People's Utah Bancorp
Form S-1/A
May 15, 2015
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As filed with the Securities and Exchange Commission on May 15, 2015

Registration No. 333-203518

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 2

To

FORM S-1

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

PEOPLE S UTAH BANCORP

(Exact name of registrant as specified in its charter)

Utah	**6022**	**87-0622021**
State or other jurisdiction of incorporation or organization	**(Primary Standard Industrial Classification Code Number)**	**(IRS Employer Identification Number)**

1 East Main Street

American Fork, UT 84003

(801) 642-3998
(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

Richard T. Beard

President and Chief Executive Officer

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American Fork, UT 84003

(801) 642-3998

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box: ¨

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one)

Large accelerated filer	¨	Accelerated filer	¨
Non-accelerated filer	x (Do not check if a smaller reporting company)	Smaller reporting company	¨

Calculation of Registration Fee

Title of each class of securities to be registered	**Proposed maximum aggregate offering price (1)**	**Amount of registration fee (2)**
Common Shares, $0.01 par value	40,250,000	4,677.05

(1)

Estimated pursuant to Rule 457(o) under the Securities Act of 1933, as amended, solely for the purpose of computing the amount of the registration fee and includes shares that the underwriters have the option to purchase to cover over-allotments.

(2) Paid previously in connection with the initial filing of this Registration Statement.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to Section 8(a), may determine.

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The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and we are not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED MAY 15, 2015

PROSPECTUS

2,500,000 Common Shares

This prospectus relates to the initial public offering of common shares by People s Utah Bancorp, holding company for Bank of American Fork and Lewiston State Bank. We are offering up to 2,500,000 common shares, including the offering of up to 218,000 common shares by the selling shareholders identified in this prospectus. We will bear all of the selling shareholders offering expenses other than underwriting discounts and commissions but will not receive any proceeds from sales by the selling shareholders.

Prior to this offering there has been no public market for our common shares. We currently anticipate that the initial public offering price will be between $13.00 and $15.00 per share. We have applied to list our common shares on The NASDAQ Capital Market under the symbol PUB . We are an emerging growth company under the federal securities laws and will be subject to reduced public company reporting requirements.

Investing in our common shares involves risk. See Risk Factors beginning on page 12.

	Per Share	Total
Initial public offering price	$	$
Underwriting discounts and commissions	$	$
Proceeds to us before expenses	$	$
Proceeds to selling shareholders before discounts and commissions	$	$

We have granted the underwriters an option to purchase up to 375,000 additional common shares at the initial public offering price less the underwriting discount, within 30 days following the date of this prospectus to cover over-allotments, if any.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE SECURITIES OFFERED HEREBY ARE NOT SAVINGS OR DEPOSIT ACCOUNTS OR OTHER OBLIGATIONS OF ANY BANK SUBSIDIARY OF PEOPLE S UTAH BANCORP, AND THEY ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY.

The underwriters expect to deliver the common shares to purchasers on or about , 2015.

D.A. Davidson & Co.

Sandler O Neill + Partners, L.P. **FIG Partners, LLC**

The date of this prospectus is , 2015

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ABOUT THIS PROSPECTUS

In this prospectus, unless the context suggests otherwise, references to PUB refer to People s Utah Bancorp alone, and references to we, us, and our refer to People s Utah Bancorp together with our principal Utah state-chartered banking subsidiaries, Bank of American Fork, or BAF, and Lewiston State Bank, or LSB. We refer to each of BAF and LSB as a Bank and together as the Banks.

You should rely only on the information contained in this prospectus or in any related free writing prospectus filed with the Securities and Exchange Commission and used or referred to in this offering. The selling shareholders and the underwriters have not authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. The selling shareholders and the underwriters are offering to sell, and seeking offers to buy, common shares only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of our common shares. Our business, financial condition, results of operations and prospects may have changed since that date.

This prospectus describes the specific details regarding this offering and the terms and conditions of the common shares being offered hereby and the risks of investing in our common shares. You should read this prospectus, any free writing prospectus and the additional information about us described in the section entitled *Where You Can Find More Information* before making your investment decision.

Neither we, nor any of our officers, directors, agents or representatives or underwriters, make any representation to you about the legality of an investment in our common shares. You should not interpret the contents of this prospectus or any free writing prospectus to be legal, business, investment or tax advice. You should consult with your own advisors for that type of advice and consult with them about the legal, tax, business, financial and other issues that you should consider before investing in our common shares.

People s Utah Bancorp and its logos and the trademarks referred to in this prospectus including, CHECKSMART, BIG CITY BANKING SMALL TOWN SERVICE , BANK OF AMERICAN FORK, MISCELLANEOUS DESIGN® (Bank of American Fork triangle logo), EXPRESSDEPOSIT , MYRATE CHECKING®, SAVESMART DIRECT®, PEOPLE S UTAH BANCORP (STYLIZED/DESIGN) , PEOPLE S UTAH BANCORP , LSB (STYLIZED/DESIGN) , LEWISTON STATE BANK , LEWISTON STATE BANK (STYLIZED/DESIGN) , ESTABLISHED FOR YOUR FUTURE and MERCHANT CHECK RECAPTURE are trademarks of PUB. Solely for convenience, we refer to our trademarks in this prospectus without the or ® symbol, but such references are not intended to indicate that we will not assert, to the fullest extent under applicable law, our rights to our trademarks. Other service marks, trademarks and trade names referred to in this prospectus are the property of their respective owners.

INDUSTRY AND MARKET DATA

This prospectus includes industry and market data that we obtained from periodic industry publications, third party studies and surveys, filings of public companies in our industry and internal company surveys. These sources include government and industry sources. Industry publications and surveys generally state that the information contained therein has been obtained from sources believed to be reliable. Although we believe the industry and market data to be reliable as of the date of this prospectus, this information could prove to be inaccurate. Industry and market data could be wrong because of the method by which sources obtained their data and because information cannot always be verified with complete certainty due to the limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties. In addition, we do not know all of the assumptions regarding general economic conditions or growth that were used in preparing the forecasts from the sources relied upon or cited herein.

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IMPLICATIONS OF BEING AN EMERGING GROWTH COMPANY

As a company with less than $1 billion in revenues during our last fiscal year, we qualify as an emerging growth company under the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. As an emerging growth company, we may take advantage of reduced reporting requirements and are relieved of certain other significant requirements that are otherwise generally applicable to public companies. As an emerging growth company,

- we are permitted to present only two years of audited financial statements and only two years of related Management s Discussion and Analysis of Financial Condition and Results of Operations in this prospectus; however, we have elected to present three years of audited financial statements and related Management s Discussion and Analysis of Financial Condition and Results of Operations;

- we are exempt from the requirement to obtain an attestation and report from our auditors on the assessment of our internal control over financial reporting under the Sarbanes-Oxley Act of 2002, or SOX;

- we are permitted to provide less extensive disclosure about our executive compensation arrangements; and

- we are not required to present to our shareholders non-binding advisory votes on executive compensation or golden parachute arrangements.

We may take advantage of these provisions for up to five years unless we earlier cease to be an emerging growth company. We will cease to be an emerging growth company if we have more than $1 billion in annual gross revenues, have more than $700 million in market value of our common shares held by non-affiliates, or issue more than $1 billion of non-convertible debt in a three-year period. We have elected in this prospectus to take advantage of scaled disclosure relating only to executive compensation arrangements. We do not intend to take advantage of any other scaled disclosure or relief during the time that we qualify as an emerging growth company, although the JOBS Act would permit us to do so.

In addition to scaled disclosure and the other relief described above, the JOBS Act allows an extended transition period for complying with new or revised accounting standards affecting public companies. However, we have elected not to take advantage of this extended transition period, which means that the financial statements included in this prospectus, as well as financial statements that we file in the future, will be subject to all new or revised accounting standards generally applicable to public companies. Our election not to take advantage of the extended transition period is irrevocable.

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PROSPECTUS SUMMARY

This is only a summary and does not contain all the information that you should consider before investing in our common shares. You should read the entire prospectus, including Risk Factors and our consolidated financial statements and related notes appearing elsewhere in this prospectus, before deciding to invest in our common shares. Unless the context suggests otherwise, references in this prospectus to PUB refer to People s Utah Bancorp alone, and references to we, us, and our refer to People s Utah Bancorp together with our principal Utah state-chartered banking subsidiaries, Bank of American Fork, or BAF, and Lewiston State Bank, or LSB. We refer to each of BAF and LSB as a Bank and together as the Banks.

Overview

We are a bank holding company, formed in 1998 and headquartered in American Fork, Utah, which is located on the I-15 corridor between the cities of Salt Lake City and Provo. We have 18 banking branches operated through our two wholly-owned banking subsidiaries, BAF and LSB, which began offering banking services in 1913 and 1905, respectively. We provide full-service retail banking in many of the leading population centers in the state of Utah, including a wide range of banking and related services to locally-owned businesses, professional firms, real estate developers, residential home builders, high net-worth individuals, investors and other customers. Our primary customers are small- and medium-sized businesses that require highly personalized commercial banking products and services. We believe we have a strong reputation in our markets. As of September 30, 2014, the BauerFinancial rating for BAF was 5-Star Superior and for LSB was 4-Star Excellent. A substantial portion of our business is with customers who have long-standing relationships with us or who have been referred to us by existing customers. BAF has been recognized through numerous awards and recognitions including the 2014 Community Commitment Award by the American Bankers Association, the 2014 National Community Bank Service Award by the Independent Community Bankers of America and recognition in 2014 as the best community bank by Best of State Magazine.

We are the largest community bank holding company headquartered in the state of Utah based on asset size, deposits, loans and shareholders equity. Upon completion of the offering, we will be the only exchange listed, publicly traded community bank holding company in the five state area comprised of Utah, Idaho, Wyoming, Nevada and New Mexico.

We believe we serve highly attractive markets in terms of economic strength, population demographics, competitive dynamics and long-term opportunities for growth. We believe we have a history of building long-term customer relationships and attracting new customers through our service-oriented corporate culture. We focus on educating our customers regarding banking products and services and then work to target products and services to specific customer needs. In addition, we believe that our strong capital position and experienced management team provide the strength and foundation we need to continue to grow our business.

Market Opportunity

We currently operate through 18 full-service branches including 17 branches located in Utah and one branch located in Preston, Idaho, which is near Logan, Utah. Utah is one of the fastest growing states in the United States in terms of population, ranking 7th in 2014 percentage growth according to the U.S. Census Bureau. Over 75% of Utah s population is concentrated along Interstate 15 or the I-15 Corridor, specifically within Davis, Weber, Salt Lake and Utah Counties. The next largest population centers in the state are in Washington and Cache Counties. Together with the I-15 Corridor, these counties make up approximately 84.7% of Utah s population. Most of the major business and economic activity in Utah is located in the counties where we currently have branches. We believe our markets will continue to exhibit high growth rates compared to the rest of the United States. We believe we can further penetrate the population centers in our existing markets and grow in contiguous markets and surrounding states by adding branches and through strategic mergers or acquisitions.

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We have successfully executed our growth initiatives to-date through organic growth and a strategic merger through which we acquired LSB. In 2013, we merged with Lewiston Bancorp, the holding company of LSB and its four branches, which expanded our operations into Cache County, Utah, and into the State of Idaho. Lewiston Bancorp was merged into PUB and LSB became a wholly-owned subsidiary of PUB. While the Banks currently have separate charters, we anticipate consolidating the Banks charters while continuing to do business under separate names.

The following table shows demographic information for our market areas and highlights Utah s rapid growth compared to the U.S. as a whole[1].

Area	Percent of 2014 PUB Deposits	Market Share [1]	Market Ranking [1]	2014 Population [2]	% of Utah State 2014 Population	2020 Projected Population [3]	Projected Population Change 2014-2020	2014 Unemployment Rate [4]
Weber County, UT				240,475	8.2%	258,423	7.5%	3.9%
Davis County, UT	1.7%	0.8%	11	329,692	11.2%	356,968	8.3%	3.3%
Salt Lake County, UT	11.2%	0.4%	12	1,091,742	37.1%	1,180,859	8.2%	3.3%
Utah County, UT	65.7%	13.3%	3	560,974	19.1%	668,564	19.2%	3.3%
Total I-15 corridor [5]	78.6%	1.6%		2,222,883	75.5%	2,464,814	10.9%	3.3%
Cache County, UT [6]	21.2%	16.9%	3	118,343	4.0%	139,227	17.6%	3.1%
Washington County, UT	0.2%			151,948	5.2%	196,762	29.5%	3.9%
Total target markets [5]	100.0%	1.9%		2,493,174	84.7%	2,800,803	12.3%	3.3%
Utah		1.8%	6	2,942,902	100.0%	3,309,234	12.4%	3.5%
United States		[7]	429	318,857,056		339,540,606	6.5%	5.6%

(1) SNL: Briefing Book: June 30, 2014 Deposit Market Share Banks. Non-retail branches are not included.
(2) U.S. Census Bureau Vintage 2014 estimates.
(3) Utah Governor s Office of Economic Development.
(4) U.S. Bureau of Labor Statistics
(5) Market Share and 2014 Unemployment Rate totals are based on weighted averages
(6) Includes 3.30% of our deposits from one branch in Franklin County, Idaho
(7) U.S. market share for 2014 equals 0.01%

We believe our market area will continue to benefit from increased economic activity and high population growth, and will present opportunities to grow our customer base, resulting in a larger amount of deposits and a larger loan portfolio.

Our Competitive Strengths

Track Record of Successful Growth

We have an established track record of successful growth through organic deposit, asset and branch expansion and our strategic merger through which we acquired LSB. From 2004 to 2014, our total assets grew from $543 million to $1.4 billion, a compound annual growth rate, or CAGR, of 9.7%. During the same period, our total gross loans grew at a CAGR of 8.9%. Our total deposits grew at a CAGR of 10.5% from 2004 to 2014. Further, from 2004 to 2014, our net income increased from $8.9 million to $14.9 million, representing a CAGR of 5.2%. During this period we found ways to offer attractive loan pricing, while maintaining a net interest margin above 4.0%. From 2010 to 2014, our total assets grew from $842.9 million to $1.4 billion, a CAGR of 12.9%. During the same period, our total gross loans grew at a CAGR of 12.6%, our total deposits grew at a CAGR of 12.8% and our shareholders equity grew at a CAGR of 12.3%. From 2010 to 2014, our net income increased from $3.4 million to $14.9 million, representing a CAGR of 44.6%.

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Our net income for the quarter ended March 31, 2015 grew 23.8% to $4.80 million from $3.88 million for the quarter ended March 31, 2014. From March 31, 2014 to March 31, 2015, our total assets grew 6.3% to $1.41 billion from $1.33 billion, and our total deposits grew 5.9% to $1.23 billion from $1.17 billion.

We have expanded organically by increasing our market share in select markets and by entering new markets, such as by opening new branches and loan production offices in Davis and Washington Counties. In addition, in 2014, we grew our assets by 5.2% through organic growth while successfully integrating LSB. As discussed further below, even with this growth we have maintained a strong capital position and strong asset quality, with net charge-offs of only 0.11% for the year ended December 31, 2014. We believe this track record of successful growth positions us to continue to grow in the future, both organically and through acquisition of other banking and financial services companies.

Well Positioned in Growing and Attractive Markets

The State of Utah was the 7th fastest growing state in the United States with population increasing in 2014 by 1.4%, as compared to 0.8% for the United States as a whole. The state s population is expected to grow an additional 14.1% from 2013 to 2020. This growth generates job creation, commercial development and housing starts. Our operations are focused in the most populous areas of the state, with 84.7% of the state s population located in our target market areas.

Strong Reputation in our Markets

We believe that we have a strong reputation in our markets, evidenced through numerous awards and recognitions including from the American Bankers Association and the Independent Community Bankers of America and being recognized as the best community bank by Best of State Magazine in 2014. In addition, as of September 30, 2014, the BauerFinancial rating for BAF was 5-Star Superior and for LSB was 4-Star Excellent. We believe our reputation and demonstrated ability to grow successfully, both organically and through mergers or acquisitions, will give us a competitive advantage in these growing markets. We also believe that our reputation has been established through a track record of safe and responsible growth in our target markets. We have been established in our markets for over 100 years with BAF established in 1913 and LSB established in 1905.

Well Capitalized Position

As of March 31, 2015, we were well capitalized, with an 11.63% Tier 1 leverage ratio and a 16.32% total risk-based capital ratio, both well above the required ratios for community banks of 5% and 10%, respectively. Our capital ratios have been calculated under the new capital rules of the Board of Governors of the Federal Reserve, or the Federal Reserve, that became effective on January 1, 2015. We believe this capital position provides a strong foundation for us that will attract additional capital and facilitate our future growth. We also believe this capital position could help us respond to challenges in the event of an economic downturn.

Our Experienced Senior Management Team

Our senior management team has a long and successful history of managing financial institutions. Our senior management team has a demonstrated track record of managing profitable growth, successfully executing and integrating acquisitions, improving operating efficiencies, maintaining a strong risk-management culture and implementing a relationship-based and service-focused approach to banking. Our management team has been with us through periods of economic prosperity and recessionary periods, and we believe our management team understands how to manage and grow our business.

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Real Estate Expertise

We believe we have an expertise in real estate related loans, including loans for construction and land development projects and for the purchase, improvement or refinancing of residential and commercial real estate. Real estate activity in our market area has been robust over the last ten years except during the 2009-2010 recessionary period. However, even during the recessionary period of 2009 and 2010 we were able to maintain strong Tier 1 leverage ratios of 11.49% and 11.60%, respectively, total risk-based capital ratios of 14.57% and 16.17%, respectively, and we had a positive net income of $3.1 million and $3.4 million, respectively.

Disciplined Risk Management

Risk management is a core competency of our business and we believe that our risk management approach is robust. We are committed to maintaining internal controls to manage the risk associated with our growth and our concentration in real estate loans. Further, we have identified lending/credit risk and operational risk as the two areas that could have the greatest impact on our capital and have taken steps to mitigate these risks. In order to mitigate and actively manage these areas of risk, we have established procedures and committed experienced personnel to this effort.

Like many other companies, we were affected by the recent financial crisis that began in 2008, and our year-end total assets and annual net income dropped to lows of $810.9 million and $3.1 million, respectively, during 2009. Despite the financial crisis and its effects on our business, we were able to remain profitable while continuing to pay a dividend and maintaining our well capitalized status, in part due to prompt and aggressive management by our senior management team and Board of Directors. We believe our robust approach to risk management has enabled us to grow our loan portfolio without compromising credit quality.

Our Business Strategy

Our goal is to be a high performing financial institution that delivers strong returns to our shareholders as we continue to grow through exceptional employees, who we refer to as associates, through a focus on customer service, and through strong risk management. Key elements of our strategy include the following:

Continue to Grow Organically

We plan to expand organically by increasing our market share in our current markets and by entering new markets. In order to maintain our net interest margin at current levels, we are focused on continuing to fund our organic growth with local, core deposits. To accomplish this, we incentivize our associates to leverage relationships to produce both loan and deposit growth.

We continually monitor and track opportunities in contiguous, attractive growth or deposit-rich markets in Utah. We recently opened our 18th branch, which is our first in St. George, Utah. Since 2003, we have organically added four BAF branches and one LSB branch, two of which have been opened in the last two years, and we intend to add additional branches in key geographic areas over the next several years. Our focus is on finding exceptional associates to continue building our market share in our current markets, as well as to expand into prospective geographic locations that have shown positive long-term demographic and business trends.

We also believe that we can continue to capitalize on our expertise in real estate loans. As of March 31, 2015, 79.4% of our loan portfolio was comprised of real estate loans, including 15.9% construction and development, 56.0% commercial real estate, and 7.5% residential real estate. We believe we have an experienced team of associates with expertise in real estate lending, and we intend to continue to focus on maintaining strong relationships with commercial and residential builders. We believe that as we continue to develop this real estate expertise, we will become more attractive to these commercial and residential builders.

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Grow and diversify our loan portfolio

In addition to our expertise in real estate, we believe we can continue to take advantage of opportunities to diversify and grow other areas of our loan portfolio by expanding our commercial and industrial, or C&I, lending through our existing branch structure. As of March 31, 2015, 19.0% of our total loan portfolio was in C&I loans. We offer a full range of short to long-term C&I lending products and services and have established a portfolio threshold for this category that we continually monitor. To assist with this growth and diversification, we have recently added experienced commercial lenders to our team and plan to continue to add commercial lenders in our current and target markets.

We have also expanded our Small Business Administration, or SBA, lending program. BAF is a preferred lender with the SBA, and we are in the process of applying to have LSB become a preferred lender as well. A preferred lender can approve, package, fund and service SBA loans within a range of authority that is not available to all SBA lenders.

Finally, we have started expanding our leasing portfolio by purchasing leases that fit our policies and procedures. We have loan officers who are experienced in this area and expect our lease portfolio will continue to grow. We also intend to develop a private leasing product to be administered by one of our third party leasing partners, which we believe will help grow this aspect of our portfolio.

Continue to grow through Strategic Mergers or Acquisitions

We believe that we can also continue to grow successfully through strategic mergers or acquisitions, as we showed by adding four LSB branches and the associated $266.3 million in assets in 2013. The LSB merger was the first bank merger without FDIC assistance in Utah since 2007, and we believe that the banking and financial services industry will continue to consolidate in our target markets through whole-bank and branch mergers and acquisitions. We are familiar with the community banks and community bank owners in our markets and surrounding areas, and we believe many of these community banks are open to consolidating and have expense structures that would make them attractive candidates for consolidation. Accordingly, we believe there will be opportunities for strategic mergers or acquisitions over the next several years. In addition, we may pursue acquisitions and mergers of non-bank financial services companies. While our primary focus is to grow our business in Utah, we may take advantage of other opportunities in contiguous states. Although we regularly identify and explore specific acquisition opportunities as a part of our ongoing business practices, we have no present agreements or commitments to make any acquisition. Additionally, there can be no assurances that any aspect of our plans for future growth will occur or be successful.

Continue to Improve Operating Efficiencies

We believe that improving our operating efficiencies will continue to be important to our profitability and future growth. We intend to carefully manage our cost structure and refine and implement internal processes to create further efficiencies and enhance our earnings. Further, we believe our systems, risk management structure and operating model are scalable and will enable us to achieve additional operating efficiencies as we grow. We also believe that we will realize additional efficiencies as we continue to integrate LSB. The efficiency ratio is calculated by taking non-interest expense less merger related expenses and dividing that number by the sum of net interest income and non-interest income. Our efficiency ratio for the quarter ended March 31, 2015 and the year ended December 31, 2014 was 60.18% and 63.58%, respectively, and we believe that through the efforts described above we can lower this ratio over the next few years.

