PEARSON PLC
Form 6-K
January 29, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13a-16 OR 15d-16 UNDER

THE SECURITIES EXCHANGE ACT OF 1934

For the month of January 2018

PEARSON plc

(Exact name of registrant as specified in its charter)

N/A

(Translation of registrant's name into English)

80 Strand

London, England WC2R 0RL

44-20-7010-2000

(Address of principal executive office)

Indicate by check mark whether the Registrant files or will file annual reports

under cover of Form 20-F or Form 40-F:

Form 20-F X Form 40-F

Indicate by check mark whether the Registrant by furnishing the information

contained in this Form is also thereby furnishing the information to the

Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934

Yes No X

Transactions in own shares

Pearson plc (the Company) announces today it has purchased the following number of its ordinary shares of 25 pence each on the London Stock Exchange from J.P. Morgan Securities plc.

Date of purchase: 29 January 2018

Aggregate number of ordinary shares of 25 pence each purchased: 575,509

Lowest price paid per share (GBp) 689.4000

Highest price paid per share (GBp) 696.2000

Average price paid per share (GBp) 692.0751

The Company will cancel the purchased shares.

These share purchases form part of the Company's existing buy-back programme which is expected to be completed over the period from 18 October 2017 to 26 April 2018, details of which were announced on 17 October 2017.

The table below contains detailed information of the individual trades made by J.P. Morgan Securities plc as part of the buyback programme.

Schedule of Purchases

Shares purchased: Pearson plc (ISIN: GB0006776081)

Date of purchases: 29 January 2018

Investment firm: J.P. Morgan Securities plc

Aggregate information:

Venue	Volume-weighted average price (GBp)	Aggregated volume	Lowest price per share (GBp)	Highest price per share (GBp)
	692.0751	575,509	689.4000	696.2000

London Stock Exchange

Individual transactions

Transaction Date and Time	Volume	Price (GBp)	Trading Venue	Transaction Reference Number
29-Jan-2018 08:03:11	568	695.2000	XLON	84403844000000244-E0YVEQ6o7fQv20180129
29-Jan-2018 08:03:53	568	695.4000	XLON	84203842000000294-E0YVEQ6o7gBu20180129
29-Jan-2018 08:04:46	839	695.0000	XLON	84403844000000329-E0YVEQ6o7h4Y20180129
29-Jan-2018 08:04:46	16	695.0000	XLON	84403844000000329-E0YVEQ6o7h4c20180129
29-Jan-2018 08:04:46	684	695.0000	XLON	84403844000000329-E0YVEQ6o7h4a20180129
29-Jan-2018 08:05:41	625	694.6000	XLON	84403844000000370-E0YVEQ6o7iIr20180129
29-Jan-2018 08:07:18	241	694.6000	XLON	84203842000000452-E0YVEQ6o7kFn20180129
29-Jan-2018 08:07:18	384	694.6000	XLON	84203842000000452-E0YVEQ6o7kFl20180129
29-Jan-2018 08:08:54	625	695.0000	XLON	84403844000000550-E0YVEQ6o7lli20180129
29-Jan-2018 08:09:27	852	694.8000	XLON	84403844000000547-E0YVEQ6o7mJu20180129
29-Jan-2018 08:10:52	128	696.2000	XLON	84403844000000659-E0YVEQ6o7o8W20180129
29-Jan-2018 08:10:52	687	696.2000	XLON	84403844000000659-E0YVEQ6o7o8U20180129
29-Jan-2018 08:11:57	883	695.8000	XLON	84403844000000637-E0YVEQ6o7pRV20180129
29-Jan-2018 08:11:57	95	695.4000	XLON	84203842000000668-E0YVEQ6o7pTd20180129
29-Jan-2018 08:14:17	43	695.6000	XLON	84403844000000821-E0YVEQ6o7rjm20180129
29-Jan-2018 08:14:17	1366	695.6000	XLON	84403844000000821-E0YVEQ6o7rjo20180129
29-Jan-2018 08:15:41	1302	694.6000	XLON	84403844000000893-E0YVEQ6o7tN720180129
29-Jan-2018 08:15:41	786	694.6000	XLON	84403844000000894-E0YVEQ6o7tN920180129
29-Jan-2018 08:15:54	259	694.6000	XLON	84403844000000895-E0YVEQ6o7tkb20180129
29-Jan-2018 08:15:54	14	694.6000	XLON	84203842000000928-E0YVEQ6o7tkX20180129
29-Jan-2018 08:15:54	412	694.6000	XLON	84403844000000894-E0YVEQ6o7tkV20180129

29-Jan-2018 08:19:41	7	694.6000	XLON	84203842000001061-E0YVEQ6o7ySv20180129
29-Jan-2018 08:19:41	773	694.6000	XLON	84403844000001026-E0YVEQ6o7ySx20180129
29-Jan-2018 08:19:41	386	694.6000	XLON	84203842000001055-E0YVEQ6o7ySo20180129
29-Jan-2018 08:19:41	653	694.6000	XLON	84203842000001060-E0YVEQ6o7ySs20180129
29-Jan-2018 08:19:41	499	694.6000	XLON	84203842000001055-E0YVEQ6o7ySq20180129
29-Jan-2018 08:20:23	568	694.2000	XLON	84203842000001134-E0YVEQ6o7zNH20180129
29-Jan-2018 08:20:46	606	693.8000	XLON	84403844000001102-E0YVEQ6o804e20180129
29-Jan-2018 08:21:34	575	693.2000	XLON	84203842000001197-E0YVEQ6o80wP20180129
29-Jan-2018 08:23:07	38	693.4000	XLON	84203842000001307-E0YVEQ6o83QX20180129
29-Jan-2018 08:23:07	757	693.4000	XLON	84203842000001307-E0YVEQ6o83QV20180129
29-Jan-2018 08:24:16	407	694.0000	XLON	84403844000001328-E0YVEQ6o84p720180129
29-Jan-2018 08:28:09	573	693.6000	XLON	84203842000001443-E0YVEQ6o89Tv20180129
29-Jan-2018 08:28:09	1175	693.6000	XLON	84203842000001443-E0YVEQ6o89Tx20180129
29-Jan-2018 08:31:50	935	693.6000	XLON	84203842000001587-E0YVEQ6o8Drp20180129
29-Jan-2018 08:31:50	26	693.6000	XLON	84403844000001571-E0YVEQ6o8Drr20180129
29-Jan-2018 08:31:50	633	693.6000	XLON	84203842000001587-E0YVEQ6o8Dri20180129
29-Jan-2018 08:35:28	682	693.4000	XLON	84403844000001630-E0YVEQ6o8Gyn20180129
29-Jan-2018 08:36:17	1374	694.2000	XLON	84403844000001724-E0YVEQ6o8Hw720180129
29-Jan-2018 08:36:30	574	694.2000	XLON	84203842000001749-E0YVEQ6o8I7R20180129
29-Jan-2018 08:38:11	346	694.4000	XLON	84403844000001767-E0YVEQ6o8L0r20180129
29-Jan-2018 08:38:11	444	694.4000	XLON	84403844000001767-E0YVEQ6o8L0p20180129
29-Jan-2018 08:38:14	712	694.4000	XLON	84203842000001784-E0YVEQ6o8L7Q20180129
29-Jan-2018 08:40:04	307	694.4000	XLON	84203842000001824-E0YVEQ6o8NtD20180129
29-Jan-2018 08:40:04	252	694.4000	XLON	84203842000001824-E0YVEQ6o8NtB20180129
29-Jan-2018 08:40:06	1241	694.4000	XLON	84403844000001808-E0YVEQ6o8Nwc20180129
	715	694.4000	XLON	84203842000001825-E0YVEQ6o8Nwu20180129

29-Jan-2018 08:40:06				
29-Jan-2018 08:44:03	19	694.4000	XLON	84403844000001966-E0YVEQ6o8Szi20180129
29-Jan-2018 08:44:03	618	694.4000	XLON	84203842000001977-E0YVEQ6o8Szg20180129
29-Jan-2018 08:44:03	555	694.4000	XLON	84403844000001966-E0YVEQ6o8Szk20180129
29-Jan-2018 08:44:12	1286	694.2000	XLON	84403844000001971-E0YVEQ6o8TEr20180129
29-Jan-2018 08:49:08	728	693.4000	XLON	84203842000002141-E0YVEQ6o8XgJ20180129
29-Jan-2018 08:49:08	500	693.4000	XLON	84203842000002141-E0YVEQ6o8XgF20180129
29-Jan-2018 08:49:08	252	693.4000	XLON	84203842000002141-E0YVEQ6o8XgD20180129
29-Jan-2018 08:49:09	379	693.4000	XLON	84203842000002141-E0YVEQ6o8XgH20180129
29-Jan-2018 08:49:09	46	693.4000	XLON	84203842000002141-E0YVEQ6o8XgB20180129
29-Jan-2018 08:49:12	160	693.4000	XLON	84403844000002135-E0YVEQ6o8Xmo20180129
29-Jan-2018 08:49:12	700	693.4000	XLON	84403844000002135-E0YVEQ6o8Xmm20180129
29-Jan-2018 08:49:32	750	694.0000	XLON	84203842000002163-E0YVEQ6o8YCv20180129
29-Jan-2018 08:49:32	67	694.0000	XLON	84203842000002163-E0YVEQ6o8YCt20180129
29-Jan-2018 08:50:10	1551	694.0000	XLON	84203842000002187-E0YVEQ6o8Yls20180129
29-Jan-2018 08:53:44	25	694.6000	XLON	84403844000002315-E0YVEQ6o8cVG20180129
29-Jan-2018 08:53:44	1390	694.6000	XLON	84203842000002321-E0YVEQ6o8cVS20180129
29-Jan-2018 08:56:48	370	694.4000	XLON	84403844000002484-E0YVEQ6o8g3l20180129
29-Jan-2018 08:56:48	346	694.4000	XLON	84203842000002493-E0YVEQ6o8g3Y20180129
29-Jan-2018 08:56:48	254	694.4000	XLON	84203842000002493-E0YVEQ6o8g3b20180129
29-Jan-2018 08:56:48	254	694.4000	XLON	84403844000002484-E0YVEQ6o8g3j20180129
29-Jan-2018 08:59:20	235	694.2000	XLON	84203842000002564-E0YVEQ6o8iNU20180129
29-Jan-2018 08:59:20	52	694.2000	XLON	84203842000002564-E0YVEQ6o8iNS20180129
29-Jan-2018 08:59:20	684	694.2000	XLON	84203842000002564-E0YVEQ6o8iNQ20180129
29-Jan-2018 08:59:20	714	694.2000	XLON	84203842000002564-E0YVEQ6o8iNO20180129
	268	694.2000	XLON	84203842000002569-E0YVEQ6o8iNW20180129

29-Jan-2018 08:59:20				
29-Jan-2018 09:00:20	28	693.8000	XLON	84203842000002667-E0YVEQ6o8jhq20180129
29-Jan-2018 09:00:21	1342	693.8000	XLON	84403844000002670-E0YVEQ6o8jiw20180129
29-Jan-2018 09:00:21	28	693.8000	XLON	84203842000002671-E0YVEQ6o8jjA20180129
29-Jan-2018 09:08:16	179	693.0000	XLON	84403844000003044-E0YVEQ6o8sMT20180129
29-Jan-2018 09:08:16	2194	693.0000	XLON	84403844000003044-E0YVEQ6o8sMQ20180129
29-Jan-2018 09:16:49	466	692.4000	XLON	84403844000003562-E0YVEQ6o90pQ20180129
29-Jan-2018 09:17:25	457	692.4000	XLON	84403844000003565-E0YVEQ6o91UT20180129
29-Jan-2018 09:18:14	263	692.4000	XLON	84403844000003571-E0YVEQ6o928E20180129
29-Jan-2018 09:18:14	200	692.4000	XLON	84403844000003565-E0YVEQ6o928C20180129
29-Jan-2018 09:21:37	686	692.6000	XLON	84403844000003770-E0YVEQ6o95Uv20180129
29-Jan-2018 09:21:59	532	692.6000	XLON	84403844000003770-E0YVEQ6o95wG20180129
29-Jan-2018 09:21:59	53	692.6000	XLON	84403844000003786-E0YVEQ6o95wI20180129
29-Jan-2018 09:23:57	463	692.6000	XLON	84203842000003879-E0YVEQ6o97nT20180129
29-Jan-2018 09:24:03	393	693.0000	XLON	84203842000003906-E0YVEQ6o97uw20180129
29-Jan-2018 09:24:03	68	693.0000	XLON	84203842000003906-E0YVEQ6o97v020180129
29-Jan-2018 09:24:03	62	693.0000	XLON	84203842000003906-E0YVEQ6o97uy20180129
29-Jan-2018 09:24:04	160	693.0000	XLON	84403844000003901-E0YVEQ6o97vb20180129
29-Jan-2018 09:24:05	13	693.0000	XLON	84403844000003904-E0YVEQ6o97z320180129
29-Jan-2018 09:24:05	18	693.0000	XLON	84403844000003904-E0YVEQ6o97z120180129
29-Jan-2018 09:24:06	1201	693.0000	XLON	84403844000003904-E0YVEQ6o97zV20180129
29-Jan-2018 09:24:40	985	692.6000	XLON	84403844000003927-E0YVEQ6o98UT20180129
29-Jan-2018 09:24:40	164	692.6000	XLON	84403844000003927-E0YVEQ6o98UX20180129
29-Jan-2018 09:24:40	222	692.6000	XLON	84403844000003927-E0YVEQ6o98UV20180129
29-Jan-2018 09:30:03	1422	693.6000	XLON	84403844000004114-E0YVEQ6o9DVa20180129
	431	693.6000	XLON	84403844000004114-E0YVEQ6o9DVX20180129

29-Jan-2018 09:30:03				
29-Jan-2018 09:30:03	487	693.6000	XLON	84203842000004126-E0YVEQ6o9DVg20180129
29-Jan-2018 09:30:03	138	693.6000	XLON	84203842000004126-E0YVEQ6o9DVe20180129
29-Jan-2018 09:30:07	75	693.8000	XLON	84403844000004138-E0YVEQ6o9DaV20180129
29-Jan-2018 09:30:09	279	693.8000	XLON	84203842000004147-E0YVEQ6o9DdJ20180129
29-Jan-2018 09:30:09	1675	693.8000	XLON	84203842000004147-E0YVEQ6o9DdH20180129
29-Jan-2018 09:31:31	1282	693.8000	XLON	84403844000004196-E0YVEQ6o9EqJ20180129
29-Jan-2018 09:32:46	442	693.6000	XLON	84403844000004216-E0YVEQ6o9Fr620180129
29-Jan-2018 09:35:05	424	694.6000	XLON	84203842000004397-E0YVEQ6o9I7e20180129
29-Jan-2018 09:35:05	383	694.6000	XLON	84203842000004397-E0YVEQ6o9I7g20180129
29-Jan-2018 09:35:05	162	694.6000	XLON	84203842000004397-E0YVEQ6o9I7c20180129
29-Jan-2018 09:35:05	107	694.6000	XLON	84203842000004397-E0YVEQ6o9I7a20180129
29-Jan-2018 09:35:05	181	694.6000	XLON	84203842000004397-E0YVEQ6o9I7Y20180129
29-Jan-2018 09:35:05	452	694.6000	XLON	84403844000004390-E0YVEQ6o9I7020180129
29-Jan-2018 09:35:05	269	694.6000	XLON	84403844000004390-E0YVEQ6o9I6y20180129
29-Jan-2018 09:35:08	160	694.6000	XLON	84203842000004399-E0YVEQ6o9I9120180129
29-Jan-2018 09:35:08	383	694.6000	XLON	84203842000004399-E0YVEQ6o9I9320180129
29-Jan-2018 09:36:46	1677	694.8000	XLON	84203842000004480-E0YVEQ6o9Jo820180129
29-Jan-2018 09:40:49	2455	694.4000	XLON	84403844000004649-E0YVEQ6o9NSC20180129
29-Jan-2018 09:43:43	447	694.2000	XLON	84403844000004801-E0YVEQ6o9QhD20180129
29-Jan-2018 09:43:43	366	694.2000	XLON	84403844000004801-E0YVEQ6o9QhB20180129
29-Jan-2018 09:44:40	442	695.0000	XLON	84203842000004861-E0YVEQ6o9Rnv20180129
29-Jan-2018 09:45:00	1103	695.0000	XLON	84403844000004854-E0YVEQ6o9S8920180129
29-Jan-2018 09:45:00	615	695.0000	XLON	84203842000004861-E0YVEQ6o9S8720180129
29-Jan-2018 09:46:54	458	694.8000	XLON	84403844000004961-E0YVEQ6o9UAr20180129
	750	694.8000	XLON	84403844000004961-E0YVEQ6o9UAp20180129

29-Jan-2018 09:46:54				
29-Jan-2018 09:46:54	1403	694.8000	XLON	84203842000004974-E0YVEQ6o9U9N20180129
29-Jan-2018 09:46:54	69	694.8000	XLON	84403844000004959-E0YVEQ6o9U9720180129
29-Jan-2018 09:51:35	1936	694.2000	XLON	84203842000005267-E0YVEQ6o9ZIR20180129
29-Jan-2018 09:54:21	634	694.4000	XLON	84203842000005390-E0YVEQ6o9c7u20180129
29-Jan-2018 09:54:22	209	694.4000	XLON	84203842000005391-E0YVEQ6o9c9120180129
29-Jan-2018 09:54:22	1675	694.4000	XLON	84203842000005391-E0YVEQ6o9c8s20180129
29-Jan-2018 09:55:51	144	694.0000	XLON	84403844000005379-E0YVEQ6o9dl720180129
29-Jan-2018 09:57:15	65	694.8000	XLON	84203842000005541-E0YVEQ6o9ewQ20180129
29-Jan-2018 09:57:15	544	694.8000	XLON	84203842000005541-E0YVEQ6o9ewS20180129
29-Jan-2018 09:57:15	322	694.8000	XLON	84403844000005539-E0YVEQ6o9ewO20180129
29-Jan-2018 09:57:15	346	694.8000	XLON	84403844000005539-E0YVEQ6o9ewI20180129
29-Jan-2018 09:59:11	311	695.0000	XLON	84203842000005645-E0YVEQ6o9gus20180129
29-Jan-2018 09:59:11	282	695.0000	XLON	84203842000005645-E0YVEQ6o9guq20180129
29-Jan-2018 10:01:07	622	694.6000	XLON	84403844000005734-E0YVEQ6o9j8m20180129
29-Jan-2018 10:01:07	216	694.6000	XLON	84403844000005724-E0YVEQ6o9j8k20180129
29-Jan-2018 10:01:07	409	694.6000	XLON	84403844000005724-E0YVEQ6o9j8i20180129
29-Jan-2018 10:02:59	632	694.6000	XLON	84403844000005833-E0YVEQ6o9kn520180129
29-Jan-2018 10:02:59	353	694.6000	XLON	84403844000005833-E0YVEQ6o9kn320180129
29-Jan-2018 10:06:14	1028	694.6000	XLON	84403844000005901-E0YVEQ6o9nq220180129
29-Jan-2018 10:06:14	1118	694.6000	XLON	84403844000005900-E0YVEQ6o9npw20180129
29-Jan-2018 10:06:14	48	694.6000	XLON	84403844000005901-E0YVEQ6o9nq020180129
29-Jan-2018 10:06:14	198	694.6000	XLON	84203842000005909-E0YVEQ6o9npy20180129
29-Jan-2018 10:11:33	390	694.0000	XLON	84203842000006127-E0YVEQ6o9sox20180129
29-Jan-2018 10:11:33	350	694.0000	XLON	84203842000006127-E0YVEQ6o9sov20180129
	200	694.0000	XLON	84403844000006115-E0YVEQ6o9sr320180129

29-Jan-2018 10:11:35				
29-Jan-2018 10:11:38	1047	694.0000	XLON	84203842000006129-E0YVEQ6o9ssh20180129
29-Jan-2018 10:13:51	700	693.8000	XLON	84203842000006181-E0YVEQ6o9usQ20180129
29-Jan-2018 10:13:51	197	693.8000	XLON	84203842000006181-E0YVEQ6o9usO20180129
29-Jan-2018 10:13:51	446	693.8000	XLON	84203842000006181-E0YVEQ6o9usS20180129
29-Jan-2018 10:13:52	11	693.8000	XLON	84203842000006181-E0YVEQ6o9usU20180129
29-Jan-2018 10:18:41	221	693.6000	XLON	84403844000006365-E0YVEQ6o9yZN20180129
29-Jan-2018 10:18:41	980	693.6000	XLON	84403844000006365-E0YVEQ6o9yZP20180129
29-Jan-2018 10:22:59	2012	693.8000	XLON	84203842000006541-E0YVEQ6oA2GD20180129
29-Jan-2018 10:23:52	1602	694.0000	XLON	84203842000006580-E0YVEQ6oA2xW20180129
29-Jan-2018 10:25:31	682	694.0000	XLON	84403844000006610-E0YVEQ6oA4Qd20180129
29-Jan-2018 10:26:04	793	693.8000	XLON	84403844000006560-E0YVEQ6oA5ZQ20180129
29-Jan-2018 10:29:09	204	694.0000	XLON	84203842000006863-E0YVEQ6oA8w120180129
29-Jan-2018 10:29:09	402	694.0000	XLON	84203842000006863-E0YVEQ6oA8w320180129
29-Jan-2018 10:30:44	1160	694.0000	XLON	84203842000006945-E0YVEQ6oAAMD20180129
29-Jan-2018 10:30:44	124	694.0000	XLON	84203842000006945-E0YVEQ6oAAMF20180129
29-Jan-2018 10:31:25	796	693.8000	XLON	84203842000006918-E0YVEQ6oAB9220180129
29-Jan-2018 10:38:09	716	693.8000	XLON	84203842000007180-E0YVEQ6oAGZg20180129
29-Jan-2018 10:38:09	480	693.8000	XLON	84203842000007280-E0YVEQ6oAGZk20180129
29-Jan-2018 10:38:09	804	693.8000	XLON	84203842000007280-E0YVEQ6oAGZi20180129
29-Jan-2018 10:39:25	158	693.2000	XLON	84403844000007353-E0YVEQ6oAHeu20180129
29-Jan-2018 10:39:25	379	693.2000	XLON	84403844000007353-E0YVEQ6oAHes20180129
29-Jan-2018 10:39:36	964	692.8000	XLON	84203842000007398-E0YVEQ6oAHmD20180129
29-Jan-2018 10:39:36	788	693.0000	XLON	84203842000007399-E0YVEQ6oAHm120180129
29-Jan-2018 10:39:36	714	692.6000	XLON	84403844000007356-E0YVEQ6oAHmX20180129
	147	691.4000	XLON	84203842000007494-E0YVEQ6oAJqJ20180129

29-Jan-2018 10:41:52				
29-Jan-2018 10:42:59	1083	692.0000	XLON	84403844000007513-E0YVEQ6oAKX020180129
29-Jan-2018 10:43:47	1546	691.8000	XLON	84403844000007507-E0YVEQ6oALBq20180129
29-Jan-2018 10:49:32	909	692.4000	XLON	84403844000007871-E0YVEQ6oAQ1I20180129
29-Jan-2018 10:51:34	379	692.6000	XLON	84203842000008051-E0YVEQ6oARK420180129
29-Jan-2018 10:52:14	338	692.6000	XLON	84403844000008064-E0YVEQ6oARrQ20180129
29-Jan-2018 10:54:20	84	692.4000	XLON	84203842000008137-E0YVEQ6oATPG20180129
29-Jan-2018 10:54:20	654	692.4000	XLON	84203842000008137-E0YVEQ6oATP320180129
29-Jan-2018 10:57:47	1097	692.6000	XLON	84203842000008237-E0YVEQ6oAWOy20180129
29-Jan-2018 10:57:48	305	692.6000	XLON	84403844000008217-E0YVEQ6oAWPT20180129
29-Jan-2018 10:57:48	700	692.6000	XLON	84403844000008216-E0YVEQ6oAWPH20180129
29-Jan-2018 11:02:04	1463	692.8000	XLON	84403844000008431-E0YVEQ6oAZk820180129
29-Jan-2018 11:02:04	724	692.8000	XLON	84203842000008473-E0YVEQ6oAZkA20180129
29-Jan-2018 11:04:00	611	692.4000	XLON	84203842000008537-E0YVEQ6oAb3Z20180129
29-Jan-2018 11:04:00	795	692.6000	XLON	84403844000008511-E0YVEQ6oAb2f20180129
29-Jan-2018 11:09:04	76	691.8000	XLON	84403844000008860-E0YVEQ6oAgCR20180129
29-Jan-2018 11:09:04	514	691.8000	XLON	84403844000008860-E0YVEQ6oAgCU20180129
29-Jan-2018 11:09:04	738	692.0000	XLON	84203842000008641-E0YVEQ6oAgBp20180129
29-Jan-2018 11:11:20	517	691.6000	XLON	84203842000008647-E0YVEQ6oAi5x20180129
29-Jan-2018 11:15:48	625	692.6000	XLON	84403844000009284-E0YVEQ6oAm4A20180129
29-Jan-2018 11:17:37	800	693.2000	XLON	84403844000009402-E0YVEQ6oAnwB20180129
29-Jan-2018 11:17:38	236	693.2000	XLON	84403844000009402-E0YVEQ6oAnwD20180129
29-Jan-2018 11:20:13	348	693.2000	XLON	84203842000009579-E0YVEQ6oAprl20180129
29-Jan-2018 11:20:13	394	693.2000	XLON	84203842000009579-E0YVEQ6oAprn20180129
29-Jan-2018 11:20:13	605	693.2000	XLON	84203842000009579-E0YVEQ6oAprp20180129
	847	693.0000	XLON	84203842000009743-E0YVEQ6oArDB20180129

