



**LARGE BANK**

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Comptroller of the Currency  
Administrator of National Banks  
Washington, DC 20219

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## Public Disclosure

**June 07, 2004**

# Community Reinvestment Act Performance Evaluation

**Pacific Capital Bank, National Association  
Charter Number: 24319**

**20 East Carrillo Street  
Santa Barbara, CA 93101**

**Office of the Comptroller of the Currency**

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**NOTE:** This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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## Overall CRA Rating

**Institution’s CRA Rating:** This institution is rated **Satisfactory**.

The following table indicates the performance level of **Pacific Capital Bank, National Association (PCB)** with respect to the Lending, Investment, and Service Tests:

Performance Levels	(Name of Depository Institution) Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding		X	
High Satisfactory	X		X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

\* The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

The major factors that support this rating include:

- An excellent distribution by borrower income and geography of HMDA and Small Business Lending in the Ventura County assessment area.
- An adequate geographic distribution of HMDA lending and an excellent geographic distribution of Small Business Lending in the Santa Barbara assessment area.
- A good distribution by borrower income of HMDA loans and an excellent distribution by borrower income of Small Business Loans in the Santa Barbara assessment area.
- The Community Development lending had a positive impact on the overall evaluation.
- An excellent distribution of branches throughout the bank’s assessment areas and bank services that are tailored to the needs of the assessment area and do not vary in a way that would inconvenience portions of the assessment area.
- Pacific Capital provides a good level of community development services that are responsive and supportive of needs in the assessment area.
- PCB has a significant dollar volume of qualified investments in this evaluation period.
- The bank’s qualified investments are responsive to the identified needs of the assessment areas. Also, all of the qualified investments are within a broader statewide area that includes the assessment area.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**Block Numbering Area (BNA):** A statistical subdivision of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. A BNA does not cross county lines.

**Census Tract (CT):** A small subdivision of metropolitan areas and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Community Development:** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

**Community Reinvestment Act (CRA):** the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also

include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male household and no wife present) or 'female householder' (a family with a female householder and no husband present).

**Full Review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

**Geography:** A census tract or a block numbering area delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

**Home Mortgage Loans:** such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes loans for multifamily (five or more families) dwellings, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**Limited Review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

**Low-Income:** Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

**Metropolitan Area (MA):** Any primary metropolitan area (PMA), metropolitan area (MA), or consolidated metropolitan area (CMA), as defined by the Office of Management and Budget, with a population of 250,000 or more, and any other area designated as such by the appropriate federal financial supervisory agency.

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography.

**Moderate-Income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

**Multifamily:** Refers to a residential structure that contains five or more units.

**Other Products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Qualified Investment:** A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rated Area:** A rated area is a state or multi-state metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

**Small Loan(s) to Business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

**Small Loan(s) to Farm(s):** A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

**Tier One Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

**Upper-Income:** Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.

## Description of Institution

Pacific Capital Bank, National Association (PCB) is an intrastate bank headquartered in Santa Barbara, California. As of March 31, 2004, the bank had total assets of \$5.6 billion, total deposits of \$4.3 billion, and net tier one capital of \$353 million. The bank's loans, net of allowance for losses, totaled \$3.6 billion, of which 30% are loans secured by 1 – 4 family residential or multifamily property and 44% are secured and unsecured commercial and industrial loans. PCB is a full service bank.

PCB is the result of the merger of two affiliated banks, First National Bank of Central California and Santa Barbara Bank and Trust, into a newly created charter, Pacific Capital Bank, N.A. The banks were formerly held under the holding company, Pacific Capital Bancorp. The banks began operation as Pacific Capital Bank, N.A. as of March 29, 2002. Banking activities are conducted under four brand names; Santa Barbara Bank and Trust, First National Bank of Central California, South Valley National Bank, and San Benito Bank.

PCB did not request consideration of any affiliate activity for this evaluation. The bank has no operating subsidiaries.

There are no legal, financial or other factors impeding the bank's ability to help meet the credit needs in its assessment areas.

This is the first CRA evaluation for PCB. Operating as separate charters, First National Bank of Central California received a Satisfactory rating on November 2, 1998. Santa Barbara Bank and Trust received an Outstanding rating on June 24, 2000.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

The evaluation period for our review of HMDA and CRA loan data will include the period from January 1, 2002 through December 31, 2002. Instead of running two sets of tables, we elected to only evaluate the 2002 data. The evaluation period for our review of community development loans, qualified investments, and community development services will be March 29, 2002 (the date when the bank was chartered) through July 7, 2004.