Hire Additional Motivated and Service-Oriented Personnel

We believe we will be able to continue to develop successful associates from the talented and motivated people living in our market areas and in prospective market areas. We continually seek to find such individuals with varied backgrounds from the communities they serve and we then train them to be successful in developing relationships,

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serving our customers, and effectively delivering financial services. We combine an internal training program with outside training to ensure that our associates are skilled in their respective areas of responsibility, and to enable us to responsibly maintain our growth. Moreover, our compensation structure allows for some associates to be paid in part on production, which provides incentive bonuses for superior performance and customer development. Our variable compensation totaled 21.0% of total salary and bonus compensation in 2014.

We have been recognized as one of the best places to work in the state of Utah multiple times over the past decade and we believe our culture enables us to find strong, relationship-oriented associates that combine a customer service mentality with financial services skills.

We emphasize to our associates the importance of providing superior customer service and we train our staff to be able to provide such superior customer service. Whether it is our business development associates who team with our loan officers to obtain new customers and sell additional banking products and services to existing customers, the credit analysts who underwrite our loans and manage our back-office lending functions, or our branch associates who are the primary points of contact for deposit customers and the initial contact persons for customers who come into our branches, all of our associates are encouraged and taught to provide superior customer service.

Maintain and Improve our Safety and Soundness through Strong Risk Management and Capital Levels

We believe that our future growth will require us to actively manage risk, and we are committed to maintaining internal controls to manage the risk associated with our growth and concentration in real estate loans. We continually seek to (i) identify and evaluate risks and trends in all functions of our business, including credit, operations and asset and liability management and (ii) adopt strategies to manage such risks based upon our evaluations. In particular, we actively manage interest rate and market risks by monitoring and reviewing the volume and maturity of our interest sensitive assets to our interest sensitive liabilities in order to mitigate the adverse effects of changes in interest rates.

We focus on originating and maintaining a high quality loan portfolio by employing focused credit analysts, applying disciplined underwriting standards, and benefiting from our directors   and officers   deep knowledge of the markets we serve. Our loan personnel are expected to monitor projects and we require inspections to approve construction loan draws. All BAF loans over $4 million must be approved by our BAF directors   loan committee, which includes our Chief Executive Officer and seven directors of BAF, and all LSB loans over $500,000 must be approved by our LSB directors   loan committee, which includes the Chief Executive Officer and any two other directors of LSB. Our loan approval process is highly collaborative, with these committees taking an active role in the structuring and pricing of loans. Loan personnel are incentivized to produce high-quality loans, and receive adjustments to their variable compensation packages based on the quality of their portfolio.

We have historically maintained strong capital levels and we plan to continue to maintain these strong capital levels in order to support our future growth and attract new customers. For each year during 2010 to 2014, our year-end Tier 1 leverage capital ratio remained above 11% and our total risk-based capital ratio was above 16%, both well above the required ratios for community banks of 5% and 10%, respectively. We believe that by maintaining these strong capital ratios, we will continue to have a solid foundation for our future growth, both organic and through acquisitions, and that potential customers will see us as a reliable bank with which they want to do business.

Our History

We were formed as a bank holding company in 1998, originally with one subsidiary bank, BAF. BAF is a Utah state-chartered bank that was established in 1913 in American Fork, Utah. We believe that we and BAF have established a track record of safe and responsible growth. BAF expanded to Alpine, Utah in 1974, and then opened five additional branches in Utah County from 1993 to 1998 and one branch in 2008, for a total of eight branches in Utah County. BAF expanded into Salt Lake County in 2001 through the acquisition of one branch,

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with three additional branches opened since that time, for a total of four in Salt Lake County. BAF expanded to Davis County in 2012 by opening a loan office that subsequently became a branch in Layton, Utah. BAF also expanded its operations to Washington County in 2013 by opening a loan production office in St. George, Utah, which was later converted into a branch in August 2014.

Our growth continued in 2013 when we acquired Lewiston Bancorp, the holding company of LSB. This strategic merger increased our scale and geographic footprint, and we have realized significant synergies from the merger. LSB was formed as a state-charted bank in 1905 and operated from a single location in Lewiston, Utah, until a second branch was opened in 1996 in North Logan, Utah. Lewiston Bancorp was formed in 1999. The following year, a branch was opened in Preston, Idaho, which required the organization of a separately charted bank in the State of Idaho. From 2000 through 2006, Lewiston Bancorp owned and operated two separate banks. The Idaho bank was merged into the Utah bank in January 2007. LSB further expanded and added a fourth location when the Logan branch was opened in 2012.

Corporate Information

Our headquarters is located at 1 East Main Street, American Fork, Utah 84003 and our telephone number is (801) 642-3998. We maintain a website at https://www.PeoplesUtah.com. Information on the website is not incorporated by reference and is not a part of this prospectus.

Risks to Consider

Before investing in our common shares, you should carefully consider all of the information in this prospectus, including matters set forth under the heading Risk Factors. These risks include, among others, the following:

- as a business operating in the financial services industry, our business and operations may be adversely affected in numerous and complex ways by weak national and local economic conditions;
- a substantial majority of our loans and operations are in Utah, Salt Lake, Davis, Cache and Washington counties, and therefore our business is particularly vulnerable to a downturn in the local real estate market;
- a large portion of our loan portfolio is tied to the real estate market and we may be negatively impacted by downturns in that market;
- we are a community bank and our ability to maintain our reputation is critical to the success of our business and the failure to do so may materially and adversely affect our performance;
- if we are not able to maintain our past level of growth, our future prospects and competitive position could be diminished and our profitability could be reduced;

if we are unable to manage our growth effectively, we may incur higher than anticipated costs and our ability to execute our growth strategy could be impaired;

we may grow through mergers or acquisitions, which strategy may not be successful or, if successful, may produce risks in successfully integrating and managing any merger or acquisition and such transaction may dilute our shareholders;

because PUB is a legal entity separate and distinct from the Banks and does not conduct stand-alone operations, our ability to pay dividends depends on the ability of the Banks to pay dividends to PUB; and

we are subject to extensive state and federal financial regulation, and compliance with changing requirements may restrict our activities or have an adverse effect on our results of operations.

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THE OFFERING

Common Shares offered by PUB	2,282,000
Common Shares offered by the selling shareholders	218,000
Common Shares to be outstanding immediately after the offering	17,070,921 (excluding any shares issued pursuant to the underwriters over-allotment option)
Use of proceeds	We estimate that our net proceeds from this offering after deducting underwriting commissions and discounts and estimated offering expenses payable by us will be approximately $28.7 million, assuming an initial public offering price of $14.00 per share (the midpoint of the range set forth on the cover page of this prospectus), or $33.6 million if the over-allotment option is exercised by the underwriters. We expect to use the net proceeds from this offering for expansion purposes, both organic and through acquisition, and for general corporate purposes. Our use of proceeds is more fully described under Use of Proceeds. We will bear all of the selling shareholders offering expenses other than underwriting discounts and commissions but will not receive any proceeds from sales by the selling shareholders.
Dividend policy	We have declared an annual cash dividend for over 50 years. In 2014, we declared a semi-annual dividend. We expect to declare quarterly cash dividends beginning in 2015 with the dividend being declared after the end of each quarter. A quarterly dividend of $0.06 per share for the first quarter was declared in April 2015.
NASDAQ Capital Market Listing	We have applied for listing on The NASDAQ Capital Market under the symbol PUB . No assurance can be made that our listing will be approved.
Directed Share Program	At our request, the underwriters have reserved up to 5% of the common shares offered by us for sale at the initial public offering price to persons who are officers, directors, nonexecutive employees, customers or who are otherwise associated with us, through a directed share program. Officers and directors who are selling shares in this offering are not eligible to participate in the directed share program. The number of shares available for sale to the general public will be reduced by the

	number of directed shares purchased by participants in the program.
Risk Factors	Investing in our common shares involves risks. See matters under the heading Risk Factors before investing in our common shares.

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The number of common shares outstanding after this offering is based on the number of shares outstanding on March 31, 2015 and excludes:

- 874,468 common shares issuable upon the exercise of outstanding stock options as of March 31, 2015 under our prior stock option plans with a weighted-average exercise price of approximately $5.77 per share;
- 191,487 common shares issuable upon the exercise of outstanding stock options as of March 31, 2015 under the People s Utah Bancorp 2014 Incentive Plan, or the 2014 Plan, with a weighted-average exercise price of approximately $11.93 per share;
- 39,720 common shares subject to restricted stock units, or RSUs, outstanding as of March 31, 2015 under our 2014 Plan; and
- 562,926 common shares reserved for future grant or issuance under our 2014 Plan.

Unless we indicate otherwise, all information in this prospectus assumes:

- no exercise of any outstanding stock options; and
- assumes no exercise of the underwriters over-allotment option to purchase any of the additional 375,000 common shares subject to that option.

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SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA

You should read the summary consolidated financial data set forth below in conjunction with our historical consolidated financial statements and related notes and Management s Discussion and Analysis of Financial Condition and Results of Operations, included elsewhere in this prospectus. The summary consolidated data as of and for the five years ended December 31, 2014 have been derived from our audited consolidated financial statements. The summary consolidated financial data as of and for the three months ended March 31, 2015 and 2014 have been derived from our unaudited consolidated financial statements.

	As of March 31,	As of December 31,				
(Dollars in thousands)	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**
Selected Balance Sheet Information:						
Cash and cash equivalents	$ 80,078	$ 47,702	$ 94,406	$ 98,861	$ 28,910	$ 37,275
Investment securities	320,350	330,839	320,388	264,413	233,382	183,848
Total loans, net	957,435	937,578	829,882	592,924	583,384	572,529
Total assets	1,409,097	1,367,125	1,299,190	991,423	889,894	842,850
Total deposits	1,233,462	1,199,233	1,144,314	869,227	779,859	739,680
Shareholders equity	163,502	157,659	143,672	115,710	105,871	98,986
Average balances:						
Average earning assets	$ 1,329,324	$ 1,250,156	$ 981,661	$ 847,362	$ 813,940	$ 774,172
Average assets	1,391,076	1,331,291	1,039,561	914,603	860,444	826,868
Average shareholders equity	161,091	152,788	126,453	112,089	105,871	121,964

	Three Months Ended March 31,		Years Ended December 31,				
(Dollars in thousands)	**2015**	**2014**	**2014**	**2013**	**2012**	**2011**	**2010**
Summary Income Statement Information:							
Interest income	$ 15,259	$ 13,953	$ 58,203	$ 45,657	$ 42,010	$ 41,860	$ 42,452
Interest expense	760	832	3,260	3,337	3,629	4,861	6,642
Net interest income	14,499	13,121	54,943	42,320	38,381	36,999	35,810
Provision for loan losses	150	150	1,700	1,500	4,700	6,200	11,300
Net interest income after provision for loan losses	14,349	12,971	53,243	40,820	33,681	30,799	24,510
Non-interest income	4,144	3,817	15,241	14,271	11,613	9,558	8,358
Non-interest expense	11,219	10,766	45,333	36,875	31,409	30,688	27,859
Income before income tax expense	7,274	6,022	23,151	18,216	13,885	9,669	5,009
Income tax expense	2,476	2,145	8,246	6,338	4,643	3,099	1,603

Net income	$ 4,798	$ 3,877	$ 14,905	$ 11,878	$ 9,242	$ 6,570	$ 3,406
Basic earnings per share (1)	$ 0.32	$ 0.27	$ 1.02	$ 0.92	$ 0.76	$ 0.54	$ 0.28
Diluted earnings per share (1)	0.31	0.26	0.98	0.89	0.74	0.54	0.28
Book value per share (1)	11.07	10.14	10.68	9.83	9.29	8.60	8.10
Tangible book value per share (1) (2)	11.01	10.09	10.63	9.75	9.29	8.60	8.10
Cash dividends declared per common share (1)			0.22	0.13	0.11	0.05	0.02
Dividend ratio	%	%	21.57%	14.13%	14.47%	9.26%	7.14%
Selected Financial Ratios:							
Net interest margin (3)	4.42%	4.38%	4.39%	4.31%	4.53%	4.55%	4.63%
Efficiency ratio (4)	60.18%	63.56%	63.58%	63.61%	62.83%	65.91%	63.08%
Non-interest income to average assets	1.21%	1.19%	1.14%	1.37%	1.27%	1.11%	1.01%
Non-interest expense to average assets	3.27%	3.37%	3.41%	3.55%	3.43%	3.57%	3.37%
Return on average assets	1.40%	1.21%	1.12%	1.14%	1.01%	0.76%	0.41%
Return on average equity	12.08%	10.68%	9.76%	9.39%	8.25%	6.21%	2.79%
Non-performing assets to total assets	0.56%	1.07%	0.70%	1.61%	2.46%	4.81%	7.02%
Allowance for loan losses to non-performing loans	242.19%	126.45%	192.66%	85.59%	61.02%	46.65%	41.62%
Allowance for loan losses to gross loans	1.57%	1.74%	1.58%	1.70%	2.25%	2.58%	3.26%
Loans to deposits	77.62%	69.99%	78.18%	72.52%	68.21%	74.81%	77.40%
Net charge-offs to average loans	%	0.03%	0.11%	0.13%	1.10%	1.72%	2.27%
Capital Ratios:							
Tier 1 leverage capital	11.63%	11.38%	11.32%	11.06%	11.85%	11.71%	11.60%
Total risk-based capital	16.32%	16.71%	16.01%	16.27%	18.52%	17.35%	16.17%
Average equity to average assets	11.58%	11.36%	11.48%	12.16%	12.26%	12.30%	14.75%
Tangible common equity to tangible assets (5)	11.56%	11.11%	11.48%	10.98%	11.67%	11.90%	11.74%

(1) All per share data has been retroactively restated to give effect to a 44 to 1 share split which occurred in 2013.

(2) Represents the sum of total shareholders equity less intangible assets all divided by common shares outstanding. Intangible assets were $752,000, $776,000 and $1.2 million at March 31, 2015, December 31, 2014 and 2013, respectively, and there were no intangible assets at December 31, 2012, 2011 and 2010.

(3) Net interest margin is defined as net interest income divided by average earning assets.

(4) Represents the sum of non-interest expense less merger costs all divided by the sum of net interest income and non-interest income. Merger costs were $711,000 and $879,000 for 2014 and 2013, respectively. There were no merger costs in the quarters ended March 31, 2015 and 2014.

(5) Represents the sum of total shareholders equity less intangible assets all divided by the sum of total assets less intangible assets.

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RISK FACTORS

An investment in our common shares involves a high degree of risk. Before investing in our common shares, you should carefully consider the risks described below, as well as the other information contained in this prospectus, including our consolidated financial statements and the notes thereto and Management s Discussion and Analysis of Financial Condition and Results of Operations. Any of the risks described below could significantly and adversely affect our business, prospects, financial condition and results of operations. If one or more of these risks and uncertainties is realized, the trading price of our common shares could decline, and you could lose all or part of your investment.

Risks Relating to Our Business and Market

As a business operating in the financial services industry, our business and operations may be adversely affected in numerous and complex ways by weak economic conditions.

Our businesses and operations, which primarily consist of lending money to customers in the form of loans, borrowing money from customers in the form of deposits and investing in securities, are sensitive to general business and economic conditions in the United States. If the U.S. economy weakens, our growth and profitability from our lending, deposit and investment operations could be constrained. Uncertainty about the federal fiscal policymaking process, the medium and long-term fiscal outlook of the federal government, and future tax rates is a concern for businesses, consumers and investors in the United States. In addition, economic conditions in foreign countries, including uncertainty over the stability of the euro currency, could affect the stability of global financial markets, which could hinder U.S. economic growth. Weak economic conditions are characterized by deflation, fluctuations in debt and equity capital markets, a lack of liquidity and/or depressed prices in the secondary market for mortgage loans, increased delinquencies on mortgage, consumer and commercial loans, residential and commercial real estate price declines and lower home sales and commercial activity. The current economic environment is also characterized by interest rates at historically low levels, which impacts our ability to attract deposits and to generate attractive earnings through our investment portfolio. All of these factors are detrimental to our business, and the interplay between these factors can be complex and unpredictable. Our business is also significantly affected by monetary and related policies of the U.S. federal government and its agencies. Changes in any of these policies are influenced by macroeconomic conditions and other factors that are beyond our control. Adverse economic conditions and government policy responses to such conditions could have a material adverse effect on our business, financial condition and results of operations.

We were affected negatively by the weak economic conditions present during the recent financial crisis that began in 2008, and our total assets and annual net income dropped to lows of $810.9 million and $3.1 million, respectively in 2009, due to these economic conditions. A future crisis or similar weak economic conditions could affect us similarly, which would negatively impact our business, financial condition and results of operations.

A substantial majority of our loans and operations are in Utah, Salt Lake, Davis, Cache and Washington counties, and therefore our business is particularly vulnerable to a downturn in the local economies of those counties.

Unlike larger financial institutions that are more geographically diversified, our business is concentrated primarily in the state of Utah. As of March 31, 2015, approximately 79.4% of our loans were secured by real estate, the substantial majority of which are located in Utah, Salt Lake, Davis, Cache and Washington counties. If the local economy and particularly the real estate market declines, the rates of delinquencies, defaults, foreclosures, bankruptcies and losses in our loan portfolio would likely increase. This risk increases for our variable rate loans which represent 53.6% of our loans. As a result of this lack of diversification in our loan portfolio, a downturn in the local economy generally and real estate market specifically could significantly reduce our profitability and growth and adversely affect our financial condition.

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A large portion of our loan portfolio is tied to the real estate market and we may be negatively impacted by downturns in that market.

Approximately 79.4% of our loans as of March 31, 2015 were real estate related, including loans for construction and land development projects and for the purchase, improvement or refinancing of residential and commercial real estate. A downturn in the real estate market could increase loan delinquencies, defaults and foreclosures, and significantly impair the value of our collateral and our ability to sell the collateral upon foreclosure. The real estate collateral in each case provides an alternate source of repayment in the event of default by the borrower and may deteriorate in value during the time the credit is extended. If real estate values decline, it is also more likely that we would be required to increase our allowance for loan losses. If during a period of reduced real estate values we are required to liquidate the property collateralizing a loan to satisfy the debt or to increase our allowance for loan losses, it could materially reduce our profitability and adversely affect our financial condition.

Further, as of March 31, 2015, 15.9% of our loan portfolio consisted of real estate construction, and acquisition and land development loans, which generally have a higher degree of risk than long-term financing of existing properties because repayment depends on the completion of the project and usually on the sale of the property. In addition, these loans are often interest-only loans, which normally require only the payment of interest accrued prior to maturity. Interest-only loans carry greater risk than principal and interest loans because no principal is paid prior to maturity. This risk is particularly apparent during periods of rising interest rates and declining real estate values. If there is a significant decline in the real estate market due to a material increase in interest rates or for other reasons, many of these loans could default and result in foreclosure. Moreover, most of these loans are for projects located in our primary market area. If we are forced to foreclose on a project prior to completion, we may not be able to recover the entire unpaid portion of the loan or we may be required to fund additional money to complete the project or hold the property for an indeterminate period of time. Any of these outcomes may result in losses and reduce our earnings.

The FDIC has given guidance recommending that if the sum of (i) certain categories of commercial real estate, or CRE, loans and (ii) acquisition, development and construction, or ADC, loans exceeds 300% of total risk-based capital, or if ADC loans exceed 100% of total risk-based capital, heightened risk management practices should be employed to mitigate risk. As of March 31, 2015, our ratio for the sum of CRE and ADC loans was 221.9% and our ratio for ADC loans was 93.0%. Our concentration in ADC loans is cyclical and tends to increase in the second and third quarters of each year as demand for ADC loans increases. An increase in ADC loan concentration could cause our ratio for ADC loans to increase and even exceed the FDIC s guideline. We have exceeded these guidance ratios at times in the past and may do so in the future. If we exceed the FDIC s guidelines and do not manage the risk of our CRE and ADC loans, we may be subject to regulatory scrutiny including a requirement to raise additional capital, reduce our loan concentrations or undertake other remedial actions.

We are a community bank and our ability to maintain our reputation is critical to the success of our business and the failure to do so may materially and adversely affect our performance.

We operate community banks, and our reputation is one of the most valuable components of our business. As such, we strive to conduct our business in a manner that enhances our reputation. This is done, in part, by recruiting, hiring and retaining associates who share our core values of being an integral part of the communities we serve, delivering superior service to our customers and caring about our customers and associates. If our reputation is negatively affected, by the actions of our associates or otherwise, our business and, therefore, our operating results may be materially and adversely affected.

We could suffer material credit losses if we do not appropriately manage our credit risk.

There are risks inherent in making any loan, including risks inherent in dealing with individual borrowers, risks of non-payment, risks resulting from uncertainties as to the future value of collateral and risks resulting

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from changes in economic and industry conditions. Changes in the economy can cause the assumptions that we made at origination to change and can cause borrowers to be unable to make payments on their loans, and significant changes in collateral values can cause us to be unable to collect the full value of loans we make. There is no assurance that our credit risk monitoring and loan approval procedures are or will be adequate or will reduce the inherent risks associated with lending. Our credit administration personnel, and policies and procedures may not adequately adapt to changes in economic or any other conditions affecting customers and the quality of our loan portfolio. Any failure to manage such credit risks may materially adversely affect our business, financial condition and results of operations.

The small- and medium-sized businesses that we lend to may have fewer resources to weather adverse business developments, which may impair their ability to repay a loan, and such impairment could adversely affect our results of operations and financial condition.

We focus our business development and marketing strategy primarily on small to medium-sized businesses. Small to medium-sized businesses frequently have smaller market shares than their competition, may be more vulnerable to economic downturns, often need substantial additional capital to expand or compete and may experience substantial volatility in operating results, any of which may impair a borrower s ability to repay a loan. In addition, the success of a small- and medium-sized business often depends on the management skills, talents and efforts of one or two people or a small group of people, and the death, disability or resignation of one or more of these people could have a material adverse impact on the business and its ability to repay its loan. If general economic conditions negatively impact Utah and small- to medium-sized businesses are adversely affected or our borrowers are otherwise affected by adverse business conditions, our business, financial condition and results of operations could be adversely affected.