29-Jan-2018 11:22:07				
29-Jan-2018 11:23:33	273	693.0000	XLON	84403844000009842-E0YVEQ6oAsV820180129
29-Jan-2018 11:23:33	336	693.0000	XLON	84403844000009842-E0YVEQ6oAsVA20180129
29-Jan-2018 11:24:49	595	692.8000	XLON	84403844000009530-E0YVEQ6oAtBO20180129
29-Jan-2018 11:26:06	278	693.2000	XLON	84203842000010100-E0YVEQ6oAuSg20180129
29-Jan-2018 11:28:10	568	693.0000	XLON	84203842000010154-E0YVEQ6oAvjz20180129
29-Jan-2018 11:32:10	408	693.2000	XLON	84203842000010611-E0YVEQ6oAyfJ20180129
29-Jan-2018 11:32:10	1634	693.2000	XLON	84203842000010611-E0YVEQ6oAyfH20180129
29-Jan-2018 11:32:10	100	693.2000	XLON	84203842000010611-E0YVEQ6oAyf620180129
29-Jan-2018 11:32:11	682	693.2000	XLON	84403844000010586-E0YVEQ6oAyfL20180129
29-Jan-2018 11:32:11	763	693.2000	XLON	84203842000010619-E0YVEQ6oAyfX20180129
29-Jan-2018 11:34:40	1183	692.8000	XLON	84403844000010589-E0YVEQ6oB0bL20180129
29-Jan-2018 11:38:54	569	692.4000	XLON	84403844000010774-E0YVEQ6oB4Fj20180129
29-Jan-2018 11:39:36	700	692.4000	XLON	84403844000010936-E0YVEQ6oB4ga20180129
29-Jan-2018 11:43:12	27	691.8000	XLON	84203842000010919-E0YVEQ6oB7Oo20180129
29-Jan-2018 11:43:12	568	692.0000	XLON	84203842000010743-E0YVEQ6oB7O820180129
29-Jan-2018 11:43:12	538	691.8000	XLON	84203842000010919-E0YVEQ6oB7Om20180129
29-Jan-2018 11:43:12	551	691.8000	XLON	84203842000010919-E0YVEQ6oB7Og20180129
29-Jan-2018 11:46:16	788	691.4000	XLON	84203842000011060-E0YVEQ6oB97Y20180129
29-Jan-2018 11:50:48	54	691.2000	XLON	84403844000011478-E0YVEQ6oBCgl20180129
29-Jan-2018 11:50:48	145	691.2000	XLON	84403844000011478-E0YVEQ6oBCgn20180129
29-Jan-2018 11:52:03	1097	691.2000	XLON	84203842000011562-E0YVEQ6oBDWi20180129
29-Jan-2018 11:52:03	787	691.2000	XLON	84403844000011523-E0YVEQ6oBDWg20180129
29-Jan-2018 11:52:03	1048	691.2000	XLON	84403844000011554-E0YVEQ6oBDWw20180129
29-Jan-2018 11:56:49	628	691.0000	XLON	84203842000011832-E0YVEQ6oBHNi20180129
	586	691.0000	XLON	84203842000011832-E0YVEQ6oBHNq20180129

29-Jan-2018 11:56:50				
29-Jan-2018 12:02:24	1368	691.8000	XLON	84203842000012367-E0YVEQ6oBMXE20180129
29-Jan-2018 12:02:29	118	691.8000	XLON	84203842000012367-E0YVEQ6oBMjy20180129
29-Jan-2018 12:04:25	682	692.4000	XLON	84403844000012527-E0YVEQ6oBOkE20180129
29-Jan-2018 12:04:42	569	692.2000	XLON	84403844000012501-E0YVEQ6oBP0g20180129
29-Jan-2018 12:07:29	97	692.0000	XLON	84203842000012735-E0YVEQ6oBRb720180129
29-Jan-2018 12:08:34	289	692.2000	XLON	84203842000012849-E0YVEQ6oBSVd20180129
29-Jan-2018 12:08:35	108	692.2000	XLON	84203842000012850-E0YVEQ6oBSW820180129
29-Jan-2018 12:08:37	108	692.2000	XLON	84403844000012822-E0YVEQ6oBSWN20180129
29-Jan-2018 12:08:37	108	692.2000	XLON	84203842000012851-E0YVEQ6oBSWG20180129
29-Jan-2018 12:08:40	108	692.2000	XLON	84403844000012824-E0YVEQ6oBSXC20180129
29-Jan-2018 12:08:40	108	692.2000	XLON	84203842000012854-E0YVEQ6oBSX220180129
29-Jan-2018 12:09:16	105	692.2000	XLON	84403844000012866-E0YVEQ6oBSuK20180129
29-Jan-2018 12:09:16	216	692.2000	XLON	84403844000012866-E0YVEQ6oBSuM20180129
29-Jan-2018 12:09:16	383	692.2000	XLON	84403844000012866-E0YVEQ6oBSuO20180129
29-Jan-2018 12:09:17	610	692.2000	XLON	84403844000012866-E0YVEQ6oBSuQ20180129
29-Jan-2018 12:14:01	579	692.2000	XLON	84403844000013013-E0YVEQ6oBW0r20180129
29-Jan-2018 12:14:01	666	692.2000	XLON	84203842000013244-E0YVEQ6oBW0x20180129
29-Jan-2018 12:14:01	254	692.2000	XLON	84203842000013245-E0YVEQ6oBW0z20180129
29-Jan-2018 12:14:01	388	692.2000	XLON	84203842000013184-E0YVEQ6oBW0v20180129
29-Jan-2018 12:14:01	862	692.2000	XLON	84203842000013184-E0YVEQ6oBW0t20180129
29-Jan-2018 12:14:01	666	692.2000	XLON	84403844000013217-E0YVEQ6oBW1120180129
29-Jan-2018 12:15:34	345	691.8000	XLON	84203842000013258-E0YVEQ6oBXDQ20180129
29-Jan-2018 12:15:34	666	691.8000	XLON	84403844000013215-E0YVEQ6oBXDO20180129
29-Jan-2018 12:17:02	116	691.0000	XLON	84203842000013325-E0YVEQ6oBYfm20180129
	680	691.0000	XLON	84203842000013325-E0YVEQ6oBYfk20180129

29-Jan-2018 12:17:02				
29-Jan-2018 12:17:02	995	691.2000	XLON	84403844000013286-E0YVEQ6oBYfO20180129
29-Jan-2018 12:17:02	207	691.2000	XLON	84403844000013286-E0YVEQ6oBYfQ20180129
29-Jan-2018 12:24:37	348	691.6000	XLON	84403844000013741-E0YVEQ6oBdaj20180129
29-Jan-2018 12:25:19	658	691.6000	XLON	84203842000013783-E0YVEQ6oBdu920180129
29-Jan-2018 12:26:30	908	691.8000	XLON	84403844000013815-E0YVEQ6oBetb20180129
29-Jan-2018 12:26:31	622	691.8000	XLON	84403844000013815-E0YVEQ6oBetd20180129
29-Jan-2018 12:26:34	441	692.0000	XLON	84203842000013847-E0YVEQ6oBf0B20180129
29-Jan-2018 12:26:34	241	692.0000	XLON	84203842000013847-E0YVEQ6oBf0D20180129
29-Jan-2018 12:27:06	617	691.8000	XLON	84203842000013871-E0YVEQ6oBfQu20180129
29-Jan-2018 12:29:48	647	692.2000	XLON	84203842000014018-E0YVEQ6oBh8e20180129
29-Jan-2018 12:29:48	101	692.2000	XLON	84203842000014018-E0YVEQ6oBh8g20180129
29-Jan-2018 12:32:01	200	692.2000	XLON	84403844000014107-E0YVEQ6oBiWU20180129
29-Jan-2018 12:32:01	538	692.2000	XLON	84403844000014107-E0YVEQ6oBiWW20180129
29-Jan-2018 12:32:55	625	692.0000	XLON	84403844000013996-E0YVEQ6oBiyT20180129
29-Jan-2018 12:33:49	351	692.2000	XLON	84203842000014310-E0YVEQ6oBjcV20180129
29-Jan-2018 12:33:49	373	692.2000	XLON	84203842000014310-E0YVEQ6oBjcS20180129
29-Jan-2018 12:33:57	183	692.0000	XLON	84203842000014299-E0YVEQ6oBjjw20180129
29-Jan-2018 12:33:57	421	692.0000	XLON	84203842000014299-E0YVEQ6oBjju20180129
29-Jan-2018 12:33:57	180	692.0000	XLON	84203842000014299-E0YVEQ6oBjjs20180129
29-Jan-2018 12:39:36	514	692.0000	XLON	84403844000014611-E0YVEQ6oBnDJ20180129
29-Jan-2018 12:39:36	667	692.0000	XLON	84403844000014611-E0YVEQ6oBnDH20180129
29-Jan-2018 12:39:45	585	691.8000	XLON	84403844000014416-E0YVEQ6oBnHK20180129
29-Jan-2018 12:39:45	700	691.8000	XLON	84403844000014416-E0YVEQ6oBnHI20180129
29-Jan-2018 12:41:03	85	691.8000	XLON	84203842000014696-E0YVEQ6oBo7n20180129
	496	691.8000	XLON	84203842000014680-E0YVEQ6oBo7f20180129

29-Jan-2018 12:41:03				
29-Jan-2018 12:41:03	528	691.8000	XLON	84203842000014680-E0YVEQ6oBo7h20180129
29-Jan-2018 12:41:03	156	691.8000	XLON	84203842000014688-E0YVEQ6oBo7j20180129
29-Jan-2018 12:41:03	697	691.8000	XLON	84203842000014688-E0YVEQ6oBo7l20180129
29-Jan-2018 12:47:42	1069	691.8000	XLON	84403844000015096-E0YVEQ6oBslG20180129
29-Jan-2018 12:47:42	11	691.8000	XLON	84403844000015096-E0YVEQ6oBslE20180129
29-Jan-2018 12:47:43	320	691.8000	XLON	84403844000015096-E0YVEQ6oBslI20180129
29-Jan-2018 12:50:23	1237	691.6000	XLON	84203842000014904-E0YVEQ6oBurz20180129
29-Jan-2018 12:50:23	97	691.6000	XLON	84203842000014904-E0YVEQ6oBurx20180129
29-Jan-2018 12:50:57	683	691.2000	XLON	84203842000014702-E0YVEQ6oBvI120180129
29-Jan-2018 12:54:19	240	691.4000	XLON	84403844000015424-E0YVEQ6oBxky20180129
29-Jan-2018 12:54:19	614	691.4000	XLON	84403844000015424-E0YVEQ6oBxkw20180129
29-Jan-2018 12:54:20	205	691.4000	XLON	84403844000015424-E0YVEQ6oBxl020180129
29-Jan-2018 12:58:16	638	691.8000	XLON	84203842000015596-E0YVEQ6oC0Rw20180129
29-Jan-2018 12:58:16	578	691.8000	XLON	84203842000015671-E0YVEQ6oC0S520180129
29-Jan-2018 12:58:16	609	691.8000	XLON	84403844000015662-E0YVEQ6oC0S720180129
29-Jan-2018 12:58:49	682	691.6000	XLON	84403844000015731-E0YVEQ6oC0jP20180129
29-Jan-2018 13:00:20	175	691.6000	XLON	84403844000015809-E0YVEQ6oC1k720180129
29-Jan-2018 13:00:20	394	691.6000	XLON	84403844000015809-E0YVEQ6oC1k520180129
29-Jan-2018 13:01:59	262	691.2000	XLON	84403844000015884-E0YVEQ6oC2ws20180129
29-Jan-2018 13:01:59	809	691.2000	XLON	84403844000015884-E0YVEQ6oC2wq20180129
29-Jan-2018 13:03:55	1012	691.4000	XLON	84203842000016021-E0YVEQ6oC4ZJ20180129
29-Jan-2018 13:03:55	981	691.4000	XLON	84403844000016000-E0YVEQ6oC4ZH20180129
29-Jan-2018 13:07:43	146	691.4000	XLON	84203842000016300-E0YVEQ6oC7lH20180129
29-Jan-2018 13:07:43	724	691.4000	XLON	84203842000016300-E0YVEQ6oC7lF20180129
	108	691.4000	XLON	84403844000016295-E0YVEQ6oC83720180129

29-Jan-2018 13:08:21				
29-Jan-2018 13:08:21	428	691.4000	XLON	84403844000016291-E0YVEQ6oC83520180129
29-Jan-2018 13:08:21	648	691.4000	XLON	84403844000016291-E0YVEQ6oC83320180129
29-Jan-2018 13:09:22	455	691.4000	XLON	84403844000016368-E0YVEQ6oC8qS20180129
29-Jan-2018 13:09:22	373	691.4000	XLON	84403844000016368-E0YVEQ6oC8qU20180129
29-Jan-2018 13:11:06	265	691.2000	XLON	84403844000016336-E0YVEQ6oCA4b20180129
29-Jan-2018 13:11:06	672	691.2000	XLON	84403844000016336-E0YVEQ6oCA4d20180129
29-Jan-2018 13:15:03	673	691.0000	XLON	84203842000016777-E0YVEQ6oCCoD20180129
29-Jan-2018 13:15:03	700	691.0000	XLON	84203842000016777-E0YVEQ6oCCoB20180129
29-Jan-2018 13:15:03	802	691.0000	XLON	84203842000016677-E0YVEQ6oCCnp20180129
29-Jan-2018 13:15:03	1200	691.0000	XLON	84403844000016665-E0YVEQ6oCCnr20180129
29-Jan-2018 13:19:56	795	690.6000	XLON	84203842000016909-E0YVEQ6oCGtq20180129
29-Jan-2018 13:19:57	625	690.4000	XLON	84403844000016905-E0YVEQ6oCGuj20180129
29-Jan-2018 13:21:02	682	690.2000	XLON	84403844000017159-E0YVEQ6oCHiy20180129
29-Jan-2018 13:21:25	568	690.0000	XLON	84203842000017164-E0YVEQ6oCI3e20180129
29-Jan-2018 13:25:14	290	690.4000	XLON	84403844000017501-E0YVEQ6oCLQh20180129
29-Jan-2018 13:25:14	391	690.4000	XLON	84403844000017501-E0YVEQ6oCLQf20180129
29-Jan-2018 13:25:14	268	690.4000	XLON	84403844000017501-E0YVEQ6oCLQb20180129
29-Jan-2018 13:25:14	920	690.4000	XLON	84403844000017501-E0YVEQ6oCLQd20180129
29-Jan-2018 13:27:42	635	690.2000	XLON	84203842000017724-E0YVEQ6oCNNs20180129
29-Jan-2018 13:28:30	721	690.0000	XLON	84203842000017290-E0YVEQ6oCO8Z20180129
29-Jan-2018 13:28:30	313	690.0000	XLON	84203842000017290-E0YVEQ6oCO8b20180129
29-Jan-2018 13:30:30	644	689.4000	XLON	84203842000017839-E0YVEQ6oCPxh20180129
29-Jan-2018 13:30:30	1487	689.8000	XLON	84203842000017819-E0YVEQ6oCPwr20180129
29-Jan-2018 13:30:30	1090	690.0000	XLON	84403844000017873-E0YVEQ6oCPvY20180129
	325	690.2000	XLON	84203842000018393-E0YVEQ6oCV7320180129

29-Jan-2018 13:37:13				
29-Jan-2018 13:37:13	600	690.2000	XLON	84203842000018393-E0YVEQ6oCV7720180129
29-Jan-2018 13:38:02	93	690.2000	XLON	84403844000018446-E0YVEQ6oCVmg20180129
29-Jan-2018 13:38:02	349	690.2000	XLON	84203842000018393-E0YVEQ6oCVme20180129
29-Jan-2018 13:38:54	722	690.2000	XLON	84403844000018524-E0YVEQ6oCWPK20180129
29-Jan-2018 13:38:54	546	690.2000	XLON	84403844000018446-E0YVEQ6oCWPI20180129
29-Jan-2018 13:42:20	765	690.0000	XLON	84403844000018363-E0YVEQ6oCYq820180129
29-Jan-2018 13:43:33	309	689.8000	XLON	84403844000018804-E0YVEQ6oCZXJ20180129
29-Jan-2018 13:43:33	465	689.8000	XLON	84403844000018804-E0YVEQ6oCZXM20180129
29-Jan-2018 13:43:54	1217	689.8000	XLON	84403844000018878-E0YVEQ6oCZm920180129
29-Jan-2018 13:48:22	51	689.4000	XLON	84403844000018783-E0YVEQ6oCcok20180129
29-Jan-2018 13:48:32	1109	690.2000	XLON	84203842000019200-E0YVEQ6oCcvi20180129
29-Jan-2018 13:48:32	1480	690.2000	XLON	84403844000019165-E0YVEQ6oCcvg20180129
29-Jan-2018 13:51:30	625	690.4000	XLON	84203842000019368-E0YVEQ6oCeRU20180129
29-Jan-2018 13:54:08	402	690.6000	XLON	84203842000019514-E0YVEQ6oCgI920180129
29-Jan-2018 13:54:08	223	690.6000	XLON	84203842000019514-E0YVEQ6oCgIB20180129
29-Jan-2018 13:55:30	682	690.4000	XLON	84203842000019486-E0YVEQ6oChSb20180129
29-Jan-2018 13:58:05	417	691.0000	XLON	84203842000019750-E0YVEQ6oCj9a20180129
29-Jan-2018 13:58:05	443	691.0000	XLON	84203842000019750-E0YVEQ6oCj9Y20180129
29-Jan-2018 13:58:05	694	691.0000	XLON	84203842000019750-E0YVEQ6oCj9c20180129
29-Jan-2018 13:58:41	315	691.0000	XLON	84403844000019782-E0YVEQ6oCjWI20180129
29-Jan-2018 13:58:41	359	691.0000	XLON	84403844000019782-E0YVEQ6oCjWG20180129
29-Jan-2018 14:00:34	569	691.0000	XLON	84403844000019916-E0YVEQ6oCkvD20180129
29-Jan-2018 14:02:45	439	690.8000	XLON	84203842000019988-E0YVEQ6oCmuV20180129
29-Jan-2018 14:02:45	129	690.8000	XLON	84203842000019988-E0YVEQ6oCmuS20180129
	380	690.6000	XLON	84203842000020144-E0YVEQ6oCoLL20180129

29-Jan-2018 14:04:37				
29-Jan-2018 14:04:37	663	690.6000	XLON	84203842000020144-E0YVEQ6oCoLN20180129
29-Jan-2018 14:04:37	409	690.6000	XLON	84203842000020144-E0YVEQ6oCoLJ20180129
29-Jan-2018 14:09:09	768	690.6000	XLON	84403844000020470-E0YVEQ6oCrkH20180129
29-Jan-2018 14:09:09	153	690.6000	XLON	84403844000020470-E0YVEQ6oCrkF20180129
29-Jan-2018 14:10:45	43	690.4000	XLON	84203842000020552-E0YVEQ6oCsv120180129
29-Jan-2018 14:11:01	84	690.6000	XLON	84203842000020581-E0YVEQ6oCtCA20180129
29-Jan-2018 14:11:01	994	690.6000	XLON	84203842000020581-E0YVEQ6oCtCE20180129
29-Jan-2018 14:11:02	424	690.6000	XLON	84203842000020582-E0YVEQ6oCtCI20180129
29-Jan-2018 14:11:02	51	690.6000	XLON	84403844000020596-E0YVEQ6oCtCG20180129
29-Jan-2018 14:11:22	442	690.6000	XLON	84403844000020598-E0YVEQ6oCtWo20180129
29-Jan-2018 14:13:45	706	690.6000	XLON	84403844000020598-E0YVEQ6oCv4U20180129
29-Jan-2018 14:15:20	757	690.8000	XLON	84403844000020813-E0YVEQ6oCwNK20180129
29-Jan-2018 14:16:37	827	690.6000	XLON	84403844000020782-E0YVEQ6oCxBL20180129
29-Jan-2018 14:17:45	636	690.6000	XLON	84203842000020952-E0YVEQ6oCy5o20180129
29-Jan-2018 14:17:45	708	690.6000	XLON	84203842000020952-E0YVEQ6oCy5q20180129
29-Jan-2018 14:18:40	442	690.4000	XLON	84203842000021100-E0YVEQ6oCyhy20180129
29-Jan-2018 14:18:40	390	690.4000	XLON	84203842000021100-E0YVEQ6oCyhw20180129
29-Jan-2018 14:18:40	750	690.4000	XLON	84203842000021100-E0YVEQ6oCyhu20180129
29-Jan-2018 14:18:41	129	690.4000	XLON	84203842000021100-E0YVEQ6oCyi020180129
29-Jan-2018 14:20:20	1092	690.4000	XLON	84203842000021224-E0YVEQ6oCzyR20180129
29-Jan-2018 14:22:00	808	690.4000	XLON	84403844000021367-E0YVEQ6oD1GJ20180129
29-Jan-2018 14:22:00	337	690.4000	XLON	84403844000021367-E0YVEQ6oD1GL20180129
29-Jan-2018 14:23:40	827	690.4000	XLON	84203842000021466-E0YVEQ6oD2db20180129
29-Jan-2018 14:24:54	1344	690.2000	XLON	84203842000020913-E0YVEQ6oD3JD20180129
	1396	690.0000	XLON	84403844000021981-E0YVEQ6oD9bQ20180129

29-Jan-2018 14:30:45				
29-Jan-2018 14:32:57	267	689.8000	XLON	84403844000021539-E0YVEQ6oDCXy20180129
29-Jan-2018 14:33:01	692	689.8000	XLON	84403844000021786-E0YVEQ6oDCgT20180129
29-Jan-2018 14:33:01	415	689.8000	XLON	84403844000021539-E0YVEQ6oDCgR20180129
29-Jan-2018 14:33:59	974	690.0000	XLON	84203842000022276-E0YVEQ6oDEMw20180129
29-Jan-2018 14:35:27	709	690.4000	XLON	84203842000022383-E0YVEQ6oDGp120180129
29-Jan-2018 14:38:01	599	690.4000	XLON	84403844000022492-E0YVEQ6oDKpB20180129
29-Jan-2018 14:38:44	725	690.6000	XLON	84203842000022682-E0YVEQ6oDLnN20180129
29-Jan-2018 14:40:14	1268	690.6000	XLON	84403844000022801-E0YVEQ6oDNha20180129
29-Jan-2018 14:41:53	1447	690.6000	XLON	84203842000022907-E0YVEQ6oDPYD20180129
29-Jan-2018 14:43:57	888	690.6000	XLON	84203842000023042-E0YVEQ6oDS6u20180129
29-Jan-2018 14:43:57	666	690.6000	XLON	84203842000023042-E0YVEQ6oDS6q20180129
29-Jan-2018 14:43:58	413	690.4000	XLON	84403844000023018-E0YVEQ6oDS7c20180129
29-Jan-2018 14:43:58	157	690.4000	XLON	84403844000023018-E0YVEQ6oDS7e20180129
29-Jan-2018 14:43:58	725	690.4000	XLON	84403844000022664-E0YVEQ6oDS7H20180129
29-Jan-2018 14:45:31	505	690.4000	XLON	84203842000023150-E0YVEQ6oDTrQ20180129
29-Jan-2018 14:45:31	153	690.4000	XLON	84203842000023150-E0YVEQ6oDTr620180129
29-Jan-2018 14:47:50	1456	691.0000	XLON	84403844000023339-E0YVEQ6oDWeG20180129
29-Jan-2018 14:50:52	603	690.8000	XLON	84403844000023331-E0YVEQ6oDak220180129
29-Jan-2018 14:50:52	437	690.8000	XLON	84403844000023331-E0YVEQ6oDak020180129
29-Jan-2018 14:52:01	682	691.0000	XLON	84203842000023613-E0YVEQ6oDcXf20180129
29-Jan-2018 14:53:26	180	691.4000	XLON	84403844000023682-E0YVEQ6oDdoG20180129
29-Jan-2018 14:53:26	388	691.4000	XLON	84403844000023682-E0YVEQ6oDdoI20180129
29-Jan-2018 14:53:33	1203	691.6000	XLON	84203842000023682-E0YVEQ6oDdwo20180129
29-Jan-2018 14:53:48	590	691.8000	XLON	84403844000023707-E0YVEQ6oDeHj20180129
	45	692.0000	XLON	84203842000023755-E0YVEQ6oDfLj20180129