### **Data Integrity**

We reviewed a representative sample of the bank's reported CRA and HMDA loans to determine the accuracy of the data submitted. This review determined there was a high level of accuracy. These errors were not considered significant and did not affect the utility of the data for this evaluation.

### **Selection of Areas for Full-Scope Review**

Based on the volume of loans in each assessment area (AA) relative to total loans originated, we chose the Santa Barbara and Ventura County AA for Full-Scope review. San Benito, Santa Clara, Monterey, and Santa Cruz County AAs were selected for limited scope reviews. Please refer to Table 1 for data concerning volume and percentage of loans in each AA.

### **Ratings**

The bank's overall rating is based primarily on those areas that received full-scope reviews. Because the Santa Barbara AA comprises more than 50% of the bank's total volume of loans, more weight was given to performance in the Santa Barbara AA.

### **Other**

Community contacts were conducted as part of this examination. The information from these contacts is incorporated into our evaluation.



## Fair Lending Review

We found no evidence of illegal discrimination or other illegal credit practices.

## Conclusions with Respect to Performance Tests

### LENDING TEST

#### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test is rated "**High Satisfactory**". Based on full-scope reviews, the bank's performance in the Santa Barbara is good and Ventura AAs is excellent.

#### Lending Activity

Refer to Table 1 - Lending Volume and Table 1 - Other in Appendix C for the facts and data used to evaluate the bank's lending activity.

Lending activity is good. During the evaluation period, the bank made 3212 reportable home mortgage and CRA loans totaling \$601 million. In 2002, the bank was the ninth ranked lender of HMDA and the sixth ranked lender of CRA loans in the Santa Barbara AA. In the Ventura AA, the bank was the forty-ninth ranked lender of HMDA loans and the ninth ranked lender of CRA loans. The bank had a 27% share of all FDIC insured deposits in Santa Barbara County and a six percent share of deposits in Ventura County. The level of lending activity relative to deposits is good considering the large number of mortgage brokers and credit card companies with no deposit taking facilities that are lending in the AA.

#### Distribution of Loans by Income Level of the Geography

##### *Home Mortgage Loans*

Refer to Tables 2, 3, 4 and 5 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

##### **Santa Barbara AA**

Geographic Distribution of HMDA lending in the Santa Barbara assessment area is adequate.

##### *Home Purchase*

The geographic distribution of home purchase loans in the Santa Barbara AA is excellent. There were no owner occupied homes in the one low-income census tract in the Santa Barbara AA. Analysis of these tracts was not meaningful. The bank percentage of loans in moderate-income census tracts was greater than the percentage of owner occupied houses in those tracts. The bank's market share was less than its overall market share.

### *Home Improvement*

Home improvement loans are an insignificant part of the bank's portfolio and were not analyzed.

### *Refinance*

The geographic distribution of refinance loans in the Santa Barbara AA is adequate. The percentage of bank loans to borrowers in moderate-income census tracts was less than the percentage of owner occupied housing in those tracts. The bank's market share in moderate-income tracts is less than their overall market share.

### *Multifamily Loans*

Geographic distribution of Multifamily Loans in the Santa Barbara AA is excellent. The bank's loans in low-income census tracts are slightly less than the demographics. The bank's loans in moderate-income census tracts exceed the demographics in those tracts. Moderate-income census tracts represent the majority of multifamily units in the assessment area. Market share in low-income census tracts is less than overall market share. Market share in moderate-income tracts is significantly greater than overall market share.

## **Ventura AA**

Geographic Distribution of HMDA lending in the Ventura AA is excellent.

### *Home Purchase*

Geographic distribution of Home Purchase loans in the Ventura AA is excellent. The bank's percentage of loans in low-and moderate-income census tracts was greater than the percentage of owner occupied houses in those tracts. The bank's market share in low- and moderate-income census tracts exceeded its overall market share.

### *Home improvement*

Home improvement loans are an insignificant part of the bank's portfolio and were not analyzed.

### *Refinanced Loans*

Geographic distribution of Refinanced Loans in the Ventura AA is excellent. The bank's percentage of loans in low-and moderate-income census tracts was greater than the percentage of owner occupied houses in those tracts. The bank's market share in low- and moderate-income census tracts exceeded its overall market share.

### *Multifamily*

The geographic distribution of multifamily loans in the Ventura AA is excellent. The bank's percentage of loans to low- and moderate-income census tracts exceeded the demographics in those tracts. The bank's market share in low-income tracts was less than the overall market

share. However, the market share in moderate-income tracts substantially exceeded its overall market share.