If we are not able to maintain our past levels of growth, our future prospects and competitive position could be diminished and our profitability could be reduced.

We may not be able to sustain our growth at the rate we have enjoyed during the past several years. Our growth over the past several years has been driven primarily by a strong residential housing and commercial real estate market in our market areas and our ability to identify attractive expansion opportunities. A downturn in local economic market conditions, particularly in the real estate market, a failure to attract and retain high performing associates, heightened competition from other financial services providers, and an inability to attract additional core deposits and lending customers, among other factors, could limit our ability to grow as rapidly as we have in the past and as such have a negative effect on our business, financial condition and results of operations.

If we are unable to manage our growth effectively, we may incur higher-than-anticipated costs and our ability to execute our growth strategy could be impaired.

We expect to continue to grow our assets and deposits by increasing our product and service offerings and expanding our operations through new branches and possibly acquisitions. Our ability to manage growth successfully will depend on our ability to:

- identify suitable markets for expansion;

- attract and retain qualified management;

attract funding to support additional growth;

maintain asset quality and cost controls;

maintain adequate regulatory capital and profitability to support our lending activities; and

find attractive acquisition candidates and successfully acquire and integrate the acquisitions in an efficient manner.

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If we do not manage our growth effectively, we may be unable to realize the benefit from the investments in technology, infrastructure, and personnel that we have made to support our expansion. In addition, we may incur higher costs and realize less revenue growth than we expect, which would reduce our earnings and diminish our future prospects, and we may not be able to continue to implement our business strategy and successfully conduct our operations. Risks associated with failing to maintain effective financial and operational controls as we grow, such as maintaining appropriate loan underwriting procedures, determining adequate allowances for loan losses and complying with regulatory accounting requirements, including increased loan losses, reduced earnings and potential regulatory penalties and restrictions on growth, all could have a negative effect on our business, financial condition and results of operations.

We may grow through mergers or acquisitions, which strategy may not be successful or, if successful, may produce risks in successfully integrating and managing the merged companies or acquisition and may dilute our shareholders.

As part of our growth strategy, we may pursue mergers and acquisitions of banks and nonbank financial services companies within and outside of our principal market area. Although we regularly identify and explore specific acquisition opportunities as part of our ongoing business practices, we have no present agreements or commitments to merge with or acquire any financial institution or any other company, and may not find suitable merger or acquisition opportunities. Mergers and acquisitions involve numerous risks, any of which could harm our business, including:

- difficulties in integrating the operations, technologies, existing contracts, accounting processes and personnel of the target and realizing the anticipated synergies of the combined businesses;
- difficulties in supporting and transitioning customers of the target company;
- diversion of financial and management resources from existing operations;
- the price we pay or other resources that we devote may exceed the value we realize, or the value we could have realized if we had allocated the purchase price or other resources to another opportunity;
- entering new markets or areas in which we have limited or no experience;
- potential loss of key associates and customers from either our business or the target s business;
- assumption of unanticipated problems or latent liabilities of the target; and
- inability to generate sufficient revenue to offset acquisition costs.

Mergers and acquisitions also frequently result in the recording of goodwill and other intangible assets, which are subject to potential impairments in the future and that could harm our financial results. In addition, if we finance acquisitions by issuing convertible debt or equity securities, our existing shareholders may be diluted, which could affect the market price of our common shares. As a result, if we fail to properly evaluate mergers, acquisitions or investments, we may not achieve the anticipated benefits of any such merger or acquisition, and we may incur costs in excess of what we anticipate. The failure to successfully evaluate and execute mergers, acquisitions or investments or otherwise adequately address these risks could materially harm our business, financial condition and results of operations.

Our allowance for loan losses may not be adequate to cover actual losses.

A significant source of risk arises from the possibility that we could sustain losses due to loan defaults and non-performance on loans. We maintain an allowance for loan losses in accordance with accounting principles generally accepted in the United States to provide for such defaults and other non-performance. As of March 31, 2015, our allowance for loan losses as a percentage of gross loans was 1.57%. The determination of the appropriate level of loan loss allowance is an inherently difficult process and is based on numerous assumptions. The amount of future losses is susceptible to changes in economic, operating and other conditions, including changes in interest rates, which may be beyond our control. In addition, our underwriting policies, adherence to credit monitoring processes, and risk management systems and controls may not prevent unexpected losses. Our allowance for loan losses may not be adequate to cover actual loan losses. Moreover, any increase in our allowance for loan losses will adversely affect our earnings.

We may have difficulty attracting additional necessary personnel, which may divert resources and limit our ability to successfully expand our operations.

Our business plan includes, and is dependent upon, our hiring and retaining highly qualified and motivated associates at every level. In addition, we anticipate that the reporting and related obligations to which we will become subject as a public reporting company may require us to hire additional accounting and finance staff. We expect to experience substantial competition in identifying, hiring and retaining top-quality associates. If we are unable to hire and retain qualified associates we may be unable to successfully execute our business strategy and manage our growth.

The unexpected loss of key officers would materially and adversely affect our ability to execute our business strategy, and diminish our future prospects.

Our success to date and our prospects for success in the future are substantially dependent on our senior management team. The loss of key members of our senior management team could materially and adversely affect our ability to successfully implement our business plan and, as a result, our future prospects. The loss of senior management without qualified successors who can execute our strategy would also have an adverse impact on us.

As a result of this offering, we will become a public reporting company subject to financial reporting and other requirements for which our accounting, internal audit and other management systems and resources may not be adequately prepared.

As a result of this offering, we will become subject to reporting and other obligations under the Securities Exchange Act of 1934, as amended, or the Exchange Act, including the requirements of Section 404 of SOX. Section 404 requires annual management assessment of the effectiveness of our internal controls over financial reporting and a report by our independent auditors addressing these assessments. These reporting and other obligations will place significant demands on our management, administrative, operational, internal audit and accounting resources. We anticipate that we may need to upgrade our reporting systems and procedures, implement additional financial and management controls and may need to hire additional accounting and finance staff. If we are unable to accomplish these objectives in a timely and effective fashion, our ability to comply with our financial reporting requirements and other rules that apply to reporting companies could be impaired. Any failure to maintain effective internal controls could have a material adverse effect on our business, financial condition and results of operations. In addition, expenses related to services rendered by our accountants, legal counsel and consultants will increase in order to ensure compliance with these laws and regulations, which could also negatively impact our business, financial condition and results of operations.

Our profitability depends on interest rates generally, and we may be adversely affected by changes in market interest rates.

Our profitability depends in substantial part on our net interest income. Our net interest income depends on many factors that are partly or completely outside of our control, including competition, federal economic, monetary and fiscal policies, and economic conditions generally. Our net interest income will be adversely affected if market interest rates change so that the interest we pay on deposits and borrowings increases faster than the interest we earn on loans and investments. In addition, an increase in interest rates could adversely affect borrowers ability to pay the principal or interest on existing loans or reduce their desire to borrow more money. This may lead to an increase in our non-performing assets, a decrease in loan originations, or a reduction in the value of and income from our loans, any of which could have a material and negative effect on our results of operations. Fluctuations in market rates and other market disruptions are neither predictable nor controllable and may adversely affect our financial condition and earnings.

The ratio of variable to fixed-rate loans in our loan portfolio, the ratio of short-term (maturing at a given time within 12 months) to long-term loans, and the ratio of our demand, money market and savings deposits to CDs (and their time periods), are the primary factors affecting the sensitivity of our net interest income to changes in market interest rates. As of March 31, 2015, 53.6% of our $959.6 million gross loans held for investment portfolio were variable rate loans and 46.4% were fixed rate loans. Our short-term loans are typically priced at prime plus a margin, and our long-term loans are typically priced based on a Federal Home Loan Bank, or FHLB, index for comparable maturities, plus a margin. In addition, approximately 24.8% of our fixed-rate loans receivable were short-term and approximately 75.2% were long-term, and 81.9% of our funding sources were demand, money market and savings accounts, 18.0% were CDs and 0.1% were short-term borrowings. The composition of our rate-sensitive assets or liabilities is subject to change and could result in a more unbalanced position that would cause market rate changes to have a greater impact on our earnings.

In periods of rising interest rates, consumer demand for new residential mortgages and re-financings decreases, which in turn, adversely impacts our mortgage business.

Our funding sources may prove insufficient to provide liquidity, replace deposits and support our future growth.

We rely on customer deposits, advances from the FHLB, the Federal Reserve System and lines of credit at other financial institutions to fund our operations. Although we have historically been able to replace maturing deposits and advances if desired, we may not be able to replace such funds in the future if our financial condition, the financial condition of the FHLB or market conditions were to change. Our financial flexibility will be severely constrained if we are unable to maintain our access to funding or if adequate financing is not available to accommodate future growth at acceptable interest rates. Finally, if we are required to rely more heavily on more expensive funding sources to support future growth, our revenues may not increase proportionately to cover our costs. In this case, our profitability would be adversely affected.

FHLB borrowings and other current sources of liquidity may not be available or, if available, sufficient to provide adequate funding for operations. Furthermore, our own actions could result in a loss of adequate funding. For example, our availability at the FHLB could be reduced if we are deemed to have poor documentation or processes. Accordingly, we may seek additional higher-cost debt in the future to achieve our long-term business objectives. Additional borrowings, if sought, may not be available to us or, if available, may not be available on favorable terms. If additional financing sources are unavailable or are not available on reasonable terms, our growth and future prospects could be adversely affected.

We may be adversely affected by the lack of soundness of other financial institutions or market utilities.

Our ability to engage in routine funding and other transactions could be adversely affected by the actions and commercial soundness of other financial institutions. Financial institutions are interrelated as a result of trading, clearing, counterparty or other relationships. Defaults by, or even rumors or questions about, one or more financial institutions or market utilities, or the financial services industry generally, may lead to market-wide liquidity problems and losses of depositor, creditor and counterparty confidence and could lead to losses or defaults by us or by other institutions.

Impairment of investment securities could require charges to earnings, which would negatively impact our results of operations.

We maintain a significant amount of our assets in investment securities, and must periodically test our investment securities for impairment in value. In assessing whether the impairment of investment securities is

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other-than-temporary, we consider the length of time and extent to which the fair value has been less than cost, the financial condition and near-term prospects of the issuer, and the intent and ability to retain its investment in the security for a period of time sufficient to allow for any anticipated recovery in fair value in the near term. If we conclude that impairment of investment securities is required, we could be required to incur charges to earnings, which would result in a negative impact on our results of operations. The impact of these impairment matters could have a material adverse effect on our business, results of operations, and financial condition.

We face strong competition from banks, credit unions and other financial services providers that offer banking services, which may limit our ability to attract and retain banking customers.

Competition in the banking industry generally, and in our geographic market specifically, is intense. Competitors include banks, as well as other financial services providers, such as savings and loan institutions, consumer finance companies, brokerage firms, insurance companies, credit unions, mortgage banks and other financial intermediaries. In particular, our competitors include several larger national and regional financial institutions whose greater resources may afford them a marketplace advantage by enabling them to maintain numerous banking locations and ATMs, offer a wider array of banking services and conduct extensive promotional and advertising campaigns. Additionally, banks and other financial institutions with larger capitalization and financial intermediaries not subject to bank regulatory restrictions have larger lending limits and are thereby able to serve the credit needs of a broader customer base than us. Larger competitors may also be able to offer better lending and deposit rates to customers, and could increase their competition as we become a public company and our growth becomes more visible. Moreover, larger competitors may not be as vulnerable as us to downturns in the local economy and real estate market since they have a broader geographic area and their loan portfolio is more diversified. While our deposit base has increased, several larger banks have grown their deposit market share in our markets faster than we have resulting in a declining relative deposit market share for us in our existing markets. We believe our declining relative market share in deposits has resulted primarily from aggressive marketing and advertising, branch expansion, expanded delivery channels and more attractive rates offered by larger bank competitors. We also compete against community banks, credit unions and non-bank financial services companies that have strong local ties. These smaller institutions are likely to cater to the same small- and medium-sized businesses that we target. If we are unable to attract and retain banking customers, we may be unable to continue to grow our loan and deposit portfolios and our results of operations and financial condition may otherwise be adversely affected. Ultimately, we may be unable to compete successfully against current and future competitors.

Cyber-attacks or other security breaches could have a material adverse effect on our business.

In the normal course of business, we collect, process and retain sensitive and confidential information regarding our customers. We also have arrangements in place with other third parties through which we share and receive information about their customers who are or may become our customers. Although we devote significant resources and management focus to ensuring the integrity of our systems through information security and business continuity programs, our facilities and systems, and those of third party service providers, are vulnerable to external or internal security breaches, acts of vandalism, computer viruses, misplaced or lost data, programming or human errors or other similar events.

Information security risks for financial institutions like us have increased recently in part because of new technologies, the use of the Internet and telecommunications technologies (including mobile devices) to conduct financial and other business transactions and the increased sophistication and activities of organized crime, perpetrators of fraud, hackers, terrorists and others. In addition to cyber-attacks or other security breaches involving the theft of sensitive and confidential information, hackers recently have engaged in attacks against large financial institutions, particularly denial of service attacks, that are designed to disrupt key business services, such as customer-facing websites. We are not able to anticipate or implement effective preventive measures against all security breaches of these types, especially because the techniques used change frequently and because attacks can originate from a wide variety of sources. We employ detection and response mechanisms designed to contain and mitigate security incidents, but early detection may be thwarted by sophisticated attacks and malware designed to avoid detection.

We also face risks related to cyber-attacks and other security breaches in connection with credit and debit card transactions that typically involve the transmission of sensitive information regarding our customers through various third parties, including merchant acquiring banks, payment processors, payment card networks and our processors. Some of these parties have in the past been the target of security breaches and cyber-attacks, and because the transactions involve third parties and environments such as the point of sale that we do not control or secure, future security breaches or cyber-attacks affecting any of these third parties could impact us through no fault of our own, and in some cases we may have exposure and suffer losses for breaches or attacks relating to them. We also rely on numerous other third party service providers to conduct other aspects of our business operations and face similar risks relating to them. While we regularly conduct security assessments on these third parties, we cannot be sure that their information security protocols are sufficient to withstand a cyber-attack or other security breach.

The access by unauthorized persons to, or the improper disclosure by us of, confidential information regarding our customers or our own proprietary information, software, methodologies and business secrets could result in significant legal and financial exposure, supervisory liability, damage to our reputation or a loss of confidence in the security of our systems, products and services, which could have a material adverse effect on our business, financial condition or results of operations. In addition, recently there have been a number of well-publicized attacks or breaches affecting others in our industry that have heightened concern by consumers generally about the security of using credit and debit cards, which have caused some consumers, including our customers, to use our credit and debit cards less in favor of alternative methods of payment and has led to increased regulatory focus on, and potentially new regulations relating to, these matters. Further cyber-attacks or other breaches in the future, whether affecting us or others, could intensify consumer concern and regulatory focus and result in reduced use of our cards and increased costs, all of which could have a material adverse effect on our business. To the extent we are involved in any future cyber-attacks or other breaches, our brand and reputation could be affected, and this could also have a material adverse effect on our business, financial condition or results of operations.

If we experience a cyber-attack, our insurance coverage may not cover all of our losses, and furthermore, we may experience a loss of reputation.

Our risk management framework may not be effective in mitigating risks and losses to us.

Our risk management framework is comprised of various processes, systems and strategies, and is designed to manage the types of risk to which we are subject, including, among others, credit, market, liquidity, interest rate and compliance. Our framework also includes financial or other modeling methodologies that involve management assumptions and judgment. Our risk management framework may not be effective under all circumstances and may not adequately mitigate any risk of loss to us. If our framework is not effective, we could suffer unexpected losses and our business, financial condition, results of operations or prospects could be materially and adversely affected. We may also be subject to potentially adverse regulatory consequences.

We are subject to certain operating risks, related to customer or employee fraud which could harm our reputation and business.

Employee error and employee and customer misconduct could subject us to financial losses or regulatory sanctions and seriously harm our reputation. Misconduct by our employees could include hiding unauthorized activities from us, improper or unauthorized activities on behalf of our customers or improper use of confidential information. It is not always possible to prevent employee error and misconduct, and the precautions we take to prevent and detect this activity may not be effective in all cases. Employee error could also subject us to financial claims for negligence.

If our internal controls fail to prevent or detect an occurrence, or if any resulting loss is not insured, exceeds applicable insurance limits or if insurance coverage is denied or not available, it could have a material adverse effect on our business, financial condition and results of operations.

If we need additional capital in the future to continue our growth, we may not be able to obtain it on terms that are favorable.

Our business strategy calls for continued growth. We anticipate that we will be able to support this growth through the net proceeds from this offering, as well as by adding deposits at existing and new branch locations. However, we may need to raise additional capital in the future to support our continued growth and to maintain our capital levels. Our ability to raise capital through the sale of additional securities will depend primarily upon our financial condition and the condition of financial markets at that time. Accordingly, we may not be able to obtain additional capital in the amounts or on terms satisfactory to us. Our growth may be constrained if we are unable to raise additional capital as needed.

If third parties infringe upon our intellectual property or if we were to infringe upon the intellectual property of third parties, we may expend significant resources enforcing or defending our rights or suffer competitive injury.

We rely on a combination of copyright, trademark, trade secret laws and confidentiality provisions to establish and protect our proprietary rights. If we fail to successfully maintain, protect and enforce our intellectual property rights, our competitive position could suffer. Similarly, if we were to infringe on the intellectual property rights of others, our competitive position could suffer. Third parties may challenge, invalidate, circumvent, infringe or misappropriate our intellectual property, or such intellectual property may not be sufficient to permit us to take advantage of current market trends or otherwise to provide competitive advantages, which could result in costly redesign efforts, discontinuance of certain product or service offerings or other competitive harm. We may also be required to spend significant resources to monitor and police our intellectual property rights. Others, including our competitors may independently develop similar technology, duplicate our products or services or design around our intellectual property, and in such cases we could not assert our intellectual property rights against such parties. Further, our contractual arrangements may not effectively prevent disclosure of our confidential information or provide an adequate remedy in the event of unauthorized disclosure of our confidential or proprietary information. We may have to litigate to enforce or determine the scope and enforceability of our intellectual property rights, trade secrets and know-how, which could be time-consuming and expensive, could cause a diversion of resources and may not prove successful. The loss of intellectual property protection or the inability to obtain rights with respect to third party intellectual property could harm our business and ability to compete. In addition, because of the rapid pace of technological change in our industry, aspects of our business and our products and services rely on technologies developed or licensed by third parties, and we may not be able to obtain or continue to obtain licenses and technologies from these third parties on reasonable terms or at all.

In some instances, litigation may be necessary to enforce our intellectual property rights and protect our proprietary information, or to defend against claims by third parties that our products, services or technology infringe or otherwise violate their intellectual property or proprietary rights. Third parties may have, or may eventually be issued, patents that could be infringed by our products, services or technology. Any of these third parties could bring an infringement claim against us with respect to our products, services or technology. We may also be subject to third party infringement, misappropriation, breach or other claims with respect to copyright, trademark, license usage or other intellectual property rights. In addition, in recent years, individuals and groups, including patent holding companies have been purchasing intellectual property assets in order to make claims of infringement and attempt to extract settlements from companies in the banking and financial services industry. Any litigation or claims brought by or against us, whether with or without merit, could result in substantial costs to us and divert the attention of our management, which could harm our business and results of operations. In addition, any intellectual property litigation or claims against us could result in the loss or

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compromise of our intellectual property and proprietary rights, subject us to significant liabilities including damage awards, result in an injunction prohibiting us from marketing or selling certain of our services, require us to redesign affected products or services, or require us to seek licenses which may only be available on unfavorable terms, if at all, any of which could harm our business and results of operations.

We are exposed to risk of environmental liabilities with respect to properties to which we take title.

Approximately 79.4% of our outstanding loan portfolio as of March 31, 2015 was secured by real estate. In the course of our business, we may foreclose and take title to real estate, and could be subject to environmental liabilities with respect to these properties. We may be held liable to a governmental entity or to third parties for property damage, personal injury, investigation and clean-up costs incurred by these parties in connection with environmental contamination, or may be required to investigate or clean up hazardous or toxic substances, or chemical releases at a property. The costs associated with investigation or remediation activities could be substantial. In addition, if we are the owner or former owner of a contaminated site, we may be subject to common law claims by third parties based on damages and costs resulting from environmental contamination emanating from the property. If we ever become subject to significant environmental liabilities, our business, financial condition, liquidity and results of operations could be materially and adversely affected.

We rely on our information technology and telecommunications systems and third party servicers, and the failure of these systems could adversely affect our business.

Our business is highly dependent on the successful and uninterrupted functioning of our information technology and telecommunications systems and third party servicers. Our primary banking and accounting systems are third party software platforms operated on an in-house basis: however, we outsource certain of our information technology systems including our electronic funds transfer, or EFT, ATM and debit card processing, credit and debit card and transaction processing, and our online Internet bill payment and banking services. We rely on these systems to process new and renewal loans, provide customer service, facilitate collections and share data across our organization. The failure of these systems, or the termination of a third party software license or service agreement on which any of these systems is based, could interrupt our operations. Because our information technology and telecommunications systems interface with and depend on third party systems, we could experience service denials if demand for such services exceeds capacity or such third party systems fail or experience interruptions. If sustained or repeated, a system failure or service denial could result in a deterioration of our ability to process new and renewal loans and provide customer service or compromise our ability to collect loan payments in a timely manner.

In addition, our ability to adopt new information technology and technological products needed to meet our customers banking needs may be limited if our third party servicers are slow to adopt or choose not to adopt such new technology and products. Such a failure to provide this technology and products to our customers could result in a loss of customers, which would negatively impact our business and results of operations.

We depend on the accuracy and completeness of information about customers and counterparties.

In deciding whether to extend credit or enter into other transactions with customers and counterparties, we may rely on information furnished to us by or on behalf of customers and counterparties, including financial statements and other financial information. We also may rely on representations of customers and counterparties as to the accuracy and completeness of that information and, with respect to financial statements, on reports of independent auditors. In deciding whether to extend credit, we may rely upon our customers representations that their financial statements conform to U.S. generally accepted accounting principles, or GAAP, and present fairly, in all material respects, the financial condition, results of operations and cash flows of the customer. We also may rely on customer representations and certifications, or other auditors reports, with respect to the business and financial condition of our customers. Our financial condition, results of operations, financial reporting and reputation could be negatively affected if we rely on materially misleading, false, inaccurate or fraudulent information.