29-Jan-2018 14:54:40				
29-Jan-2018 14:54:41	830	692.0000	XLON	84203842000023758-E0YVEQ6oDfPn20180129
29-Jan-2018 14:54:41	237	692.0000	XLON	84203842000023758-E0YVEQ6oDfPi20180129
29-Jan-2018 14:55:07	311	692.0000	XLON	84403844000023793-E0YVEQ6oDfoF20180129
29-Jan-2018 14:55:07	258	692.0000	XLON	84403844000023793-E0YVEQ6oDfoC20180129
29-Jan-2018 14:57:24	580	692.4000	XLON	84203842000023926-E0YVEQ6oDhv920180129
29-Jan-2018 14:57:24	740	692.4000	XLON	84403844000023932-E0YVEQ6oDhuy20180129
29-Jan-2018 14:57:24	574	692.4000	XLON	84403844000023933-E0YVEQ6oDhvC20180129
29-Jan-2018 14:57:32	1576	692.0000	XLON	84203842000023914-E0YVEQ6oDi7a20180129
29-Jan-2018 14:57:32	738	692.0000	XLON	84203842000023934-E0YVEQ6oDi8x20180129
29-Jan-2018 14:57:32	902	692.0000	XLON	84403844000023923-E0YVEQ6oDi7c20180129
29-Jan-2018 14:58:12	2011	692.0000	XLON	84403844000023986-E0YVEQ6oDj1m20180129
29-Jan-2018 14:59:29	619	692.0000	XLON	84403844000024103-E0YVEQ6oDkRb20180129
29-Jan-2018 14:59:29	1292	692.0000	XLON	84203842000024083-E0YVEQ6oDkRZ20180129
29-Jan-2018 15:00:40	336	692.0000	XLON	84203842000024131-E0YVEQ6oDmJR20180129
29-Jan-2018 15:00:40	684	692.0000	XLON	84203842000024131-E0YVEQ6oDmJP20180129
29-Jan-2018 15:00:40	92	692.0000	XLON	84203842000024114-E0YVEQ6oDmJD20180129
29-Jan-2018 15:00:40	1537	692.0000	XLON	84203842000024131-E0YVEQ6oDmJN20180129
29-Jan-2018 15:00:40	367	692.0000	XLON	84403844000024134-E0YVEQ6oDmJF20180129
29-Jan-2018 15:00:40	615	692.0000	XLON	84403844000024131-E0YVEQ6oDmJB20180129
29-Jan-2018 15:00:50	855	692.0000	XLON	84203842000024171-E0YVEQ6oDml620180129
29-Jan-2018 15:00:50	1329	692.0000	XLON	84203842000024171-E0YVEQ6oDml820180129
29-Jan-2018 15:01:08	275	692.0000	XLON	84203842000024192-E0YVEQ6oDnQG20180129
29-Jan-2018 15:01:08	800	692.0000	XLON	84203842000024192-E0YVEQ6oDnQI20180129
29-Jan-2018 15:03:05	684	691.8000	XLON	84403844000024303-E0YVEQ6oDqEP20180129
	551	691.8000	XLON	84403844000024303-E0YVEQ6oDqER20180129

29-Jan-2018 15:03:05				
29-Jan-2018 15:03:05	254	691.8000	XLON	84403844000024303-E0YVEQ6oDqEJ20180129
29-Jan-2018 15:03:05	873	691.8000	XLON	84203842000024175-E0YVEQ6oDqE920180129
29-Jan-2018 15:03:51	800	691.8000	XLON	84203842000024288-E0YVEQ6oDrFI20180129
29-Jan-2018 15:03:51	796	691.8000	XLON	84203842000024288-E0YVEQ6oDrFG20180129
29-Jan-2018 15:05:09	642	692.0000	XLON	84403844000024410-E0YVEQ6oDt2B20180129
29-Jan-2018 15:05:09	479	692.0000	XLON	84203842000024373-E0YVEQ6oDt1z20180129
29-Jan-2018 15:05:09	816	692.0000	XLON	84403844000024399-E0YVEQ6oDt2520180129
29-Jan-2018 15:05:09	654	692.0000	XLON	84203842000024373-E0YVEQ6oDt1x20180129
29-Jan-2018 15:05:09	1018	692.0000	XLON	84403844000024398-E0YVEQ6oDt2120180129
29-Jan-2018 15:06:20	612	692.0000	XLON	84203842000024479-E0YVEQ6oDux320180129
29-Jan-2018 15:06:20	1189	692.0000	XLON	84203842000024478-E0YVEQ6oDuwp20180129
29-Jan-2018 15:06:20	738	692.0000	XLON	84403844000024495-E0YVEQ6oDuwz20180129
29-Jan-2018 15:07:57	639	692.0000	XLON	84203842000024542-E0YVEQ6oDwt620180129
29-Jan-2018 15:07:57	786	692.0000	XLON	84403844000024566-E0YVEQ6oDwtI20180129
29-Jan-2018 15:07:57	569	692.0000	XLON	84403844000024564-E0YVEQ6oDwt420180129
29-Jan-2018 15:08:08	600	692.0000	XLON	84403844000024566-E0YVEQ6oDxBh20180129
29-Jan-2018 15:08:08	208	692.0000	XLON	84403844000024566-E0YVEQ6oDxBj20180129
29-Jan-2018 15:08:11	708	692.0000	XLON	84203842000024556-E0YVEQ6oDxOZ20180129
29-Jan-2018 15:08:32	738	691.8000	XLON	84403844000024422-E0YVEQ6oDxj720180129
29-Jan-2018 15:09:01	625	692.2000	XLON	84203842000024615-E0YVEQ6oDySz20180129
29-Jan-2018 15:11:02	153	692.0000	XLON	84203842000024727-E0YVEQ6oE0ta20180129
29-Jan-2018 15:11:08	699	692.0000	XLON	84203842000024727-E0YVEQ6oE10m20180129
29-Jan-2018 15:12:01	198	692.2000	XLON	84203842000024768-E0YVEQ6oE1ub20180129
29-Jan-2018 15:12:01	360	692.2000	XLON	84203842000024768-E0YVEQ6oE1uV20180129
	442	692.2000	XLON	84203842000024768-E0YVEQ6oE1uX20180129

29-Jan-2018 15:12:01				
29-Jan-2018 15:12:01	374	692.2000	XLON	84203842000024768-E0YVEQ6oE1uZ20180129
29-Jan-2018 15:12:12	552	692.2000	XLON	84403844000024766-E0YVEQ6oE28F20180129
29-Jan-2018 15:12:12	189	692.2000	XLON	84403844000024766-E0YVEQ6oE28D20180129
29-Jan-2018 15:12:30	1792	692.0000	XLON	84403844000024747-E0YVEQ6oE2dh20180129
29-Jan-2018 15:14:08	888	692.0000	XLON	84403844000024885-E0YVEQ6oE4iA20180129
29-Jan-2018 15:14:08	168	692.0000	XLON	84403844000024885-E0YVEQ6oE4i620180129
29-Jan-2018 15:14:08	214	692.0000	XLON	84403844000024885-E0YVEQ6oE4i420180129
29-Jan-2018 15:14:08	889	692.0000	XLON	84403844000024885-E0YVEQ6oE4i820180129
29-Jan-2018 15:14:09	33	692.0000	XLON	84203842000024874-E0YVEQ6oE4iE20180129
29-Jan-2018 15:14:22	218	692.0000	XLON	84403844000024893-E0YVEQ6oE4tz20180129
29-Jan-2018 15:14:25	224	692.0000	XLON	84403844000024897-E0YVEQ6oE4xN20180129
29-Jan-2018 15:14:39	584	692.0000	XLON	84203842000024909-E0YVEQ6oE5Dh20180129
29-Jan-2018 15:16:00	1000	691.8000	XLON	84203842000024985-E0YVEQ6oE7ZO20180129
29-Jan-2018 15:16:00	534	691.8000	XLON	84203842000024985-E0YVEQ6oE7ZQ20180129
29-Jan-2018 15:16:00	409	691.8000	XLON	84403844000025003-E0YVEQ6oE7Rp20180129
29-Jan-2018 15:16:00	692	691.8000	XLON	84403844000025003-E0YVEQ6oE7Rr20180129
29-Jan-2018 15:16:00	900	691.8000	XLON	84403844000025003-E0YVEQ6oE7Rn20180129
29-Jan-2018 15:16:00	1296	691.6000	XLON	84203842000024838-E0YVEQ6oE7RS20180129
29-Jan-2018 15:16:00	788	691.8000	XLON	84203842000024583-E0YVEQ6oE7QT20180129
29-Jan-2018 15:16:00	900	691.8000	XLON	84403844000024889-E0YVEQ6oE7Qg20180129
29-Jan-2018 15:17:56	1271	691.6000	XLON	84203842000025098-E0YVEQ6oEAPc20180129
29-Jan-2018 15:17:56	1551	691.6000	XLON	84403844000025100-E0YVEQ6oEAO520180129
29-Jan-2018 15:17:57	212	691.6000	XLON	84403844000025117-E0YVEQ6oEATM20180129
29-Jan-2018 15:17:57	1685	691.6000	XLON	84203842000025098-E0YVEQ6oEATK20180129
	1684	691.6000	XLON	84403844000025153-E0YVEQ6oEC5020180129

29-Jan-2018 15:19:03				
29-Jan-2018 15:19:04	2255	691.6000	XLON	84403844000025176-E0YVEQ6oEC9q20180129
29-Jan-2018 15:22:39	770	691.6000	XLON	84203842000025349-E0YVEQ6oEGZa20180129
29-Jan-2018 15:22:39	1933	691.6000	XLON	84403844000025356-E0YVEQ6oEGZo20180129
29-Jan-2018 15:23:10	1432	691.4000	XLON	84203842000025058-E0YVEQ6oEH4J20180129
29-Jan-2018 15:23:41	862	691.4000	XLON	84203842000025376-E0YVEQ6oEHmy20180129
29-Jan-2018 15:23:41	147	691.4000	XLON	84203842000025376-E0YVEQ6oEHnA20180129
29-Jan-2018 15:23:42	1183	691.4000	XLON	84203842000025376-E0YVEQ6oEHo920180129
29-Jan-2018 15:23:46	155	691.8000	XLON	84403844000025430-E0YVEQ6oEHsp20180129
29-Jan-2018 15:23:46	159	691.8000	XLON	84403844000025430-E0YVEQ6oEHsr20180129
29-Jan-2018 15:23:50	1172	692.0000	XLON	84203842000025423-E0YVEQ6oEHvC20180129
29-Jan-2018 15:23:52	2499	692.0000	XLON	84203842000025428-E0YVEQ6oEHxs20180129
29-Jan-2018 15:23:52	2316	692.0000	XLON	84403844000025442-E0YVEQ6oEHxQ20180129
29-Jan-2018 15:24:09	2008	692.0000	XLON	84203842000025448-E0YVEQ6oEIVs20180129
29-Jan-2018 15:24:09	498	692.0000	XLON	84203842000025448-E0YVEQ6oEIVq20180129
29-Jan-2018 15:24:09	2214	692.0000	XLON	84403844000025466-E0YVEQ6oEIVC20180129
29-Jan-2018 15:24:09	1339	691.8000	XLON	84203842000025416-E0YVEQ6oEIUi20180129
29-Jan-2018 15:24:09	455	692.0000	XLON	84203842000025447-E0YVEQ6oEIUw20180129
29-Jan-2018 15:24:09	600	692.0000	XLON	84203842000025447-E0YVEQ6oEIUn20180129
29-Jan-2018 15:24:09	1800	692.0000	XLON	84203842000025447-E0YVEQ6oEIUr20180129
29-Jan-2018 15:24:09	750	692.0000	XLON	84203842000025447-E0YVEQ6oEIUp20180129
29-Jan-2018 15:24:09	800	692.0000	XLON	84203842000025448-E0YVEQ6oEIVu20180129
29-Jan-2018 15:24:10	693	692.0000	XLON	84403844000025470-E0YVEQ6oEIXd20180129
29-Jan-2018 15:24:11	136	692.0000	XLON	84403844000025471-E0YVEQ6oEIcg20180129
29-Jan-2018 15:24:15	2143	692.0000	XLON	84203842000025456-E0YVEQ6oEIjW20180129
	199	692.0000	XLON	84203842000025456-E0YVEQ6oEIjU20180129

29-Jan-2018 15:24:15				
29-Jan-2018 15:24:17	2258	692.0000	XLON	84403844000025477-E0YVEQ6oEIpC20180129
29-Jan-2018 15:24:17	750	692.0000	XLON	84203842000025458-E0YVEQ6oEIoz20180129
29-Jan-2018 15:24:45	308	692.0000	XLON	84203842000025463-E0YVEQ6oEJIr20180129
29-Jan-2018 15:24:45	793	692.0000	XLON	84203842000025463-E0YVEQ6oEJIo20180129
29-Jan-2018 15:24:45	200	692.0000	XLON	84203842000025463-E0YVEQ6oEJIK20180129
29-Jan-2018 15:26:31	831	691.8000	XLON	84203842000025520-E0YVEQ6oELD520180129

Real estate construction	29,216		453	24,540	76
Commercial		20,049	115	18,183	
Consumer		565		531	
Foreign					
Total non-covered loans		$ 140,451	$ 1,472	$ 117,874	

(1) For the loans reported as impaired as of September 30, 2011, amounts were calculated based on the period of time such loans were impaired during the reporting period.

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PACWEST BANCORP AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

(Unaudited)

NOTE 4 LOANS (Continued)

The following tables present non-covered new troubled debt restructurings and defaulted troubled debt restructurings for the periods indicated:

	Three Months Ended September 30, 2011			Nine Months Ended September 30, 2011		
	Number of Loans	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment	Number of Loans	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment
	(Dollars in thousands)					
Troubled Debt Restructurings:						
Real estate mortgage:						
Hospitality	3	$ 14,967	$ 14,967	4	$ 17,053	$ 17,053
SBA 504				5	2,619	2,619
Other	12	34,244	34,053	25	52,765	52,574
Real estate construction:						
Residential				1	618	618
Other	1	2,082	2,082	7	18,605	18,605
Commercial:						
Collateralized	3	1,158	1,158	12	3,161	3,161
Unsecured	1	450	450	3	726	726
SBA 7(a)	7	745	745	18	4,292	4,292
Consumer				2	271	271
Total	27	$ 53,646	$ 53,455	77	$ 100,110	$ 99,919

	Three Months Ended September 30, 2011		Nine Months Ended September 30, 2011	
	Number of Loans	Recorded Investment(1)	Number of Loans	Recorded Investment(1)
	(Dollars in thousands)			
Troubled Debt Restructurings That Subsequently Defaulted(2):				
Real estate mortgage:				
Other	4	$ 5,566	4	$ 5,566
Commercial:				
SBA 7(a)	1	448	1	448
Total	5	$ 6,014	5	$ 6,014

(1) Represents the balance at September 30, 2011 and is net of charge-offs of $2.1 million and $3.0 million for the three and nine months ended September 30, 2011, respectively.

(2) The population of defaulted restructured loans for the periods indicated includes only those loans restructured during the preceeding 12-month period. The table excludes defaulted troubled debt restructurings in those classes for which the recorded investment was zero at September 30, 2011.

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PACWEST BANCORP AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

(Unaudited)

NOTE 4 LOANS (Continued)

As a result of adopting the amendments in Accounting Standards Update No. 2011-02, *Receivables (Topic 310): A Creditors Determination of Whether a Restructuring is a Troubled Debt Restructuring,* we reassessed all restructurings that occurred on or after January 1, 2011, for identification as troubled debt restructurings. We identified one loan as a troubled debt restructuring (TDR) for which the allowance for credit losses had previously been measured under our general allowance for credit losses methodology. Upon identifying this one loan as a TDR, we recognized it as impaired under the guidance in Section 310-10-35. The amendments in Accounting Standards Update No. 2011-02 require prospective application of the impairment measurement guidance in Section 310-10-35 for those loans newly identified as impaired. At the end of the first interim period of adoption (September 30, 2011), the recorded investment in this loan was $2.1 million and the allowance for credit losses associated with that receivable on the basis of a current evaluation of loss was $163,000.

Covered Loans

We refer to the loans acquired in the Los Padres and Affinity acquisitions subject to loss sharing agreements with the FDIC as "covered loans" as we will be reimbursed for a substantial portion of any future losses on them under the terms of the agreements.

The following table reflects the carrying values of covered loans as of the dates indicated:

Loan Category	September 30, 2011	December 31, 2010
	(In thousands)	
Multi-family	$ 267,892	$ 321,650
Commercial real estate	386,326	444,244
Single family	129,692	157,424
Construction and land	57,601	87,301
Commercial and industrial	22,869	34,828
Home equity lines of credit	6,287	5,916
Consumer	603	1,378
Total gross covered loans	871,270	1,052,741
Less: discount	(80,920)	(110,901)
Covered loans, net of discount	790,350	941,840
Less: allowance for loan losses	(29,291)	(33,264)
Covered loans, net	$ 761,059	$ 908,576

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PACWEST BANCORP AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

(Unaudited)

NOTE 4 LOANS (Continued)

The following table summarizes the changes in the carrying amount of covered acquired impaired loans and accretable yield on those loans for the period indicated:

	Covered Acquired Impaired Loans	
	Carrying Amount	Accretable Yield
	(In thousands)	
Balance, January 1, 2011	$ 879,486	$ (290,665)
Accretion	50,875	50,875
Payments received	(189,826)	
Increase in expected cash flows, net		(37,685)
Provision for credit losses	(9,148)	
Balance, September 30, 2011	$ 731,387	$ (277,475)

The table above excludes the covered loans from the Los Padres acquisition which are accounted for as non-impaired loans and totaled $29.7 million and $29.1 million at September 30, 2011 and December 31, 2010, respectively.

The following table presents the credit risk rating categories for covered loans by portfolio segment as of the dates indicated. Nonclassified loans are those with a credit risk rating of either pass or special mention, while classified loans are those with a credit risk rating of either substandard or doubtful. It should be noted, however, that all of these loans are covered by loss sharing agreements with the FDIC.

	September 30, 2011			December 31, 2010		
	Nonclassified	Classified	Total	Nonclassified	Classified	Total
	(In thousands)			(In thousands)		
Real estate mortgage	$ 515,633	$ 173,018	$ 688,651	$ 622,837	$ 180,944	$ 803,781
Real estate construction	8,369	42,617	50,986	21,370	51,729	73,099
Commercial	11,388	9,215	20,603	14,630	16,219	30,849
Consumer	242	577	819	722	125	847
Total covered loans	$ 535,632	$ 225,427	$ 761,059	$ 659,559	$ 249,017	$ 908,576

Our federal and state banking regulators, as an integral part of their examination process, periodically review the Company's loan risk rating classifications. Our regulators may require the Company to recognize rating downgrades based on their judgments related to information available to them at the time of their examinations.

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PACWEST BANCORP AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

(Unaudited)

NOTE 5 OTHER REAL ESTATE OWNED (OREO)

The following tables summarize OREO by property type at the dates indicated:

	September 30, 2011			December 31, 2010		
Property Type	Non-Covered OREO	Covered OREO	Total OREO	Non-Covered OREO	Covered OREO	Total OREO
	(In thousands)			(In thousands)		
Commercial real estate	$ 21,431	$ 14,151	$ 35,582	$ 18,205	$ 21,658	$ 39,863
Construction and land development	26,093	14,676	40,769	4,650	19,205	23,855
Multi-family		1,656	1,656		10,393	10,393
Single family residence	736	1,818	2,554	2,743	4,560	7,303
Total OREO, net	$ 48,260	$ 32,301	$ 80,561	$ 25,598	$ 55,816	$ 81,414

The following table presents a rollforward of OREO, net of the valuation allowance, for the periods indicated:

OREO Activity:	Non-Covered OREO	Covered OREO	Total OREO
	(In thousands)		
Balance, January 1, 2011	$ 25,598	$ 55,816	$ 81,414
Foreclosures	24,981	4,130	29,111
Payments to third parties[1]	950		950
Provision for losses	(382)	(890)	(1,272)
Reductions related to sales	(2,780)	(16,939)	(19,719)
Balance, March 31, 2011	48,367	42,117	90,484
Foreclosures	6,073	13,329	19,402
Payments to third parties[1]	172		172
Provision for losses	(1,897)	(1,565)	(3,462)
Reductions related to sales	(521)	(12,932)	(13,453)
Balance, June 30, 2011	$ 52,194	$ 40,949	$ 93,143
Foreclosures	2,393	6,361	8,754
Payments to third parties[1]	259		259
Provision for losses	(1,676)	(8,601)	(10,277)
Reductions related to sales	(4,910)	(6,408)	(11,318)
Balance, September 30, 2011	$ 48,260	$ 32,301	$ 80,561

(1) Represents amounts due to participants and for guarantees, property taxes or other prior lien positions.

NOTE 6 FDIC LOSS SHARING ASSET

The FDIC loss sharing asset was initially recorded at fair value, which represented the present value of the estimated cash payments from the FDIC for future losses on covered assets. The ultimate collectibility of this asset is dependent upon the performance of the underlying covered assets, the

PACWEST BANCORP AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

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NOTE 6 FDIC LOSS SHARING ASSET (Continued)

passage of time and claims paid by the FDIC. The following table presents the changes in the FDIC loss sharing asset for the period indicated:

	FDIC Loss Sharing Asset
	(In thousands)
Balance, January 1, 2011	$ 116,352
FDIC share of additional losses, net of recoveries[1]	18,347
Cash received from FDIC	(45,148)
Net accretion	(354)
Balance, September 30, 2011	$ 89,197

(1) Includes $7.6 million related to resolution of goodwill matter with the FDIC.

NOTE 7 BORROWINGS, SUBORDINATED DEBENTURES AND BROKERED DEPOSITS

Borrowings

The following table summarizes our outstanding FHLB advances by their contractual maturity dates as of the date indicated:

	September 30, 2011		
Contractual Maturity Date	Amount	Interest Rate	Next Date Callable by FHLB[1]
	(In thousands)		
December 11, 2017	$ 200,000	3.16%	December 12, 2011
January 11, 2018	25,000	2.61%	January 11, 2012
Total FHLB advances	$ 225,000	3.10%	

(1) Callable quarterly.

The FHLB advances outstanding at September 30, 2011 are each callable term advances. The maturities shown are the contractual maturities for the advances. The advances have each passed their initial call dates and are currently callable on a quarterly basis by the FHLB. While the FHLB may call the advances to be repaid for any reason, they are likely to be called if market interest rates, for borrowings of similar remaining term, are higher than the advances' stated rates on the call dates. We may repay the advances at any time with a prepayment penalty. Our aggregate remaining borrowing capacity under the FHLB secured lines of credit was $1.2 billion at September 30, 2011. As of September 30, 2011, approximately $2.8 billion of real estate and commercial loans and securities with a carrying value of $43.0 million were

pledged to secure our FHLB advances. Additionally, the Bank had secured borrowing capacity from the Federal Reserve discount window of $375.0 million at September 30, 2011. As of September 30, 2011, $469.5 million of real estate construction and commercial loans not pledged to the FHLB were pledged to secure the Federal Reserve borrowing capacity. The Bank also maintains unsecured lines of credit of $92.0 million with correspondent banks for the purchase of overnight funds; these lines are subject to availability of funds.

PACWEST BANCORP AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

(Unaudited)

NOTE 7 BORROWINGS, SUBORDINATED DEBENTURES AND BROKERED DEPOSITS (Continued)

Subordinated Debentures

The Company had an aggregate amount of $129.3 million in subordinated debentures outstanding at September 30, 2011. These subordinated debentures were issued in seven separate series. Each issuance had a maturity of thirty years from its date of issue. The subordinated debentures were issued to trusts established by us or entities we have acquired, which in turn issued trust preferred securities, which totaled $123.0 million at September 30, 2011. These trust preferred securities are considered Tier 1 capital for regulatory purposes.

The subordinated debentures are each callable at par with the exception of Trust I and Trust CI, which are callable at par with a prepayment penalty, and only by the issuer. The prepayment penalty for Trust I and Trust CI diminishes over time such that they may be called at par in the year 2020.

The proceeds of the subordinated debentures we originated were used primarily to fund several of our acquisitions and to augment regulatory capital. Interest payments made by the Company on subordinated debentures are considered dividend payments by the Federal Reserve Bank, or FRB. As such, notification to the FRB is required prior to our intent to pay such interest during any period in which our cumulative net earnings for the previous four quarters are not sufficient to fund the interest payments due for those periods and the current period. Should the FRB object to payment of interest on the subordinated debentures, we would not be able to make the payments until approval is received.

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PACWEST BANCORP AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

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NOTE 7 BORROWINGS, SUBORDINATED DEBENTURES AND BROKERED DEPOSITS (Continued)

The following table summarizes the terms of each issuance of the subordinated debentures outstanding as of September 30, 2011:

Series	Date Issued	September 30, 2011 Amount (In thousands)	Maturity Date	Earliest Call Date by Company Without Penalty	Fixed or Variable Rate	Rate Index	Current Rate[2]	Next Reset Date
Trust CI	3/23/00	$ 10,310	3/8/30	3/8/20	Fixed	N/A	11.00%	N/A
Trust I	9/7/00	8,248	9/7/30	9/7/20	Fixed	N/A	10.60%	N/A
Trust V	8/15/03	10,310	9/17/33	(1)	Variable	3 month LIBOR + 3.10	3.45%	12/15/11
Trust VI	9/3/03	10,310	9/15/33	(1)	Variable	3 month LIBOR + 3.05	3.40%	12/13/11
Trust CII	9/17/03	5,155	9/17/33	(1)	Variable	3 month LIBOR + 2.95	3.30%	12/15/11
Trust VII	2/5/04	61,856	4/23/34	(1)	Variable	3 month LIBOR + 2.75	3.18%	1/27/12
Trust CIII	8/15/05	20,619	9/15/35	(1)	Variable	3 month LIBOR + 1.69	2.04%	12/13/11
Gross subordinated debentures		126,808						
Unamortized premium[3]		2,539						
Net subordinated debentures		$ 129,347						

(1) These debentures may be called without prepayment penalty.