### ***Small Loans to Businesses***

Refer to Table 6 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses in the Santa Barbara AA is excellent. The percentage of small business in low-income geographies is less than 1% and although the bank has some lending there, the percentages are too small to be meaningful. The percentage of small business loans in moderate-income geographies exceeds the percentage of businesses in moderate-income tracts. Market share in moderate-income tracts exceeded the overall market share.

The geographic distribution of small loans to businesses in the Ventura AA is excellent. The percentage of small business loans in low- and moderate-income geographies is only slightly less than the percentage of small businesses located in these tracts. Market share in both low- and moderate-income tracts exceeded the bank's overall market share.

### ***Small Loans to Farms***

Refer to Table 7 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

Small loans to farms were an insignificant part of the bank's overall lending and were not considered in the overall rating.

## **Lending Gap Analysis**

The examiners performed an analysis of the bank's loan patterns of small loans to businesses, utilizing a variety of techniques including mapping for the AA. This analysis revealed gaps in the geographic distribution of those loans. The gaps existed throughout the assessment area but were not specific to census tracts of any specific income category. The existence of gaps did not negatively impact the bank's rating.

### **Inside/Outside Ratio**

Eighty percent of the bank's originated and purchased loans were within its designated AA. The bank's performance in making loans inside its AA had a positive impact on the overall analysis of geographic distribution.

## **Distribution of Loans by Income Level of the Borrower**

### ***Home Mortgage Loans***

Refer to Tables 8, 9, and 10 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

### **Santa Barbara**

The distribution of home mortgage lending by borrower income in the Santa Barbara AA is adequate.

#### *Home Purchase*

Home purchase lending to low- and moderate-income borrowers is poor. Home purchase lending in the Santa Barbara AA to low- and moderate-income borrowers is significantly below the percentage of low- and moderate-income borrowers in the AA. The bank's market share of loans to low-income borrowers exceeds its overall market share. The bank's market share of loans to moderate-income borrowers is less than its overall market share.

#### *Home Improvement*

Home improvement loans are an insignificant part of the bank's portfolio and were not analyzed.

#### *Refinance*

Refinance lending by borrower income is adequate. The bank's refinance loans to low- and moderate-income borrowers in the AA were less than the percentage of low- and moderate-income borrowers in the AA. The bank's market share to low- and moderate-income borrowers was greater than overall market share.

### **Ventura**

Home mortgage lending in the Ventura AA is excellent.

#### *Home Purchase*

Home purchase lending to borrowers of different income is good. The bank's lending to low-income borrowers in the Ventura AA exceeded the percentage of low-income borrowers in the AA. The bank's lending to moderate-income borrowers is less than the percentage of moderate-income borrowers in the AA. The bank's market share of lending to low- and moderate-income borrowers exceeded the overall market share in the AA.

#### *Home Improvement*

Home improvement loans are an insignificant part of the bank's portfolio and were not analyzed.

## *Refinance*

Refinance lending to borrowers of different incomes is excellent. The bank's loans exceeded the percentage of low- and moderate-income borrowers in the AA. The bank's market share of lending to low- and moderate-income borrowers exceeded the overall market share in the AA.

## ***Small Loans to Businesses***

Refer to Table 11 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

### **Santa Barbara AA**

The bank's distribution of small loans to businesses is excellent. The percentage of bank's loans to business with revenues of less than \$1 million exceeds the percentage of these businesses in the community. The bank's market share of loans to these businesses exceeds its overall market share.

### **Ventura AA**

The bank's distribution of small loans to businesses is excellent. The percentage of bank's loans to business with revenues of less than \$1 million is only slightly less than the percentage of these businesses in the community. The bank's market share of loans to these businesses exceeds its overall market share.

## ***Small Loans to Farms***

Refer to Table 12 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

Small loans to farms were an insignificant part of the bank's overall lending and were not considered in the overall rating.

## **Community Development Lending**

Refer to Table 1 - Lending Volume in Appendix C for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

The bank's community development lending had a positive impact on their overall rating. The bank made 65 loans totaling almost \$38 million throughout the six assessment areas. This represented over ten percent of the bank's Tier 1 capital and surplus. Some of the loans having significant impact on the needs of the assessment areas are listed below.

The bank has provided an assortment of lines of credit, letters of credit, construction and bridge financing to a non-profit housing developer operating in Santa Clara, Santa Cruz, San Benito, and Monterey. Bank loans have assisted the organization in their efforts to develop affordable housing units in the communities the bank serves.