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Risks Related to Our Regulatory Environment

We are subject to regulation, which increases the cost and expense of regulatory compliance and therefore reduces our net income and may restrict our growth and ability to acquire other financial institutions.

As a bank holding company under federal law, we are subject to regulation under the Bank Holding Company Act of 1956, as amended, or the BHCA, and the examination and reporting requirements of the Federal Reserve. In addition to supervising and examining us, the Federal Reserve, through its adoption of regulations implementing the BHCA, places certain restrictions on the activities that are deemed permissible for bank holding companies to engage in. Changes in the number or scope of permissible activities could have an adverse effect on our ability to realize our strategic goals.

As Utah state-chartered banks that are not members of the Federal Reserve System, the Banks are separately subject to regulation by both the FDIC and the Utah Department of Financial Institutions, or UDFI. The FDIC and UDFI regulate numerous aspects of the Banks operations, including adequate capital and financial condition, permissible types and amounts of extensions of credit and investments, permissible non-banking activities and restrictions on dividend payments. The Banks undergo periodic examinations by the FDIC and UDFI. Following such examinations, the Banks may be required, among other things, to change their respective asset valuations or the amounts of required loan loss allowances or to restrict their respective operations, as well as increase their respective capital levels, which could adversely affect our results of operations.

Supervision, regulation, and examination of PUB and the Banks by the bank regulatory agencies are intended primarily for the protection of consumers, bank depositors and the Deposit Insurance Fund of the FDIC, rather than holders of our common shares.

Particularly as a result of new regulations and regulatory agencies under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, or the Dodd-Frank Act, we may be required to invest significant management attention and resources to evaluate and make any changes necessary to comply with applicable laws and regulations. This allocation of resources, as well as any failure to comply with applicable requirements, may negatively impact our results of operations and financial condition.

Changes in laws, government regulation and monetary policy may have a material effect on our results of operations.

Financial institutions have been the subject of significant legislative and regulatory changes and may be the subject of further significant legislation or regulation in the future, none of which is within our control. Significant new laws or regulations or changes in, or repeals of, existing laws or regulations, including those with respect to federal and state taxation, may cause our results of operations to differ materially. In addition, the costs and burden of compliance could adversely affect our ability to operate profitably. Further, federal monetary policy significantly affects the Banks credit conditions, as well as for the Banks borrowers, particularly as implemented through the Federal Reserve, primarily through open market operations in U.S. government securities, the discount rate for bank borrowings and reserve requirements. A material change in any of these conditions could have a material impact on us, the Banks and the Banks borrowers, and therefore on our results of operations.

The enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 may have a material effect on our operations.

In 2010, the Dodd-Frank Act was adopted, which imposes significant regulatory and compliance changes. The key effects of the Dodd-Frank Act on our business are, or may include:

- increases in regulatory capital requirements and additional restrictions on the types of instruments that may satisfy such requirements;

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- creation of new government regulatory agencies (particularly the Consumer Financial Protection Bureau, or CFPB, which develops and enforces rules for bank and non-bank providers of consumer financial products);
- changes to deposit insurance assessments;
- regulation of debit interchange fees we earn;
- changes in retail banking regulations, including potential limitations on certain fees we may charge;
- changes in regulation of consumer mortgage loan origination and risk retention; and
- changes in corporate governance requirements for public companies.

In addition, the Dodd-Frank Act restricts the ability of banks to engage in certain proprietary trading or to sponsor or invest in private equity or hedge funds. The Dodd-Frank Act also contains provisions designed to limit the ability of insured depository institutions, their holding companies and their affiliates to conduct certain swaps and derivatives activities and to take certain principal positions in financial instruments.

Some provisions of the Dodd-Frank Act have not been completely implemented. The changes resulting from the Dodd-Frank Act may impact the profitability of our business activities or otherwise adversely affect our business. Failure to comply with the requirements may negatively impact our results of operations and financial condition. While we cannot predict what effect any presently contemplated or future changes in the laws or regulations or their interpretations would have on us, these changes could be materially adverse to investors in our common shares.

Rulemaking changes implemented by the CFPB will result in higher regulatory and compliance costs related to originating and servicing mortgages and may adversely affect our results of operations.

The CFPB has finalized a number of significant rules which will impact nearly every aspect of the lifecycle of a residential mortgage. These rules implement the Dodd-Frank Act amendments to the Equal Credit Opportunity Act, the Truth in Lending Act and the Real Estate Settlement Procedures Act. The final rules require banks to, among other things: (i) develop and implement procedures to ensure compliance with a new reasonable ability to repay test and identify whether a loan meets a new definition for a qualified mortgage; (ii) implement new or revised disclosures, policies and procedures for servicing mortgages including, but not limited to, early intervention with delinquent borrowers and specific loss mitigation procedures for loans secured by a borrower s principal residence; (iii) comply with additional restrictions on mortgage loan originator compensation; and (iv) comply with new disclosure requirements and standards for appraisals and escrow accounts maintained for higher priced mortgage loans. These new rules create operational and strategic challenges for us, as we are both a mortgage originator and a servicer. For example, business models for cost, pricing, delivery, compensation, and risk management will need to be re-evaluated and potentially revised, perhaps substantially. Some of these new rules became effective in June 2013, while others became effective in January 2014, and still others will become effective in August 2015. Forthcoming additional rulemaking affecting the residential mortgage business is also expected.

New and future rulemaking by the CFPB and other regulators, as well as enforcement of existing consumer protection laws, may have a material effect on our operations and operating costs.

The CFPB has the authority to implement and enforce a variety of existing federal consumer protection statutes and to issue new regulations but, with respect to institutions of our size, does not have primary examination and enforcement authority with respect to such laws and regulations. The authority to examine depository institutions with $10.0 billion or less in assets, such as the Banks, for compliance with federal consumer laws remains largely with our primary federal regulator, the FDIC. However, the CFPB may participate in examinations of smaller institutions on a sampling basis and may refer potential enforcement

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actions against such institutions to their primary regulators. In some cases, regulators such as the Federal Trade Commission, or FTC, and the Department of Justice also retain certain rulemaking or enforcement authority, and we also remain subject to certain state consumer protection laws. As an independent bureau within the Federal Reserve, the CFPB may impose requirements more severe than the previous bank regulatory agencies. The CFPB has placed significant emphasis on consumer complaint management and has established a public consumer complaint database to encourage consumers to file complaints they may have against financial institutions. We are expected to monitor and respond to these complaints, including those that we deem frivolous, and doing so may require management to reallocate resources away from more profitable endeavors.

Pursuant to the Dodd-Frank Act, the CFPB issued a series of final rules in January 2013 related to mortgage loan origination and mortgage loan servicing. These final rules, most provisions of which became effective January, 2014, and still others will become effective in August 2015, prohibit creditors, such as the Banks, from extending mortgage loans without regard for a consumer s ability to repay and add restrictions and requirements to mortgage origination and servicing practices. In addition, these rules restrict the application of prepayment penalties and compensation practices relating to mortgage loan underwriting. Further, mortgage origination systems used by the Banks must be significantly modified to comply with extensive new loan origination disclosures. Compliance with these rules will likely increase our overall regulatory compliance costs and require us to change our underwriting practices. Moreover, these rules may adversely affect the volume of mortgage loans that we underwrite and may subject the Banks to increased potential liability related to its residential loan origination activities.

As a result of the Dodd-Frank Act and recent rulemaking, we will become subject to more stringent capital requirements.

Pursuant to the Dodd-Frank Act, the federal banking agencies adopted final rules, or the U.S. Basel III Capital Rules, to update their general risk-based capital and leverage capital requirements to incorporate agreements reflected in the Third Basel Accord adopted by the Basel Committee on Banking Supervision, or Basel III Capital Standards, as well as the requirements of the Dodd-Frank Act. The U.S. Basel III Capital Rules are described in more detail in Supervision and Regulation Basel III. While we are continuing to prepare for the impact of the U.S. Basel III Capital Rules, the U.S. Basel III Capital Rules may still have a material impact on our business, financial condition and results of operations. In addition, the failure to meet the established capital requirements could result in one or more of our regulators placing limitations or conditions on our activities or restricting the commencement of new activities, and such failure could subject us to a variety of enforcement remedies available to the federal regulatory authorities, including limiting our ability to pay dividends, issuing a directive to increase our capital and terminating our FDIC deposit insurance. FDIC deposit insurance is critical to the continued operation of the Banks.

Our ability to raise additional capital, when and if needed, will depend on conditions in the capital markets, economic conditions and a number of other factors, including investor perceptions regarding the banking industry and market condition, and governmental activities, many of which are outside our control, and on our financial condition and performance. Accordingly, we may not be able to raise additional capital if needed or on terms acceptable to us. If we fail to meet these capital and other regulatory requirements, our financial condition, liquidity and results of operations would be materially and adversely affected. Higher capital levels could also lower our return on equity.

Our failure to meet applicable regulatory capital requirements, or to maintain appropriate capital levels in general, could affect customer and investor confidence, our ability to grow, our costs of funds and FDIC insurance costs, our ability to pay dividends on common shares, our ability to make acquisitions, and our business, results of operations and financial condition, generally.

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We may be required to contribute capital or assets to the Banks that could otherwise be invested or deployed more profitably elsewhere.

Federal law and regulatory policy impose a number of obligations on bank holding companies that are designed to reduce potential loss exposure to the depositors of insured depository subsidiaries and to the FDIC s deposit insurance fund. For example, a bank holding company is required to serve as a source of financial strength to its FDIC-insured depository subsidiaries and to commit financial resources to support such institutions where it might not do so otherwise, even if we would not ordinarily do so and even if such contribution is to our detriment or the detriment of our shareholders. These situations include guaranteeing the compliance of an undercapitalized bank with its obligations under a capital restoration plan, as described further in this prospectus.

A capital injection into one or both of the Banks may be required at times when we do not have the resources to provide it at the holding-company level, and therefore we may be required to issue common shares or debt to obtain the required capital. Issuing additional common shares would dilute our current shareholders percentage of ownership and could cause the price of our common shares to decline. If we are required to issue debt, and in the event of a bankruptcy by PUB, the bankruptcy trustee would assume any commitment by us to a federal bank regulatory agency to maintain the capital of the Banks. Moreover, bankruptcy law provides that claims based on any such commitment will be entitled to a priority of payment over the claims of PUB s general unsecured creditors, including the holders of any note obligations. Thus, any borrowing that must be done by PUB in order to make the required capital injection becomes more difficult and expensive and would adversely impact our cash flows, financial condition, results of operations and prospects. Pursuant to applicable laws and regulations, the liabilities of either Bank could harm us and the business of the other Bank. Under the Federal Deposit Insurance Act, or FDIA, we may, under certain circumstances, be responsible for liabilities of the Banks and may be responsible for damages to the FDIC.

Banking agencies periodically conduct examinations of our business, including compliance with laws and regulations, and our failure to comply with any supervisory actions to which we become subject as a result of such examinations could materially and adversely affect us.

The UDFI, the FDIC, and the Federal Reserve periodically conduct examinations of our business, including compliance with laws and regulations. Accommodating such examinations may require management to reallocate resources, which would otherwise be used in the day-to-day operation of other aspects of our business. If, as a result of an examination, the UDFI or a federal banking agency were to determine that the financial condition, capital resources, asset quality, earnings prospects, management, liquidity or other aspects of our operations had become unsatisfactory, or that we or our management was in violation of any law or regulation, it may take a number of different remedial actions as it deems appropriate. These actions include the power to enjoin unsafe or unsound practices, to require affirmative actions to correct any conditions resulting from any violation or practice, to issue an administrative order that can be judicially enforced, to direct an increase in our capital, to restrict our growth, to assess civil monetary penalties against us, our officers or directors, to remove officers and directors and, if it is concluded that such conditions cannot be corrected or there is an imminent risk of loss to depositors, to terminate our deposit insurance. FDIC deposit insurance is critical to the continued operation of the Banks. If we become subject to such regulatory actions, we could be materially and adversely affected.

We face a risk of non-compliance and enforcement actions with respect to the Bank Secrecy Act and other anti-money laundering statutes and regulations.

Like all U.S. financial institutions, we are subject to monitoring requirements under federal law, including anti-money laundering, or AML, and Bank Secrecy Act, or BSA, matters. Since September 11, 2001, banking regulators have intensified their focus on AML and BSA compliance requirements, particularly the AML provisions of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and

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Obstruct Terrorism Act of 2001, or the USA Patriot Act. There is also increased scrutiny of compliance with the rules enforced by the U.S. Treasury Department s Office of Foreign Assets Control, or OFAC, which involve sanctions for dealing with certain persons or countries. While the Banks have adopted policies, procedures and controls to comply with the BSA, other AML statutes and regulations and OFAC regulations, this aggressive supervision and examination and increased likelihood of enforcement actions may increase our operating costs, which could negatively affect our results of operations and reputation.

We are subject to federal and state fair lending laws, and failure to comply with these laws could lead to material penalties.

Federal and state fair lending laws and regulations, such as the Equal Credit Opportunity Act and the Fair Housing Act, impose non-discriminatory lending requirements on financial institutions. The FDIC, the Department of Justice, the CFPB and other federal and state agencies are responsible for enforcing these laws and regulations. Private parties may also have the ability to challenge an institution s performance under fair lending laws in private class action litigation. A successful challenge to our performance under the fair lending laws and regulations could adversely impact our rating under the Community Reinvestment Act, or CRA, and result in a wide variety of sanctions, including the required payment of damages and civil money penalties, injunctive relief, imposition of restrictions on merger and acquisition activity and restrictions on expansion activity, which could negatively impact our reputation, business, financial condition and results of operations.

Regulations relating to privacy, information security and data protection could increase our costs, affect or limit how we collect and use personal information and adversely affect our business opportunities.

We are subject to various privacy, information security and data protection laws, including requirements concerning security breach notification, and we could be negatively impacted by these laws. For example, our business is subject to the Gramm-Leach-Bliley Act which, among other things: (i) imposes certain limitations on our ability to share non-public personal information about our customers with non-affiliated third parties; (ii) requires that we provide certain disclosures to customers about our information collection, sharing and security practices and afford customers the right to opt out of any information sharing by us with non-affiliated third parties (with certain exceptions) and (iii) requires we develop, implement and maintain a written comprehensive information security program containing safeguards appropriate based on our size and complexity, the nature and scope of our activities, and the sensitivity of customer information we process, as well as plans for responding to data security breaches. Various state and federal banking regulators and states have also enacted data security breach notification requirements with varying levels of individual, consumer, regulatory or law enforcement notification in certain circumstances in the event of a security breach. Moreover, legislators and regulators in the United States are increasingly adopting or revising privacy, information security and data protection laws that potentially could have a significant impact on our current and planned privacy, data protection and information security-related practices, our collection, use, sharing, retention and safeguarding of consumer or employee information, and some of our current or planned business activities. This could also increase our costs of compliance and business operations and could reduce income from certain business initiatives. This includes increased privacy-related enforcement activity at the federal level, by the FTC, as well as at the state level, such as with regard to mobile applications.

Compliance with current or future privacy, data protection and information security laws (including those regarding security breach notification) affecting customer or employee data to which we are subject could result in higher compliance and technology costs and could restrict our ability to provide certain products and services, which could have a material adverse effect on our business, financial conditions or results of operations. Our failure to comply with privacy, data protection and information security laws could result in potentially significant regulatory or governmental investigations or actions, litigation, fines, sanctions and damage to our reputation, which could have a material adverse effect on our business, financial condition or results of operations.

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Risks Related to the Offering

There has been no prior active trading market for our common shares and we cannot assure you that an active public trading market will develop after the offering and, even if it does, our share price may trade below the public offering price and be subject to substantial volatility.

There has been no public market for our common shares prior to this offering. We cannot predict the extent to which investor interest in our company will lead to the development of an active trading market on The NASDAQ Capital Market or otherwise, or how liquid that market may become, especially if few stock analysts follow our stock or issue research reports concerning our business. If an active trading market does not develop, you may have difficulty selling any shares that you buy in this offering. Neither the underwriters nor any other market maker in our common shares will be obligated to make a market in our shares, and any such market making may be discontinued at any time in the sole discretion of each such market maker.

Even if a market develops for our common shares after the offering, the market price of our common shares may experience significant volatility. Factors that may affect the price of our common shares include the depth and liquidity of the market for our common shares, investor perception of our financial strength, conditions in the banking industry such as credit quality and monetary policies, and general economic and market conditions. Our quarterly and annual operating results, changes in analysts earnings estimates, changes in general conditions in the economy or financial markets or other developments affecting us could cause the market price of our common shares to fluctuate substantially. In addition, the initial public offering price has been determined through negotiations between us and the underwriters, and may bear no relationship to the price at which the common shares will trade upon completion of the offering.

We will have broad discretion as to the use of the net proceeds from this offering, and we may not use the proceeds effectively.

Although we plan to use the net proceeds from this offering for expansion purposes, including new branches or potential acquisitions of other financial institutions, we have not designated the amount of net proceeds we will use for any particular purpose. Accordingly, our management will have broad discretion as to the application of the net proceeds and could use them for purposes other than those contemplated at the time of this offering. Our shareholders may not agree with the manner in which our management chooses to allocate and spend the net proceeds. Moreover, our management may use the net proceeds for corporate purposes that may not increase our market value or profitability. We also may not be able to execute suitable acquisitions at the price we are willing to pay for such acquisitions. To the extent we are unable to utilize the net proceeds from this offering for any of the reasons listed previously, or for any other reason, our shareholders return on average equity, or ROE, will be negatively affected.

Investors will experience immediate and substantial dilution in the book value of the shares you purchase in this offering.

Investors purchasing common shares in this offering will pay more for their shares than the amount paid by existing shareholders who acquired shares prior to this offering. Based on an assumed initial public offering price of $14.00 per share (the midpoint of the range set forth on the cover of this prospectus), you will incur immediate dilution of approximately $2.78 in the net tangible book value per share if you purchase common shares in this offering. To the extent any outstanding stock options are exercised, restricted shares vest or other awards are made, there will be further dilution to new investors.

A significant number of our common shares will become eligible for sale in the public market 180 days after the date of this offering, which could cause the price of our common shares to decline.

Our officers, directors, and principal shareholders (shareholders holding more than 5.0% of our common shares), have agreed with the underwriters not to sell or otherwise dispose of any of their shares for a period of 180 days after the date of this offering. When these lock-up agreements expire, these shares and the shares underlying any options held by these individuals will become eligible for sale, in some cases subject only to the volume, manner of sale and notice requirements of Rule 144 under the Securities Act. Sales of a substantial number of these shares in the public market after this offering, or the perception that these sales could occur, could cause the market price of our common shares to decline. In addition, we estimate that immediately following this offering, approximately 28.1% of our outstanding common shares will be beneficially owned by our principal shareholders, executive officers and directors. The substantial amount of common shares that is owned by and issuable to our principal shareholders, executive officers and directors may adversely affect our share price, our share price volatility and the development of an active and liquid trading market. The sale of these shares could impair our ability to raise capital through the sale of additional equity securities. See Shares Eligible for Future Sale for further discussion of the shares that will be freely tradable 180 days after the date of this offering.

Utah law and the provisions of our articles of incorporation and bylaws could deter or prevent our acquisition by a third party that would be willing to pay you a premium for your shares.

Our articles of incorporation, or Articles, and bylaws contain certain provisions that may make it substantially more difficult for a third party to acquire control of us without the approval of our Board of Directors, even if doing so might be beneficial to our shareholders. These provisions provide for, among other things, a staggered board, advance notice for nomination of directors and limitations on the ability of shareholders to call a special meeting of shareholders, which can make minority shareholder representation on the Board of Directors more difficult to establish. In addition, the Utah statutory corporate laws contain provisions designed to protect Utah corporations and employees from the adverse effects of hostile corporate takeovers. These statutory provisions reduce the possibility that a third party could effect a change in control without the support of our incumbent directors and may also strengthen the position of current management by restricting the ability of shareholders to change the composition of the board, to affect its policies generally and to benefit from actions that are opposed by the current board. Collectively, these provisions of our Articles and bylaws and other statutory provisions may delay, prevent or deter a merger, acquisition, tender offer, proxy contest or other transaction that might otherwise result in our shareholders receiving a premium over the market price for their common shares.

Our directors and senior management will exert significant influence over us after the completion of this offering. Their interests may not coincide with yours and they may make decisions with which you may disagree.

After this offering, our executive officers, directors, and principal shareholders will beneficially own, in the aggregate, approximately 28.1% of our outstanding common shares and approximately 26.4% of our common shares on a fully-diluted basis, assuming exercise of all outstanding stock options and vesting of outstanding RSUs. As of March 31, 2015, 562,926 shares are reserved for future issuance under our 2014 Plan. As a result, these shareholders, acting together, could control substantially all matters requiring shareholder approval, including the election of directors and approval of significant corporate transactions. In addition, this concentration of ownership may delay or prevent a change in control of our company and make some transactions more difficult or impossible without the support of these shareholders. The interests of these shareholders may not always coincide with our interests as a company or the interests of other shareholders. Accordingly, these shareholders could cause us to enter into transactions or agreements that you would not approve or make decisions with which you may disagree.

Future equity issuances could result in dilution, which could cause the price of our common shares to decline.

We are generally not restricted from issuing additional common shares up to the 30 million shares authorized in our Articles. We may issue additional common shares in the future pursuant to current or future employee stock option plans or in connection with future acquisitions or financings. If we choose to raise capital by selling common shares or securities convertible into common shares for any reason, the issuance would have a dilutive effect on our common shareholders and could have a material negative effect on the market price of our common shares.

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We may be unable to, or choose not to, pay dividends on our common shares.

We have declared an annual cash dividend for over 50 years. In 2014, we declared semi-annual dividends. We expect to declare quarterly cash dividends beginning in 2015 with the dividend being declared after the end of each quarter. A quarterly dividend of $0.06 per share was declared in April 2015 representing 18.5% of net income for the quarter ended March 31, 2015. Our ability to pay dividends depends on the following factors, among others:

- because PUB is a legal entity separate and distinct from the Banks and does not conduct stand-alone operations, our ability to pay dividends depends on the ability of the Banks to pay dividends to PUB and the FDIC, the UDFI and Utah state law may, under certain circumstances, prohibit the payment of dividends to us from the Banks;

- the Federal Reserve policy requires bank holding companies to pay cash dividends on common shares only out of net income available over the past year and only if prospective earnings retention is consistent with the organization s expected future needs and financial condition; and

- our Board of Directors may determine that, even though funds are available for dividend payments, retaining the funds for internal uses, such as expansion of our operations, is necessary or appropriate in light of our business plan and objectives.