(2) As of October 27, 2011.

(3) This amount represents the fair value adjustment on the subordinated debentures issued to the trusts of acquired companies.

As previously mentioned, the subordinated debentures were issued to trusts established by us, or entities we acquired, which in turn issued $123.0 million of trust preferred securities. The Company includes in Tier 1 capital an amount of trust preferred securities equal to no more than 25% of the sum of all core capital elements, which is generally defined as shareholders' equity less goodwill, net of any related deferred income tax liability. At September 30, 2011, the amount of trust preferred securities included in Tier I capital was $123.0 million.

Brokered Deposits

Brokered deposits totaled $45.0 million at September 30, 2011 and are included in the interest-bearing deposits balance on the accompanying condensed consolidated balance sheets. Such amount represented customer deposits that were subsequently participated with other FDIC-insured financial institutions through the CDARS program as a means to provide FDIC deposit insurance coverage for the full amount of our customers' deposits.

PACWEST BANCORP AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

(Unaudited)

NOTE 8 COMMITMENTS AND CONTINGENCES

Lending Commitments

The Bank is a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit and standby letters of credit. Those instruments involve, to varying degrees, elements of credit risk in excess of the amount recognized in the consolidated balance sheets. The contract or notional amounts of those instruments reflect the extent of involvement the Company has in particular classes of financial instruments.

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. Commitments to extend credit totaled $686.8 million and $723.1 million at September 30, 2011 and December 31, 2010, respectively.

Standby letters of credit are conditional commitments issued by the Company to guarantee the performance of a customer to a third party. Those guarantees are primarily issued to support private borrowing arrangements. Most guarantees expire within one year from the date of issuance. The Company generally requires collateral or other security to support financial instruments with credit risk. Standby letters of credit totaled $31.9 million and $23.7 million at September 30, 2011 and December 31, 2010, respectively.

The Company has investments in low income housing project partnerships, which provide the Company income tax credits, and in a few small business investment companies. As of September 30, 2011, the Company had commitments to contribute capital to these entities totaling $7.3 million.

Legal Matters

In the ordinary course of our business, we are party to various legal actions, which we believe are incidental to the operation of our business. The outcome of such legal actions and the timing of ultimate resolution are inherently difficult to predict. Because of these factors, the Company cannot provide a meaningful estimate of the range of reasonably possible outcomes of claims in the aggregate or by individual claim. In the opinion of management, based upon information currently available to us, any resulting liability is not likely to have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

NOTE 9 FAIR VALUE MEASUREMENTS

ASC 820, *Fair Value Measurements and Disclosures*, defines fair value, establishes a framework for measuring fair value including a three-level valuation hierarchy, and expands disclosures about fair value measurements. Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date reflecting assumptions that a market participant would use when pricing an asset or liability. The hierarchy uses three levels of inputs to measure the fair value of assets and liabilities as follows:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets.

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PACWEST BANCORP AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

(Unaudited)

NOTE 9 FAIR VALUE MEASUREMENTS (Continued)

Level 2: Observable inputs other than Level 1, including quoted prices for similar assets and liabilities in active markets, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data, either directly or indirectly, for substantially the full term of the financial instrument. This category generally includes U.S. government and agency securities.

Level 3: Inputs to a valuation methodology that are unobservable, supported by little or no market activity, and significant to the fair value measurement. These valuation methodologies generally include pricing models, discounted cash flow models, or a determination of fair value that requires significant management judgment or estimation. This category also includes observable inputs from a pricing service not corroborated by observable market data, such as pricing covered private label CMOs.

We use fair value to measure certain assets on a recurring basis, primarily securities available-for-sale; we have no liabilities being measured at fair value. For assets measured at the lower of cost or fair value, the fair value measurement criteria may or may not be met during a reporting period and such measurements are therefore considered "nonrecurring" for purposes of disclosing our fair value measurements. Fair value is used on a nonrecurring basis to adjust carrying values for impaired loans and other real estate owned and also to record impairment on certain assets, such as goodwill, core deposit intangibles and other long-lived assets.

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PACWEST BANCORP AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

(Unaudited)

NOTE 9 FAIR VALUE MEASUREMENTS (Continued)

The following tables present information on the assets measured and recorded at fair value on a recurring and nonrecurring basis as of the date indicated:

	Fair Value Measurement as of September 30, 2011			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(In thousands)			
Measured on a Recurring Basis:				
Securities available-for-sale:				
Government and government-sponsored entity residential mortgage-backed securities	$ 1,104,386	$	$ 1,104,386	$
Covered private label CMOs	47,213			47,213
Municipal securities	93,227		93,227	
Corporate securities	14,642		14,642	
Other securities	2,308		2,308	
	$ 1,261,776	$	$ 1,214,563	$ 47,213
Measured on a Nonrecurring Basis:				
Non-covered impaired loans	$ 112,360	$	$ 23,597	$ 88,763
Non-covered other real estate owned	40,683		13,436	27,247
Covered other real estate owned	16,449		15,037	1,412
SBA loan servicing asset	1,334			1,334
	$ 170,826	$	$ 52,070	$ 118,756

There were no significant transfers of assets between Level 1 and Level 2 of the fair value hierarchy during the three months ended September 30, 2011.

The following table presents gains and (losses) on assets measured on a nonrecurring basis for the periods indicated:

	Three Months Ended September 30, 2011	Nine Months Ended September 30, 2011
	(In thousands)	
Non-covered impaired loans	$ (9,615)	$ (16,388)
Non-covered other real estate owned	(1,676)	(3,549)
Covered other real estate owned	(7,982)	(8,561)
SBA loan servicing asset	72	2
Total gain (loss) on assets measured on a nonrecurring basis	$ (19,201)	$ (28,496)

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PACWEST BANCORP AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

(Unaudited)

NOTE 9 FAIR VALUE MEASUREMENTS (Continued)

The following table summarizes activity for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the period indicated:

	Covered Private Label CMOs (Level 3)
	(In thousands)
Beginning as of January 1, 2011	$ 50,437
Total realized in earnings	1,572
Total unrealized in comprehensive income	315
Net settlements	(5,111)
Balance, September 30, 2011	$ 47,213

ASC Topic 825, *Financial Instruments*, requires disclosure of the estimated fair value of certain financial instruments and the methods and significant assumptions used to estimate such fair values. Additionally, certain financial instruments and all nonfinancial instruments are excluded from the applicable disclosure requirements. The following table is a summary of the carrying values and estimated fair values of certain financial instruments as of the dates indicated:

	September 30, 2011		December 31, 2010	
	Carrying or Contract Amount	Estimated Fair Value	Carrying or Contract Amount	Estimated Fair Value
	(In thousands)			
Financial Assets:				
Cash and due from banks	$ 94,112	$ 94,112	$ 82,170	$ 82,170
Interest-earning deposits in financial institutions	73,209	73,209	26,382	26,382
Securities available-for-sale	1,261,776	1,261,776	874,016	874,016
Investment in FHLB stock	48,342	48,342	55,040	55,040
Loans, net[(1)]	3,564,586	3,588,445	3,970,978	3,960,244
Financial Liabilities:				
Deposits	4,554,396	4,566,531	4,649,698	4,664,575
Borrowings	225,000	249,588	225,000	243,273
Subordinated debentures	129,347	135,972	129,572	135,876

(1) The fair value of loans exceeded the carrying value at September 30, 2011, while the fair value of loans at December 31, 2010 were below the carrying value. To calculate the fair value we apply a discount rate similar to the rate offered on loans at the time of the analysis. The reason for the change in the relationship of fair value to carrying value of loans at September 30, 2011 compared to December 31, 2010 is that the offered rate for certain of our commercial real estate loans was lower in September 2011 compared to December 2010 resulting in a lower discount rate and a relatively higher fair value.

The following is a description of the valuation methodologies used to measure our assets recorded at fair value (under ASC Topic 820) and for estimating fair value for financial instruments not recorded at fair value (under ASC Topic 825).

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Notes to Condensed Consolidated Financial Statements (Continued)

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NOTE 9 FAIR VALUE MEASUREMENTS (Continued)

Cash and due from banks. The carrying amount is assumed to be the fair value because of the liquidity of these instruments.

Interest-earning deposits in financial institutions. The carrying amount is assumed to be the fair value given the short-term nature of these deposits.

Securities available-for-sale. Securities available-for-sale are measured and carried at fair value on a recurring basis. Unrealized gains and losses on available-for-sale securities are reported as a component of accumulated other comprehensive income on the condensed consolidated balance sheets. See Note 3, *Investment Securities*, for further information on unrealized gains and losses on securities available-for-sale.

In determining the fair value of the securities categorized as Level 2, we obtain a report from a nationally recognized broker-dealer detailing the fair value of each investment security we hold as of each reporting date. The broker-dealer uses observable market information to value our securities, with the primary source being a nationally recognized pricing service. We review the market prices provided by the broker-dealer for our securities for reasonableness based on our understanding of the marketplace and we consider any credit issues related to the securities. As we have not made any adjustments to the market quotes provided to us and they are based on observable market data, they have been categorized as Level 2 within the fair value hierarchy.

Our covered private label collateralized mortgage obligation securities, which we refer to as private label CMOs, are categorized as Level 3 due in part to the inactive market for such securities. There is a wide range of prices quoted for private label CMOs among independent third party pricing services and this range reflects the significant judgment being exercised over the assumptions and variables that determine the pricing of such securities. We consider this subjectivity to be a significant unobservable input and have concluded the private label CMOs should be categorized as a Level 3 measured asset. While the private label CMOs may be based on significant unobservable inputs, our fair value was based on prices provided to us by a nationally recognized pricing service which we also use to determine the fair value of the majority of our securities portfolio. We determined the reasonableness of the fair values by reviewing assumptions at the individual security level about prepayment, default expectations, estimated severity loss factors, projected cash flows and estimated collateral performance, all of which are not directly observable in the market.

FHLB stock. The fair value of FHLB stock is based on our recorded investment. In January 2009, the FHLB announced that it had suspended excess FHLB stock redemptions and dividend payments. Since this announcement, the FHLB has declared and paid cash dividends in 2010 and 2011, though at rates less than that paid in the past, and repurchased certain amounts of our excess stock. As a result of these actions, we evaluated the carrying value of our FHLB stock investment. Based on the FHLB's most recent publicly available financial results, its capital position and its bond ratings, we concluded such investment was not impaired at either September 30, 2011 or December 31, 2010.

Non-covered loans. As non-covered loans are not measured at fair value, the following discussion relates to estimating the fair value disclosures under ASC Topic 825. Fair values are estimated for portfolios of loans with similar financial characteristics. Loans are segregated by type and further segmented into fixed and adjustable rate interest terms and by credit risk categories. The fair value

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PACWEST BANCORP AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

(Unaudited)

NOTE 9 FAIR VALUE MEASUREMENTS (Continued)

estimates do not take into consideration the value of the loan portfolio in the event the loans are sold outside the parameters of normal operating activities. The fair value of performing fixed rate loans is estimated by discounting scheduled cash flows through the estimated maturity using estimated market prepayment speeds and estimated market discount rates that reflect the credit and interest rate risk inherent in the loans. The estimated market discount rates used for performing fixed rate loans are the Company's current offering rates for comparable instruments with similar terms. The fair value of performing adjustable rate loans is estimated by discounting scheduled cash flows through the next repricing date. As these loans reprice frequently at market rates and the credit risk is not considered to be greater than normal, the market value is typically close to the carrying amount of these loans.

Non-covered impaired loans. Nonaccrual loans and performing restructured loans are considered impaired for reporting purposes and are measured and recorded at fair value on a non-recurring basis. Non-covered nonaccrual loans with an unpaid principal balance over $250,000 and all performing restructured loans are reviewed individually for the amount of impairment, if any. Non-covered nonaccrual loans with an unpaid principal balance of $250,000 or less are evaluated for impairment collectively.

To the extent a loan is collateral dependent, we measure such impaired loan based on the estimated fair value of the underlying collateral. The fair value of each loan's collateral is generally based on estimated market prices from an independently prepared appraisal, which is then adjusted for the cost related to liquidating such collateral; such valuation inputs result in a nonrecurring fair value measurement that is categorized as a Level 2 measurement.

When adjustments are made to an appraised value to reflect various factors such as the age of the appraisal or known changes in the market or the collateral, such valuation inputs are considered unobservable and the fair value measurement is categorized as a Level 3 measurement. The impaired loans categorized as Level 3 also include unsecured loans and other secured loans whose fair values are based significantly on unobservable inputs such as the strength of a guarantor, including an SBA government guarantee, cash flows discounted at the effective loan rate, and management's judgment.

The non-covered impaired loan balances shown above represent those nonaccrual and restructured loans for which impairment was recognized during the three and nine months ended September 30, 2011. The amounts shown as losses represent, for the loan balances shown, the impairment recognized during the three and nine months ended September 30, 2011. We recorded $869,000 and $3.5 million in losses on impaired loans for the three and nine months ended September 30, 2011, respectively, for loans with a fair value of zero as of September 30, 2011. Of the $60.0 million of nonaccrual loans at September 30, 2011, $11.6 million were written down to their fair values through charge-offs during the quarter.

Other real estate owned. The fair value of foreclosed real estate, both non-covered and covered, is generally based on estimated market prices from independently prepared current appraisals or negotiated sales prices with potential buyers, less estimated costs to sell; such valuation inputs result in a fair value measurement that is categorized as a Level 2 measurement on a nonrecurring basis. As a matter of policy, appraisals are required annually and may be updated more frequently as circumstances require in the opinion of management. With the deterioration of real estate values

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Notes to Condensed Consolidated Financial Statements (Continued)

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NOTE 9 FAIR VALUE MEASUREMENTS (Continued)

during this economic downturn, appraisals have been obtained more regularly and as a result our Level 2 measurement is based on appraisals that are generally less than nine months old.

When a current appraised value is not available or management determines the fair value of the collateral is further impaired below the appraised value as a result of known changes in the market or the collateral and there is no observable market price, such valuation inputs result in a fair value measurement that is categorized as a Level 3 measurement. To the extent a negotiated sales price or reduced listing price represents a significant discount to an observable market price, such valuation input would result in a fair value measurement that is also considered a Level 3 measurement. The OREO losses shown above are write-downs based on either a recent appraisal obtained after foreclosure or an accepted purchase offer by an independent third party received after foreclosure.

SBA servicing asset. In accordance with ASC Topic 860, *Accounting for Servicing of Financial Assets*, the SBA servicing asset, included in other assets in the condensed consolidated balance sheets, is carried at its implied fair value. The fair value of the servicing asset is estimated by discounting future cash flows using market-based discount rates and prepayment speeds. The discount rate is based on the current US Treasury yield curve, as published by the Department of the Treasury, plus a spread for the marketplace risk associated with these assets. We utilize estimated prepayment vectors using SBA prepayment information provided by Bloomberg for pools of similar assets to determine the timing of the cash flows. These nonrecurring valuation inputs are considered to be Level 3 inputs.

Deposits. Deposits are carried at historical cost. The fair value of deposits with no stated maturity, such as noninterest bearing demand deposits, savings and checking accounts, is equal to the amount payable on demand as of the balance sheet date. The fair value of time deposits is based on the discounted value of contractual cash flows. The discount rate is estimated using the rates currently offered for deposits of similar remaining maturities. No value has been separately assigned to the Company's long-term relationships with its deposit customers, such as a core deposit intangible.

Borrowings. Borrowings are carried at amortized cost. The fair value of fixed rate borrowings is calculated by discounting scheduled cash flows through the estimated maturity dates or call dates, if applicable, using estimated market discount rates that reflect current rates offered for borrowings with similar remaining maturities and characteristics.

Subordinated debentures. Subordinated debentures are carried at amortized cost. The fair value of the subordinated debentures is based on the discounted value of contractual cash flows for fixed rate securities. The discount rate is estimated using the rates currently offered for similar securities of similar maturity. The fair value of subordinated debentures with variable rates is deemed to be the carrying value.

Commitments to extend credit and standby letters of credit. The majority of our commitments to extend credit carry current market interest rates if converted to loans. Because these commitments are generally unassignable by either the borrower or us, they only have value to the borrower and us. The estimated fair value approximates the recorded deferred fee amounts and is not disclosed as it is not material.

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Notes to Condensed Consolidated Financial Statements (Continued)

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NOTE 9 FAIR VALUE MEASUREMENTS (Continued)

Limitations

Fair value estimates are made at a specific point in time and are based on relevant market information and information about the financial instrument. These estimates do not reflect income taxes or any premium or discount that could result from offering for sale at one time the Company's entire holdings of a particular financial instrument. Because no market exists for a portion of the Company's financial instruments, fair value estimates are based on what management believes to be conservative judgments regarding expected future cash flows, current economic conditions, risk characteristics of various financial instruments, and other factors. These estimated fair values are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates. Since the fair values have been estimated as of September 30, 2011, the amounts that will actually be realized or paid at settlement or maturity of the instruments could be significantly different.

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Notes to Condensed Consolidated Financial Statements (Continued)

(Unaudited)

NOTE 10 NET EARNINGS (LOSS) PER SHARE

The following is a summary of the calculation of basic and diluted net earnings (loss) per share for the periods indicated:

	Three Months Ended			Nine Months Ended September 30,	
	September 30, 2011	June 30, 2011	September 30, 2010	2011	2010
	(In thousands, except per share data)				
Basic Earnings (Loss) Per Share:					
Net earnings (loss)	$ 13,304	$ 12,841	$ 3,500	$ 36,821	$ (54,328)
Less: earnings allocated to unvested restricted stock[1]	(622)	(600)	(126)	(1,595)	(24)
Net earnings (loss) allocated to common shares	$ 12,682	$ 12,241	$ 3,374	$ 35,226	$ (54,352)
Weighted-average basic shares and unvested restricted stock outstanding	37,257.4	37,239.8	36,712.4	37,101.3	36,355.1
Less: weighted-average unvested restricted stock outstanding	(1,768.9)	(1,768.2)	(1,375.1)	(1,629.8)	(1,347.6)
Weighted-average basic shares outstanding	35,488.5	35,471.6	35,337.3	35,471.5	35,007.5
Basic earnings (loss) per share	$ 0.36	$ 0.35	$ 0.10	$ 0.99	$ (1.55)
Diluted Earnings (Loss) Per Share:					
Net earnings (loss) allocated to common shares	$ 12,682	$ 12,241	$ 3,374	$ 35,226	$ (54,352)
Weighted-average basic shares outstanding	35,488.5	35,471.6	35,337.3	35,471.5	35,007.5
Add: warrants outstanding					
Weighted-average diluted shares outstanding	35,488.5	35,471.6	35,337.3	35,471.5	35,007.5
Diluted earnings (loss) per share	$ 0.36	$ 0.35	$ 0.10	$ 0.99	$ (1.55)

(1) Represents cash dividends paid to holders of unvested restricted stock, net of estimated forfeitures, plus undistributed earnings amounts available to holders of unvested restricted stock, if any.

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Notes to Condensed Consolidated Financial Statements (Continued)

(Unaudited)

NOTE 11 STOCK COMPENSATION PLANS

Restricted Stock

At September 30, 2011, there were outstanding 912,870 shares of unvested time-based restricted common stock and 850,000 shares of unvested performance-based restricted common stock. The awarded shares of time-based restricted common stock vest over a service period of three to five years from the date of the grant. The awarded shares of performance-based restricted common stock vest in full on the date the Compensation, Nominating and Governance, or CNG, Committee of the Board of Directors, as Administrator of the Company's 2003 Stock Incentive Plan, or the 2003 Plan, determines that the Company achieved certain financial goals established by the CNG Committee as set forth in the grant documents. Both time-based and performance-based restricted common stock vest immediately upon a change in control of the Company as defined in the 2003 Plan and upon death of the employee.

In March 2011, the CNG awarded 350,000 shares of performance-based restricted common stock, which will expire on March 31, 2016 if the net earnings performance target established for such awards is not met. Such restricted stock will vest upon a change in control, however, as defined in the 2003 Plan. We have determined that it is not probable at the present time that the net earnings performance target will be achieved. Accordingly, no expense is being recognized for these shares.

Compensation expense related to time-based restricted stock awards is based on the fair value of the underlying stock on the award date and is recognized over the vesting period using the straight-line method. Restricted stock amortization totaled $2.1 million for each of the three months ended September 30, 2011, June 30, 2011, and September 30, 2010, respectively, and $6.2 million and $6.6 million for the nine months ended September 30, 2011 and 2010, respectively. Such amounts are included in compensation expense on the accompanying condensed consolidated statements of earnings (loss).

Currently no compensation expense is being recognized for any performance-based restricted stock awards as management has concluded that it is improbable that the respective financial targets for any outstanding performance-based restricted stock awards will be met. If and when the attainment of such financial targets is deemed probable in future periods, a catch-up adjustment will be recorded and amortization of such performance-based restricted stock will begin again. The total amount of unrecognized compensation expense related to all performance-based restricted stock for which

PACWEST BANCORP AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

(Unaudited)

NOTE 11 STOCK COMPENSATION PLANS (Continued)

amortization was suspended or has not commenced totaled $33.8 million at September 30, 2011 as presented in the following table.

	September 30, 2011		
	Number of Shares Outstanding	Unrecognized Compensation Expense	Expiration Year of Award
		(in thousands)	
Performance-based restricted stock awarded in:			
2006	275,000	$ 14,924	2013
2007	205,000	11,259	2017
2008	20,000	453	2013
2011	350,000	7,161	2016
Outstanding performance-based restricted stock awards	850,000	$ 33,797	

The Company's 2003 Plan permits stock based compensation awards to officers, directors, key employees and consultants. The 2003 Plan authorizes grants of stock-based compensation instruments to purchase or issue up to 5,000,000 shares of authorized but unissued Company common stock, subject to adjustments provided by the 2003 Plan. In May 2011, the Board of Directors approved the equity award of 13,740 common shares to non-employee directors of the Company. Such shares were granted outright and vested immediately with a charge to other noninterest expense of $300,000 at that time. As of September 30, 2011, there were 567,641 shares available for grant under the 2003 Plan.

NOTE 12 RECENT ACCOUNTING PRONOUNCEMENTS

In May 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2011-04, *"Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs."* ASU 2011-04 was issued concurrently with IFRS 13, "*Fair Value Measurements,*" to provide largely identical guidance about fair value measurement and disclosure requirements. ASU 2011-04 does not extend the use of fair value but, rather, provides guidance about how fair value should be applied where it already is required or permitted under U.S. GAAP or International Financial Reporting Standards (IFRSs). For U.S. GAAP, most of the changes are clarifications of existing guidance or wording changes to align with IFRS 13. ASU 2011-04 is effective prospectively for interim and annual periods beginning after December 15, 2011. Early adoption is not permitted. In the period of adoption, a reporting entity will be required to disclose a change, if any, in valuation technique and related inputs that result from applying ASU 2011-04 and to quantify the total effect, if practicable. We have not as yet determined what effect, if any, adoption of ASU 2011-04 will have on our financial statements and related disclosures.

In June 2011, the FASB issued ASU 2011-05, *"Comprehensive Income (Topic 220): Presentation of Comprehensive Income."* Under ASU 2011-05, an entity will have the option to present the components of net earnings and comprehensive income in either one or two consecutive financial statements. This standard eliminates the option in U.S. GAAP to present other comprehensive income in the statement of changes in equity. ASU 2011-05 should be applied retrospectively and is effective for fiscal years,

PACWEST BANCORP AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

(Unaudited)

NOTE 12 RECENT ACCOUNTING PRONOUNCEMENTS (Continued)

and interim periods within those years, beginning after December 15, 2011. Early adoption is permitted. Adoption of this standard will not have a material effect on our financial statements.

In September 2011, the FASB issued ASU 2011-08, "*Intangibles Goodwill and Other (Topic 350): Testing Goodwill for Impairment*." Under ASU 2011-08, an entity is permitted to make a qualitative assessment of whether it is more likely than not that a reporting unit's fair value is less than its carrying amount before applying the two-step goodwill impairment test. If an entity concludes it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, it need not perform the two-step impairment test. ASU 2011-08 is effective for annual and interim goodwill impairment tests performed in fiscal years beginning after December 15, 2011. Early adoption is permitted. We have not determined what effect, if any, adoption of ASU 2011-08 will have on our financial statements.

NOTE 13 DIVIDEND APPROVAL

On November 7, 2011, the Company announced that the Board of Directors had declared a quarterly cash dividend of $0.18 per common share payable on November 30, 2011, to stockholders of record at the close of business on November 17, 2011.

NOTE 14 SUBSEQUENT EVENTS

We have evaluated events that have occurred subsequent to September 30, 2011 and have concluded there are no subsequent events that would require recognition or disclosure in the accompanying condensed consolidated financial statements.