The bank made a loan to an organization that provides job training and job placement services to people who required special assistance because of disabilities. The bank also provides a place of employment for many of the graduates of the training program.

The bank made a loan to an organization that works to coordinate community resources to help needy children, families and organization serving them. The bank refinanced needed transitional housing for LMI families.

### **Product Innovation and Flexibility**

The bank partners with several different housing and grant organizations to provide flexible financing for low- and moderate-income borrowers. However, they have not developed any innovative products specifically for low- and moderate-income borrowers or small businesses.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the lending test in the Santa Cruz, Santa Clara, and Monterey MAs and San Benito non-metropolitan area is weaker than the bank's overall. Refer to Tables 1 through 13 in Appendix C for the facts and data that support these conclusions.

## INVESTMENT TEST

### Conclusion for Area Receiving Full-Scope Review

Refer to Table 14 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

The bank's performance under the Investment test is rated "**Outstanding.**" The bank's performance in the full scope assessment areas as well as many of the limited scope assessment areas exceeds comparable financial institutions.

The key findings that support the rating include:

- PCB has a significant dollar volume of qualified investments in this evaluation period. This conclusion considers the investment opportunities within the assessment areas and the bank's capacity to address those opportunities.
- The bank's qualified investments are responsive to the identified needs of the assessment areas. Also, all of the qualified investments are within a broader statewide area that includes the AA.
- During the evaluation period, the bank made \$26 million in qualified investments. Prior period investments, or in this bank's case, investments at the various sister banks totaled \$16 million. Total qualified investments equal \$43 million. Many of the qualified investments provide affordable housing, an important community need.

An important contextual issue is that the bank has delineated several large assessment areas within the state of California. The affluent nature of the assessment areas and the pockets of low- and moderate-income census tracts provide ample opportunity for the bank to make CD investments. And since the bank has adequately addressed local needs, we included investments that benefited a larger area that included the AA.

PCB CRA investment portfolio is comprised of municipal bonds; mortgage-backed securities, and tax credit funds.

PCB made significant efforts supporting municipal bonds issues. The bank has contacts with the underwriters of these types of investments therefore keeping the bank apprised when new issues are floated. The bank invested in every municipal bond eligible for CRA credit during the review period.

The bank has supplemented community development mortgage lending by investing in mortgage-backed securities targeted to affordable housing since the bank cannot compete directly with the mortgage brokers', mortgage banks' and large banks' mortgage products. During the review period, the bank participated in two mortgage-backed securities totaling \$2.7 million comprised solely of affordable mortgages for LMI families in the Santa Barbara MSA. Per bank management, the Santa Barbara MSA, of all of the bank's assessment areas, maintains one of the highest median home prices but also one of the lowest median family



incomes. The lack of affordability inhibits low- and moderate-income individuals to purchase housing.

The housing tax credit market in the AA is limited due to the relative low number of these products compared to the competition to buy these products. California has specifically assigned a total of twelve MSAs designated as Difficult Development Areas. Four of the twelve are assessment areas within PCB's footprint.

### **Record of Supporting Community Development Initiatives**

The bank has participated in several innovative investment vehicles such as the mutual funds offered through CRA Fund Advisors and Merrill Lynch. The Investment Committee does a good job of balancing "innovative, creative, and flexible" with safe and sound credit criteria.

### **Grants**

PCB provides grants to a variety of low- and moderate-income areas and programs. The bank also considers alternatives such as in-kind donations, assistance with fundraising events, or leadership roles in community development initiatives. Specific initiatives include the bank's own PC Donation Program, which the bank created in order to address the technological needs of many of the community's nonprofits; donations made to SCH to assist with affordable housing projects; the FSS initiative implemented in collaboration with the Housing Authority of the City of Santa Barbara; and the Port Hueneme School District Bond.

## **SERVICE TEST**

### **Conclusions for Area Receiving Full-Scope Review**

The bank's performance under the Service test is rated "**High Satisfactory.**" Based on the following factors, the bank's performance in all assessment areas is good.

- The bank's distribution of branches is excellent based on the assessment areas' geographic income levels.
- Branch openings did not adversely impact the accessibility of the bank's delivery systems.
- Bank services are tailored to the needs of the assessment area and do not vary in a way that would inconvenience portions of the assessment area.
- Pacific Capital provides a good level of community development services that are responsive and supportive of needs in the assessment area.