Such a failure to pay dividends may negatively impact your investment.

We are an emerging growth company, and the reduced reporting requirements applicable to emerging growth companies may make our common shares less attractive to investors.

We are an emerging growth company, as defined in the JOBS Act. For as long as we continue to be an emerging growth company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and exemptions from the requirements of holding a non-binding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. We could be an emerging growth company for up to five years, although we could lose that status sooner if our annual gross revenues exceed $1.0 billion, if we issue more than $1.0 billion in non-convertible debt in a three-year period, or if the market value of our common shares held by non-affiliates exceeds $700 million as of any June 30 before that time, in which case we would no longer be an emerging growth company as of the following December 31. We cannot predict if investors will find our common shares less attractive because we may rely on these exemptions, or if we choose to rely on additional exemptions in the future. If some investors find our common shares less attractive as a result, there may be a less active trading market for our common shares and our share price may be more volatile.

An investment in our common shares is not an insured deposit and is subject to risk of loss.

Your investment in our common shares will not be a bank deposit and will not be insured or guaranteed by the FDIC or any other government agency. Your investment will be subject to investment risk, and you must be capable of affording the loss of your entire investment.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains certain forward-looking statements within the meaning of section 27A of the Securities Act of 1933, as amended, or Securities Act, and section 21E of the Securities Exchange Act of 1934, as amended, or Exchange Act. These forward-looking statements reflect our current views and are not historical facts. These statements may include statements regarding projected performance for periods following the completion of this offering. These statements can generally be identified by use of phrases such as believe, expect, will, seek, should anticipate, estimate, intend, plan, target, project, commit or other words of similar import. Similarly, state describe our future financial condition, results of operations, objectives, strategies, plans, goals or future performance and business are also forward-looking statements. Statements that project future final conditions, results of operations and shareholder value are not guarantees of performance and many of the factors that will determine these results and values are beyond our ability to control or predict. For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. These forward-looking statements and involve known and unknown risks, uncertainties and other factors, including, but not limited to, those described in the Risk Factors and Management s Discussion and Analysis of Financial Condition and Results of Operations sections and other parts of this prospectus that could cause our actual results to differ materially from those anticipated in these forward-looking statements. The following is a non-exclusive list of factors which could cause our actual results to differ materially from our forward-looking statements in this prospectus:

- changes in general economic conditions, either nationally or in our local market;
- inflation, interest rates, securities market volatility and monetary fluctuations;
- increases in competitive pressures among financial institutions and businesses offering similar products and services;
- higher defaults on our loan portfolio than we expect;
- changes in management s estimate of the adequacy of the allowance for loan losses;
- risks associated with our growth and expansion strategy and related costs;
- increased lending risks associated with our high concentration of real estate loans;
- ability to successfully grow our business in Utah and neighboring states;
- legislative or regulatory changes or changes in accounting principles, policies or guidelines;

- technological changes;
- regulatory or judicial proceedings; and
- other factors and risks including those described under Risk Factors and Management s Discussion and Analysis of Financial Condition and Results of Operations.

Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated, expected, projected, intended, committed or believed.

You should read this prospectus and the documents that we reference in this prospectus and that are filed as exhibits to the registration statement on Form S-1, of which this prospectus is a part. You should review all of the documents that we have filed with the SEC, completely and with the understanding that our actual future results, levels of activity, performance and achievements may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements. We do not undertake any obligation to release publicly our revisions to such forward-looking statements to reflect events or circumstances after the date of this prospectus.

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USE OF PROCEEDS

We estimate that the net proceeds from the sale of 2,282,000 common shares in this offering will be approximately $28.7 million, or approximately $33.6 million if the underwriters overallotment option is exercised in full, assuming an initial public offering price of $14.00 per share (the midpoint of the range set forth on the cover page of this prospectus) and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

We expect to use the net proceeds we will receive from this offering to expand our operations through the opening of new branches, acquisitions and for general corporate purposes. Additionally, we may use a portion of the net proceeds to finance mergers or acquisitions of non-bank financial services companies, although we have no present agreements or commitments to make any acquisition. While our growth strategy includes opening new branches and completing strategic mergers or acquisitions and we regularly identify and explore specific acquisition opportunities as part of our ongoing business practices, we have no present agreements or commitments to use any of the net proceeds from this offering for these purposes over the next twelve months. However, if opportunities to open new branches or complete acquisitions present themselves, then we may choose to use some or all of the net proceeds to take advantage of such opportunities. We currently do not intend to use any of the net proceeds we will receive from this offering to add capital to BAF or LSB.

The amounts and timing of these expenditures will depend on numerous factors, including the amount of our future revenues and net income, our ability to identify attractive expansion and acquisition opportunities and the success of our marketing efforts. Accordingly, our management will retain broad discretion in deploying the net proceeds from this offering. Pending the uses described above, we plan to invest the net proceeds in investment-grade, available-for-sale interest-bearing investments.

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DIVIDEND POLICY

We have declared an annual cash dividend for over 50 years. In 2014, we declared a semi-annual dividend. We expect to declare quarterly cash dividends beginning in 2015 with the dividend being declared after the end of each quarter. A quarterly dividend of $0.06 per share was declared in April 2015 representing 18.5% of net income for the quarter ended March 31, 2015. Any future determination relating to dividends will be made at the discretion of our Board of Directors and will depend on a number of factors, including our future earnings, capital requirements, financial condition, future prospects, regulatory restrictions and other factors that our Board of Directors may deem relevant. The following table summarizes our dividends per share declared for the years indicated.

	Semi-Annual Dividend	Annual Dividend			
	2014	2013	2012	2011	2010
Second Quarter	$ 0.08	$	$	$	$
Fourth Quarter	0.14	0.13	0.11	0.05	0.02
Total	$ 0.22	$ 0.13	$ 0.11	$ 0.05	$ 0.02

As a bank holding company, we are subject to the Federal Reserve s policy regarding dividends, which provide that a bank holding company should not declare or pay a cash dividend which would impose undue pressure on the capital of any bank subsidiary or would be funded only through borrowing or other arrangements that might adversely affect a bank holding company s financial position. As a general matter, the Federal Reserve has indicated that the Board of Directors of a bank holding company should consult with the Federal Reserve and eliminate, defer or significantly reduce the bank holding company s dividends if:

- its net income available to shareholders for the past four quarters, net of dividends previously paid during that period, is not sufficient to fully fund the dividends;

- its prospective rate of earnings retention is not consistent with its capital needs and overall current and prospective financial condition; or

- it will not meet, or is in danger of not meeting, its minimum regulatory capital adequacy ratios.

Should the Banks be significantly undercapitalized under the applicable federal bank capital ratios, or if the Banks are undercapitalized and have failed to submit an acceptable capital restoration plan or have materially failed to implement such a plan, the FDIC may choose to require prior Federal Reserve approval for any capital distribution by us as a bank holding company controlling the Banks.

In addition, since PUB is a legal entity separate and distinct from the Banks and does not conduct stand-alone operations, PUB s ability to pay dividends depends on the ability of the Banks to pay dividends to PUB. The present and future dividend policies of the Banks are subject to the discretion of each Banks Board of Directors. Under certain circumstances, the FDIC and UDFI may restrict the ability of the Banks and our ability to pay dividends.

As a shareholder of a Utah corporation, you are entitled to receive such dividends and other distributions when, as, and if declared from time to time by our Board of Directors out of funds legally available for distributions to shareholders. As a bank holding company, our principal source of revenue is the dividends that may be declared from time to time by our banks out of funds legally available for payment of dividends. Our ability to pay dividends depends upon our receipt of dividends paid by our subsidiary banks, which is governed by the banking laws of Utah. A Utah state-chartered bank may declare a dividend of an amount of the bank s net profits as the board deems appropriate.

We further discuss regulatory limitations on the Banks ability to pay dividends, and the regulatory limitations on our ability to pay dividends, elsewhere in this prospectus.

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CAPITALIZATION

The following table sets forth our capitalization as of March 31, 2015:

- on an actual basis; and
- on an as adjusted basis to reflect the sale by us of the 2,282,000 common shares in this offering, at an assumed initial public offering price of $14.00, the midpoint of the range set forth on the cover page of this prospectus and the estimated net proceeds of this offering. Each $1.00 increase (decrease) in the initial public offering price per share would increase (decrease) our total shareholders equity and total capitalization by $2.1 million (assuming no exercise of the underwriters over-allotment option).

You should read this table in conjunction with the consolidated financial statements and the other financial information included in this prospectus.

	March 31, 2015 (1)	
(in thousands, except for share and per share data)	**Actual**	**As Adjusted (2)**
Shareholders Equity:		
Common Shares, $.01 par value, 30,000,000 shares authorized; 14,775,721 shares outstanding and 17,057,721 shares as adjusted	$ 148	$ 171
Additional paid-in capital	31,331	59,978
Retained earnings	130,393	130,393
Accumulated other comprehensive income	1,630	1,630
Total shareholders equity	163,502	192,172
Book value per share	$ 11.07	$ 11.27
Tangible book value per share (3)	11.01	11.22
Shareholders equity to total assets	11.60%	13.37%
Tangible common equity to tangible assets	11.56%	13.32%
Regulatory capital ratios (4)		
Tier 1 leverage capital ratio	11.63%	13.41%
Tier 1 risk-based capital ratio	15.21%	17.81%
Total risk-based capital ratio	16.32%	18.91%

(1) Actual does not include stock options for the purchase of 1,065,955 common shares at a weighted average exercise price of $6.88 per share or the future issuance of 39,720 common shares for restricted stock units.

(2) If the underwriters overallotment option is exercised in full, common shares, additional paid-in capital and total shareholders equity would be $174,000, $64.9 million and $197.1 million, respectively. The adjusted number of shares outstanding would be 17,432,721.

(3) Excludes intangible assets of $752,000.

(4) The net proceeds from our sale of common shares in this offering are presumed to be invested in 20% risk weighted U.S. Agency bonds or Federal Funds sold for purposes of as adjusted risk-based regulatory capital ratios as of the beginning of the period.

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DILUTION

If you invest in our common shares, you will suffer dilution to the extent the initial public offering price per share of our common shares exceeds the tangible book value of our common shares immediately after this offering. The tangible book value of our common shares as of March 31, 2015 was approximately $162.8 million, or $11.01 per common share. The tangible book value per share represents total tangible assets less total liabilities, divided by the 14,775,721 common shares outstanding as of that date.

After giving effect to the issuance and sale of 2,282,000 common shares in this offering, and our receipt of approximately $28.7 million in net proceeds from such sale, based on the assumed initial public offering price of $14.00 per share (the midpoint of the range set forth on the cover of this prospectus), and after deducting the estimated underwriters discount and commissions and the expenses of the offering, our as adjusted tangible book value as of March 31, 2015 would have been approximately $191.4 million, or $11.22 per share. This amount represents an immediate increase in tangible book value per share of $0.21 per share to existing shareholders and an immediate dilution of $2.78 per share to purchasers of our common shares in this offering. Dilution is determined by subtracting the tangible book value per share as adjusted for this offering from the amount of cash paid by a new investor for a common share.

The following table illustrates the per share dilution as of March 31, 2015:

Assumed initial public offering price per share	$ 14.00
Tangible book value per share as of March 31, 2015	11.01
Increase in tangible book value per share attributable to new investors	0.21
As adjusted tangible book value per share after this offering	11.22
Dilution in tangible book value per share to new investors[1]	2.78

(1) If all of our outstanding options are exercised and restricted shares vest, then dilution in tangible book value per share to new investors would increase by $0.68 per share to $3.46 per shares, or 24.7% of the initial public offering price per share.

If the underwriters option to purchase additional shares to cover over-allotments is exercised in full, the pro forma net tangible book value per share after giving effect to our initial public offering would be approximately $11.26 per share, and the dilution in pro forma net tangible book value per share to investors in our initial public offering would be approximately $2.74 per share.

The following table summarizes as of March 31, 2015, on an as adjusted basis as described above, the total number of common shares purchased from us, the total consideration paid to us, before deducting estimated underwriting discounts and commissions and offering expenses, and the average price per share paid by existing shareholders, which consist of officers, directors and affiliated persons during the past five years and by new investors who purchase common shares in this offering at the assumed initial public offering price of $14.00 per share (the midpoint of the range set forth on the cover of this prospectus).

	Shares Purchased		Total Consideration		Average
(in thousands, except share and per share data)	**Number**	**Percent**	**Amount**	**Percent**	**Per**

					Share
Existing shareholders [1]	298,159	10.7%	$ 1,481	4.1%	$ 4.97
New investors [2]	2,500,000	89.3%	$ 35,000	95.9%	$ 14.00
Total	2,798,159	100.0%	$ 36,481	100.0%	$ 13.04

(1) If all of our outstanding options are exercised and restricted shares vest, then the number and percent of shares purchased would increase to 815,170 and 24.6%, respectively, and the number and percent of total consideration would increase to $5.1 million and 12.7%, respectively.

(2) If the underwriters exercise their over-allotment option in full, the number of shares held by new investors will increase to 2,875,000, or 90.6% of the total number of common shares outstanding after this offering.

As soon as practicable after completion of this offering, we intend to register on a registration statement on Form S-8 approximately 1,655,401 common shares issuable upon the exercise of options or reserved for awards of future options under our equity incentive plans. To the extent that options are exercised, restricted shares are issued or other options or restricted shares are awarded, there will be further dilution to new investors.

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SELECTED CONSOLIDATED FINANCIAL INFORMATION

You should read the selected consolidated financial data set forth below in conjunction with our historical consolidated financial statements and related notes and Management s Discussion and Analysis of Financial Condition and Results of Operations, included elsewhere in this prospectus. The selected consolidated financial data as of and for the five years ended December 31, 2014 have been derived from our audited consolidated financial statements. The selected consolidated financial data as of and for the three months ended March 31, 2015 and 2014 have been derived from our unaudited consolidated financial statements.

	As of March 31,	As of December 31,				
(Dollars in thousands)	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**
Selected Balance Sheet Information:						
Cash and cash equivalents	$ 80,078	$ 47,702	$ 94,406	$ 98,861	$ 28,910	$ 37,275
Investment securities	320,350	330,839	320,388	264,413	233,382	183,848
Total loans, net	957,435	937,578	829,882	592,924	583,384	572,529
Total assets	1,409,097	1,367,125	1,299,190	991,423	889,894	842,850
Total deposits	1,233,462	1,199,233	1,144,314	869,227	779,859	739,680
Shareholders equity	163,502	157,659	143,672	115,710	105,871	98,986
Average balances:						
Average earning assets	$ 1,329,324	$ 1,250,156	$ 981,661	$ 847,362	$ 813,940	$ 774,172
Average assets	1,391,076	1,331,291	1,039,561	914,603	860,444	826,868
Average shareholders equity	161,091	152,788	126,453	112,089	105,871	121,964

	Three Months Ended March 31,		Years Ended December 31,				
(Dollars in thousands)	**2015**	**2014**	**2014**	**2013**	**2012**	**2011**	**2010**
Summary Income Statement Information:							
Interest income	$ 15,259	$ 13,953	$ 58,203	$ 45,657	$ 42,010	$ 41,860	$ 42,452
Interest expense	760	832	3,260	3,337	3,629	4,861	6,642
Net interest income	14,499	13,121	54,943	42,320	38,381	36,999	35,810
Provision for loan losses	150	150	1,700	1,500	4,700	6,200	11,300
Net interest income after provision for loan losses	14,349	12,971	53,243	40,820	33,681	30,799	24,510
Non-interest income	4,144	3,817	15,241	14,271	11,613	9,558	8,358
Non-interest expense	11,219	10,766	45,333	36,875	31,409	30,688	27,859
Income before income tax expense	7,274	6,022	23,151	18,216	13,885	9,669	5,009
Income tax expense	2,476	2,145	8,246	6,338	4,643	3,099	1,603

Net income	$ 4,798	$ 3,877	$ 14,905	$ 11,878	$ 9,242	$ 6,570	$ 3,406
Basic earnings per share (1)	$ 0.32	$ 0.27	$ 1.02	$ 0.92	$ 0.76	$ 0.54	$ 0.28
Diluted earnings per share (1)	0.31	0.26	0.98	0.89	0.74	0.54	0.28
Book value per share(1)	11.07	10.14	10.68	9.83	9.29	8.60	8.10
Tangible book value per share(1) (2)	11.01	10.09	10.63	9.75	9.29	8.60	8.10
Cash dividends declared per common share(1)			0.22	0.13	0.11	0.05	0.02
Dividend ratio	%	%	21.57%	14.13%	14.47%	9.26%	7.14%
Selected Financial Ratios:							
Net interest margin (3)	4.42%	4.38%	4.39%	4.31%	4.53%	4.55%	4.63%
Efficiency ratio (4)	60.18%	63.56%	63.58%	63.61%	62.83%	65.91%	63.08%
Non-interest income to average assets	1.21%	1.19%	1.14%	1.37%	1.27%	1.11%	1.01%
Non-interest expense to average assets	3.27%	3.37%	3.41%	3.55%	3.43%	3.57%	3.37%
Return on average assets	1.40%	1.21%	1.12%	1.14%	1.01%	0.76%	0.41%
Return on average equity	12.08%	10.68%	9.76%	9.39%	8.25%	6.21%	2.79%
Non-performing assets to total assets	0.56%	1.07%	0.70%	1.61%	2.46%	4.81%	7.02%
Allowance for loan losses to non-performing loans	242.19%	126.45%	192.66%	85.59%	61.02%	46.65%	41.62%
Allowance for loan losses to gross loans	1.57%	1.74%	1.58%	1.70%	2.25%	2.58%	3.26%
Loans to deposits	77.62%	69.99%	78.18%	72.52%	68.21%	74.81%	77.40%
Net charge-offs to average loans	%	0.03%	0.11%	0.13%	1.10%	1.72%	2.27%
Capital Ratios:							
Tier 1 leverage capital	11.63%	11.38%	11.32%	11.06%	11.85%	11.71%	11.60%
Total risk-based capital	16.32%	16.71%	16.01%	16.27%	18.52%	17.35%	16.17%
Average equity to average assets	11.58%	11.36%	11.48%	12.16%	12.26%	12.30%	14.75%
Tangible common equity to tangible assets (5)	11.56%	11.11%	11.48%	10.98%	11.67%	11.90%	11.74%

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(1) All per share data has been retroactively restated to give effect to a 44 to 1 share split which occurred in 2013.

(2) Represents the sum of total shareholders equity less intangible assets all divided by common shares outstanding. Intangible assets were $752,000, $776,000 and $1.2 million at March 31, 2015, December 31, 2014 and 2013, respectively, and there were no intangible assets at December 31, 2012, 2011 and 2010.

(3) Net interest margin is defined as net interest income divided by average earning assets.

(4) Represents the sum of non-interest expense less merger costs all divided by the sum of net interest income and non-interest income. Merger costs were $711,000 and $879,000 for the year ended December 31, 2014 and 2013, respectively. There were no merger costs in the three months ended March 31, 2015 and 2014.

(5) Represents the sum of total shareholders equity less intangible assets all divided by the sum of total assets less intangible assets.

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MANAGEMENT S DISCUSSION AND ANALYSIS OF

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with Selected Consolidated Financial Information and our consolidated financial statements and related notes appearing elsewhere in this Prospectus. Certain matters discussed in this Prospectus constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 See Cautionary Note Regarding Forward-Looking Statements located elsewhere in this Prospectus. Therefore, the information set forth in such forward-looking statements should be carefully considered when evaluating our business prospects as our actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors, including those set forth under Risk Factors located elsewhere in this Prospectus.

Overview

We are a bank holding company, formed in 1998 and headquartered in American Fork, Utah, which is located on the I-15 corridor between the cities of Salt Lake City and Provo. We have 18 banking branches operated through our two wholly-owned banking subsidiaries, BAF and LSB, which began offering banking services in 1913 and 1905, respectively. We provide full-service retail banking in many of the leading population centers in the state of Utah, including a wide range of banking and related services to locally-owned businesses, professional firms, real estate developers, residential home builders, high net-worth individuals, investors and other customers. Our primary customers are small- and medium-sized businesses that require highly personalized commercial banking products and services.

We believe our recent growth is a result of our ability to attract and retain high-quality associates, add branches in attractive markets and provide good customer service, as well as due to the expansion of our construction, land acquisition and development and commercial and industrial lending. The primary source of funding for our asset growth has been the generation of core deposits, which we accomplished through a combination of competitive pricing for local deposits coupled with expansion of our branch system. In addition to the four branches from the LSB merger, we have added two new BAF branch offices since January 1, 2012.

Our results of operations are largely dependent on net interest income. Net interest income is the difference between interest income we earn on interest earning assets, which are comprised of loans, investment securities and short-term investments and the interest we pay on our interest bearing liabilities, which are primarily deposits, and, to a lesser extent, other borrowings. Deposits are our primary source of funding. Management strives to match the re-pricing characteristics of the interest earning assets and interest bearing liabilities to protect net interest income from changes in market interest rates and changes in the shape of the yield curve.

We measure our performance by calculating our net interest margin, return on average assets, and return on average equity. Net interest margin is calculated by dividing net interest income, which is the difference between interest income on interest earning assets and interest expense on interest bearing liabilities, by average interest earning assets. Net interest income is our largest source of revenue. Interest rate fluctuations, as well as changes in the amount and type of earning assets and liabilities, combine to affect net interest income. We also measure our performance by our efficiency ratio, which is calculated by dividing non-interest expense less merger costs by the sum of net interest income and non-interest income.

Since the recession began in the U.S. at the end of 2008, market interest rates have declined as a result of the Federal Reserve s monetary policies and have had a significant impact on our net interest income and margin. Our net interest margin has declined in the last five years from 4.63% in 2010 to 4.39% in 2014.