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ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Information

This Quarterly Report on Form 10-Q contains certain forward-looking information about the Company and its subsidiaries, which statements are intended to be covered by the safe harbor for "forward-looking statements" provided by the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact are forward-looking statements. Such statements involve inherent risks and uncertainties, many of which are difficult to predict and are generally beyond the control of the Company. We caution readers that a number of important factors could cause actual results to differ materially from those expressed in, implied or projected by, such forward-looking statements. Risks and uncertainties include, but are not limited to:

- lower than expected revenues;
- credit quality deterioration or pronounced and sustained reduction in real estate market values could cause an increase in the allowance for credit losses and a reduction in earnings;
- increased competitive pressure among depository institutions;
- the Company's ability to complete future acquisitions and to successfully integrate such acquired entities or achieve expected benefits, synergies and/or operating efficiencies within expected time-frames or at all;
- the possibility that personnel changes will not proceed as planned;
- the cost of additional capital is more than expected;
- a change in the interest rate environment reduces interest margins;
- asset/liability repricing risks and liquidity risks;
- pending legal matters may take longer or cost more to resolve or may be resolved adversely to the Company;
- general economic conditions, either nationally or in the market areas in which the Company does or anticipates doing business, are less favorable than expected;
- environmental conditions, including natural disasters, may disrupt our business, impede our operations, negatively impact the values of collateral securing the Company's loans or impair the ability of our borrowers to support their debt obligations;
- the economic and regulatory effects of the continuing war on terrorism and other events of war, including the conflicts in Iraq, Afghanistan, and neighboring countries;
- legislative or regulatory requirements or changes adversely affecting the Company's business;

changes in the securities markets; and

regulatory approvals for any capital activities cannot be obtained on the terms expected or on the anticipated schedule.

Overview

We are a bank holding company registered under the Bank Holding Company Act of 1956, as amended. Our principal business is to serve as the holding company for our subsidiary bank, Pacific Western Bank, which we refer to as Pacific Western or the Bank.

Pacific Western is a full-service commercial bank offering a broad range of banking products and services including: accepting demand, money market, and time deposits; originating loans, including

commercial, real estate construction, SBA-guaranteed and consumer loans; and providing other business-oriented products. Our operations are primarily located in Southern California and extend from California's Central Coast to San Diego County. The Bank focuses on conducting business with small to medium-sized businesses in our marketplace and the owners and employees of those businesses. The majority of our loans are secured by the real estate collateral of such businesses. We acquired through FDIC-assisted acquisitions three banking offices in the San Francisco Bay area and one office in Arizona. Our asset-based lending function operates in Arizona, California, Texas, and the Pacific Northwest.

Pacific Western competes actively for deposits, and emphasizes solicitation of noninterest-bearing deposits. In managing the top line of our business, we focus on quality loan growth and loan yield, deposit cost, and net interest margin, as net interest income, on a year-to-date basis, accounts for 90% of our net revenues (net interest income plus noninterest income).

During the nine months ended September 30, 2011, our assets declined $35.1 million to $5.5 billion. This was due primarily to a decrease in our total loans of $406.4 million on a net basis, including a $147.5 million reduction in our covered loans. The loan portfolio continues to decline generally due to repayments, resolution activities, and tepid loan growth. The decline in total loans was offset partially by an increase in investment securities available-for-sale of $387.8 million due to purchases of $495.3 million, offset partially by principal reductions.

During the nine months ended September 30, 2011, our total deposits declined $95.3 million to $4.6 billion. Time deposits decreased $197.5 million to $1.0 billion. Core deposits, which include noninterest-bearing demand, interest checking, money market, and savings deposits, grew $102.2 million as noninterest-bearing demand accounts and savings accounts increased $162.7 million and $23.0 million, respectively, while money market deposits decreased $86.9 million. At September 30, 2011, core deposits totaled $3.5 billion, or 77% of total deposits at that date, including $1.6 billion of noninterest-bearing demand accounts, or 36% of total deposits.

Key Performance Indicators

Among other factors, our operating results depend generally on the following key performance indicators:

The Level of Our Net Interest Income

Net interest income is the excess of interest earned on our interest-earning assets over the interest paid on our interest-bearing liabilities. Net interest margin is net interest income expressed as a percentage of average interest-earning assets. A sustained low interest rate environment combined with low loan growth and high levels of marketplace liquidity may lower both our net interest income and net interest margin going forward.

Our primary interest-earning assets are loans and investments. Our primary interest-bearing liabilities are deposits. We attribute our high net interest margin to our high level of noninterest-bearing deposits and low cost of deposits. While our deposit balances will fluctuate depending on deposit holders' perceptions of alternative yields available in the market, we attempt to minimize these variances by attracting a high percentage of noninterest-bearing deposits, which have no expectation of yield. At September 30, 2011, approximately 36% of our total deposits were noninterest-bearing.

Loan Growth

We generally seek new lending opportunities in the $500,000 to $15 million range, try to limit loan maturities for commercial loans to one year, for construction loans up to 18 months, and for commercial real estate loans up to ten years, and to price lending products so as to preserve our

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interest spread and net interest margin. We sometimes encounter strong competition in pursuing lending opportunities such that potential borrowers obtain loans elsewhere at lower rates than those we offer. Our ability to make new loans is dependent on economic factors in our market area, borrower qualifications, competition, and liquidity, among other items. Loan growth remains tepid, as new loan volume is not replacing maturities. We continue to retain maturing lending relationships that contribute positively to our profitability and net interest margin.

The decline in the non-covered loan portfolio moderated during the third quarter of 2011 to $19.5 million compared to declines of $144.5 million and $103.4 million during the second and first quarters of 2011, respectively. In addition, the commercial and industrial non-covered loan segment increased $32.1 million during the third quarter and the pipeline of new lending opportunities has grown. Although these trends may signal a turnaround in loan growth, no assurance can be given that meaningful loan growth will materialize over the next several quarters.

The Magnitude of Credit Losses

We stress credit quality in originating and monitoring the loans we make and measure our success by the levels of our nonperforming assets, net charge-offs and allowance for credit losses. We maintain an allowance for credit losses on non-covered loans which is the sum of our allowance for loan losses and our reserve for unfunded loan commitments. Provisions for credit losses are charged to operations as and when needed for both on and off balance sheet credit exposure. Loans which are deemed uncollectible are charged off and deducted from the allowance for loan losses. Recoveries on loans previously charged off are added to the allowance for loan losses. The provision for credit losses on the non-covered loan portfolio was based on our allowance methodology and reflected net charge-offs, the levels and trends of nonaccrual and classified loans, and the migration of loans into various risk classifications. A provision for credit losses on the covered loan portfolio may be recorded to reflect decreases in expected cash flows on covered loans compared to those previously estimated.

We regularly review our loans to determine whether there has been any deterioration in credit quality stemming from economic conditions or other factors which may affect collectibility of our loans. Changes in economic conditions, such as inflation, unemployment, increases in the general level of interest rates, declines in real estate values and negative conditions in borrowers' businesses could negatively impact our customers and cause us to adversely classify loans and increase portfolio loss factors. An increase in classified loans generally results in increased provisions for credit losses. Any deterioration in the real estate market may lead to increased provisions for credit losses because of our concentration in real estate loans.

The Level of Our Noninterest Expense

Our noninterest expense includes fixed and controllable overhead, the major components of which are compensation, occupancy, data processing, other professional services, and OREO expense. We measure success in controlling such costs through monitoring of the efficiency ratio. We calculate the base efficiency ratio by dividing noninterest expense by net revenues (the sum of net interest income plus noninterest income). We also calculate a non-GAAP measure called the "credit cost adjusted efficiency ratio." The credit cost adjusted efficiency ratio is calculated in the same manner as the base efficiency ratio except that noninterest income is reduced by FDIC loss sharing income and noninterest expense is reduced by OREO expenses. See calculations in "Results of Operations *Non-GAAP Measurements*" contained herein.

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The consolidated base and credit cost adjusted efficiency ratios have been as follows:

Three Months Ended:	Base Efficiency Ratio	Credit Cost Adjusted Efficiency Ratio
September 30, 2011	67.9%	58.7%
June 30, 2011	58.2%	57.7%
March 31, 2011	58.7%	60.4%
December 31, 2010	70.4%	63.8%
September 30, 2010	61.5%	63.8%

The base efficiency ratio fluctuations shown in the above table result from the volatility of FDIC loss sharing income and OREO expenses. The credit cost adjusted efficiency ratio eliminates such volatility and shows the trend in overhead related noninterest expense relative to net revenues.

Critical Accounting Policies

The Company's accounting policies are fundamental to understanding management's discussion and analysis of results of operations and financial condition. The Company has identified several policies as being critical because they require management to make particularly difficult, subjective and/or complex judgments about matters that are inherently uncertain and because of the likelihood that materially different amounts would be reported under different conditions or using different assumptions. These policies relate to the allowances for credit losses and the carrying values of intangible assets and deferred income tax assets. For further information, refer to our Annual Report on Form 10-K for the year ended December 31, 2010.

Results of Operations

Non-GAAP Measurements

Certain discussion in this Form 10-Q contains non-GAAP financial disclosures for tangible common equity, pre-credit, pre-tax earnings, and credit cost adjusted efficiency ratios. The Company uses certain non-GAAP financial measures to provide meaningful supplemental information regarding the Company's operational performance and to enhance investors' overall understanding of such financial performance. Given the use of tangible common equity amounts and ratios is prevalent among banking regulators, investors and analysts, we disclose our tangible common equity ratios in addition to equity-to-assets ratios. Also, as analysts and investors view pre-credit, pre-tax earnings as an indicator of the Company's ability to absorb credit losses, we disclose this amount in addition to net earnings. The methodology of determining tangible common equity and pre-credit, pre-tax earnings may differ among companies. We disclose the credit cost adjusted efficiency ratio as it eliminates the volatility of FDIC loss sharing income and OREO expenses from the base efficiency ratio and shows the trend in overhead related noninterest expense relative to net revenues.

These non-GAAP financial measures are presented for supplemental informational purposes only for understanding the Company's operating results and should not be considered a substitute for financial information presented in accordance with United States generally accepted accounting principles (GAAP). The following table presents performance amounts and ratios in accordance with

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GAAP and a reconciliation of the non-GAAP financial measurements to the GAAP financial measurements.

Pre Credit, Pre-Tax Earnings	Three Months Ended September 30, 2011	June 30, 2011	September 30, 2010	Nine Months Ended September 30, 2011	2010
			(In thousands)		
Net earnings (loss)	$ 13,304	$ 12,841	$ 3,500	$ 36,821	$ (54,328)
Plus: Total provision for credit losses	348	11,390	23,550	22,448	178,277
Other real estate owned expense (income):					
Non-covered	2,293	2,300	2,151	5,296	11,217
Covered	4,813	1,205	(319)	3,440	1,761
Income tax expense (benefit)	9,345	9,160	1,828	26,247	(40,873)
Less: FDIC loss sharing income, net	963	5,316	5,506	5,109	27,257
Pre-credit, pre-tax earnings	$ 29,140	$ 31,580	$ 25,204	$ 89,143	$ 68,797

Credit Cost Adjusted Efficiency Ratio	Three Months Ended September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010	September 30, 2010
			(Dollars in thousands)		
Noninterest expense	$ 48,587	$ 46,538	$ 41,399	$ 49,286	$ 46,174
Less: Non-covered OREO expense	2,293	2,300	703	1,093	2,151
Covered OREO expense	4,813	1,205	(2,578)	699	(319)
Credit adjusted noninterest expense	$ 41,481	$ 43,033	$ 43,274	$ 47,494	$ 44,342
Net interest income	$ 64,441	$ 68,689	$ 65,738	$ 68,520	$ 65,167
Noninterest income	7,143	11,240	4,789	1,452	9,885
Net revenues	71,584	79,929	70,527	69,972	75,052
Less: FDIC loss sharing income (expense), net	963	5,316	(1,170)	(4,473)	5,506
Credit adjusted net revenues	$ 70,621	$ 74,613	$ 71,697	$ 74,445	$ 69,546
Base efficiency ratio[1]	67.9%	58.2%	58.7%	70.4%	61.5%
Credit cost adjusted efficiency ratio[2]	58.7%	57.7%	60.4%	63.8%	63.8%

(1) Noninterest expense divided by net revenues.

(2) Credit adjusted noninterest expense divided by credit adjusted net revenues.

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Tangible Common Equity	September 30, 2011	June 30, 2011	December 31, 2010
	(Dollars in thousands)		
PacWest Bancorp Consolidated:			
Stockholders' equity	$ 539,468	$ 511,964	$ 478,797
Less: Intangible assets	58,392	60,369	73,144
Tangible common equity	$ 481,076	$ 451,595	$ 405,653
Total assets	$ 5,493,891	$ 5,394,725	$ 5,529,021
Less: Intangible assets	58,392	60,369	73,144
Tangible assets	$ 5,435,499	$ 5,334,356	$ 5,455,877
Equity to assets ratio	9.82%	9.49%	8.66%
Tangible common equity ratio[1]	8.85%	8.47%	7.44%
Book value per share	$ 14.48	$ 13.74	$ 13.06
Tangible book value per share	$ 12.91	$ 12.12	$ 11.06
Shares outstanding	37,258,832	37,251,267	36,672,429
Pacific Western Bank:			
Stockholders' equity	$ 635,026	$ 606,084	$ 570,118
Less: Intangible assets	58,392	60,369	73,144
Tangible common equity	$ 576,634	$ 545,715	$ 496,974
Total assets	$ 5,479,173	$ 5,378,288	$ 5,513,601
Less: Intangible assets	58,392	60,369	73,144
Tangible assets	$ 5,420,781	$ 5,317,919	$ 5,440,457
Equity to assets ratio	11.59%	11.27%	10.34%
Tangible common equity ratio[1]	10.64%	10.26%	9.13%

(1) Calculated as tangible common equity divided by tangible assets.

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Earnings Performance

Summarized financial information for the periods indicated are as follows:

	Three Months Ended			Nine Months Ended September 30,	
	September 30, 2011	June 30, 2011	September 30, 2010	2011	2010
	(Dollars in thousands, except per share data)				
Earnings Summary:					
Interest income	$ 72,518	$ 77,196	$ 75,130	$ 224,371	$ 212,386
Interest expense	(8,077)	(8,507)	(9,963)	(25,503)	(31,579)
Net interest income	64,441	68,689	65,167	198,868	180,807
Provision for credit losses:					
Non-covered loans		(5,500)	(17,050)	(13,300)	(143,677)
Covered loans	(348)	(5,890)	(6,500)	(9,148)	(34,600)
Total provision for credit losses	(348)	(11,390)	(23,550)	(22,448)	(178,277)
FDIC loss sharing income, net	963	5,316	5,506	5,109	27,257
Other noninterest income	6,180	5,924	4,379	18,063	14,529
Non-covered OREO costs, net	(2,293)	(2,300)	(2,151)	(5,296)	(11,217)
Covered OREO costs, net	(4,813)	(1,205)	319	(3,440)	(1,761)
Other noninterest expense	(41,481)	(43,033)	(44,342)	(127,788)	(126,539)
Income tax (expense) benefit	(9,345)	(9,160)	(1,828)	(26,247)	40,873
Net earnings (loss)	$ 13,304	$ 12,841	$ 3,500	$ 36,821	$ (54,328)
Profitability Measures:					
Earnings (loss) per share:					
Basic	$ 0.36	$ 0.35	$ 0.10	$ 0.99	$ (1.55)
Diluted	$ 0.36	$ 0.35	$ 0.10	$ 0.99	$ (1.55)
Annualized return (loss) on:					
Average assets	0.97%	0.94%	0.25%	0.90%	(1.37)%
Average equity	10.11%	10.31%	2.82%	9.81%	(14.74)%
Net interest margin	5.15%	5.57%	5.08%	5.35%	4.95%
Efficiency ratio	67.9%	58.2%	61.5%	61.5%	62.7%

Third Quarter of 2011 Compared to Second Quarter of 2011

Net earnings for the third quarter of 2011 were $13.3 million, or $0.36 per diluted share, compared to net earnings of $12.8 million, or $0.35 per diluted share, for the second quarter of 2011. The $463,000 increase in net earnings for the linked quarters was due mostly to a lower provision for credit losses, offset partially by lower net interest income, lower FDIC loss sharing income and higher OREO costs.

Third Quarter of 2011 Compared to Third Quarter of 2010

Net earnings for the third quarter of 2011 were $13.3 million, or $0.36 per diluted share, compared to net earnings of $3.5 million, or $0.10 per diluted share, for the third quarter of 2010. The $9.8 million increase in net earnings was due mostly to a lower provision for credit losses, offset partially by lower FDIC loss sharing income and higher covered OREO costs.

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Nine Months of 2011 Compared to Nine Months of 2010

Net earnings of $36.8 million, or $0.99 per diluted share, for the nine months ended September 30, 2011 compared to a net loss of $54.3 million, or $1.55 per diluted share, for the nine months ended September 30, 2010. The $91.1 million increase in net earnings for the current year-to-date period is attributed to a lower provision for credit losses. The provision for the prior year period included $71.4 million related to the sale of $323.6 million of non-covered classified loans in the first quarter of 2010; there was no similar sale of classified loans in the current year.

Net Interest Income

Net interest income, which is our principal source of revenue, represents the difference between interest earned on assets and interest paid on liabilities. Net interest margin is net interest income expressed as a percentage of average interest-earning assets. Net interest income is affected by changes in both interest rates and the volume of average interest-earning assets and interest-bearing liabilities.

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The following tables present, for the periods indicated, the distribution of average assets, liabilities and stockholders' equity, as well as interest income and yields earned on average interest-earning assets and interest expense and rates on average interest-bearing liabilities:

	Three Months Ended								
	September 30, 2011			June 30, 2011			September 30, 2010		
	Average Balance	Interest Income/ Expense	Yields and Rates	Average Balance	Interest Income/ Expense	Yields and Rates	Average Balance	Interest Income/ Expense	Yields and Rates
	(Dollars in thousands)								
ASSETS									
Loans, net of unearned income[1][2]	$ 3,656,184	$ 63,347	6.87%	$ 3,815,414	$ 68,331	7.18%	$ 4,123,684	$ 68,480	6.59%
Investment securities[2]	1,168,822	9,077	3.08%	1,006,008	8,782	3.50%	757,945	6,519	3.41%
Deposits in financial institutions	142,691	94	0.26%	126,568	83	0.26%	208,074	131	0.25%
Total interest-earning assets	4,967,697	$ 72,518	5.79%	4,947,990	$ 77,196	6.26%	5,089,703	$ 75,130	5.86%
Other assets	486,276			505,632			455,323		
Total assets	$ 5,453,973			$ 5,453,622			$ 5,545,026		
LIABILITIES AND STOCKHOLDERS' EQUITY									
Interest checking deposits	$ 489,988	$ 190	0.15%	$ 489,952	$ 245	0.20%	$ 466,366	$ 262	0.22%
Money market deposits	1,222,787	1,304	0.42%	1,217,406	1,529	0.50%	1,246,585	2,034	0.65%
Savings deposits	154,922	66	0.17%	149,553	72	0.19%	124,132	63	0.20%
Time deposits	1,049,805	3,512	1.33%	1,092,614	3,672	1.35%	1,281,423	4,016	1.24%
Total interest-bearing deposits	2,917,502	5,072	0.69%	2,949,525	5,518	0.75%	3,118,506	6,375	0.81%
Borrowings	225,022	1,782	3.14%	225,044	1,763	3.14%	276,543	2,129	3.05%
Subordinated debentures	129,395	1,223	3.75%	129,469	1,226	3.80%	129,683	1,459	4.46%
Total interest-bearing liabilities	3,271,919	$ 8,077	0.98%	3,304,038	$ 8,507	1.03%	3,524,732	$ 9,963	1.12%
Noninterest-bearing demand deposits	1,616,012			1,608,455			1,472,366		
Other liabilities	43,983			41,683			55,450		
Total liabilities	4,931,914			4,954,176			5,052,548		
Stockholders' equity	522,059			499,446			492,478		
Total liabilities and stockholders' equity	$ 5,453,973			$ 5,453,622			$ 5,545,026		
Net interest income		$ 64,441			$ 68,689			$ 65,167	
Net interest rate spread			4.81%			5.23%			4.74%
Net interest margin			5.15%			5.57%			5.08%
Total deposits	4,533,514			4,557,980			4,590,872		
All-in deposit cost[3]			0.44%			0.49%			0.55%

(1) Includes nonaccrual loans and loan fees.

(2) Yields on loans and securities have not been adjusted to a tax-equivalent basis because the impact is not material.

(3) All-in deposit cost is calculated as annualized interest expense on deposits divided by average total deposits.

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	Nine Months Ended September 30,					
	2011			2010		
	Average Balance	Interest Income/ Expense	Yields and Rates	Average Balance	Interest Income/ Expense	Yields and Rates
	(Dollars in thousands)					
ASSETS						
Loans, net of unearned income[1][2]	$ 3,820,036	$ 198,459	6.95%	$ 4,018,697	$ 194,539	6.47%
Investment securities[2]	1,030,416	25,678	3.33%	605,071	17,342	3.83%
Deposits in financial institutions	119,698	234	0.26%	263,196	505	0.26%
Total interest-earning assets	4,970,150	$ 224,371	6.04%	4,886,964	$ 212,386	5.81%
Other assets	502,435			429,116		
Total assets	$ 5,472,585			$ 5,316,080		
LIABILITIES AND STOCKHOLDERS' EQUITY						
Interest checking deposits	$ 491,942	$ 702	0.19%	$ 446,702	$ 993	0.30%
Money market deposits	1,226,840	4,567	0.50%	1,205,893	7,675	0.85%
Savings deposits	148,552	207	0.19%	115,918	179	0.21%
Time deposits	1,102,865	11,070	1.34%	1,132,489	11,362	1.34%
Total interest-bearing deposits	2,970,199	16,546	0.74%	2,901,002	20,209	0.93%
Borrowings	225,722	5,289	3.13%	341,438	7,013	2.75%
Subordinated debentures	129,469	3,668	3.79%	129,731	4,357	4.49%
Total interest-bearing liabilities	3,325,390	$ 25,503	1.03%	3,372,171	$ 31,579	1.25%
Noninterest-bearing demand deposits	1,602,518			1,403,370		
Other liabilities	43,057			47,786		
Total liabilities	4,970,965			4,823,327		
Stockholders' equity	501,620			492,753		
Total liabilities and stockholders' equity	$ 5,472,585			$ 5,316,080		
Net interest income		$ 198,868			$ 180,807	
Net interest rate spread			5.01%			4.56%
Net interest margin			5.35%			4.95%
Total deposits	4,572,717			4,304,372		
All-in deposit cost[3]			0.48%			0.63%

(1) Includes nonaccrual loans and loan fees.

(2) Yields on loans and securities have not been adjusted to a tax-equivalent basis because the impact is not material.

(3) All-in deposit cost is calculated as annualized interest expense on deposits divided by average total deposits.

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The net interest margin has been impacted by the accelerated accretion of purchase discounts on covered loan payoffs and loans being placed on or removed from nonaccrual status. The effects of such items on the net interest margin are shown in the following table for the periods indicated:

	Three Months Ended			Nine Months Ended September 30,	
	September 30, 2011	June 30, 2011	September 30, 2010	2011	2010
Net interest margin as reported	5.15%	5.57%	5.08%	5.35%	4.95%
Less:					
Accelerated accretion of purchase discounts on covered loan payoffs	0.10%	0.38%	0.03%	0.23%	0.05%
Nonaccrual loan interest	0.03%	0.02%	0.07%	0.02%	(0.01)%
Net interest margin as adjusted	5.02%	5.17%	4.98%	5.10%	4.91%

Third Quarter of 2011 Compared to Second Quarter of 2011

Net interest income was $64.4 million for the third quarter of 2011 compared to $68.7 million for the second quarter of 2011. The $4.3 million decline was due to a $4.7 million decrease in interest income, which was attributed to lower accelerated accretion of discounts on covered loan payoffs and lower average loans. Offsetting the decline in interest income was a reduction in interest expense of $430,000 due to lower rates on money market deposits and a decline in average time deposits.

Our net interest margin for the third quarter of 2011 was 5.15%, a decrease of 42 basis points from the 5.57% reported for the second quarter of 2011. The decrease reflected lower accelerated accretion of discounts on covered loan payoffs and a shift in the mix of average interest-earning assets to lower yielding investment securities from higher yielding loans. Average interest-earning assets increased $19.7 million for the linked quarters including a $162.8 million increase in average investment securities.

The yield on average loans was 6.87% for the third quarter of 2011 compared to 7.18% for the prior quarter. The combination of accelerated accretion of discounts on covered loan payoffs and nonaccrual loan interest positively impacted the loan yield for the third quarter by 17 basis points and the second quarter by 52 basis points, resulting in base loan yields of 6.70% and 6.66%, respectively. The cost of interest-bearing deposits declined six basis points to 0.69% and all-in deposit cost declined five basis points to 0.44% due to lower rates on money market deposits and lower average time deposits.