### **Retail Banking Services**

Refer to Table 15 in Appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

### **Branch Distribution**

The distribution of Pacific Capital's forty-two branches is excellent based on the geographic distribution of the population in the bank's assessment areas. The assessment areas consist of low-, moderate-, middle- and upper-income tracts. Twenty-nine percent of the bank's assessment area census tracts are low- and moderate-income. Thirty-three percent of the bank's branches are in low- and moderate-income census tracts.

The bank has not closed any branches during this evaluation period. The bank did open one branch in a middle-income area. This opening did not adversely impact the accessibility of the bank delivery systems particularly to low- and moderate-income individuals.

Branch hours are reasonable. All of the branches are open Monday – Thursday 9:00 a.m. to 5:00 p.m. and Friday 9:00 a.m. to 6:00 p.m. The majority of the branches in the southern region offer Saturday hours from 9:00 a.m. to 1:00 p.m. And three of the eleven branches in the northern region offer Saturday hours from 9:00 a.m. to 12:00 p.m.

### **Alternate Delivery Systems**

The bank's retail services and alternate delivery systems are responsive to the needs of the community. The bank offers a wide range of consumer and business loan and deposit products at each of its full-service branch locations. The bank offers proprietary ATMs at all branches, which accept deposits.

In addition, the bank provides telephone and online banking. Pacific Capital does not charge customers for ATM use or telephone/online inquiries.

Additionally, the bank has created products meeting the needs of low and moderate- income customers such as the High-Performance Checking (HPC). This is a free checking product directed toward low- and moderate-income individuals. Twenty-five percent of HPC accounts opened positively impacted families living in the LMI areas of the Bank's assessment areas.

Bilingual Services provides a recognized need for the Hispanic communities within the assessment areas. Several of the census tracts have significant populations of Hispanic individuals with Spanish as their primary language. Many of these individuals fall into the low- and moderate-income category.

### **Community Development Services**

PCB provides strong support to the community by providing expertise to many non-profit organizations, affordable housing agencies, schools and governmental agencies. The number of hours and types of commitments exceed hours and commitments at similar institutions.

## Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and non-metropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

<b>Time Period Reviewed</b>	Lending Test (excludes CD Loans): (01/01/2002 to 12/31/2002) Investment and Service Tests and CD Loans: (03/29/2002 to 07/07/2004)	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Pacific Capital Bank, National Association (PCB) Santa Barbara, California	HMDA and CRA Loans, Community Development Loans, Services and Investments	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
None	NA	NA
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Santa Barbara Ventura	Full Scope Full Scope	
San Benito Monterey Santa Clara Santa Cruz	Limited Scope Limited Scope Limited Scope Limited Scope	

# Appendix B: Market Profiles for Full-Scope Areas

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### Market Profiles for Areas Receiving Full-Scope Reviews

(Santa Barbara) .....	B-2
(Ventura) .....	B-3

## Santa Barbara MA

Demographic Information for Full Scope Area: Santa Barbara AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	82	1.22	28.05	35.37	32.93	2.44
Population by Geography	369,608	1.54	33.12	34.45	30.89	0.00
Owner-Occupied Housing by Geography	71,043	0.00	16.32	40.63	43.05	0.00
Business by Geography	26,497	0.48	40.75	27.43	31.34	0.00
Farms by Geography	1,010	0.00	27.62	26.53	45.84	0.00
Family Distribution by Income Level	87,510	19.52	18.10	22.62	39.77	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	32,913	0.39	47.15	33.99	18.47	0.00
Median Family Income		41,289	Median Housing Value		256,264	
HUD Adjusted Median Family Income for 2002		56,800	Unemployment Rate (1990 US Census)		2.8%	
Households Below Poverty Level		10.17%				

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 1990 US Census and 2002 HUD updated MFI

The Santa Barbara County MSA is the bank's largest assessment area and is located north of Ventura County. PCB has 19 branches providing the bank with 4% of its deposits and 10% of its loans. Each of the branches has at least one ATM available twenty-four hours a day. The bank also has 12 stand alone ATMs throughout the assessment area. The bank ranks sixth in small business lending (dollars) in the county with a 6% market share. The bank ranks ninth in home mortgage lending with a 2% market share. As of June 2000, the bank's deposit market share was 27%. There are 23 institutions with a physical presence in this market.

The MSA includes 82 tracts as of the 1990 census. Median housing values were over \$250 thousand in 1990 and 54% of the housing units was owner occupied. Median family income for 2002 was over \$56 thousand.