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LSB Merger

On October 18, 2013, we completed our acquisition of LSB. Under the terms of the merger agreement, PUB issued 2,044,736 common shares and paid cash totaling $8.7 million to the former shareholders of Lewiston Bancorp. Lewiston Bancorp shareholders received $9.89 per share paid in PUB common shares and cash for an aggregate deal value of $28.9 million. Under the terms of the merger, an escrow holdback of $1.05 million was established pending the resolution of certain contingencies. In October 2014, $550,000 in escrow funds were released of which we received $297,000 and the remainder was paid to the Lewiston Bancorp shareholders. The remaining $500,000 in escrow funds will be settled by December 31, 2017. In accordance with applicable accounting guidance, the amount paid to Lewiston Bancorp shareholders was allocated to the fair value of the net assets acquired. We incurred $879,000 of merger-related expenses in 2013 and $711,000 in 2014. PUB s results of operations and financial condition include those of LSB from the merger date. The following table provides information on the fair value of selected classifications of assets and liabilities acquired:

(in thousands)	
Total assets	$ 266,325
Investment securities	54,473
Loans receivable	178,237
Non-interest bearing deposits	36,327
Interest bearing deposits	198,905

The 2013 financial statements only include LSB net income since the merger date which was $636,000. Our net income for 2014 includes the full year of LSB operating results, compared to only two full months in 2013. This is one of the reasons for the changes in various financial statement line items discussed throughout this Management s Discussion and Analysis. The following table presents pro forma results of operations information for the periods presented as if the acquisition had occurred on January 1, 2012 after giving effect to adjustments for certain assets and liabilities. The pro forma results of operations for the years ended December 31, 2013, and 2012 include the historical accounts of PUB and LSB and pro forma adjustments as may be required, including amortization of the intangible asset with a definite life and the amortization or accretion of any premiums or discounts arising from fair value adjustments for assets acquired and liabilities assumed. The pro forma information is intended for informational purposes only and is not necessarily indicative of PUB s future operating results or operating results that would have occurred had the acquisition been completed at the beginning of 2012. No assumptions have been applied to the pro forma results of operations regarding possible revenue enhancements, expense efficiencies or asset dispositions.

	Years Ended December 31,	
(in thousands)	**2013**	**2012**
Pro forma results of operations:		
Net interest income	$ 52,973	$ 49,934
Provision for loan losses	1,450	6,050
Non-interest income	14,542	12,681
Non-interest expense	45,499	39,495
Income before income taxes	20,566	17,070
Income taxes	7,107	5,601

Net income	$ 13,459	$ 11,469
Earnings per share:		
Basic	$ 0.93	$ 0.81
Diluted	$ 0.90	$ 0.79

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Key Factors in Evaluating Our Financial Condition and Results of Operations

As a bank holding company, we focus on a number of key factors in evaluating our financial condition and results of operations including:

- Return on average equity;
- Return on average assets;
- Asset quality;
- Asset growth;
- Capital and liquidity;
- Net interest margin; and
- Operating efficiency.

The chart below shows these key factors for the past five years:

Key Financial Measures

	Three Months Ended March 31,		**Years Ended December 31,**				
(Dollars in thousands except per share amounts)	**2015**	**2014**	**2014**	**2013**	**2012**	**2011**	**2010**
Net income	$ 4,798	$ 3,877	$ 14,905	$ 11,878	$ 9,242	$ 6,570	$ 3,406
Basic earnings per share	0.32	0.27	1.02	0.92	0.76	0.54	0.28
Diluted earnings per share	0.31	0.26	0.98	0.89	0.74	0.54	0.28
Total assets	1,409,097	1,326,093	1,367,125	1,299,190	991,423	889,894	842,850
Total loans, net	957,435	815,417	937,578	829,882	592,924	583,384	572,529
Total deposits	1,233,462	1,165,031	1,199,233	1,144,314	869,227	779,859	739,680
	4.42%	4.38%	4.39%	4.31%	4.53%	4.55%	4.63%

Net interest margin							
Efficiency ratio	60.18%	63.56%	63.58%	63.61%	62.83%	65.91%	63.08%
Return on average assets	1.40%	1.21%	1.12%	1.14%	1.01%	0.76%	0.41%
Return on average equity	12.08%	10.68%	9.76%	9.39%	8.25%	6.21%	2.79%
Non-performing assets to total assets	0.56%	1.07%	0.70%	1.61%	2.46%	4.81%	7.02%
Liquidity ratio (1)	29.16%	36.36%	28.84%	33.51%	37.95%	28.67%	23.29%

(1) The liquidity ratio is the sum of cash equivalents and investment securities, less investment securities pledged as collateral against short-term borrowings, all divided by total liabilities. Pledged investment securities were $29.7 million, $27.5 million, $31.0 million, $37.5 million and $47.9 million for each of the five years ended December 31, 2014, respectively and $ 37.2 million and $29.5 million for the quarters ended March 31, 2015 and 2014, respectively.

Return on Average Equity. We measure the return to our shareholders through a return on average equity, or ROE, calculation. Our net income for the quarter ended March 31, 2015 increased 23.8% to $4.8 million from $3.9 million for the comparable quarter in 2014. Our net income for the year ended December 31, 2014 increased 25.5% to $14.9 million compared to $11.9 million for the year ended December 31, 2013 and increased by 28.5% for the year ended December 31, 2013 from $9.2 million for the year ended December 31, 2012. Net income for the quarter ended March 31, 2015 increased primarily due to an increase to net loans from loan growth, a higher net interest margin and an increase in non-interest income. Net income for the year ended December 31, 2014 increased primarily due to a full year of LSB operations, a 13.0% increase to net loans from organic growth and a higher net interest margin of 4.39%. Net income for the year ended December 31, 2013 increased primarily due to the increase in loans from organic growth and the LSB merger in the fourth quarter of 2013. Basic earnings per share, or EPS, increased to $0.32 for the quarter ended March 31, 2015 compared to $0.27 for the comparable quarter in 2014, and to $1.02 for the year ended December 31, 2014 compared to $0.92 for the year ended December 31, 2013 and $0.76 for the year ended December 31, 2012. Diluted EPS increased to $0.31 per share for the quarter ended March 31, 2015 compared to $0.26 per share for the comparable quarter in 2014, and increased to $0.98 for the year ended December 31, 2014 compared to $0.89 for the year ended December 31, 2013 and $0.74 for the year ended December 31, 2012. Our increase in net income drove our ROE to 12.08% for the quarter ended March 31, 2015 compared to 10.68% for the comparable quarter in 2014. Our ROE was 9.76% for the year ended December 31, 2014 compared to 9.39% for the year ended December 31, 2013 and 8.25% for the year ended December 31, 2012. Any increase in our capital may result in a lower return on equity.

Return on Average Assets. We measure asset utilization through a return on average assets, or ROA, calculation. For the quarter ended March 31, 2015 our ROA was 1.40% compared to 1.21% for the quarter ended March 31, 2014. For the year ended December 31, 2014, our ROA was 1.12% compared to 1.14% for the year ended December 31, 2013 and 1.01% for the year ended December 31, 2012. The increase in 2015 is primarily due to higher net interest income and non-interest income and a lower effective tax rate of 34.0%. The decline in 2014 in ROA was attributable primarily to higher costs from the LSB merger, lower non-interest income to average assets and a higher effective income tax rate of 35.6%.

Asset Quality. Since the majority of our performing assets are loans, we measure asset quality in terms of non-performing assets as a percentage of total assets. This measurement is used in determining asset quality and its potential effect on future earnings. Non-performing assets as a percentage of total assets were 0.56% as of March 31, 2015 compared to 1.07% as of March 31, 2014, and 0.70% as of December 31, 2014 compared to 1.61% as of December 31, 2013 and 2.46% as of December 31, 2012. Nonperforming assets are loans that are 90 days or more past due or have been placed on nonaccrual status, or are other real estate owned, or OREO.

Asset Growth. Revenue growth and EPS are directly related to earning assets growth. In descending order, our earning assets are loans, investments (including federal funds) and interest earning balances. For the quarter ended March 31, 2015, total assets grew 3.1% and for the year ended December 31, 2014, total assets grew 5.2% compared with 31.0% in 2013 and 11.4% in 2012, with total net loans increasing by 17.4% for the quarter ended March 31, 2015, 13.0% for the year ended December 31, 2014, 40.0% for the year ended December 31, 2013, and 1.6% for the year ended December 31, 2012. Investment securities declined 3.2% for the quarter ended March 31, 2015, and grew 3.3% for the year ended December 31, 2014 compared with 21.2% and 13.3% for the years ended December 31, 2013 and 2012, respectively. Loan growth in 2014 came primarily from the increased level of real estate lending activity complemented by increased C&I lending activity, while loan growth in 2013 was due primarily to the LSB merger, which contributed $178 million in loans as of the merger date and represents approximately 75% of the growth in total net loans in 2013. Additionally, in 2013, the LSB merger was the primary contributor to our growth in assets, total net loans, investment securities and deposits.

Capital and Liquidity. Maintaining appropriate capital and liquidity levels is imperative for us to continue our strong growth levels. We have been successful in maintaining capital levels well above the minimum regulatory requirements, which we believe has enabled our growth strategy. Regulatory authorities define a well capitalized bank as one with tier 1 leverage ratio of 5%. Our tier 1 leverage ratio was 11.63% as of March 31, 2015, 11.32% as of December 31, 2014, as compared with 11.06% as of December 31, 2013 and 11.85% as of December 31, 2012. The increase in our tier 1 leverage ratio in 2015 and 2014 were due primarily to the increase in net income. The slight decrease in our tier 1 leverage ratio in 2013 from 2012 was primarily due to approximately $8.7 million in cash paid as part of the LSB merger. We monitor liquidity levels to ensure we have adequate sources available to fund our loan growth and to accommodate daily operations. The key measure we use to monitor liquidity is our liquidity ratio which is calculated as cash and cash equivalents plus unpledged investment securities divided by total liabilities. Our liquidity ratio was 29.16% as of March 31, 2015, compared to 36.36% as of March 31, 2014, 28.84% as of

December 31, 2014, 33.51% as of December 31, 2013 and 37.95% as of December 31, 2012. The decline in our liquidity ratio reflects a better usage of cash by funding higher loan balances.

Net Interest Margin. Net interest margin is a metric that allows us to gauge our loan pricing and funding cost relationship. For the quarters ended March 31, 2015 and March 31, 2014, our net interest margin was 4.42% and 4.38%, respectively. For the year ended December 31, 2014, our net interest margin was 4.39% compared to 4.31% and 4.53% for the years ended December 31, 2013, and 2012, respectively.

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Operating Efficiency. Operating efficiency is the measure of how much it costs us to generate each dollar of revenue. A lower percentage indicates a better operating efficiency. Our efficiency ratio is calculated as the sum of non-interest expense less merger related expenses divided by the sum of net interest income and non-interest income and was 60.18% for the quarter ended March 31, 2015, as compared to 63.56% for the quarter ended March 31, 2014, 63.58% for the year ended December 31, 2014, 63.61% for the year ended December 31, 2013 and 62.83% for the year ended December 31, 2012. The increase in our efficiency ratios in 2014 and 2013 compared to 2012 was due primarily to increased operating costs associated with the LSB merger. We completed a conversion to a common information technology platform in late 2014, which contributed to an improvement in our efficiency ratio in the first quarter of 2015.

Results of Operations

Factors that determine the level of net income include the volume of earning assets and interest bearing liabilities, yields earned and rates paid, fee income, non-interest expense, the level of non-performing loans and other non-earning assets, and the amount of non-interest bearing liabilities supporting earning assets. Non-interest income includes service charges and other fees on deposits, and mortgage banking income. Non-interest expense consists primarily of employee compensation and benefits, occupancy, equipment and depreciation expense, and other operating expenses.

Average Balance and Yields. The following tables set forth a summary of average balances with corresponding interest income and interest expense as well as average yield, cost and net interest margin information for the periods presented. Average balances are derived from daily balances. Average non-accrual loans are derived from quarterly balances and are included as non-interest earning assets for purposes of these tables.

	Three Months Ended March 31,					
	2015			2014		
(Dollars in thousands, except footnotes)	Average Balance	Interest Income/ Expense	Average Yield/ Rate	Average Balance	Interest Income/ Expense	Average Yield/ Rate
ASSETS						
Interest earning deposits in other banks and federal funds sold	$ 56,119	$ 27	0.20%	$ 59,970	$ 40	0.27%
Securities (1)						
Taxable securities	245,208	1,023	1.69%	250,773	1,199	1.94%
Non-taxable securities (2)	76,695	538	2.84%	82,072	604	2.98%
Loans (3) (4)	948,681	13,809	5.90%	819,314	12,265	6.07%
Non-marketable equity securities	2,621	1	0.15%	2,728	1	0.15%
Total interest earning assets	1,329,324	$ 15,398	4.70%	1,214,857	$ 14,109	4.71%
Allowance for loan losses	(15,240)			(13,618)		
Non-interest earning assets	76,992			94,317		
Total average assets	$ 1,391,076			$ 1,295,556		

LIABILITIES AND SHAREHOLDERS EQUITY						
Interest bearing deposits:						
Demand and savings accounts	$ 541,265	$ 373	0.28%	$ 506,378	$ 367	0.29%
Money market accounts	140,605	79	0.23%	131,514	73	0.23%
Certificates of deposit, under $100,000	111,263	124	0.45%	119,027	161	0.55%
Certificates of deposit, $100,000 and over	88,244	183	0.84%	93,869	230	0.99%
Total interest bearing deposits	881,377	759	0.35%	850,788	831	0.40%
Short-term borrowings	1,681	1	0.24%	1,174	1	0.35%

a contingency relating to the time of payment of interest or principal, as long as either (i) there is no change to the effective yield of the debt obligation, other than a change to the annual yield that does not exceed the greater of 0.25% or 5% of the annual yield, or (ii) neither the aggregate issue price nor the aggregate face amount of the issuer s debt obligations held by us exceeds $1 million and no more than 12 months of unaccrued interest on the debt obligations can be required to be prepaid; and

a contingency relating to the time or amount of payment upon a default or prepayment of a debt obligation, as long as the contingency is consistent with customary commercial practice.

Any loan to an individual or an estate.

Any section 467 rental agreement, other than an agreement with a related party tenant.

- Any obligation to pay rents from real property.
- Certain securities issued by governmental entities.
- Any security issued by a REIT.
- Any debt instrument issued by an entity treated as a partnership for federal income tax purposes to the extent of Regency Centers Corporation s interest as a partner in the partnership.
- Any debt instrument issued by an entity treated as a partnership for federal income tax purposes not described in the preceding bullet points if at least 75% of the partnership s gross income, excluding income from prohibited transactions, is qualifying income for purposes of the 75% gross income test.

The Partnership owns 100% of the outstanding capital stock of the Management Company. Regency Centers Corporation believes that the aggregate value of the Management Company does not presently exceed 25% (or for taxable years before 2009, did not exceed 20%) of the aggregate value of Regency Centers Corporation s gross assets. As of each relevant testing date prior to the election to treat the Management

Company as a taxable REIT subsidiary, which election first became available as of January 1, 2001, Regency Centers Corporation believes it did not own more than 10% of the voting securities of the Management Company. In addition, Regency Centers Corporation believes that as of each relevant testing date prior to the

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election to treat the Management Company as a taxable REIT subsidiary of Regency Centers Corporation, its pro rata share of the value of the securities, including debt, of the Management Company did not exceed 5% of the total value of its assets. No independent appraisals have been obtained to support Regency Centers Corporation s estimate of value, however, and Foley & Lardner LLP, in issuing its opinion on Regency Centers Corporation s qualification as a REIT, is relying on the Regency Centers Corporation s representation as to the limited value of the stock interests in the Management Company.

After initially meeting the asset tests at the close of any quarter, Regency Centers Corporation will not lose its status as a REIT if it fails to satisfy the 25%, 20%, and 5% asset tests and the 10% value limitation at the end of a later quarter solely by reason of changes in the relative values of its assets. If the failure to satisfy the 25%, 20%, or 5% asset tests or the 10% value limitation results from an acquisition of securities or other property during a quarter, the failure can be cured by disposition of sufficient nonqualifying assets within 30 days after the close of that quarter. Regency Centers Corporation intends to maintain adequate records of the value of its assets to maintain compliance with the asset tests and would attempt to take any available actions within 30 days after the close of any quarter in an effort to cure any noncompliance with the 25%, 20%, or 5% asset tests or 10% value limitation of which it becomes aware within that period. If Regency Centers Corporation failed to cure noncompliance with the asset tests within this time period, it would cease to qualify as a REIT. See Failure to Qualify.

If Regency Centers Corporation fails to satisfy one or more of the asset tests for any quarter of a taxable year, it nevertheless may qualify as a REIT for such year if it qualifies for relief under certain provisions of the Code. Those relief provisions generally are available for failures of the 5% asset test and the 10% asset test if (i) the failure is due to the ownership of assets that do not exceed the lesser of 1% of Regency Centers Corporation s total assets or $10 million, and the failure is corrected within six months following the quarter in which it was discovered, or (ii) the failure is due to ownership of assets that exceed the amount in (i) above, the failure is due to reasonable cause and not due to willful neglect, Regency Centers Corporation files a schedule with a description of each asset causing the failure in accordance with regulations prescribed by the Secretary of the Treasury, the failure is corrected within six months following the quarter in which it was discovered, and Regency Centers Corporation pays a tax consisting of the greater of $50,000 or a tax computed at the highest corporate rate on the amount of net income generated by the assets causing the failure from the date of failure until the assets are disposed of or the Company otherwise returns to compliance with the asset test. Regency Centers Corporation may not qualify for the relief provisions in all circumstances.

Annual Distribution Requirements

Regency Centers Corporation, in order to qualify as a REIT, is required to distribute dividends (other than capital gains dividends) to its shareholders in an amount at least equal to: (a) the sum of (i) 90% of its REIT taxable income (computed without regard to the dividends paid deduction and its net capital gain) and (ii) 90% of the net income (after tax), if any, from foreclosure property; minus (b) the sum of certain items of non-cash income. Such distribution must be paid in the taxable year to which it relates, or in the following taxable year if declared before Regency Centers Corporation timely files its tax return for such prior year and if paid on or before the first regular dividend payment date after such declaration. To the extent that Regency Centers Corporation does not distribute (or is not treated as having distributed) all of its net capital gain or distributes (or is treated as having distributed) at least 90%, but less than 100%, of its REIT taxable income, as adjusted, it will be subject to tax thereon at regular ordinary and capital gains corporate tax rates. Regency Centers Corporation may elect to retain, rather than distribute as a capital gain dividend, its net long-term capital gains. If Regency Centers Corporation makes this election, a Capital Gains Designation, it would pay tax on its retained net long-term capital gains. In addition, to the extent Regency Centers Corporation makes a Capital Gains Designation, a U.S. Shareholder generally would: (i) include its proportionate share of its undistributed long-term capital gains in computing its long-term capital gains in its return for its taxable year in which the last day of its taxable year falls (subject to certain limitations as to the amount that is includable); (ii) be deemed to have paid the capital gains tax imposed on Regency Centers Corporation on the designated amounts included in

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the U.S. Shareholder s long-term capital gains; (iii) receive a credit or refund for the amount of tax deemed paid by it; (iv) increase the adjusted basis of its shares by the difference between the amount of includable gains and the tax deemed to have been paid by it; and (v) in the case of a U.S. Shareholder that is a corporation, appropriately adjust its earnings and profits for the retained capital gains in accordance with Treasury Regulations to be prescribed by the IRS. If Regency Centers Corporation should fail to distribute during each calendar year at least the sum of (i) 85% of its REIT ordinary income for such year, (ii) 95% of its REIT capital gain income for such year (other than capital gain income that it elects to retain and pay tax on) and (iii) any undistributed taxable income from prior periods (other than capital gains from such years it elected to retain and pay tax on), Regency Centers Corporation will be subject to a 4% excise tax on the excess of such required distribution over the amounts actually distributed.

Regency Centers Corporation intends to make timely distributions sufficient to satisfy this annual distribution requirement in the future. It is possible that Regency Centers Corporation, from time to time, may not have sufficient cash or other liquid assets to meet the 90% distribution requirement due to timing differences between the actual receipt of income and the actual payment of deductible expenses and the inclusion of such income and deduction of such expenses in arriving at the taxable income of Regency Centers Corporation, or if the amount of nondeductible expenses such as principal amortization or capital expenditures exceeds the amount of noncash deductions. In the event that such timing differences occur, in order to meet the 90% distribution requirement, Regency Centers Corporation may find it necessary to arrange for short-term, or possibly long-term, borrowings to permit the payment of required dividends or to pay dividends in the form of taxable stock dividends.

Under certain circumstances, Regency Centers Corporation may be able to rectify a failure to meet the distribution requirement for a certain year by paying deficiency dividends to shareholders in a later year, which may be included in its deduction for dividends paid for the earlier year. Thus, Regency Centers Corporation may be able to avoid being taxed on amounts distributed as deficiency dividends; however, it will be required to pay to the IRS interest based upon the amount of any deduction taken for deficiency dividends.

Relief from Other Failures of the REIT Qualification Provisions

If Regency Centers Corporation fails to satisfy one or more of the requirements for REIT qualification (other than the income tests or the asset tests), it nevertheless may avoid termination of its REIT election in such year if the failure is due to reasonable cause and not due to willful neglect and it pays a penalty of $50,000 for each failure to satisfy the REIT qualification requirements. Regency Centers Corporation may not qualify for this relief provision in all circumstances.

Failure to Qualify

If Regency Centers Corporation fails to qualify for taxation as a REIT in any taxable year, and the relief provisions do not apply, Regency Centers Corporation will be subject to tax (including any applicable corporate alternative minimum tax) on its taxable income at regular corporate rates. Such a failure could have an adverse effect on the market value and marketability of the common stock. Distributions to shareholders in any year in which Regency Centers Corporation fails to qualify will not be deductible by it nor will they be required to be made. In such event, to the extent of current and accumulated earnings and profits, all distributions to shareholders will be taxable as dividends. Shareholders taxed as individuals may be eligible for the reduced U.S. federal income tax rate of up to 20% on such dividends. Subject to certain limitations of the Code, corporate distributees may be eligible for the dividends received deduction. Unless entitled to relief under specific statutory provisions, Regency Centers Corporation will also be disqualified from taxation as a REIT for the four taxable years following the year during which qualification was lost. It is not possible to state whether Regency Centers Corporation would be entitled to such statutory relief.