Third Quarter of 2011 Compared to Third Quarter of 2010

Net interest income declined $726,000 during the third quarter of 2011 compared to the same quarter of 2010. The decrease was due primarily to lower interest income of $2.6 million, offset partially by lower interest expense of $1.9 million. The reduction in interest income was attributable to lower average loans, offset partially by higher average investment securities and a higher yield on average loans. Interest expense declined due primarily to lower average time deposits, lower rates on money market deposits, and a reduction in average borrowings.

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The net interest margin grew 7 basis points to 5.15% for the third quarter of 2011 compared to 5.08% for the same period last year. The increase in the net interest margin was due mostly to a decline of $122.0 million in average interest-earning assets, due primarily to a decrease of $467.5 million in average loans. The yield on average loans grew 28 basis points to 6.87% for the third quarter of 2011 from 6.59% from the third quarter of 2010, due in part to higher accelerated accretion of discounts on covered loan disposals. The cost of interest-bearing deposits and all-in deposit cost decreased 12 and 11 basis points to 0.69% and 0.44%, respectively. Average noninterest-bearing demand deposits increased $143.6 million to $1.6 billion in the current quarter compared to the same period last year, and represented 36% of total average deposits for the third quarter of 2011 compared to 32% for the third quarter of 2010.

Nine Months of 2011 Compared to Nine Months of 2010

Net interest income grew by $18.1 million to $198.9 million during the nine months ended September 30, 2011 compared to the same period last year. This change was due to a $12.0 million increase in interest income and a $6.1 million decrease in interest expense. The increase in interest income was due to the combination of the Los Padres acquisition, purchases of investment securities and higher accelerated accretion of discounts on covered loan payoffs. The decrease in interest expense was due to lower rates on money market deposits and lower average borrowing balances as $260 million of FHLB advances were repaid in the first half of 2010 and another $50 million were repaid in December 2010.

The net interest margin for the first nine months of 2011 was 5.35% compared to 4.95% for the same period last year. The increase was due to a higher yield on loans, lower costs for money market deposits and subordinated debentures, and a lower average balance of FHLB advances, offset by lower average loans and an increase in the average balance of lower-yielding investment securities.

Provision for Credit Losses

The following table sets forth the details of the provision for credit losses and allowance for credit losses data for the periods indicated:

	Three Months Ended			Nine Months Ended September 30,	
	September 30, 2011	June 30, 2011	September 30, 2010	2011	2010
	(Dollars in thousands)				
Provision For Credit Losses:					
Addition (reduction) to allowance for loan losses	$ (300)	$ 5,050	$ 17,271	$ 12,550	$ 144,488
Addition (reduction) to reserve for unfunded loan commitments	300	450	(221)	750	(811)
Total provision for non-covered loans		5,500	17,050	13,300	143,677
Provision for covered loans	348	5,890	6,500	9,148	34,600
Total provision for credit losses	$ 348	$ 11,390	$ 23,550	$ 22,448	$ 178,277
Allowance for Credit Losses Data:					
Net charge-offs on non-covered loans	$ 6,017	$ 7,187	$ 9,240	$ 21,093	$ 166,711
Charge-offs on classified loans sold					123,705
Annualized net charge-off ratios:					
Net charge-offs to non-covered average loans	0.83%	0.97%	1.09%	0.94%	6.61%

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	Three Months Ended			Nine Months Ended September 30,	
	September 30, 2011	June 30, 2011	September 30, 2010	2011	2010
	(Dollars in thousands)				
Net charge-offs, excluding charge-offs on loans sold, to non-covered average loans	0.83%	0.97%	1.09%	0.94%	1.71%
At Period End:					
Allowance for loan losses	$ 90,110	$ 96,427	$ 96,494		
Allowance for credit losses	$ 96,535	$ 102,552	$ 101,244		
Allowance for credit losses to non-covered loans, net of unearned income	3.34%	3.52%	3.05%		
Allowance for credit losses to non-covered nonaccrual loans	161.0%	157.0%	95.9%		

Provisions for credit losses are charged to earnings as and when needed for both on and off balance sheet credit exposures. We have a provision for credit losses on our non-covered loans and a provision for credit losses on our covered loans. The provision for credit losses on our non-covered loans is based on our allowance methodology and is an expense that, in our judgment, is required to maintain the adequacy of the allowance for loan losses and the reserve for unfunded loan commitments. Our allowance methodology reflects net charge-offs, the levels and trends of nonaccrual and classified loans, and the migration of loans into various risk classifications. The provision for credit losses on our covered loans reflects decreases in expected cash flows on covered loans compared to those previously estimated.

Our provisions for credit losses on non-covered and covered loans totaled $348,000 during the third quarter of 2011 compared to $11.4 million for the second quarter of 2011 and $23.6 million for the third quarter of 2010. The provision related to non-covered loans was $0 for the third quarter of 2011; this compares to $5.5 million for the second quarter of 2011 and $17.1 million for the third quarter of 2010. Net non-covered loan charge-offs were $6.0 million for the third quarter of 2011; this compares to $7.2 million for the second quarter of 2011 and $9.2 million for the third quarter of 2010. Nonaccrual loans totaled $60.0 million, $65.3 million, and $105.5 million at September, 2011, June 30, 2011, and September 30, 2010, respectively.

The allowance for credit losses on non-covered loans was $96.5 million as of September 30, 2011 and represented 3.34% of the non-covered loan balances at that date. This compares to an allowance for credit losses on non-covered loans of $102.3 million, or 3.52% of non-covered loans, as of June 30, 2011 and an allowance for credit losses on non-covered loans of $101.2 million, or 3.05% of non-covered loans, as of September 30, 2010.

During the third quarter of 2011, we recorded a $348,000 provision for credit losses on the covered loan portfolio based on current quarter analysis of acquired loans, which indicated a decrease in expected cash flows from previous estimates. Under the terms of our loss sharing agreements with the FDIC, the FDIC will absorb 80% of the losses on the covered loans. As a result, the effect on pre-tax earnings was 20% of the provision for covered loans as we recorded 80% of this provision as an offset in FDIC loss sharing income. The provisions for credit losses on covered loans for the second quarter of 2011 and third quarter of 2010 were $5.9 million and $6.5 million, respectively.

We made provisions for credit losses totaling $22.4 million during the first nine months of 2011 compared to $178.3 million for the same period last year. The provision related to non-covered loans totaled $13.3 million for the nine months ended September 30, 2011 compared to $143.7 million for the nine months ended September 30, 2010. The prior year non-covered provision included $71.4 million related to the Company's sale of $323.6 million of non-covered classified loans in the first quarter of

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2010; there was no similar sale of classified loans in 2011. Net non-covered charge-offs were $21.1 million during the first nine months of 2011 compared to $166.7 million for the same period last year, but the latter amount included $123.7 million in charge-offs related to the classified loan sale in the first quarter of 2010. The provision for covered loans was $9.1 million for the nine months ended September 30, 2011 compared to $34.6 million for the nine months ended September 30, 2010.

Increased provisions for credit losses may be required in the future based on loan and unfunded commitment growth, the effect changes in economic conditions, such as inflation, unemployment, market interest rate levels, and real estate values, may have on the ability of our borrowers to repay their loans, and other negative conditions specific to our borrowers' businesses. See further discussion in "Balance Sheet Analysis *Allowance for Credit Losses on Non-Covered Loans*" and "Balance Sheet Analysis *Allowance for Credit Losses on Covered Loans*" contained herein.

Noninterest Income

The following table summarizes noninterest income by category for the periods indicated:

	Three Months Ended			Nine Months Ended September 30,	
	September 30, 2011	June 30, 2011	September 30, 2010	2011	2010
	(In thousands)				
Service charges on deposit accounts	$ 3,545	$ 3,400	$ 2,861	$ 10,503	$ 8,256
Other commissions and fees	2,052	1,980	1,760	5,752	5,395
Other-than-temporary impairment loss on securities			(874)		(874)
Increase in cash surrender value of life insurance	359	368	353	1,106	1,120
FDIC loss sharing income, net	963	5,316	5,506	5,109	27,257
Other income	224	176	279	702	632
Total noninterest income	$ 7,143	$ 11,240	$ 9,885	$ 23,172	$ 41,786

Third Quarter of 2011 Compared to Second Quarter of 2011 and Third Quarter of 2010

Noninterest income for the third quarter of 2011 totaled $7.1 million compared to $11.2 million for the second quarter of 2011 and $9.9 million for the third quarter of 2010. The $4.1 million decline in noninterest income for the third quarter of 2011 compared to the prior quarter was due mostly to lower FDIC loss sharing income stemming from a lower provision for credit losses on covered loans. Service charges on deposits increased $145,000 for the linked 2011 quarters due primarily to growth in account analysis charges.

The $2.8 million decline in noninterest income for the third quarter of 2011 compared to the same period last year was due primarily to a $4.5 million decrease in FDIC loss sharing income related to a decrease in net credit costs on covered loans and OREO. This was partially offset by an $874,000 impairment loss on covered securities recorded in the third quarter of 2010 not repeated in the current quarter. Service charges on deposit accounts increased due to increases in service charges, account analysis fees, and NSF handling fees, attributable to a higher number of acquisition-related accounts and organic growth.

Third quarter of 2011 FDIC loss sharing income includes a write-off of the FDIC loss sharing asset because of improvement in the expected cash flows on covered loan pools. When expected cash flows improve, the estimated amount of losses collectible from the FDIC decreases and the carrying value of the FDIC loss sharing asset must be reduced. The charge to FDIC loss sharing income for this item was approximately $3 million.

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Nine Months of 2011 Compared to Nine Months of 2010

Noninterest income declined $18.6 million, to $23.2 million, for the nine months ended September 30, 2011 compared to the same period in 2010. The decline was due mainly to lower FDIC loss sharing income of $22.1 million attributable to lower net credit costs on covered loans and OREO. However, service charges on deposit accounts increased $2.2 million due to increases in service charges, account analysis fees, and NSF handling fees, attributable to a higher number of acquisition-related accounts and organic growth.

Noninterest Expense

The following table summarizes noninterest expense by category for the periods indicated:

	Three Months Ended			Nine Months Ended September 30,	
	September 30, 2011	June 30, 2011	September 30, 2010	2011	2010
	(Dollars in thousands)				
Compensation	$ 21,557	$ 21,717	$ 23,060	$ 65,203	$ 63,539
Occupancy	7,423	7,142	6,872	21,548	20,406
Data processing	2,228	2,129	2,121	6,832	5,982
Other professional services	2,239	2,505	2,694	7,040	6,734
Business development	548	595	571	1,712	1,893
Communications	678	834	811	2,371	2,410
Insurance and assessments	1,641	1,603	2,431	5,581	7,316
Non-covered other real estate owned, net	2,293	2,300	2,151	5,296	11,217
Covered other real estate owned expense (income), net	4,813	1,205	(319)	3,440	1,761
Intangible asset amortization	1,977	2,308	2,434	6,592	7,282
Other expense	3,190	4,200	3,348	10,909	10,977
Total noninterest expense	$ 48,587	$ 46,538	$ 46,174	$ 136,524	$ 139,517

The following tables present the components of OREO expense, net for the periods indicated:

	Three Months Ended			Nine Months Ended September 30,	
	September 30, 2011	June 30, 2011	September 30, 2010	2011	2010
	(In thousands)				
Non-Covered OREO Expense:					
Provision for losses	$ 1,676	$ 1,897	$ 2,064	$ 3,955	$ 11,361
Maintenance costs	639	400	501	1,512	1,883
(Gain) loss on sale	(22)	3	(414)	(171)	(2,027)
Total non-covered OREO expense, net	$ 2,293	$ 2,300	$ 2,151	$ 5,296	$ 11,217
Covered OREO Expense:					
Provision for losses	$ 8,601	$ 1,565	$ 1,038	$ 11,056	$ 3,416
Maintenance costs	137	86	192	547	362
(Gain) loss on sale	(3,925)	(446)	(1,549)	(8,163)	(2,017)
Total covered OREO expense, net	$ 4,813	$ 1,205	$ (319)	$ 3,440	$ 1,761

Third Quarter of 2011 Compared to Second Quarter of 2011

Noninterest expense grew $2.1 million to $48.6 million during the third quarter of 2011 compared to $46.5 million for the second quarter of 2011. This change was due mostly to an increase in covered

OREO costs. Covered OREO costs increased by $3.6 million due to higher write-downs of $7.0 million, offset partially by higher gains on sales of $3.5 million. Other expense declined $1.0 million due to director stock awards in the second quarter not repeated in the third quarter, write-downs of CRA investments in the second quarter also not repeated in the third quarter, and lower net loan collection expenses.

Noninterest expense includes non-cash expenses of time-based restricted stock amortization, which is included in compensation, and intangible asset amortization. Amortization of restricted stock totaled $2.1 million for each of the third and second quarters of 2011 and the third quarter of 2010. Intangible asset amortization totaled $2.0 million and $2.3 million for the third and second quarters of 2011, respectively, and $2.4 million for the third quarter of 2010.

Third Quarter of 2011 Compared to Third Quarter of 2010

Noninterest expense grew $2.4 million for the third quarter of 2011 compared to the same period of 2010 due mostly to higher covered OREO costs of $5.1 million, which was attributable to higher write-downs of $7.6 million, offset partially by higher net gains on sales of $2.4 million. Salary expense declined by $1.5 million due primarily to severance paid to Los Padres employees in connection with the August 2010 Los Padres acquisition during the third quarter of 2010 not repeated in the current quarter. Insurance and assessments decreased by $790,000 due to a reduction in FDIC deposit insurance costs attributable to a revised FDIC assessment methodology effective April 1, 2011.

Nine Months of 2011 Compared to Nine Months of 2010

Noninterest expense declined by $3.0 million to $136.5 million during the nine months ended September 30, 2011 compared to the same period last year. This reduction was attributable to a decrease in non-covered OREO costs and lower FDIC insurance assessment expense. Non-covered OREO costs declined $5.9 million due to lower write-downs of $7.4 million, offset by lower net gains on sales of OREO of $1.9 million. The declines were offset by increases in almost all other expense categories for the additional operating costs arising from the Los Padres acquisition in August 2010 and the nine branches added to our network through that acquisition. Covered OREO costs increased by $1.7 million due to higher write-downs, offset by higher net gains on sales of OREO.

Amortization of restricted stock totaled $6.2 million and $6.6 million for the nine months ended September 30, 2011 and 2010, respectively. Intangible asset amortization totaled $6.6 million for the first nine months of 2011 compared to $7.3 million for the same period last year.

Income Taxes

The effective tax rate for the third quarter of 2011 was 41.3% compared to 41.6% for the second quarter of 2011 and 34.3% in the third quarter of 2010. The lower rate in the third quarter of 2010 resulted mostly from the resolution and/or lapse of tax contingencies, which reduced income tax expense by $417,000. The effective tax rates for the nine months ended September 30, 2011 and 2010 were 41.6% and 42.9%, respectively. The Company's blended Federal and California statutory tax rate is 42.0%.

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Balance Sheet Analysis

Non-Covered Loans

The following table presents the balance of our non-covered loans by portfolio segment at the dates indicated:

	September 30, 2011		June 30, 2011		December 31, 2010	
Loan Segment	Amount	% of Total	Amount	% of Total	Amount	% of Total
			(Dollars in thousands)			
Real estate mortgage	$ 2,031,893	70%	$ 2,073,868	71%	$ 2,274,733	72%
Commercial	671,963	23	640,805	22	663,557	21
Real estate construction	152,411	5	160,254	5	179,479	5
Consumer	20,621	1	22,248	1	25,058	1
Foreign:						
Commercial	19,532	1	18,633	1	21,057	1
Other, including real estate	1,400		1,442		1,551	
Total gross non-covered loans	2,897,820	100%	2,917,250	100%	3,165,435	100%
Less: unearned income	(4,183)		(4,114)		(4,380)	
Less: allowance for loan losses	(90,110)		(96,427)		(98,653)	
Total net non-covered loans	$ 2,803,527		$ 2,816,709		$ 3,062,402	

The decline in the non-covered loan portfolio moderated during the third quarter of 2011 to $19.5 million compared to declines of $144.5 million and $103.4 million during the second and first quarters of 2011, respectively. We continue to retain maturing relationships that contribute positively to profitability and net interest margin. In addition, the commercial and industrial non-covered loan segment increased $32.1 million during the third quarter and the pipeline of new lending opportunities has grown. Although these trends may signal a turnaround in loan growth, no assurance can be given that meaningful loan growth will materialize over the next several quarters.

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The following table presents the composition of our non-covered real estate mortgage loan portfolio as of the dates indicated:

Loan Category	September 30, 2011 Balance	% of Total	June 30, 2011 Balance	% of Total	December 31, 2010 Balance	% of Total
	(Dollars in thousands)					
Commercial real estate mortgage:						
Industrial/warehouse	$ 362,049	17.8%	$ 374,502	18.1%	$ 432,263	19.0%
Retail	299,100	14.7%	310,588	15.0%	374,027	16.4%
Office buildings	314,352	15.5%	322,972	15.6%	350,192	15.4%
Owner-occupied	250,772	12.3%	263,686	12.7%	263,603	11.6%
Hotel	145,783	7.2%	149,043	7.2%	156,614	6.9%
Healthcare	114,277	5.6%	114,805	5.5%	102,227	4.5%
Mixed use	56,507	2.8%	56,810	2.7%	57,230	2.5%
Gas station	35,743	1.8%	35,998	1.7%	38,502	1.7%
Self storage	23,260	1.1%	26,163	1.3%	26,432	1.2%
Restaurant	23,585	1.2%	23,410	1.1%	26,463	1.2%
Land acquisition/development	9,514	0.5%	9,559	0.5%	9,649	0.4%
Unimproved land	1,415	0.1%	1,449	0.1%	1,494	0.1%
Other	216,206	10.6%	225,712	10.9%	250,068	11.0%
Total commercial real estate mortgage	1,852,563	91.2%	1,914,697	92.3%	2,088,764	91.8%
Residential real estate mortgage:						
Multi-family	91,588	4.5%	64,735	3.1%	81,880	3.6%
Single family owner-occupied	31,439	1.5%	36,369	1.8%	38,025	1.7%
Single family nonowner-occupied	20,059	1.0%	20,449	1.0%	26,618	1.2%
HELOCs	36,244	1.8%	37,618	1.8%	38,823	1.7%
Unimproved land		0.0%		0.0%	623	0.0%
Total residential real estate mortgage	179,330	8.8%	159,171	7.7%	185,969	8.2%
Total gross non-covered real estate mortgage loans	$ 2,031,893	100.0%	$ 2,073,868	100.0%	$ 2,274,733	100.0%

The largest subset of the "Other" commercial real estate mortgage category is for fixed base operators at airports with a balance of $35.4 million, or 16.4% of the total in "Other".

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The following table presents the composition of our non-covered real estate construction loan portfolio as of the dates indicated:

Loan Category	September 30, 2011 Balance	September 30, 2011 % of Total	June 30, 2011 Balance	June 30, 2011 % of Total	December 31, 2010 Balance	December 31, 2010 % of Total
	(Dollars in thousands)					
Commercial real estate construction:						
Retail	$ 18,678	12.3%	$ 20,123	12.6%	$ 20,378	11.4%
Industrial/warehouse	16,020	10.5%	8,460	5.3%	11,329	6.3%
Office buildings	6,313	4.1%	6,354	4.0%	3,805	2.1%
Owner-occupied	2,227	1.5%	2,000	1.2%	2,000	1.1%
Healthcare		0.0%		0.0%	4,305	2.4%
Self storage	19,148	12.6%	19,169	12.0%	13,191	7.3%
Land acquisition/development	35,323	23.2%	35,513	22.2%	16,983	9.5%
Unimproved land	27,857	18.3%	29,726	18.5%	26,032	14.5%
Other	6,539	4.3%	5,116	3.2%	9,062	5.0%
Total commercial real estate construction	132,105	86.7%	126,461	78.9%	107,085	59.7%
Residential real estate construction:						
Multi-family	4,475	2.9%	18,346	11.4%	26,474	14.8%
Single family owner-occupied	90	0.1%		0.0%		0.0%
Single family nonowner-occupied	1,165	0.8%	1,161	0.7%	1,026	0.6%
Land acquisition/development	3,275	2.1%	3,238	2.0%	1,482	0.8%
Unimproved land	11,301	7.4%	11,048	6.9%	43,412	24.2%
Total residential real estate construction	20,306	13.3%	33,793	21.1%	72,394	40.3%
Total gross non-covered real estate construction loans	$ 152,411	100.0%	$ 160,254	100.0%	$ 179,479	100.0%

Covered Loans

The following table presents the composition of our covered loans as of the dates indicated:

Loan Category	September 30, 2011	June 30, 2011	December 31, 2010
		(In thousands)	
Multi-family	$ 267,892	$ 286,615	$ 321,650
Commercial real estate	386,326	407,257	444,244
Single family	129,692	139,238	157,424
Construction and land	57,601	67,343	87,301
Commercial and industrial	22,869	24,135	34,828
Home equity lines of credit	6,287	6,235	5,916
Consumer	603	864	1,378
Total gross covered loans	871,270	931,687	1,052,741
Less: discount	(80,920)	(92,847)	(110,901)
Covered loans, net of discount	790,350	838,840	941,840
Less: allowance for loan losses	(29,291)	(32,888)	(33,264)
Covered loans, net	$ 761,059	$ 805,952	$ 908,576

The above loans are subject to loss sharing agreements with the FDIC under which we will be reimbursed for a substantial portion of any future losses on them. Under the terms of the Los Padres

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loss sharing agreement, the FDIC will absorb 80% of losses and receive 80% of loss recoveries on covered assets. This loss sharing arrangement for single family and commercial (non-single family) covered assets is in effect for 10 years and 5 years, respectively, from the August 20, 2010 acquisition date and the loss recovery provisions are in effect for 10 years and 8 years, respectively, from the acquisition date. Under the terms of the Affinity loss sharing agreement, the FDIC will absorb 80% of losses and receive 80% of loss recoveries on the first $234 million of losses on covered assets and absorb 95% of losses and receive 95% of loss recoveries on covered assets exceeding the $234 million threshold. This loss sharing agreement is in effect for 10 years for residential loans and 5 years for commercial assets (non-residential loans, OREO, and certain securities) from the August 28, 2009 acquisition date. The loss recovery provisions are in effect for 10 years for residential loans and 8 years for commercial assets from the acquisition date.

Allowance for Credit Losses on Non-Covered Loans

The allowance for credit losses on non-covered loans is the combination of the allowance for loan losses and the reserve for unfunded loan commitments. The allowance for credit losses on non-covered loans relates only to loans which are not subject to the loss sharing agreement with the FDIC. The allowance for loan losses is reported as a reduction of outstanding loan balances and the reserve for unfunded loan commitments is included within other liabilities on the condensed consolidated balance sheets. Generally, as loans are funded, the amount of the commitment reserve applicable to such funded loans is transferred from the reserve for unfunded loan commitments to the allowance for loan losses based on our allowance methodology. The following discussion is for non-covered loans and the allowance for credit losses thereon. Refer to "Balance Sheet Analysis *Allowance for Credit Losses on Covered Loans*" for the policy on covered loans.

At September 30, 2011, the allowance for credit losses on non-covered loans totaled $96.5 million, a $6.0 million decrease from the allowance at June 30, 2011, and was comprised of the allowance for loan losses of $90.1 million and the reserve for unfunded loan commitments of $6.4 million. During the three months ended September 30, 2011, the Company recorded $6.0 million in net charge-offs and a provision for credit losses of $0.

An allowance for loan losses is maintained at a level deemed appropriate by management to adequately provide for known and inherent risks in the loan portfolio and other extensions of credit at the balance sheet date. The allowance is based upon a continuing review of the portfolio, past loan loss experience, current economic conditions which may affect the borrowers' ability to pay, and the underlying collateral value of the loans. Loans which are deemed to be uncollectible are charged off and deducted from the allowance. The provision for loan losses and recoveries on loans previously charged off are added to the allowance.

The methodology we use to estimate the amount of our allowance for credit losses is based on both objective and subjective criteria. While some criteria are formula driven, other criteria are subjective inputs included to capture environmental and general economic risk elements which may trigger losses in the loan portfolio, and to account for the varying levels of credit quality in the loan portfolios of the entities we have acquired that have not yet been captured in our objective loss factors.

Specifically, our allowance methodology contains three key elements: (i) amounts based on specific evaluations of impaired loans; (ii) amounts of estimated losses on several pools of loans categorized by risk rating and loan type; and (iii) amounts for environmental and general economic factors that indicate probable losses were incurred but were not captured through the other elements of our allowance process.

Impaired loans are identified at each reporting date based on certain criteria and the majority of which are individually reviewed for impairment. Non-covered nonaccrual loans with an unpaid principal balance over $250,000 and all performing restructured loans are reviewed individually for the amount

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of impairment, if any. Non-covered nonaccrual loans with an unpaid principal balance of $250,000 or less are evaluated for impairment collectively. A loan is considered impaired when it is probable that a creditor will be unable to collect all amounts due according to the original contractual terms of the loan agreement. We measure impairment of a loan based upon the fair value of the loan's collateral if the loan is collateral dependent or the present value of cash flows, discounted at the loan's effective interest rate, if the loan is not collateral-dependent. The impairment amount on a collateral-dependent loan is charged-off to the allowance and the impairment amount on a loan that is not collateral-dependent is set up as a specific reserve. Increased charge-offs or additions to specific reserves generally result in increased provisions for credit losses.

