
Savings accounts	380,249	(172,704)	(14)	207,545	3,122			210,667
Certificates of deposits	626,743	(168,186)	(14)	458,557	91,362	914	(22)	550,833
Total deposits	$ 1,698,798	$ (477,043)		$ 1,221,755	$ 580,730	$ 914		$ 1,803,399
Advances from Federal Home Loan Bank	50,000	473,838	(15)	523,838	39,949			563,787
Notes Payable, net	82,031			82,031				82,031
Reserve for loss reimbursements on sold loans	3,498			3,498				3,498
Accrued expenses and other liabilities	28,430			28,430	1,404			29,834
Total liabilities	$ 1,862,757	$ (3,205)		$ 1,859,552	$ 622,083	$ 914		$ 2,482,549
Stockholders equity	188,298			188,298	52,238	(17,238)	(23)	223,298
Total liabilities and stockholders equity	$ 2,051,055	$ (3,205)		$ 2,047,850	$ 674,321	$ (16,324)		$ 2,705,847

The accompanying notes are an integral part of these pro forma combined condensed consolidated financial statements.

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UNAUDITED PRO FORMA COMBINED CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

For the three-month period ended March 31, 2013

(In thousands of dollars except share and per share data)

					PBOC Merger			
	BANC Historical	**Pro Forma Branch Sale Adjustments**		**Pro Forma BANC**	**PBOC Merger Historical**	**Pro Forma Merger Adjustments**		**Pro Forma Combined BANC & PBOC**
Interest income								
Loans, including fees	$ 18,537	$		$ 18,537	$ 3,671	$ 564	(5)	$ 22,772
Securities and other	631			631	1,160		(5)	1,791
Total interest income	19,168			19,168	4,831	564		24,563
Interest expense:								
Deposits	1,999	(765)	(1)	1,234	355	(76)	(5)	1,513
Borrowings	1,810	461	(2)	2,271	29			2,300
Total interest expense	3,809	(304)		3,505	384	(76)		3,813
Net interest income before provision for loan and lease losses	15,359	304		15,663	4,447	641		20,751
Provision for loan and lease losses	2,168			2,168	320		(6)	2,488
Net interest income after provision for loan and lease losses	13,191	304		13,495	4,127	641		18,263
Non-interest income:								
Customer service charges, fee and other	546	(135)	(3)	411	71			482
Loan servicing, net	188			188				188
Mortgage Banking Revenues	16,370			16,370				16,370
Net gain on sale of securities available for sale	308			308	671			979
Other	516			516	77			593
Total non-interest income	17,928	(135)		17,793	819		(7)	18,612
Non-interest expense:								
Salaries and benefits	19,080	(728)	(4)	18,352	2,812			21,164
Occupancy and equipment expense	3,193	(237)	(4)	2,956	450		(8)	3,406
OREO expense	142			142				142
Amortization of core deposit and other intangibles	367			367		510	(9)	877
Other	6,776	(579)	(4)	6,197	1,035			7,232
Total non-interest expense	29,558	(1,545)		28,013	4,297	510	(10)	32,820
Income (loss) before income taxes	1,561	1,714		3,275	649	131		4,055
Income tax expense/(benefit)	632	743	(11)	1,375	202	126	(11)	1,703
Net income (loss)	$ 929	$ 970		$ 1,899	$ 447	$ 5		$ 2,352
Preferred stock dividends and discount accretion	288			288	25			313
Net income (loss) available to common shareholders	$ 641	$ 970		$ 1,611	$ 422	$ 5		$ 2,039

Basic earnings (loss) per share	$	0.05	$	0.13	$	0.11			$	0.14
Diluted earnings (loss) per share	$	0.05	$	0.13	$	0.11			$	0.14
Weighted average common shares outstanding basic		11,965,478		11,965,478		3,872,801	(1,759,724)	(12)		14,078,555
Weighted average common shares outstanding diluted		11,967,981		11,967,981		3,979,360	(1,857,433)	(12)		14,089,908

The accompanying notes are an integral part of these pro forma combined condensed consolidated financial statements.

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UNAUDITED PRO FORMA COMBINED CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

For the twelve-month period ended December 31, 2012

(In thousands of dollars except share and per share data)

					Beach Merger				Gateway Merger				PBOC Merger			
	BANC Historical	Pro Forma Branch Sale Adjust-ments		Pro Forma BANC	Beach Historical	Pro Forma Merger Adjust-ments		Pro Forma Combined BANC & Beach	Gateway Historical	Pro Forma Merger Adjust-ments		Pro Forma Combined BANC, Beach & Gateway	PBOC Merger Historical	Pro Forma Merger Adjust-ments		Pro Forma Combined BANC, Beach, Gateway & PBOC
Interest income																
Loans, including fees	$ 51,942	$		$ 51,942	$ 7,193	$ 454	(5)	$ 59,589	$ 4,248	621	(5)	$ 64,457	$ 13,616	2,244	(5)	$ 80,317
Securities and other	3,089			3,089	152	(15)	(5)	3,226	84			$ 3,310	5,885		(5)	$ 9,195
Total interest income	55,031			55,031	7,345	439		62,815	4,332	621		67,767	19,501	2,244		89,512
Interest expense																
Deposits	5,960	(2,450)	(1)	3,510	869	(96)	(5)	4,283	721	(127)	(5)	4,877	1,617	(305)	(5)	6,189
Borrowings	2,519	2,012	(2)	4,531	0			4,531	0			4,531	112			4,643
Total interest expense	8,479	(438)		8,041	869	(96)		8,814	721	(127)		9,408	1,729	(305)		10,832
Net interest income before provision for loan and lease losses	46,552	438		46,990	6,476	535		54,001	3,611	748		58,359	17,772	2,549		78,680
Provision for loan and lease losses	5,500			5,500	850		(6)	6,350			(6)	6,350	1,367		(6)	7,717
Net interest income after provision for loan and lease losses	41,052	438		41,490	5,626	535		47,651	3,611	748		52,009	16,405	2,549		70,963
Non-interest income:																
Customer service charges, fee and other	1,883	(539)	(3)	1,344	315			1,659	174			1,833	219			2,052
Loan servicing, net	92			92	258			350	(32)			318				318
Mortgage Banking Revenues	21,310			21,310	715			22,025	28,492			50,517				50,517

Net gain (loss) on sale of securities available for sale	(83)			(83)				(83)				(83)	1,886		1,803
Other	13,417			13,417				13,417	4	(11,627)	(24)	1,794	181		1,975
Total non-interest income	36,619	(539)		36,080	1,288		(7)	37,368	28,638	(11,627)	(7)	54,379	2,286	(7)	56,665
Non-interest expense:															
Salaries and benefits	41,891	(2,913)	(4)	38,978	3,452			42,430	17,978			60,408	10,632		71,040
Occupancy and equipment expense	7,902	(948)	(4)	6,954	539	81	(8)	7,574	1,997	(57)	(8)	9,515	1,766		11,281
OREO expense	239			239	(5)			234				234			234
Amortization of core deposit and other intangibles	696			696		589	(9)	1,285		183					