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Taxation of Taxable Domestic Shareholders

As used in this section, the term U.S. shareholder means a holder of shares who is (i) a citizen or resident of the United States, (ii) a domestic corporation or other entity treated as a corporation for federal income tax purposes, (iii) an estate whose income is subject to U.S. federal income tax regardless of its source; or (iv) a trust if a U.S. court can exercise primary supervision over the trust s administration and one or more U.S. persons have authority to control all substantial decisions of the trust. If a partnership, entity or arrangement treated as a partnership for U.S. federal income tax purposes holds our shares, the U.S. federal income tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. If you are a partner in a partnership holding our shares, you are urged to consult your tax advisor regarding the consequences of the ownership and disposition of our shares by the partnership.

So long as Regency Centers Corporation qualifies as a REIT, distributions to U.S. shareholders out of its current or accumulated earnings and profits that are not designated as capital gain dividends generally will be taxable as ordinary income and will not be eligible for the dividends received deduction generally available for corporations. In addition, dividends paid to a U.S. shareholder will generally not qualify for the 20% tax rate for qualified dividend income. The maximum tax rate for qualified dividend income received by U.S. shareholders taxed at individual rates is 20%. The maximum tax rate on qualified dividend income is lower than the maximum tax rate on ordinary income, which is 39.6%. However, dividends, other than capital gain dividends, that are (i) attributable to income on which Regency Centers Corporation was subject to tax in the previous taxable year at the corporate level, either because it did not distribute such income or such income consists of gains from certain assets acquired from C corporations, including as a result of the conversion of a C corporation to a REIT, or (ii) attributable to dividends received by Regency Centers Corporation from non-REIT corporations, such as taxable REIT subsidiaries, during the current taxable year will be taxable, to the extent designated by Regency Centers Corporation, to individual stockholders at the current maximum rate of 20% applicable to qualified dividend income. Distributions in excess of Regency Centers Corporation s current and accumulated earnings and profits will not be taxable to a U.S. shareholder to the extent that the distributions do not exceed the adjusted tax basis of the shareholder s shares. Rather, the distributions will reduce the adjusted tax basis of the shares. Distributions that exceed the U.S. shareholder s adjusted tax basis in Regency Centers Corporation s shares will be taxable as capital gains. If Regency Centers Corporation declares a dividend in October, November, or December of any year with a record date in one of these months and pays the dividend on or before January 31 of the following year, Regency Centers Corporation will be treated as having paid the dividend, and the shareholder will be treated as having received the dividend, on December 31 of the year in which the dividend was declared. Shareholders may not include in their own income tax returns any of our net operating losses or capital losses.

Regency Centers Corporation may elect to designate distributions of its net capital gain as capital gain dividends. Capital gain dividends are taxed to shareholders as gain from the sale or exchange of a capital asset held for more than one year, without regard to how long the U.S. shareholder has held Regency Centers Corporation s shares. Designations that Regency Centers Corporation makes only will be effective to the extent that they comply with Revenue Ruling 89-81, which requires that distributions made to different classes of shares be composed proportionately of dividends of a particular type. If Regency Centers Corporation designates any portion of a dividend as a capital gain dividend, a U.S. shareholder will receive an Internal Revenue Service Form 1099 DIV indicating the amount that will be taxable to the shareholder as capital gain. Corporate shareholders, however, may be required to treat up to 20% of capital gain dividends as ordinary income.

Instead of paying capital gain dividends, Regency Centers Corporation may designate all or part of its net capital gain as undistributed capital gain. Regency Centers Corporation will be subject to tax at regular corporate rates on any undistributed capital gain. A U.S. shareholder (1) will include in its income as long-term capital gains its proportionate share of such undistributed capital gains; (2) will be deemed to have paid its proportionate share of the tax paid by Regency Centers Corporation on such undistributed capital gains and receive a credit or refund to the extent that the tax the Company paid exceeds the U.S. shareholder s tax liability on the undistributed capital gain; and (3) in the case of a U.S. shareholder that is a corporation, appropriately

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adjust its earnings and profits for the retained capital gains in accordance with Treasury Regulations to be prescribed by the IRS. A U.S. shareholder will increase the basis in its common shares by the difference between the amount of capital gain included in its income and the amount of tax it is deemed to have paid. Regency Centers Corporation s earnings and profits will be adjusted appropriately.

Regency Centers Corporation will classify portions of any designated capital gain dividend or undistributed capital gain as either: (1) a 20% rate gain distribution, which would be taxable to non-corporate U.S. shareholders at a maximum rate of 20%; or (2) an unrecaptured Section 1250 gain distribution, which would be taxable to non-corporate U.S. shareholders at a maximum rate of 25%.

In addition, dividends paid to, and capital gains recognized by, certain U.S. shareholders that are individuals, estates or trusts may be subject to a 3.8% Medicare tax.

Distributions that Regency Centers Corporation makes and gain arising from the sale or exchange by a U.S. shareholder of its shares will not be treated as passive activity income, and as a result, U.S. shareholders generally will not be able to apply any passive losses against this income or gain. In addition, taxable distributions from Regency Centers

Corporation generally will be treated as investment income for purposes of the investment interest limitations. A U.S. shareholder may elect to treat capital gain dividends and capital gains from the disposition of shares as investment income for purposes of the investment interest limitation, in which case the applicable capital gains will be taxed at ordinary income rates. Regency Centers Corporation will notify shareholders regarding the portions of distributions for each year that constitute ordinary income, return of capital, capital gain or represent tax preference items to be taken into account for purposes of computing the alternative minimum tax liability of the shareholders. U.S. shareholders may not include in their individual income tax returns any of Regency Centers Corporation s net operating losses or capital losses. Regency Centers Corporation s operating or capital losses would be carried over by Regency Centers Corporation for potential offset against future income, subject to applicable limitations.

Upon any taxable sale or other disposition of shares, a U.S. shareholder will recognize gain or loss for federal income tax purposes in an amount equal to the difference between: (1) the amount of cash and the fair market value of any property received on the sale or other disposition and (2) the holder s adjusted tax basis in the shares for tax purposes.

This gain or loss will be a capital gain or loss. The applicable tax rate will depend on the shareholder s holding period for the asset (generally, if an asset has been held for more than one year it will produce long-term capital gain) and the shareholder s tax bracket. The maximum tax rate on long-term capital gain applicable to taxpayers taxed at individual rates is 20% for sales and exchanges of assets held for more than one year. The Internal Revenue Service has the authority to prescribe, but has not yet prescribed, regulations that would apply a capital gain tax rate of 25% (which is generally higher than the long-term capital gain tax rates for noncorporate shareholders) to a portion of capital gain realized by a noncorporate shareholder on the sale of REIT shares that would correspond to the REIT s unrecaptured Section 1250 gain. Shareholders are urged to consult with their tax advisors with respect to their capital gain tax liability. A corporate U.S. shareholder will be subject to tax at a maximum rate of 35% on capital gain from the sale of the Company s shares. In general, any loss recognized by a U.S. shareholder upon the sale or other disposition of shares that have been held for six months or less, after applying the holding period rules, will be treated as a long-term capital loss, to the extent of distributions received by the U.S. shareholder from Regency Centers Corporation that were required to be treated as long-term capital gains. In addition, individuals, estates or trusts whose income exceeds certain thresholds are also subject to a 3.8% Medicare tax on gain from the sale of our shares.

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Taxation of Tax-Exempt Shareholders

Provided that a tax-exempt shareholder has not held its common shares as debt financed property within the meaning of the Code, distributions from Regency Centers Corporation will not be unrelated business taxable income, referred to as UBTI, to a tax-exempt shareholder. Similarly, income from the sale of shares will not constitute UBTI unless the tax-exempt shareholder has held its shares as debt financed property within the meaning of the Code or has used the shares in a trade or business.

However, for tax-exempt shareholders that are social clubs, voluntary employee benefit associations, supplemental unemployment benefit trusts and qualified group legal services plans exempt from federal income taxation under Sections 501(c)(7), (c)(9), (c)(17) and (c)(20) of the Code, respectively, or a single parent title-holding corporation exempt under Section 501(c)(2) the income of which is payable to any of the aforementioned tax-exempt organizations, income from an investment in Regency Centers Corporation will constitute UBTI unless the organization properly sets aside or reserves such amounts for purposes specified in the Code. These tax-exempt shareholders should consult their tax advisors concerning these set aside and reserve requirements.

Notwithstanding the above, however, a portion of the dividends paid by a pension held REIT are treated as UBTI if received by any trust which is described in Section 401(a) of the Code, is tax-exempt under Code Section 501(a), and holds more than 10%, by value, of the interests in the REIT. Tax-exempt pension funds that are described in Code Section 401(a) are referred to below as pension trusts.

A REIT is a pension held REIT if it meets the following two tests: (1) it qualified as a REIT only by reason of Section 856(h)(3) of the Code, which provides that stock owned by pension trusts will be treated, for purposes of determining if the REIT is closely held, as owned by the beneficiaries of the trust rather than by the trust itself; and (2) either (a) at least one pension trust holds more than 25% of the value of the REIT s stock, or (b) a group of pension trusts each individually holding more than 10% of the value of the REIT s shares, collectively owns more than 50% of the value of the REIT s shares.

The percentage of any REIT dividend from a pension held REIT treated as UBTI is equal to the ratio of UBTI earned by the REIT, treating the REIT as if it were a pension trust and therefore subject to tax on UBTI, to the total gross income of the REIT. An exception applies where the percentage is less than 5% for any year. The provisions requiring pension trusts to treat a portion of REIT distributions as UBTI will not apply if the REIT is able to satisfy the not closely held requirement without relying upon the look-through exception for pension trusts. Based on both Regency Centers Corporation s current share ownership and the limitations on transfer and ownership of shares contained in Regency Centers Corporation s organizational documents, we do not expect to be classified as a pension held REIT.

U.S. Taxation of Non-U.S. Shareholders

As used in this section, the terms non-U.S. shareholder means a holder of shares that is not a U.S. person for U.S. federal income tax purposes. Regency Centers Corporation s distributions to a non-U.S. shareholder that are neither attributable to gain from sales or exchanges by Regency Centers Corporation of U.S. real property interests nor designated by Regency Centers Corporation as capital gains dividends will be treated as dividends of ordinary income to the extent that they are made out of the Company s current or accumulated earnings and profits. These distributions ordinarily will be subject to withholding of U.S. federal income tax on a gross basis at a rate of 30%, or a lower rate as permitted under an applicable income tax treaty, unless the dividends are treated as effectively connected with the conduct by the non-U.S. shareholder of a U.S. trade or business. Under some treaties, however, lower withholding rates generally applicable to dividends do not apply to dividends from REITs. Applicable certification and disclosure requirements must be satisfied to be exempt from withholding under the effectively connected income exemption. Dividends that are effectively connected with a trade or business will be subject to tax on a net basis, that is, after allowance for deductions, at graduated rates, in the same manner as U.S. shareholders are taxed with respect to these dividends, and are

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generally not subject to withholding. Any dividends received by a corporate non-U.S. shareholder that is engaged in a U.S. trade or business also may be subject to an additional branch profits tax at a 30% rate, or lower applicable treaty rate.

Distributions in excess of current and accumulated earnings and profits that exceed the non-U.S. shareholder s basis in Regency Centers Corporation s shares will be taxable to a non-U.S. shareholder as gain from the sale of shares, which is discussed below. Distributions in excess of current or accumulated earnings and profits of the Company that do not exceed the adjusted tax basis of the non-U.S. shareholder in Regency Centers Corporation s shares will reduce the non-U.S. shareholder s adjusted tax basis in the shares and will not be subject to U.S. federal income tax, but will be subject to U.S. withholding tax as described below.

Regency Centers Corporation expects to withhold U.S. income tax at the rate of 30% on any dividend distributions (including distributions that later may be determined to have been in excess of current and accumulated earnings and profits) made to a non-U.S. shareholder unless: (1) a lower treaty rate applies and the non-U.S. shareholder files an Internal Revenue Service Form W-8BEN evidencing eligibility for that reduced treaty rate with Regency Centers

Corporation; or (2) the non-U.S. shareholder files an Internal Revenue Service Form W-8ECI with Regency Centers Corporation claiming that the distribution is effectively connected income. In any event, we may be required to withhold 10% of any such distributions in excess of current and accumulated earnings and profits, even if a lower treaty rate applies and the non-U.S. shareholder is not liable for tax on receipt of such distribution. However, a non-U.S. shareholder may claim a refund of amounts that we withhold if we later determine that a distribution in fact exceeded our current and accumulated earnings and profits.

Capital gain distributions to the holders of Regency Centers Corporation s common shares that are attributable to Regency Centers Corporation s sale of real property will be treated as ordinary dividends rather than as gain from the sale of a United States real property interest, as long as (i) Regency Centers Corporation s common shares continue to be regularly traded on an established securities market and (ii) the non-U.S. shareholder did not own more than 5% of Regency Centers Corporation s common shares during the taxable year. As a result, non-U.S. shareholders generally would be subject to withholding tax on such capital gain distributions in the same manner as they are subject to withholding tax on ordinary dividends.

If Regency Centers Corporation s common

shares cease to be regularly traded on an established securities market or the non-U.S. shareholder owned more than 5% of Regency Centers Corporation s common shares during the taxable year, capital gain distributions that are attributable to Regency Centers Corporation s sale of real property would be subject to tax under the provisions of the Foreign Investment in Real Property Tax Act of 1980 (FIRPTA).

Under FIRPTA, a non-U.S. shareholder is taxed on distributions attributable to gain from sales of U.S. real property interests as if such gain were effectively connected with a U.S. business of the non-U.S. shareholder. A non-U.S. shareholder thus would be taxed on such a distribution at the normal capital gain rates applicable to U.S. shareholders (subject to applicable alternative minimum tax and a special alternative minimum tax in the case of a nonresident alien individual). A corporate non-U.S. shareholder not entitled to treaty relief or exemption also may be subject to the 30% branch profits tax on distributions subject to FIRPTA. Regency Centers Corporation must withhold and remit to the Internal Revenue Service 35% of any distributions to non-U.S. stockholders that are designated as capital gain dividends, or, if greater, 35% of a distribution that could have been designated as a capital gain dividend. A non-U.S. shareholder may receive a credit against its FIRPTA tax liability for the amount Regency Centers Corporation withholds.

Although the law is not clear on the matter, it appears that amounts Regency Centers Corporation designates as undistributed capital gains in respect of the common shares held by U.S. shareholders generally should be treated for non-U.S. shareholders in the same manner as actual distributions by Regency Centers Corporation of capital gain dividends. Under that approach, the non-U.S. shareholders would be able to offset as a credit against their United States federal income tax liability resulting from reporting the capital gain their proportionate share of the tax paid by Regency Centers Corporation on the undistributed capital gains, and to receive from the Internal Revenue Service a refund to the extent their proportionate share of this tax paid by Regency Centers Corporation were to exceed their actual United States federal income tax liability.

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Gain recognized by a non-U.S. shareholder upon the sale or exchange of Regency Centers Corporation s shares generally would not be subject to United States taxation unless: (1) the investment in Regency Centers Corporation s shares is effectively connected with the conduct of the non-U.S. shareholder s U.S. trade or business, in which case the non-U.S. shareholder will be subject to the same treatment as domestic shareholders as to any gain; (2) the non-U.S. shareholder is a nonresident alien individual who is present in the United States for 183 days or more during the taxable year and has a tax home in the United States, in which case the nonresident alien individual will be subject to a 30% tax on the individual s net capital gains for the taxable year; or (3) Regency Centers Corporation s shares constitute a U.S. real property interest within the meaning of FIRPTA, as described below.

Regency Centers Corporation s shares will not constitute a U.S. real property interest if it is a domestically controlled REIT. Regency Centers Corporation will be a domestically-controlled REIT if, at all times during the 5 year period, preceding a sale or exchange of stock, less than 50% in value of its stock is held directly or indirectly by non-U.S. shareholders. Regency Centers Corporation believes that it currently is a domestically controlled REIT. Because Regency Centers Corporation s shares are publicly traded, however, it cannot guarantee that it is or will remain a domestically controlled REIT. Even if Regency Centers Corporation does not qualify as a domestically controlled REIT at the time a non-U.S. shareholder sells its shares, gain arising from the sale still would not be subject to FIRPTA tax if: (1) the class or series of shares sold is considered regularly traded under applicable treasury regulations on an established securities market, such as the New York Stock Exchange; and (2) the selling non-U.S. shareholder owned, actually or constructively, 5% or less of the outstanding class or series of shares being sold throughout the five-year period ending on the date of the sale or exchange.

If gain on the sale or exchange of Regency Centers Corporation s shares were subject to taxation under FIRPTA, the non-U.S. shareholder would be subject to regular U.S. income tax as to any gain in the same manner as a taxable U.S. shareholder, subject to any applicable alternative minimum tax and special alternative minimum tax in the case of nonresident alien individuals.

For payments after June 30, 2014, a U.S. withholding tax at a 30% rate will be imposed on dividends paid on our shares received by certain non-U.S. shareholders if certain disclosure requirements related to U.S. accounts or ownership are not satisfied. In addition, if those disclosure requirements are not satisfied, a U.S. withholding tax at a 30% rate will be imposed, for payments after December 31, 2016, on proceeds from the sale of our shares received by certain non-U.S. shareholders. If payment of withholding taxes is required, non-U.S. shareholders that are otherwise eligible for an exemption from, or reduction of, U.S. withholding taxes with respect of such dividends and proceeds will be required to seek a refund from the IRS to obtain the benefit or such exemption or reduction. We will not pay any additional amounts in respect of any amounts withheld.

Other Tax Consequences

Regency Centers Corporation and its security holders may be subject to state or local taxation in various state or local jurisdictions, including those in which it or they transact business or reside. The state and local tax treatment of Regency Centers Corporation and its security holders may not conform to the federal income tax consequences discussed above. Consequently, prospective security holders should consult their own tax advisors regarding the effect of state and local tax laws on an investment in the securities.

Backup Withholding

U.S. Shareholders

Regency Centers Corporation will report to its domestic shareholders and to the IRS the amount of dividends paid during each calendar year, and the amount of tax withheld, if any. Under the backup withholding rules, a shareholder may be subject to backup withholding with respect to dividends paid unless such shareholder (a) is a corporation or another form of entity exempt from backup withholding and, when required, demonstrates this fact, or (b) provides a taxpayer identification number, certifies to no loss of exemption from backup

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withholding, and otherwise complies with applicable requirements of the backup withholding rules. A shareholder that does not provide Regency Centers Corporation with a correct taxpayer identification number may also be subject to penalties imposed by the IRS. Any amount paid as backup withholding will be creditable against the shareholder s income tax liability. In addition, Regency Centers Corporation may be required to withhold a portion of capital gain distributions to any shareholders who fail to certify their non-foreign status to it.

Non-U.S. Shareholders

Generally, information reporting will apply to payments of distributions on Regency Centers Corporation s shares, and backup withholding may apply, unless the payee certifies that it is not a U.S. person or otherwise establishes an exemption.

The payment of the proceeds from the disposition of Regency Centers Corporation shares to or through the U.S. office of a U.S. or foreign broker will be subject to information reporting and, possibly, backup withholding unless the non-U.S. shareholder certifies as to its non-U.S. status or otherwise establishes an exemption, provided that the broker does not have actual knowledge that the shareholder is a U.S. person or that the conditions of any other exemption are not, in fact, satisfied. The proceeds of the disposition by a non-U.S. shareholder of Regency Centers Corporation shares to or through a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, if the broker is a U.S. person, a controlled foreign corporation for U.S. tax purposes, or a foreign person 50% or more of whose gross income from all sources for specified periods is from activities that are effectively connected with a U.S. trade or business, information reporting generally will apply unless the broker has documentary evidence as to the non-U.S. shareholder s foreign status and has no actual knowledge to the contrary.

Applicable treasury regulations provide presumptions regarding the status of shareholders when payments to the shareholders cannot be reliably associated with appropriate documentation provided to the payer. Because the application of these treasury regulations varies depending on the shareholder s particular circumstances, you are urged to consult your tax advisor regarding the information reporting requirements applicable to you.

Certain Material Federal Income Tax Consequences of Debt Securities

As the term is used in this section, a United States holder is a beneficial holder of securities and who is:

- an individual citizen or resident of the United States;
- a corporation or other entity treated as a corporation for United States federal income tax purposes, created or organized in the United States or under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to United States federal income taxation regardless of its source; or
- a trust that (1) is subject to the primary supervision of a United States court and the control of one or more United States persons or (2) has a valid election in effect under applicable Treasury Regulations to be treated as a United States person.

If a partnership, entity or arrangement treated as a partnership for U.S. federal income tax purposes holds our debt securities, the U.S. federal income tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. If you are a partner in a partnership holding our debt securities, you are urged to consult your tax advisor regarding the consequences of the ownership and disposition of our debt securities by the partnership.

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Taxation of Interest. The taxation of interest on a debt security depends on whether the interest constitutes qualified stated interest (as defined below). Interest that constitutes qualified stated interest is includible in a United States holder s income as ordinary interest income when actually or constructively received, if such holder uses the cash method of accounting for federal income tax purposes, or when accrued, if such holder uses an accrual method of accounting for federal income tax purposes. Interest that does not constitute qualified stated interest is included in a United States holder s income under the rules described below under Original Issue Discount, regardless of such holder s method of accounting. Notwithstanding the foregoing, interest that is payable on a debt security with a fixed maturity of one year or less from its issue date (a Short-Term Note) is included in a United States holder s income under the rules described below under Short-Term Notes.

Optional Redemption. Debt securities issued pursuant to this prospectus may or may not be redeemable. If the debt securities are redeemable, we will specify that in the applicable prospectus supplement. If we redeem or otherwise repurchase the debt securities, we may be obligated to pay additional amounts in excess of stated interest and the principal amount (or, if the debt securities are issued with OID, the adjusted issue price). Unless specified otherwise in the applicable prospectus supplement related to any such redeemable debt securities, we intend to take the position that any redeemable debt securities should not be treated as contingent payment debt instruments because of this additional payment. This position is based in part on assumptions regarding the likelihood, as of the date of issuance of the debt securities, that such additional amounts will be paid. Assuming such position is respected, a United States holder would be required to include in income the amount of any such additional payment at the time such payment is received or accrued in accordance with such United States holder s method of accounting for United States federal income tax purposes. If the IRS successfully challenged our position, and any redeemable debt securities were treated as contingent payment debt instruments, United States holders could be required to accrue interest income at a rate higher than the stated interest rate on the debt securities and to treat as ordinary income, rather than capital gain, any gain recognized on a sale, exchange or redemption of a debt security. United States holders are urged to consult their tax advisors regarding the potential application to any redeemable debt securities of the contingent payment debt instrument rules and the consequences thereof.