Our loan portfolio, excluding impaired loans which are evaluated individually, is categorized into several pools for purposes of determining allowance amounts by loan pool. The loan pools we currently evaluate are: commercial real estate construction, residential real estate construction, SBA real estate, hospitality real estate, real estate other, commercial collateralized, commercial unsecured, SBA commercial, consumer, foreign, and asset-based. Within these loan pools, we then evaluate loans not adversely classified, which we refer to as "pass" credits, separately from adversely classified loans. The adversely classified loans are further grouped into three credit risk rating categories: "special mention," "substandard" and "doubtful," which we define as follows:

Special Mention: Loans classified as special mention have a potential weakness that requires management's attention. If not addressed, these potential weaknesses may result in further deterioration in the borrower's ability to repay the loan.

Substandard: Loans classified as substandard have a well-defined weakness or weaknesses that jeopardize the collection of the debt. They are characterized by the possibility that we will sustain some loss if the weaknesses are not corrected.

Doubtful: Loans classified as doubtful have all the weaknesses as those classified as Substandard, with the additional trait that the weaknesses make collection or repayment in full highly questionable and improbable.

In addition, we may refer to the loans classified as "substandard" and "doubtful" together as "criticized loans." For additional information on classified loans, see Note 4, *Loans*, in the Notes to Consolidated Financial Statements (Unaudited) contained in "Item 1. Condensed Consolidated Financial Statements (Unaudited)."

The allowance amounts for "pass" rated loans and those loans adversely classified, which are not reviewed individually, are determined using historical loss rates developed through migration analysis. The migration analysis is updated quarterly based on historic losses and movement of loans between ratings. As a result of this migration analysis and its quarterly updating, the decreases we experienced in both charge-offs and adverse classifications generally resulted in lower loss factors.

Finally, in order to ensure our allowance methodology is incorporating recent trends and economic conditions, we apply environmental and general economic factors to our allowance methodology including: credit concentrations; delinquency trends; economic and business conditions; the quality of lending management and staff; lending policies and procedures; loss and recovery trends; nature and volume of the portfolio; nonaccrual and problem loan trends; usage trends of unfunded commitments; and other adjustments for items not covered by other factors.

Management believes that the allowance for loan losses is adequate and appropriate for the known and inherent risks in our non-covered loan portfolio. In making its evaluation, management considers certain quantitative and qualitative factors including the Company's historical loss experience, the volume and type of lending conducted by the Company, the results of our credit review process, the levels of classified, criticized and nonperforming assets, regulatory policies, general economic conditions, underlying collateral values, and other factors regarding collectibility and impairment. To

the extent we experience, for example, increased levels of documentation deficiencies, adverse changes in collateral values, or negative changes in economic and business conditions which adversely affect our borrowers, our classified loans may increase. Higher levels of adversely classified loans generally result in higher allowances for loan losses.

We recognize the determination of the allowance for loan losses is sensitive to the assigned credit risk ratings and inherent loss rates at any given point in time. Therefore, we perform sensitivity analyses to provide insight regarding the impact adverse changes in credit risk ratings may have on our allowance for loan losses. The sensitivity analyses have inherent limitations and are based on various assumptions as of a point in time and, accordingly, it is not necessarily representative of the impact loan risk rating changes may have on the allowance for loan losses.

At September 30, 2011, in the event that 1% of our non-covered loans were downgraded one credit risk rating category for each category (e.g., 1% of the "pass" category moved to the "special mention" category, 1% of the "special mention" category moved to "substandard" category, and 1% of the "substandard" category moved to the "doubtful" category within our current allowance methodology), the allowance for credit losses would have increased by approximately $1.6 million. In the event that 5% of our non-covered loans were downgraded one credit risk category, the allowance for credit losses would increase by approximately $7.9 million. Given current processes employed by the Company, management believes the credit risk ratings and inherent loss rates currently assigned are appropriate. It is possible that others, given the same information, may at any point in time reach different conclusions that could be significant to the Company's financial statements. In addition, current credit risk ratings are subject to change as we continue to review loans within our portfolio and as our borrowers are impacted by economic trends within their market areas.

Although we have established an allowance for loan losses that we consider adequate, there can be no assurance that the established allowance for loan losses will be sufficient to offset losses on loans in the future. Management also believes that the reserve for unfunded loan commitments is adequate. In making this determination, we use the same methodology for the reserve for unfunded loan commitments as we do for the allowance for loan losses and consider the same quantitative and qualitative factors, as well as an estimate of the probability of advances of the commitments correlated to their credit risk rating.

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The following table presents information regarding the allowance for credit losses on non-covered loans as of the dates indicated:

	September 30, 2011	June 30, 2011	December 31, 2010	September 30, 2010
	(Dollars in thousands)			
Allowance for loan losses	$ 90,110	$ 96,427	$ 98,653	$ 96,494
Reserve for unfunded loan commitments	6,425	6,125	5,675	4,750
Total allowance for credit losses	$ 96,535	$ 102,552	$ 104,328	$ 101,244
Allowance for credit losses to loans, net of unearned income	3.34%	3.52%	3.30%	3.05%
Allowance for credit losses to nonaccrual loans	161.0%	157.0%	110.8%	95.9%
Allowance for credit losses to nonperforming assets	89.2%	87.3%	87.1%	77.8%

The following table presents the changes in our allowance for credit losses on non-covered loans for the periods indicated:

	Three Months Ended			Nine Months Ended September 30,	
	September 30, 2011	June 30, 2011	September 30, 2010	2011	2010
	(In thousands)				
Allowance for credit losses, beginning of period	$ 102,552	$ 104,239	$ 93,434	$ 104,328	$ 124,278
Provision for credit losses		5,500	17,050	13,300	143,677
Net charge-offs	(6,017)	(7,187)	(9,240)	(21,093)	(166,711)
Allowance for credit losses, end of period	$ 96,535	$ 102,552	$ 101,244	$ 96,535	$ 101,244

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The following table presents the changes in our allowance for loan losses on non-covered loans for the periods indicated:

	Three Months Ended			Nine Months Ended September 30,	
	September 30, 2011	June 30, 2011	September 30, 2010	2011	2010
	(Dollars in thousands)				
Allowance for loan losses, beginning of period	$ 96,427	$ 98,564	$ 88,463	$ 98,653	$ 118,717
Loans charged off:					
Real estate mortgage	(4,293)	(4,354)	(4,601)	(9,859)	(94,438)
Real estate construction		(1,193)	(3,032)	(5,838)	(62,114)
Commercial	(2,237)	(2,609)	(2,074)	(7,967)	(11,237)
Consumer	(54)	(1,165)	(218)	(1,379)	(2,280)
Foreign			(113)		(113)
Total loans charged off	(6,584)	(9,321)	(10,038)	(25,043)	(170,182)
Recoveries on loans charged off:					
Real estate mortgage	225	27		349	1,197
Real estate construction	33	896		1,021	708
Commercial	235	308	319	1,160	1,061
Consumer	74	890	348	1,375	372
Foreign		13	131	45	133
Total recoveries on loans charged off	567	2,134	798	3,950	3,471
Net charge-offs	(6,017)	(7,187)	(9,240)	(21,093)	(166,711)
Provision (reversal) for loan losses	(300)	5,050	17,271	12,550	144,488
Allowance for loan losses, end of period	$ 90,110	$ 96,427	$ 96,494	$ 90,110	$ 96,494
Charge-offs on classified loans sold	$	$	$	$	$ 123,705
Ratios[1]:					
Allowance for loan losses to loans, net (end of period)	3.11%	3.31%	2.91%	3.11%	2.91%
Allowance for loan losses to nonaccrual loans (end of period)	150.26%	147.67%	91.43%	150.26%	91.43%
Annualized net charge-offs to average loans	0.83%	0.97%	1.09%	0.94%	6.61%
Annualized net charge-offs to average loans excluding charge-offs on classified loans sold	0.83%	0.97%	1.09%	0.94%	1.71%

(1) Ratios apply only to non-covered loans.

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The following table presents the changes in our reserve for unfunded loan commitments for the periods indicated:

	Three Months Ended			Nine Months Ended September 30,	
	September 30, 2011	June 30, 2011	September 30, 2010	2011	2010
	(In thousands)				
Reserve for unfunded loan commitments, beginning of period	$ 6,125	$ 5,675	$ 4,971	$ 5,675	$ 5,561
Provision (reversal)	300	450	(221)	750	(811)
Reserve for unfunded loan commitments, end of period	$ 6,425	$ 6,125	$ 4,750	$ 6,425	$ 4,750

Allowance for Credit Losses on Covered Loans

The loans acquired in the Los Padres and Affinity acquisitions are covered by loss sharing agreements with the FDIC and we will be reimbursed for a substantial portion of any future losses. Under the terms of the Los Padres loss sharing agreement, the FDIC will absorb 80% of losses and receive 80% of loss recoveries on the covered assets. This loss sharing agreement is in effect for 10 years for single family covered assets and 5 years for commercial (non-single family) covered assets from the August 20, 2010 acquisition date. The loss recovery provisions are in effect for 10 years for single family assets and 8 years for commercial (non-single family) assets from the acquisition date. Under the terms of the Affinity loss sharing agreement, the FDIC will absorb 80% of losses and receive 80% of loss recoveries on the first $234 million of losses on covered assets and absorb 95% of losses and receive 95% of loss recoveries on covered assets exceeding $234 million. This loss sharing agreement is in effect for 10 years for residential loans and 5 years for commercial assets (non-residential loans, OREO and certain securities) from the August 28, 2009 acquisition date. The loss recovery provisions are in effect for 10 years for residential loans and 8 years for commercial assets from the acquisition date.

We evaluated the acquired covered loans and elected to account for them under ASC 310-30, *Loans and Debt Securities Acquired with Deteriorated Credit Quality* ("ASC 310-30"), which we refer to as acquired impaired loan accounting.

The covered loans are subject to our internal and external credit review. If deterioration in the expected cash flows results in a reserve requirement, a provision for credit losses is charged to earnings without regard to the FDIC loss sharing agreement. The portion of the estimated loss reimbursable from the FDIC will be recorded in FDIC loss sharing income and will increase the FDIC loss sharing asset. For acquired impaired loans, the allowance for loan losses is measured at the end of each financial reporting period based on expected cash flows. Decreases in the amount and changes in the timing of expected cash flows on the acquired impaired loans as of the financial reporting date compared to those previously estimated are usually recognized by recording a provision for credit losses on such covered loans. At September 30, 2011, acquired covered loans not accounted for as impaired loans totaled $29.7 million from the Los Padres acquisition and are subject to our allowance for credit losses methodology. Although we estimate the required allowance for credit losses similarly to the methodology used for originated loans, we record a provision for such loan losses only when the reserve requirement exceeds any remaining credit discount on these covered loans.

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The following table presents the changes in our allowance for credit losses on covered loans for the periods indicated:

	Three Months Ended			Nine Months Ended September 30,	
	September 30, 2011	June 30, 2011	September 30, 2010	2011	2010
	(In thousands)				
Allowance for credit losses on covered loans, beginning of period	$ 32,888	$ 29,438	$ 37,878	$ 33,264	$ 18,000
Provision	348	5,890	6,500	9,148	34,600
Charge-offs, net	(3,945)	(2,440)	(4,199)	(13,121)	(12,421)
Allowance for credit losses on covered loans, end of period	$ 29,291	$ 32,888	$ 40,179	$ 29,291	$ 40,179

Non-Covered Nonperforming Assets and Performing Restructured Loans

The following table presents non-covered nonperforming assets and performing restructured loans information as of the dates indicated:

	September 30, 2011	June 30, 2011	December 31, 2010	September 30, 2010
	(Dollars in thousands)			
Nonaccrual loans[1]	$ 59,968	$ 65,300	$ 94,183	$ 105,539
Other real estate owned[1]	48,260	52,194	25,598	24,598
Total nonperforming assets	$ 108,228	$ 117,494	$ 119,781	$ 130,137
Performing restructured loans[1]	$ 86,406	$ 82,487	$ 89,272	$ 143,407
Nonperforming assets ratio[1][2]	3.68%	3.96%	3.76%	3.89%
Nonaccrual loans to loans, net of unearned income[1]	2.07%	2.24%	2.98%	3.18%

(1) Excludes covered loans and covered OREO from the Los Padres and Affinity acquisitions.

(2) Nonperforming assets ratio is calculated as nonperforming assets divided by the sum of total loans and OREO.

Non-covered nonperforming assets include non-covered nonaccrual loans and non-covered OREO and totaled $108.2 million at September 30, 2011 compared to $117.5 million at June 30, 2011. The $9.3 million decline in non-covered nonperforming assets is due to reductions of $5.3 million and $4.0 million in nonaccrual loans and OREO, respectively. The non-covered nonperforming assets ratio decreased to 3.68% at September 30, 2011 from 3.96% at June 30, 2011.

Nonaccrual Loans

The $5.3 million decline in non-covered nonaccrual loans during the third quarter was attributable to (a) foreclosures of $2.4 million, (b) other reductions, payoffs and returns to accrual status of $5.7 million, (c) charge-offs of $6.0 million, and (d) additions of $8.8 million.

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The following table presents our non-covered nonaccrual loans and accruing loans past due between 30 and 89 days by portfolio segment and class as of the dates indicated:

	Nonaccrual Loans[1]				Accruing and 30 - 89 Days Past Due[1]	
	September 30, 2011		June 30, 2011			
	Balance	% of Loan Category	Balance	% of Loan Category	September 30, 2011 Balance	June 30, 2011 Balance
	(Dollars in thousands)					
Real estate mortgage:						
Hospitality	$ 7,336	5.0%	$ 7,451	5.0%	$	$ 865
SBA 504	2,895	4.9%	3,304	5.3%	3,168	
Other commercial	19,378	1.2%	25,710	1.5%	14,664	8,197
Residential	2,315	1.3%	3,026	1.9%	400	
Total real estate mortgage	31,924	1.6%	39,491	1.9%	18,232	9,062
Real estate construction:						
Residential	1,091	5.4%	1,099	3.3%		
Commercial	9,399	7.1%	5,976	4.7%		2,136
Total real estate construction	10,490	6.9%	7,075	4.4%		2,136
Commercial:						
Collateralized	4,769	1.2%	5,294	1.4%	396	451
Unsecured	4,887	6.9%	6,558	8.0%	73	158
Asset-based	15	0.0%	15	0.0%		
SBA 7(a)	7,318	24.4%	6,122	19.9%	828	199
Total commercial	16,989	2.5%	17,989	2.8%	1,297	808
Consumer	565	2.7%	745	3.3%	53	40
Total non-covered loans	$ 59,968	2.1%	$ 65,300	2.2%	$ 19,582	$ 12,046

(1) Excludes covered loans acquired from the Los Padres and Affinity acquisitions.

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The following lending relationships, excluding SBA-related loans, were on nonaccrual status at September 30, 2011:

Nonaccrual Amount (In thousands)		Description
$	10,360	This loan is secured by three airplane hangar structures and two office buildings in Los Angeles County, California.[1]
$	7,336	Two hotels in San Diego County, California. The borrower is paying as agreed.[1]
$	3,899	Four industrial warehouse loans in Riverside County, California. The borrower is paying as agreed.[1]
$	2,564	Strip retail center in Riverside County, California. The borrower is paying as agreed.
$	2,563	This loan is secured by a medical-related office building in Los Angeles County, California.[1]
$	2,338	This loan is unsecured and has a specific reserve for 50% of the balance. The borrower is paying as agreed.[1]
$	2,091	Land in Riverside County, California. The borrower is paying as agreed.
$	2,000	Unsecured loan that is fully reserved for.[1]
$	1,701	Two unsecured loans that are fully reserved for.[1]
$	1,553	Loan secured by unimproved land in Imperial County, California.[1]

(1) On nonaccrual status at June 30, 2011

OREO

Non-covered OREO declined $4.0 million during the third quarter of 2011 due mainly to sales of $4.9 million and write-downs of $1.7 million, offset partially by foreclosures of $2.4 million. The write-downs were based on new appraisals or negotiated sales prices with buyers.

The following table presents the components of non-covered OREO by property type as of the dates indicated:

Property Type	September 30, 2011	June 30, 2011	December 31, 2010	September 30, 2010
	(Dollars in thousands)			
Commercial real estate	$ 21,431	$ 23,408	$ 18,205	$ 18,920
Construction and land development	26,093	26,446	4,650	2,935
Single family residence	736	2,340	2,743	2,743
Total non-covered OREO	$ 48,260	$ 52,194	$ 25,598	$ 24,598

Performing Restructured Loans

Non-covered performing restructured loans grew by $3.9 million during the third quarter of 2011 to $86.4 million at September 30, 2011. The change was attributable primarily to newly restructured loans of $2.6 million and transfers from nonaccrual status of $1.7 million. At September 30, 2011, we had $59.6 million in real estate mortgage loans, $22.1 million in real estate construction loans, and $4.7 million in commercial loans that were accruing interest under the terms of troubled debt restructurings.

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The majority of the performing restructured loans was on accrual status prior to the loan modifications and has remained on accrual status after the loan modifications due to the borrowers making payments before and after the restructurings. In these circumstances, generally, a borrower may have had a fixed rate loan that they continued to repay, but may be having cash flow difficulties. In an effort to work with certain borrowers, we have agreed to interest rate reductions to reflect the lower market interest rate environment and/or interest-only payments for a period of time. In these cases, we do not forgive principal or extend the maturity date as part of the loan modification. As a result of the current economic environment in our market areas, we anticipate loan restructurings to continue.

Covered Nonperforming Assets

Loans accounted for under ASC 310-30, which we refer to as "acquired impaired loan accounting," are generally considered accruing and performing loans as the loans accrete interest income over the estimated life of the loan when expected cash flows are reasonably estimable. Accordingly, acquired impaired loans that are contractually past due are still considered to be accruing and performing loans. If the timing and amount of future cash flows is not reasonably estimable, the loans may be classified as nonaccrual loans and interest income is not recognized until the timing and amount of future cash flows can be reasonably estimated.

The following table presents a summary of covered loans that would be considered nonaccrual except for the accounting requirements regarding acquired impaired loans and other real estate owned covered by the loss sharing agreement ("covered nonaccrual loans" and "covered OREO"; collectively, "covered nonperforming assets") as of the dates indicated:

	September 30, 2011	June 30, 2011	December 31, 2010	September 30, 2010
	(In thousands)			
Covered nonaccrual loans	$ 170,242	$ 146,359	$ 142,964	$ 171,804
Covered OREO	32,301	40,949	55,816	55,244
Total covered nonperforming assets	$ 202,543	$ 187,308	$ 198,780	$ 227,048
Covered performing restructured loans	$ 14,074	$ 12,404	$ 14,255	$ 44,614

Loan Portfolio Risk Elements

The negative trends throughout the Southern California economy have affected certain industries and collateral types more than others. Our real estate loan portfolio is predominantly commercial and as such does not expose us to higher risks generally associated with residential mortgage loans such as option ARM, interest-only or subprime mortgage loans. Our portfolio does include mortgage loans on commercial property. Commercial mortgage loan repayments typically do not rely on the sale of the underlying collateral and instead rely on the income producing potential of the collateral as the source of repayment. Ultimately, though, due to the loan amortization period being greater than the contractual loan term, the borrower may be required to refinance the loan, either with us or another lender, or sell the underlying collateral in order to pay off the loan.

At September 30, 2011, we had $191.4 million of commercial real estate mortgage loans maturing over the next 12 months. In the event we refinance any of these loans because the borrowers are unable to obtain financing elsewhere due to the inability of banks in our market area to make loans, such loans may be considered troubled debt restructurings even though they were performing throughout their terms. Higher levels of troubled debt restructurings may lead to increased classified assets and credit loss provisions.

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Our loan portfolio, including both non-covered and covered loans, continues to experience pressure from economic trends in Southern California. We expect that such pressures will continue for the remainder of 2011.

Deposits

The following table presents the balance of each major category of deposits at the dates indicated:

	September 30, 2011		June 30, 2011		December 31, 2010	
Deposit Category	Amount	% of Total	Amount	% of Total	Amount	% of Total
	(Dollars in thousands)					
Noninterest-bearing deposits	$ 1,628,253	36%	$ 1,599,410	36%	$ 1,465,562	32%
Interest checking deposits	497,987	11	477,126	11	494,617	11
Money market deposits	1,234,900	27	1,189,999	26	1,321,780	28
Savings deposits	158,921	3	151,957	3	135,876	3
Total core deposits	3,520,061	77	3,418,492	76	3,417,835	74
Time deposits under $100,000	345,380	8	359,890	8	436,838	9
Time deposits $100,000 and over	688,955	15	708,113	16	795,025	17
Total time deposits	1,034,335	23	1,068,003	24	1,231,863	26
Total deposits	$ 4,554,396	100%	$ 4,486,495	100%	$ 4,649,698	100%

Total deposits grew $67.9 million during the third quarter to $4.6 billion at September 30, 2011. Time deposits decreased $33.7 million during the third quarter to $1.0 billion at September 30, 2011. Core deposits, which include noninterest-bearing demand, interest checking, money market, and savings accounts, grew $101.6 million during the third quarter due to increases in all categories. At September 30, 2011, core deposits totaled $3.5 billion, or 77% of total deposits at that date. Noninterest-bearing demand deposits were $1.6 billion at September 30, 2011 and represented 36% of total deposits at that date.

Regulatory Matters

Capital

Actual capital amounts and ratios for the Company and the Bank as of September 30, 2011 are presented in the following table. Regulatory capital requirements limit the amount of deferred tax assets that may be included when determining the amount of regulatory capital. Deferred tax asset amounts in excess of the calculated limit are deducted from regulatory capital. At September 30, 2011, such amount was $53.1 million for the Company and $30.8 million for the Bank. No assurance can be given that the regulatory capital deferred tax asset limitation will not increase in the future.

	September 30, 2011		
	Well Capitalized Requirement	Pacific Western Bank	PacWest Bancorp Consolidated
Tier 1 leverage capital ratio	5.00%	9.85%	9.96%
Tier 1 risk-based capital ratio	6.00%	14.63%	14.70%
Total risk-based capital ratio	10.00%	15.90%	15.98%
Tangible common equity ratio	N/A	10.64%	8.85%

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Subordinated Debentures

The Company issued subordinated debentures to trusts that were established by us or entities we have acquired, which, in turn, issued trust preferred securities, which totaled $123.0 million at September 30, 2011. The Company includes in Tier 1 capital an amount of trust preferred securities equal to no more than 25% of the sum of all core capital elements, which is generally defined as shareholders' equity less goodwill, net of any related deferred income tax liability. At September 30, 2011, the amount of trust preferred securities included in Tier I capital was $123.0 million. While our existing trust preferred securities are grandfathered under the Dodd-Frank Wall Street Reform and Consumer Protection Act that was enacted in July 2010, new issuances will not qualify as Tier 1 capital.

Dividends on Common Stock and Interest on Subordinated Debentures

Notification to the FRB is required prior to our declaring and paying a cash dividend to our stockholders during any period in which our quarterly and/or cumulative twelve-month net earnings are insufficient to fund the dividend amount. Interest payments made by the Company on subordinated debentures are considered dividend payments under FRB regulations. As such, notification to the FRB is required prior to our paying such interest during any period in which our quarterly net earnings are insufficient to fund the interest due. Should the FRB object to payment of interest on the subordinated debentures we would not be able to make the payments until approval is received.

Liquidity Management

Liquidity

The goals of our liquidity management are to ensure the ability of the Company to meet its financial commitments when contractually due and to respond to other demands for funds such as the ability to meet the cash flow requirements of customers who may be either depositors wanting to withdraw funds or borrowers who may need assurance that sufficient funds will be available to meet their credit needs. We have an Executive Asset/Liability Management Committee, or Executive ALM Committee, which is comprised of members of senior management and is responsible for managing balance sheet and off-balance sheet commitments to meet the needs of customers while achieving our financial objectives. Our Executive ALM Committee meets regularly to review funding capacities, current and forecasted loan demand, and investment opportunities.

Historically, the Bank's primary liquidity source has been its core deposit base. In addition, the Bank relies on collateralized FHLB advances as one of its sources of affordable and immediately available liquidity. The level of such wholesale funding is monitored based on the Bank's liquidity requirements, and we maintain what we believe to be an acceptable level of this collateralized borrowing capacity. The Bank's secured borrowing capacity with the FHLB was $1.1 billion, of which $913.4 million was available as of September 30, 2011. The Bank also maintains a security repurchase line with the FHLB to provide an additional $30.5 million in secured borrowing capacity, against which there were no borrowings as of September 30, 2011. The Bank also maintains a secured line of credit with the FRB which had a borrowing capacity of $375.0 million and no amount outstanding at September 30, 2011. In addition to its secured lines of credit, the Bank maintains unsecured lines of credit, subject to availability, of $92.0 million with correspondent banks for purchase of overnight funds.

In addition to the secured and unsecured borrowing relationships to meet short-term liquidity needs, the Bank maintains adequate balances in liquid assets, which include cash and due from banks, interest-earning deposits in other financial institutions and investment securities with a maturity or duration of five years or less. Our on-balance sheet liquidity ratio, calculated as liquid assets (cash, interest-earning deposits in financial institutions and unpledged investment securities available-for-sale) as a percent of total deposits, was 29.7% as of September 30, 2011 and 18.1% at December 31, 2010.

We increased the Bank's on-balance sheet liquidity in order to have more flexibility during this current economic cycle.

We may use large denomination brokered time deposits, the availability of which is uncertain and subject to competitive market forces, for liquidity management purposes. At September 30, 2011, the Bank had none of these brokered deposits. In addition, we have $45.0 million of customer deposits that were subsequently participated with other FDIC insured financial institutions through the CDARS program as a means to provide FDIC deposit insurance coverage for the full amount of our participating customers' deposits.

Holding Company Liquidity

The primary sources of liquidity for the Company, on a stand-alone basis, include dividends from the Bank and our ability to raise capital, issue subordinated debt and secure outside borrowings. The ability of the Company to obtain funds for the payment of dividends to our stockholders and for other cash requirements is largely dependent upon the Bank's earnings. Pacific Western is subject to restrictions under certain federal and state laws and regulations which limit its ability to transfer funds to the Company through intercompany loans, advances or cash dividends.

Dividends paid by state banks, such as Pacific Western, are regulated by the California Department of Financial Institutions ("DFI") under its general supervisory authority as it relates to a bank's capital requirements. A state bank may declare a dividend without the approval of the DFI as long as the total dividends declared in a calendar year do not exceed either the retained earnings or the total of net profits for three previous fiscal years less any dividends paid during such period. During the nine months ended September 30, 2011, PacWest received no dividends from the Bank. For the foreseeable future, any dividends from the Bank to the Company require DFI approval.

At September 30, 2011, the Company had, on a stand-alone basis, approximately $20.0 million in cash on deposit at the Bank. Management believes this amount of cash is sufficient to fund the Company's 2011 cash flow needs.

Contractual Obligations

The following table presents the known contractual obligations of the Company as of the date indicated:

	September 30, 2011				
	Due Within One Year	Due in One to Three Years	Due in Three to Five Years	Due After Five Years	Total
	(Dollars in thousands)				
Time deposits	$ 496,615	$ 525,088	$ 12,632	$	$ 1,034,335
Long-term debt obligations				354,347	354,347
Operating lease obligations	16,182	27,202	17,901	15,569	76,854
Other contractual obligations	9,315	8,707	3,101		21,123
Total	$ 522,112	$ 560,997	$ 33,634	$ 369,916	$ 1,486,659

Time deposits include brokered deposits of $45.0 million of customer deposits that were subsequently participated with other FDIC insured financial institutions through the CDARS program as a means to provide FDIC deposit insurance coverage for the full amount of our customers' deposits.

Long term debt obligations include $129.3 million of subordinated debentures and $225.0 million of callable term FHLB advances. While the FHLB may call the advances to be repaid for any reason, they are likely to be called if market interest rates are higher than the advances' stated rates on the call dates. If the advances are called by the FHLB, there is no prepayment penalty. Should our FHLB

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advances be called, we would evaluate the funding opportunities available at that time, including new secured FHLB borrowings at the prevailing market rates. As borrowing rates are currently lower than our contract rates, we do not expect our secured FHLB borrowings to be called. Debt obligations are also discussed in Note 7*, Borrowings, Subordinated Debentures and Brokered Deposits,* in the Notes to Condensed Consolidated Financial Statements (Unaudited) contained in "Item 1. Condensed Consolidated Financial Statements (Unaudited)." Operating lease obligations are discussed in the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2010. The other contractual obligations relate to the minimum liability associated with our data and item processing contract with a third-party provider and commitments to contribute capital to investments in low income housing project partnerships.

We believe that we will be able to meet our contractual obligations as they come due through the maintenance of adequate cash levels. We expect to maintain adequate cash levels through profitability, loan and securities repayment and maturity activity, and continued deposit gathering activities. We believe we have in place sufficient borrowing mechanisms for short-term liquidity needs.

Off-Balance Sheet Arrangements

Our obligations also include off-balance sheet arrangements consisting of loan-related commitments, of which only a portion are expected to be funded. At September 30, 2011, our loan-related commitments, including standby letters of credit, totaled $718.7 million. The commitments which result in a funded loan increase our profitability through net interest income. We manage our overall liquidity taking into consideration funded and unfunded commitments as a percentage of our liquidity sources. Our liquidity sources have been and are expected to be sufficient to meet the cash requirements of our lending activities.

Asset/Liability Management and Interest Rate Sensitivity

Interest Rate Risk

Our market risk arises primarily from credit risk and interest rate risk inherent in our lending and financing activities. To manage our credit risk, we rely on adherence to our underwriting standards and loan policies, internal loan monitoring and periodic credit review as well as our allowance for credit losses methodology, all of which are administered by the Bank's credit administration department and overseen by the Company's Credit Risk Committee. To manage our exposure to changes in interest rates, we perform asset and liability management activities which are governed by guidelines pre-established by our Executive ALM Committee, and approved by our Asset/Liability Management Committee of the Board of Directors, which we refer to as our Board ALCO. Our Executive ALM Committee monitors our compliance with our asset/liability policies. These policies focus on providing sufficient levels of net interest income while considering capital constraints and acceptable levels of interest rate exposure and liquidity.

Market risk sensitive instruments are generally defined as derivatives and other financial instruments, which include investment securities, loans, deposits, and borrowings. At September 30, 2011, we had not used any derivatives to alter our interest rate risk profile or for any other reason. However, both the repricing characteristics of our fixed rate loans and floating rate loans, the significant percentage of noninterest-bearing deposits compared to interest- earning assets, and the callable features in certain borrowings, may influence our interest rate risk profile. Our financial instruments include loans receivable, Federal funds sold, interest-bearing deposits in financial institutions, Federal Home Loan Bank stock, investment securities, deposits, borrowings and subordinated debentures.

We measure our interest rate risk position on at least a quarterly basis using three methods: (i) net interest income simulation analysis; (ii) market value of equity modeling; and (iii) traditional gap

analysis. The results of these analyses are reviewed by the Executive ALM Committee and the Board ALCO quarterly. If hypothetical changes to interest rates cause changes to our simulated net present value of equity and/or net interest income outside our pre-established limits, we may adjust our asset and liability mix in an effort to bring our interest rate risk exposure within our established limits.

We evaluated the results of our net interest income simulation and market value of equity models prepared as of September 30, 2011, the results of which are presented below. Our net interest income simulation indicates that our balance sheet is liability sensitive as rising interest rates would result in a decline in our net interest margin. This profile is primarily a result of (a) the increased origination of fixed rate loans and variable rate loans with initial fixed rate terms over the last several years and (b) declining floating rate construction loans. Our market value of equity model indicates an asset sensitive profile suggesting a sudden sustained increase in rates would result in an increase in our estimated market value of equity. This profile is a result of the assumed floors in the Company's offering rates, which are not expected to increase to the extent of the movement of market interest rates, and the significant value placed on the Company's noninterest-bearing deposits for purposes of this analysis. The divergent profile between the net interest income simulation and market value of equity model is a result of the Company's significant level of noninterest-bearing deposits. Static balances of noninterest-bearing deposits do not impact the net interest income simulation, while at the same time the value of these deposits increases substantially in the market value of equity model when market rates are assumed to rise. In general, we view the net interest income model results as more relevant to the Company's current operating profile and manage our balance sheet based on this information.

Net Interest Income Simulation

We used a simulation model to measure the estimated changes in net interest income that would result over the next 12 months from immediate and sustained changes in interest rates as of September 30, 2011. This model is an interest rate risk management tool and the results are not necessarily an indication of our future net interest income. This model has inherent limitations and these results are based on a given set of rate changes and assumptions at one point in time. We have assumed no growth in either our interest-sensitive assets or liabilities over the next 12 months; therefore, the results reflect an interest rate shock to a static balance sheet.

This analysis calculates the difference between net interest income forecasted using both increasing and declining interest rate scenarios and net interest income forecasted using a base market interest rate derived from the U.S. Treasury yield curve at September 30, 2011. In order to arrive at the base case, we extend our balance sheet at September 30, 2011 one year and reprice any assets and liabilities that would contractually reprice or mature during that period using the products' pricing as of September 30, 2011. Based on such repricings, we calculate an estimated net interest income and net interest margin.

The repricing relationship for each of our assets and liabilities includes many assumptions. For example, many of our assets are floating rate loans, which are assumed to reprice to the same extent as the change in market rates according to their contracted index except for floating rate loans tied to our base lending rate which are assumed to reprice upward only after the first 75 basis point increase in market rates. This assumption is due to the fact that we reduced our base lending rate 100 basis points when the Federal Reserve lowered the Federal Funds benchmark rate by 175 basis points in the fourth quarter of 2008. Some loans and investment vehicles include the opportunity of prepayment (imbedded options) and the simulation model uses a prepayment model to estimate these prepayments and reinvest these proceeds at current simulated yields. Our deposit products reprice at our discretion and are assumed to reprice more slowly in a rising or declining interest rate environment and usually reprice at a rate less than the change in market rates. Also, a callable option feature on certain borrowings will reprice differently in a rising interest rate environment than in a declining interest rate

environment. The effects of certain balance sheet attributes, such as fixed rate loans, floating rate loans that have reached their floors, and the volume of noninterest-bearing deposits as a percentage of earning assets, impact our assumptions and consequently the results of our interest rate risk management model. Changes that could vary significantly from our assumptions include loan and deposit growth or contraction, changes in the mix of our earning assets or funding sources, and future asset/liability management decisions, all of which may have significant effects on our net interest income.

The simulation analysis does not account for all factors that impact this analysis, including changes by management to mitigate the impact of interest rate changes or the impact a change in interest rates may have on our credit risk profile, loan prepayment estimates and spread relationships which can change regularly. In addition, the simulation analysis does not make any assumptions regarding loan fee income, which is a component of our net interest income and tends to increase our net interest margin. Management reviews the model assumptions for reasonableness on a quarterly basis.

The following table presents as of September 30, 2011, forecasted net interest income and net interest margin for the next 12 months using a base market interest rate and the estimated change to the base scenario given immediate and sustained upward and downward movements in interest rates of 100, 200 and 300 basis points.

Interest rate scenario	**Estimated Net Interest Income**	**Percentage Change From Base**	**Estimated Net Interest Margin**	**Estimated Net Interest Margin Change From Base**
		(Dollars in thousands)		
Up 300 basis points	$ 241,136	(4.8)%	4.74%	(0.24)%
Up 200 basis points	$ 242,089	(4.4)%	4.76%	(0.22)%
Up 100 basis points	$ 244,692	(3.4)%	4.81%	(0.17)%
BASE CASE	$ 253,281		4.98%	
Down 100 basis points	$ 244,243	(3.6)%	4.80%	(0.18)%
Down 200 basis points	$ 241,899	(4.5)%	4.76%	(0.22)%
Down 300 basis points	$ 240,940	(4.9)%	4.74%	(0.24)%

The net interest income simulation model prepared as of September 30, 2011 suggests our balance sheet is liability sensitive. Liability sensitivity indicates that in a rising interest rate environment, our net interest margin would decrease. Due to the historically low market interest rates as of September 30, 2011 the "down" scenarios are not considered meaningful and are excluded from the following discussion. The liability sensitive profile is due mostly to the mix of fixed rate loans to total loans in the loan portfolio relative to our amount of interest-bearing deposits that would reprice as interest rates change. Although $1.8 billion of the $3.7 billion of total loans in the portfolio have variable interest rate terms, only $571 million of those variable rate loans will reprice within 12 months. The remaining variable rate loans will behave as if they have fixed rates in the short run because of the effect of interest rate floors and hybrid ARM loan pricing structures of mini-perm commercial real estate loans, which generally contain initial fixed rate terms ranging from three to five years before becoming variable rate.

In comparing the September 30, 2011 simulation results to June 30, 2011, our profile has remained relatively unchanged while our overall estimated net interest income has decreased for all scenarios. The decline in the simulated net interest income is a result of lower earning assets due to the net decline in the loan portfolio.

Market Value of Equity

We measure the impact of market interest rate changes on the net present value of estimated cash flows from our assets, liabilities and off-balance sheet items, defined as the market value of equity,

using a simulation model. This simulation model assesses the changes in the market value of our interest sensitive financial instruments that would occur in response to an instantaneous and sustained increase or decrease in market interest rates of 100, 200 and 300 basis points. This analysis assigns significant value to our noninterest-bearing deposit balances. The projections are by their nature forward looking and therefore inherently uncertain, and include various assumptions regarding cash flows and interest rates. This model is an interest rate risk management tool and the results are not necessarily an indication of our actual future results. Actual results may vary significantly from the results suggested by the market value of equity table. Loan prepayments and deposit attrition, changes in the mix of our earning assets or funding sources, and future asset/liability management decisions, among others, may vary significantly from our assumptions. The base case is determined by applying various current market discount rates to the estimated cash flows from the different types of assets, liabilities and off-balance sheet items existing at September 30, 2011.

The following table shows the projected change in the market value of equity for the set of rate shocks presented as of September 30, 2011:

Interest rate scenario	Estimated Market Value	Dollar Change From Base	Percentage Change From Base	Percentage of Total Assets	Ratio of Estimated Market Value to Book Value
	(Dollars in thousands)				
Up 300 basis points	$ 688,994	$ 26,075	3.9%	12.5%	127.7%
Up 200 basis points	$ 715,870	$ 52,951	8.0%	13.0%	132.7%
Up 100 basis points	$ 710,940	$ 48,021	7.2%	12.9%	131.8%
BASE CASE	$ 662,919			12.1%	122.9%
Down 100 basis points	$ 578,742	$ (84,177)	(12.7)%	10.5%	107.3%
Down 200 basis points	$ 550,506	$ (112,413)	(17.0)%	10.0%	102.0%
Down 300 basis points	$ 526,353	$ (136,566)	(20.6)%	9.6%	97.6%

The results of our market value of equity model indicate an asset sensitive interest rate risk profile at September 30, 2011 demonstrated by the increase in the market value of equity in the "up" interest rate scenarios compared to the "base case". Given the historically low market interest rates as of September 30, 2011, the "down" scenarios at September 30, 2011 are not considered meaningful and are excluded from the following discussion.

Our asset sensitive position as of September 30, 2011 is due primarily to the significant value placed on our noninterest-bearing deposits and the assumed floors in the discount rates used to value a portion of the loan portfolio. The discount rate used to value our loan portfolio is derived from the expected offering rate for each loan type with a similar term and credit risk profile. In a rising rate environment, management does not expect to increase our offering rates on certain loan products to the same extent as market rates until the fully indexed offering rate exceeds the current pricing floor, and in turn, our loans are not projected to lose significant value in the "up" 100 basis point and "up" 200 basis point scenarios. Conversely, the discount rates for our liabilities are expected to immediately change when market rates change. Therefore, our liabilities are expected to increase in value as rates rise thereby increasing the estimated market value of equity in the rising rate scenario.

In comparing the September 30, 2011 simulation results to June 30, 2011, our base case estimated market value of equity has increased while our overall profile is consistent with the prior quarter. The increase in base case estimated market value of equity is the result of net earnings for the quarter of $13.3 million and increases in the fair values of loans and securities, partially offset by increases in the fair values of deposits and FHLB advances. The changes in the fair values of securities, loans and deposits resulted from lower discount rates used to estimate their fair values.

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Gap Analysis

As part of the interest rate management process, we use a gap analysis. A gap analysis provides information about the volume and repricing characteristics and relationship between the amounts of interest-sensitive assets and interest-bearing liabilities at a particular point in time. An effective interest rate strategy attempts to match the volume of interest sensitive assets and interest-bearing liabilities repricing over different time intervals.

The following table illustrates the volume and repricing characteristics of our balance sheet at September 30, 2011 over the indicated time intervals:

	Amounts Maturing or Repricing In					
September 30, 2011	**3 Months Or Less**	**Over 3 Months to 12 Months**	**Over 1 Year to 5 Years**	**Over 5 Years**	**Non-Interest Rate Sensitive**	**Total**
	(Dollars in thousands)					
ASSETS						
Cash and deposits in financial institutions	$ 73,094	$ 115	$	$	$ 94,112	$ 167,321
Investment securities	10,942	22,379	10,634	1,266,163		1,310,118
Loans, net of unearned income	1,197,969	392,994	1,132,245	960,779		3,683,987
Other assets					332,465	332,465
Total assets	$ 1,282,005	$ 415,488	$ 1,142,879	$ 2,226,942	$ 426,577	$ 5,493,891
LIABILITIES AND STOCKHOLDERS' EQUITY						
Noninterest-bearing demand deposits	$	$	$	$	$ 1,628,253	$ 1,628,253
Interest-bearing demand, money market and savings	1,891,808					1,891,808
Time deposits	229,900	266,715	537,720			1,034,335
Borrowings				225,000		225,000
Subordinated debentures	108,250			18,558	2,539	129,347
Other liabilities					45,680	45,680
Stockholders' equity					539,468	539,468
Total liabilities and stockholders' equity	$ 2,229,958	$ 266,715	$ 537,720	$ 243,558	$ 2,215,940	$ 5,493,891
Period gap	$ (947,953)	$ 148,773	$ 605,159	$ 1,983,384	$ (1,789,363)	
Cumulative interest-earning assets	$ 1,282,005	$ 1,697,493	$ 2,840,372	$ 5,067,314		
Cumulative interest-bearing liabilities	$ 2,229,958	$ 2,496,673	$ 3,034,393	$ 3,277,951		
Cumulative gap	$ (947,953)	$ (799,180)	$ (194,021)	$ 1,789,363		
Cumulative interest-earning assets to cumulative interest-bearing liabilities	57.5%	68.0%	93.6%	154.6%		
Cumulative gap as a percent of:						

Total assets	(17.3)%	(14.5)%	(3.5)%	32.6%
Interest-earning assets	(19.0)%	(16.0)%	(3.9)%	35.8%

All amounts are reported at their contractual maturity or repricing periods, except for $48.3 million in FHLB stock which is shown as a longer-term repricing investment because of the FHLB's suspended/reduced stock redemptions and dividend payments. This analysis makes certain assumptions as to interest rate sensitivity of savings and NOW accounts which have no stated maturity

and have had minimal rate fluctuation in the past three years. Money market accounts are repriced at management's discretion and generally are more rate sensitive.

The preceding table indicates that we had a negative one-year cumulative gap of $799.2 million at September 30, 2011, a change of $156.2 million from the $643.0 million negative gap position at June 30, 2011. The change in the negative gap is attributable to a reduction in one-year assets of $132.8 million, which was due mostly to the origination and renewal of loans during the quarter that will mature/reprice in the over one year to five years term, and an increase in one-year liabilities of $23.4 million, which was attributable primarily to an increase of $72.7 million in interest-bearing checking, money market and savings deposit, offset partially by a decline in one-year time deposits of $49.3 million. This gap position suggests that we are liability sensitive and if rates were to increase, our net interest margin would most likely decrease. Conversely, if rates were to decrease, our net interest margin would most likely increase. The ratio of interest-earning assets to interest-bearing liabilities maturing or repricing within one year at September 30, 2011, is 68.0%. This one year gap position indicates that interest expense is likely to be affected to a greater extent than interest income for any changes in interest rates within one year from September 30, 2011.

Borrowings includes two long term advances totaling $225.0 million with maturity dates of 2017 and 2018, which contain quarterly call options and are currently callable by the FHLB. While the FHLB may call the advances to be repaid for any reason, they are likely to be called if market interest rates, for borrowings of similar remaining term, are higher than the advances' stated rates on the call dates. If the advances are called by the FHLB, there is no prepayment penalty. Should our FHLB advances be called, we would evaluate the funding opportunities available at that time, including new secured borrowings from the FHLB at the then market rates. As borrowing rates are currently lower than our contract rates, we do not expect our secured FHLB borrowings to be called. We may repay the advances with a prepayment penalty at any time.

The gap table has inherent limitations and actual results may vary significantly from the results suggested by the gap table. The gap table is unable to incorporate certain balance sheet characteristics or factors. The gap table assumes a static balance sheet, and accordingly, looks at the repricing of existing assets and liabilities without consideration of new loans and deposits that reflect a more current interest rate environment. Unlike the net interest income simulation, however, the interest rate risk profile of certain deposit products and floating rate loans that have reached their floors cannot be captured effectively in a gap table. Although the table shows the amount of certain assets and liabilities scheduled to reprice in a given time frame, it does not reflect when or to what extent such repricings may actually occur. For example, interest-bearing demand, money market and savings deposits are shown to reprice in the first three months, but we may choose to reprice these deposits more slowly and incorporate only a portion of the movement in market rates based on market conditions at that time. Alternatively, a loan which has reached its floor may not reprice even though market interest rates change causing such loan to act like a fixed rate loan regardless of its scheduled repricing date. The gap table as presented cannot factor in the flexibility we believe we have in repricing either deposits or the floors on our loans.

We believe the estimated effect of a change in interest rates is better reflected in our net interest income and market value of equity simulations which incorporate many of the factors mentioned.

ITEM 3. Quantitative and Qualitative Disclosure about Market Risk

Please see the section above titled "Asset/Liability Management and Interest Rate Sensitivity" in "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" which provides an update to our quantitative and qualitative disclosure about market risk. This analysis should be read in conjunction with text under the caption "Quantitative and Qualitative Disclosure About Market Risk" in our Annual Report on Form 10-K for the year ended December 31, 2010, which text is incorporated herein by reference. Our analysis of market risk and market-sensitive financial information contains forward-looking statements and is subject to the disclosure at the beginning of Item 2 regarding such forward-looking information.

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ITEM 4. Controls and Procedures

As of the end of the period covered by this report, an evaluation was carried out by the Company's management, with the participation of the Chief Executive Officer and the Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this report, these disclosure controls and procedures were effective.

There have been no changes in the Company's internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II OTHER INFORMATION

ITEM 1. Legal Proceedings

In the ordinary course of our business, we are party to various legal actions, which we believe are incidental to the operation of our business. The outcome of such legal actions and the timing of ultimate resolution are inherently difficult to predict. Because of these factors, the Company cannot provide a meaningful estimate of the range of reasonably possible outcomes of claims in the aggregate or by individual claim. In the opinion of management, based upon information currently available to us, any resulting liability is not likely to have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

ITEM 1A. Risk Factors

Below we supplement and amend the risk factors disclosed in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2010.

Our information systems may experience an interruption or security breach.

We rely heavily on communications and information systems to conduct our business. Any failure, interruption or breach in security of these systems could result in failures or disruptions in our customer relationship management, general ledger, deposit, loan and other systems. While we have policies and procedures designed to prevent or limit the effect of the possible failure, interruption or security breach of our information systems, there can be no assurance that any such failure, interruption or security breach will not occur or, if they do occur, that they will be adequately addressed. The occurrence of any failure, interruption or security breach of our information systems could damage our reputation, result in a loss of customer business, subject us to additional regulatory scrutiny or expose us to civil litigation and possible financial liability.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

(c) Issuer Repurchases of Common Stock

The following table presents stock purchases made during the third quarter of 2011:

Purchase Dates:	Total Shares Purchased[a]	Average Price Per Share
July 1 - July 31, 2011		$
August 1 - August 31, 2011	7,585	16.39
September 1 - September 30, 2011		
Total	7,585	$ 16.39

(a) Shares repurchased in satisfaction of financial obligations incurred through the vesting of the Company's restricted stock.

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ITEM 6. Exhibits

Exhibit Number	Description
3.1	Certificate of Incorporation, as amended, of PacWest Bancorp, a Delaware corporation (Exhibit 3.1 to Form 8-K filed on May 14, 2008 and incorporated herein by this reference).
3.2	Certificate of Amendment, dated May 14, 2010, to Certificate of Incorporation of PacWest Bancorp (Exhibit 3.1 to Form 8-K filed on May 14, 2010 and incorporated herein by this reference).
3.3	Bylaws of PacWest Bancorp, a Delaware corporation, dated April 22, 2008 (Exhibit 3.2 to Form 8-K filed on May 14, 2008 and incorporated herein by this reference).
31.1	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer.
31.2	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer.
32.1	Section 1350 Certification of Chief Executive Officer.
32.2	Section 1350 Certification of Chief Financial Officer.
101	Interactive data files pursuant to Rule 405 of Regulation S-T: (i) the Condensed Consolidated Balance Sheets as of September 30, 2011 and December 31, 2010, (ii) the Condensed Consolidated Statements of Earnings (Loss) for the three months ended September 30, 2011, June 30, 2011, and September 30, 2010 and the nine months ended September 30, 2011 and 2010, (iii) the Condensed Consolidated Statements of Comprehensive Income (Loss) for the three months ended September 30, 2011, June 30, 2011, and September 30, 2010 and the nine months ended September 30, 2011 and 2010, (iv) Condensed Consolidated Statement of Changes in Stockholders' Equity for the nine months ended September 30, 2011, (v) the Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2011 and 2010, and (vi) the Notes to Condensed Consolidated Financial Statements. (Pursuant to Rule 406T of Regulation S-T, this information is deemed furnished and not filed for purposes of Sections 11 and 12 of the Securities Act of 1933 and Section 18 of the Securities Exchange Act of 1934.)

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SIGNATURES

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

PACWEST BANCORP

Date: November 8, 2011

/s/ VICTOR R. SANTORO

Victor R. Santoro
Executive Vice President and Chief Financial Officer