Fixed Rate Debt Securities. Interest on a fixed rate debt security will generally constitute qualified stated interest if the interest is unconditionally payable, or will be constructively received under Code Section 451, in cash or in property (other than debt instruments issued by us) at least annually at a single fixed rate. If a debt security bears interest for one or more accrual periods at a rate below the rate applicable for the remaining term of such debt security (e.g., debt securities with teaser rates or interest holidays), and if the greater of either the resulting foregone interest on such debt security or any true discount on such debt security (i.e., the excess of the debt security s stated principal amount over its issue price) equals or exceeds a specified de minimis amount, then the excess of the stated interest over any qualified stated interest on the debt security is treated as original issue discount rather than qualified stated interest.

Original Issue Discount. Original issue discount (OID) with respect to a debt security is the excess, if any, of the debt security s stated redemption price at maturity over the debt security s issue price. A debt security s stated redemption price at maturity is the sum of all payments provided by the debt security (whether designated as interest or as principal) other than payments of qualified stated interest. The issue price of a debt security is the first price at which a substantial amount of the debt securities in the issuance that includes such debt security is sold for money (excluding sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers).

As described more fully below, United States holders of debt securities with OID that mature more than one year from their issue date generally will be required to include such OID in income as it accrues in accordance with the constant yield method described below, irrespective of the receipt of the related cash payments. A United States holder s tax basis in a debt security is increased by each accrual of OID and decreased by each payment other than a payment of qualified stated interest.

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The amount of OID with respect to a debt security will be treated as zero if the OID is less than an amount equal to .0025 multiplied by the product of the stated redemption price at maturity and the number of complete years to maturity (or, in the case of a debt security that provides for payment of any amount other than qualified stated interest prior to maturity, the weighted average maturity of the debt security). If the amount of OID with respect to a debt security is less than that amount, the OID that is not included in payments of stated interest is generally included in income as capital gain as principal payments are made. The amount includible with respect to a principal payment equals the product of the total amount of OID and a fraction, the numerator of which is the amount of such principal payment and the denominator of which is the stated principal amount of the debt security.

In the case of OID with respect to a fixed rate debt security, the amount of OID includible in the income of a United States holder for any taxable year is determined under the constant yield method, as follows. First, the yield to maturity of the debt security is computed. The yield to maturity is the discount rate that, when used in computing the present value of all interest and principal payments to be made under the debt security (including payments of qualified stated interest), produces an amount equal to the issue price of the debt security. The yield to maturity is constant over the term of the debt security and, when expressed as a percentage, must be calculated to at least two decimal places.

Second, the term of the debt security is divided into accrual periods. Accrual periods may be of any length and may vary in length over the term of the debt security, provided that each accrual period is no longer than one year and that each scheduled payment of principal or interest occurs either on the final day of an accrual period or on the first day of an accrual period.

Third, the total amount of OID on the debt security is allocated among accrual periods. In general, the OID allocable to an accrual period equals the product of the adjusted issue price of the debt security at the beginning of the accrual period and the yield to maturity of the debt security, less the amount of any qualified stated interest allocable to the accrual period. The adjusted issue price of a debt security at the beginning of the first accrual period is its issue price. Thereafter, the adjusted issue price of the debt security is its issue price, increased by the amount of OID previously includible in the gross income of any holder and decreased by the amount of any payment previously made on the debt security other than a payment of qualified stated interest. For purposes of computing the adjusted issue price of a debt security, the amount of OID previously includible in the gross income of any holder is determined without regard to premium and acquisition premium, as those terms are defined below under Premium and Acquisition Premium.

Fourth, the daily portions of OID are determined by allocating to each day in an accrual period its ratable portion of the OID allocable to the accrual period.

A United States holder includes in income in any taxable year the daily portions of OID for each day during the taxable year that such holder held the debt securities. In general, under the constant yield method described above, United States holders will be required to include in income increasingly greater amounts of OID in successive accrual periods.

Other Rules. Certain debt securities having OID may be redeemed prior to maturity or may be repayable at the option of the holder. Such debt securities may be subject to rules that differ from the general rules discussed above relating to the tax treatment of OID. Purchasers of such debt securities with a redemption feature are urged to consult their tax advisors with respect to such feature since the tax consequences with respect to OID will depend, in part, on the particular terms and the particular features of the purchased debt security.

The Treasury regulations relating to the tax treatment of OID contain certain language (aggregation rules) stating in general that, with some exceptions, if more than one type of debt security is issued in connection with the same transaction or related transactions, such debt securities may be treated as a single debt instrument with a single issue price, maturity date, yield to maturity and stated redemption price at maturity for

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purposes of calculating and accruing any OID. Unless otherwise provided in the applicable prospectus supplement, we do not expect to treat different types of debt securities as being subject to the aggregation rules for purposes of computing OID.

Market Discount. If a United States holder acquires a debt security having a maturity date of more than one year from the date of its issuance and has a tax basis in the debt security that is, in the case of a debt security that does not have OID, less than its issue price (or, in the case of a subsequent purchase, its stated redemption price at maturity), or, in the case of a debt security that has OID, less than its adjusted issue price (as defined above under Original Issue Discount) as of the date of acquisition, the amount of such difference is treated as market discount for federal income tax purposes, unless such difference is less than .0025 multiplied by the stated redemption price at maturity of the debt security multiplied by the number of complete years to maturity (from the date of acquisition).

Under the market discount rules of the Code, a United States holder is required to treat any principal payment (or, in the case of a debt security that has OID, any payment that does not constitute a payment of qualified stated interest) on, or any gain on the sale, exchange, retirement or other disposition of, a debt security as ordinary income to the extent of the accrued market discount that has not previously been included in income. Thus, partial principal payments are treated as ordinary income to the extent of accrued market discount that has not previously been included in income. If such debt security is disposed of by a United States holder in certain otherwise non-taxable transactions, accrued market discount must be included as ordinary income by the United States holder as if the holder had sold the debt security at its then fair market value.

In general, the amount of market discount that has accrued is determined on a ratable basis. A United States holder may, however, elect to determine the amount of accrued market discount on a constant yield to maturity basis. This election is made on a debt security-by-debt security basis and is irrevocable.

With respect to debt securities with market discount, a United States holder may not be allowed to deduct immediately a portion of the interest expense on any indebtedness incurred or continued to purchase or to carry such debt securities. A United States holder may elect to include market discount in income currently as it accrues, in which case the interest deferral rule set forth in the preceding sentence will not apply. This election will apply to all debt instruments acquired by the United States holder on or after the first day of the first taxable year to which the election applies and is irrevocable without the consent of the IRS. A

United States holder s tax basis in a debt security will be increased by the amount of market discount included in the holder s income under the election.

Premium and Acquisition Premium. If a United States holder purchases a debt security for an amount in excess of the sum of all amounts payable on the debt security after the date of acquisition (other than payments of qualified stated interest), the holder will be considered to have purchased the debt security with premium equal to the amount of such excess, and generally will not be required to include any OID in income. Generally, a United States holder may elect to amortize the premium as an offset to qualified stated interest income, using a constant yield method similar to that described above (see Original Issue Discount), over the remaining term of the debt security (where the debt security is not redeemable prior to its maturity date). In the case of debt securities that may be redeemed prior to maturity, the premium is calculated assuming that we or the United States holder will exercise or not exercise the redemption rights in a manner that maximizes the United States holder s yield. A United States holder who elects to amortize bond premium must reduce such holder s tax basis in the debt security by the amount of the premium used to offset qualified stated interest income as set forth above. An election to amortize bond premium applies to all taxable debt instruments owned by the holder on the first day of the taxable year to which such election first applies and thereafter acquired by the holder and may be revoked only with the consent of the IRS.

If a United States holder purchases a debt security issued with OID at an acquisition premium, the amount of OID that the United States holder includes in gross income is reduced to reflect the acquisition premium. A debt security is purchased at an acquisition premium if its adjusted basis, immediately after its

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purchase, is (a) less than or equal to the sum of all amounts payable on the debt security after the purchase date other than payments of qualified stated interest and (b) greater than the debt security s adjusted issue price (as described above under Original Issue Discount).

If a debt security is purchased at an acquisition premium, the United States holder reduces the amount of OID otherwise includible in income during an accrual period by an amount equal to (i) the amount of OID otherwise includible in income multiplied by (ii) a fraction, the numerator of which is the excess of the adjusted basis of the debt security immediately after its acquisition by the purchaser over the adjusted issue price of the debt security and the denominator of which is the excess of the sum of all amounts payable on the debt security after the purchase date, other than payments of qualified stated interest, over the debt security s adjusted issue price.

As an alternative to reducing the amount of OID otherwise includible in income by this fraction, the United States holder may elect to compute OID accruals by treating the purchase as a purchase at original issuance and applying the constant yield method described above.

Short-Term Notes. A Short-Term Note will be treated as having been issued with OID if the stated redemption price at maturity exceeds the issue price of the debt security. United States holders that report income for federal income tax purposes on an accrual method and certain other United States holders, including banks and dealers in securities, are required to include OID in income on such Short-Term Notes on a straight-line basis, unless an election is made to accrue the OID according to a constant yield method based on daily compounding. Any interest payable on the obligation (other than OID) is included in gross income as it accrues.

United States holders of Short-Term Notes who use the cash method of accounting and certain other United States holders are not required to accrue OID for federal income tax purposes, unless the holder elects to do so, with the consequence that the reporting of such income is deferred until it is received. In the case of a United States holder that is not required, and does not elect, to include OID in income currently, any gain realized on the sale, exchange or retirement of a Short-Term Note is ordinary income to the extent of the OID accrued on a straight-line basis (or, if elected, according to a constant yield method based on daily compounding) through the date of sale, exchange or retirement. In addition, United States holders that are not required, and do not elect, to include OID in income currently are required to defer deductions for any interest paid on indebtedness incurred or continued to purchase or carry a

Short-Term Note in an amount not exceeding the deferred interest income with respect to such Short-Term Note (which includes both the accrued OID and accrued interest that is payable but has not been included in gross income), until such deferred interest income is realized. A United States holder of a Short-Term Note may elect to apply the foregoing rules (except for the rule characterizing gain on sale, exchange or retirement as ordinary) with respect to acquisition discount rather than OID. Acquisition discount is the excess of the stated redemption price at maturity of the Short-Term Note over the United States holder s basis in the Short-Term Note. This election applies to all obligations acquired by the taxpayer on or after the first day of the first taxable year to which such election applies, unless revoked with the consent of the IRS. A United States holder s tax basis in a Short-Term Note is increased by the amount included in such holder s income on such a debt security.

Election to Treat All Interest as OID. United States holders may elect to include in gross income all interest that accrues on a debt security, including any stated interest, acquisition discount, OID, market discount, de minimis OID, de minimis market discount and unstated interest (as adjusted by amortizable bond premium and acquisition premium), by using the constant yield method described above under Original Issue Discount. Such an election for a debt security with amortizable bond premium will result in a deemed election to amortize bond premium for all debt instruments owned on the first day of the taxable year to which such election first applies and all debt instruments later acquired by the United States holder with amortizable bond premium and may be revoked only with the permission of the IRS. Similarly, such an election for a debt security with market discount will result in a deemed election to accrue market discount in income currently for such debt security and for all other debt instruments acquired by the United States holder with market discount on or after the first day

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of the taxable year to which such election first applies, and may be revoked only with the permission of the IRS. A United States holder s tax basis in a debt security will be increased by each accrual of the amounts treated as OID under the constant yield election described in this paragraph.

Integration of Debt Securities with Other Financial Instruments. Any United States holder of debt securities that also acquires or has acquired any financial instrument which, in combination with such debt securities, would permit the calculation of a single yield to maturity, may in certain circumstances treat such debt securities and such financial instrument as an integrated debt instrument for purposes of the Code, with a single determination of issue price and the character and timing of income, deductions, gains and losses. For purposes of determining OID, none of the payments under the integrated debt instrument will be treated as qualified stated interest.

Sale or Exchange of Debt Securities. A United States holder generally will recognize gain or loss upon the sale or exchange of a debt security equal to the difference between the amount realized upon such sale or exchange and the United States holder s adjusted basis in the debt security. The adjusted basis in the debt security generally will equal the cost of the debt security, increased by OID, acquisition discount or market discount previously included in respect thereof, and reduced (but not below zero) by any payments on the debt security other than payments of qualified stated interest and by any premium that the United States holder has taken into account. To the extent attributable to accrued but unpaid qualified stated interest, the amount realized by the United States holder will be treated as a payment of interest. Generally, any gain or loss will be capital gain or loss, except as provided under Market Discount and Short-Term Notes .

Tax Rates. Under current law, the highest marginal U.S. federal income tax rate applicable to ordinary income of individuals is 39.6% and the highest marginal U.S. federal income tax rate applicable to long-term capital gains (generally, capital gains on certain assets held for more than 12 months) of individuals is 20%. These rates are subject to change by new legislation at any time.

In addition, individuals, estates and trusts whose income exceeds certain thresholds are also subject to a 3.8% Medicare tax on certain net investment income from a variety of sources. For this purpose, net investment income generally includes, among other things, interest on and capital gains from the sale or other disposition of debt securities. United States holders should consult their tax advisors regarding the effect, if any, of this legislation on their ownership and disposition of debt securities.

Information Reporting and Backup Withholding. Backup withholding at the applicable statutory rate may apply when United States holders receive interest payments on a debt security (including any OID) or proceeds from the sale or other disposition of a debt security. Certain holders including, among others, corporations, financial institutions and certain tax-exempt organizations, are generally not subject to backup withholding. In addition, backup withholding will not apply to any United States holder that provides a social security or other taxpayer identification number in the prescribed manner unless:

- the IRS notifies us or our paying agent that the taxpayer identification number provided is incorrect;
- the United States holder fails to report interest (including any OID) and dividend payments received on the holder s tax return and the IRS notifies us or our paying agent that backup withholding is required; or
- the United States holder fails to certify under penalty of perjury that backup withholding does not apply to the holder.

A United States holder of debt securities who does not provide us or our paying agent with his or her correct taxpayer identification number may be subject to penalties imposed by the IRS. If backup withholding does apply to a United States holder, that holder may request a refund of the amounts withheld or use the

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amounts withheld as a credit against the holder s United States federal income tax liability as long as the United States holder provides the required information to the IRS. United States holders should consult their tax advisors as to their qualification for exemption from backup withholding and the procedures for obtaining the exemption.

We will be required annually to furnish the IRS and holders of debt securities information relating to the amount of interest paid on the debt securities, and information reporting may also apply to payments of proceeds from the sale of the debt securities by those holders. Some United States holders generally are not subject to information reporting.

Non-United States Holders This section applies to non-United States holders of the debt securities. The term non-United States holder means a beneficial owner of a debt security that is not a United States holder, as defined above.

The rules governing United States federal income taxation of the purchase, ownership and disposition of our debt securities by non-United States holders are complex, and no attempt is made herein to provide more than a brief summary of such rules. Accordingly, the discussion does not address all aspects of United States federal income taxation that may be relevant to a non-United States holder in light of its particular circumstances and does not address any state, local or foreign tax consequences. We urge non-United States holders to consult their tax advisors to determine the impact of federal, state, local and foreign income tax laws on the purchase, ownership and disposition of our debt securities, including any reporting requirements.

Payments of Interest. Interest (including any OID) paid to a non-United States holder will not be subject to United States federal income or withholding tax if the interest is not effectively connected with the non-United States holder s conduct of a trade or business within the United States, and the non-United States holder:

- does not actually or constructively own a 10% or greater interest in our capital or profits;
- is not a controlled foreign corporation with respect to which we are a related person within the meaning of Code Section 864(d)(4);
- is not a bank that received such debt securities on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business; and
- provides the appropriate

certification as to the holder s foreign status. This certification requirement generally can be met by providing a properly executed IRS Form W-8BEN or appropriate substitute form to us or our paying agent. If the debt securities are held through a financial institution or other agent acting on behalf of the non-United States holder, such holder may be required to provide appropriate documentation to the agent. The agent will then generally be required to provide appropriate certifications to us or our paying agent, either directly or through other intermediaries. Special certification rules apply to foreign partnerships, estates and trusts, and in certain circumstances, certifications as to the foreign status of partners, trust owners or beneficiaries may have to be provided to us or our paying agent.

If a non-United States holder does not qualify for an exemption under these rules, interest income from the debt securities may be subject to withholding tax at the rate of 30% (or lower applicable treaty rate) at the time such interest is paid. The payment of interest effectively connected with a United States trade or business, however, would not be subject to a 30% withholding tax so long as the non-United States holder provides us or our paying agent an adequate certification (currently on IRS Form W-8ECI), but such interest would be subject to United States federal income tax on a net basis at the rates applicable to United States persons generally. In addition, if the payment of interest is effectively connected with a foreign corporation s conduct of a United

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States trade or business, that foreign corporation may also be subject to a 30% (or lower applicable treaty rate) branch profits tax. To claim the benefit of a tax treaty, a non-United States holder must provide a properly executed IRS Form W- 8BEN before the payment of interest and the non-United States holder may be required to obtain a United States taxpayer identification number and provide documentary evidence issued by foreign governmental authorities to prove residence in the foreign country.

Optional Redemption. If we redeem or otherwise repurchase the debt securities, we may be obligated to pay additional amounts in excess of stated interest and the principal amount (or, if the debt securities are issued with OID, the adjusted issue price). We intend to treat any such amounts paid to a non-United States holder pursuant to any such redemption or repurchase as additional amounts paid for the debt securities, subject to the rules described below in Sale, Exchange or Other Taxable Disposition of Debt Securities.

Sale, Exchange or Other Taxable Disposition of Debt Securities. A non-United States holder generally will not be subject to United States federal income tax on any amount that constitutes capital gain upon a sale, exchange, redemption, retirement or other taxable disposition of a debt security, unless either of the following is true:

- the investment in the debt securities is effectively connected with the non-United States holder s conduct of a United States trade or business; or
- the non-United States holder (i) is a nonresident alien individual holding the debt securities as a capital asset, (ii) is present in the United States for 183 or more days in the taxable year within which the sale, exchange or other taxable disposition takes place, and (iii) certain other requirements are met.

If you are a holder described in the first bullet point above, the net gain derived from the retirement or disposition of your debt securities generally would be subject to United States federal income tax at the rate applicable to United States persons generally (or lower applicable treaty rate). In addition, foreign corporations may be subject to a 30% (or lower applicable treaty rate) branch profits tax if the investment in the debt securities is effectively connected with the foreign corporation s conduct of a United States trade or business. If you are a holder described in the second bullet point above, you will be subject to a flat 30% United States federal income tax on the gain derived from the retirement or disposition of your debt securities, which may be offset by United States source capital losses, even though you are not considered a resident of the United States.

Backup Withholding and Information Reporting. Backup withholding and information reporting generally will not apply to payments made to a non-United States holder with respect to the debt securities, provided that we do not have actual knowledge or reason to know that the non-United States holder is a U.S. person and the holder has given us the statement described above under Non-United States Holders Payments of Interest. In addition, a non-United States holder will not be subject to backup withholding or information reporting with respect to the proceeds of the sale of debt securities within the United States or conducted through certain U.S.-related financial intermediaries, if the payor receives the statement described above and does not have actual knowledge or reason to know that the holder is a U.S. person, as defined under the Code, or the non-United States holder otherwise establishes an exemption. However, we may be required to report annually to the IRS and to a non-United States holder the amount of, and the tax withheld with respect to, any interest (including any OID) paid to the non-United States holder, regardless of whether any tax was actually withheld. Copies of these information returns may also be made available under the provisions of a specific treaty or agreement to the tax authorities of the country in which the non-United States holder resides.

A non-United States holder generally will be entitled to credit any amounts withheld under the backup withholding rules against the holder s United States federal income tax liability, provided that the required information is furnished to the IRS in a timely manner. Non-United States holders of debt securities should consult their tax advisors regarding the application of backup withholding and information reporting in their particular situation, the availability of an exemption therefrom, and the procedure for obtaining an exemption, if available.

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For payments after June 30, 2014, a U.S. withholding tax at a 30% rate will be imposed on interest paid on our debt securities received by certain non-United States holders if certain disclosure requirements related to U.S. accounts or ownership are not satisfied. In addition, if those disclosure requirements are not satisfied, a U.S. withholding tax at a 30% rate will be imposed, for payments after December 31, 2016, on proceeds from the sale of our debt securities received by certain non-United States holders. If payment of withholding taxes is required, non-United States holders that are otherwise eligible for an exemption from, or reduction of, U.S. withholding taxes with respect of such interest and proceeds will be required to seek a refund from the IRS to obtain the benefit or such exemption or reduction. We will not pay any additional amounts in respect of any amounts withheld.

Tax Consequences of Floating Rate, Variable Rate and Contingent Payment Debt Securities.

A description of the material federal income tax consequences of the acquisition, ownership and disposition of variable rate, floating rate or contingent payment debt securities that we may issue in the future will be set forth in the prospectus supplement relating to the offering of such debt securities.

LEGAL MATTERS

The validity of the securities to which this prospectus relates and certain tax matters described under Certain Material Federal Income Tax Considerations will be passed upon for us by Foley & Lardner LLP, Jacksonville, Florida. Attorneys with Foley & Lardner LLP representing us with respect to this offering beneficially owned approximately 1,200 shares of our common stock as of the date of this prospectus.

EXPERTS

The consolidated financial statements and schedule of Regency Centers Corporation and Regency Centers, L.P. as of December 31, 2013 and 2012, and for each of the years in the three-year period ended December 31, 2013, and management s assessment of the effectiveness of internal control over financial reporting as of December 31, 2013 have been incorporated by reference herein in reliance upon the reports of KPMG LLP, independent registered public accounting firm, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

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$200,000,000

Regency Centers Corporation

Common Stock

PROSPECTUS SUPPLEMENT

March 4, 2014

Wells Fargo Securities

BofA Merrill Lynch

Jefferies

J.P. Morgan

RBC Capital Markets