The county's population increased 8% to 399,347 from 1990-2000. The most populous cities are Santa Barbara, Santa Maria and Goleta. Unemployment rates were well below California and U.S. rates during the evaluation period, although pockets of high unemployment exist throughout the assessment area particularly in Guadalupe, Isla Vista and portions of Cuyama Valley, Goleta Valley, Lompoc, Santa Maria, and Santa Barbara.

D&B data dated 2002 shows that 69% of area businesses had sales of less than \$1 million. State and local government is the leading employer. Other major industries are agriculture and services. The largest civilian employers in the area are University of California Santa Barbara and Vandenberg Air Force Base. The high cost of housing is a significant factor in the economy. Building restriction, no growth ordinances and large tracts of unavailable land contribute to the high cost and short supply of housing in the area. Community groups verified the critical need for affordable housing for low, moderate and middle-income populations.

## Ventura County MA

Demographic Information for Full Scope Area: Ventura County AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	130	3.08	30.00	44.62	21.54	0.77
Population by Geography	669,016	2.58	29.32	45.01	23.10	0.00
Owner-Occupied Housing by Geography	142,262	0.85	20.59	48.04	30.51	0.00
Business by Geography	34,739	4.55	33.17	36.33	25.95	0.00
Farms by Geography	938	2.45	33.90	46.70	16.95	0.00
Family Distribution by Income Level	166,925	18.41	18.90	25.19	37.50	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	62,283	3.99	41.18	42.54	12.30	0.00
Median Family Income		50,103	Median Housing Value		253,754	
HUD Adjusted Median Family Income for 2002		74,700	Unemployment Rate (1990 US Census)		2.52%	
Households Below Poverty Level		5.68%				

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 1990 US Census and 2002 HUD updated MFI

The Ventura County MSA is the bank's second largest assessment area and is located northwest of Los Angeles County. PCB has 12 branches providing the bank with 16% of its deposits and 26% of its loans. Each branch has an ATM available 24 hours a day and there are two stand alone ATMs in the assessment area. The bank ranks ninth in small business lending (dollars) in the county with a 1.9% market share. The bank ranks forty-ninth in home mortgage lending with a less than 1% market share. As of June 2003, the bank's deposit market share was 6.14%. There are 28 institutions with a physical presence in this market.

The MSA includes 130 tracts as of the 1990 census. Median housing values were over \$253 thousand in 1990 and 62% of the housing units was owner occupied. In the 2000 census, median-housing prices rose to over \$267 thousand. Median family income for 2002 was over \$75 thousand.

The county's population increased 73% to 1,154,959 from 1990-2000. The most populous cities are Oxnard, Thousand Oaks, Simi Valley, and Ventura. Most economic activities are centered in the southern part of the county. The area has emerged as a technology industry hub. Unemployment rates were well below California and U.S. rates during the evaluation period.

D&B data dated 2002 shows that 69% of area businesses had sales of less than \$1 million. Agriculture is the leading industry and Ventura County ranks tenth in agricultural production among California counties. Other major industries are services, retail trade and finance, insurance, and real estate. The largest civilian employers in the area are the military bases and Boeing. The port is a foreign trade zone and is the only deep-water port between Los Angeles and San Francisco.

Our community contacts indicated the need for homebuyer education classes, single family and multi-family loans, multi-family predevelopment loans, and micro-loans for startup or at-home businesses. There was also a need for recoverable grants for land acquisition and soft costs for affordable housing developments.



## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/AA. Tables without data are not included in this PE.

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/AA area.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/AA area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic

areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/AA. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.
- Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/assessment area.

**Table 14. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings** - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

**Table 1. Lending Volume**

LENDING VOLUME		Geography: PACIFIC CAPITAL BANK				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2002						
MA/Assessment Area (2002):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>												
Santa Barbara AA	53.00	763	237,152	930	94,325	10	2,047	21	17,638	1,724	333,524	51.84
Ventura County AA	26.02	343	68,190	486	56,920	7	1,855	18	7,082	854	126,965	16.50
<b>Limited Review:</b>												
Monterey County AA	10.64	64	20,957	273	52,346	5	1,625	12	2,907	342	77,835	17.16
San Benito County AA	3.30	23	6,640	76	12,717	7	810	0	0	106	20,167	5.16
Santa Clara County AA	5.60	81	12,096	95	23,711	4	379	9	9,595	1809	45,781	6.00
Santa Cruz County AA	1.43	23	3,702	21	5,108	2	435	5	660	51	9,245	3.34

\* Loan Data as of December 31, 2002. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is From March 29, 2002 to June 07, 2004.

\*\*\* Deposit Data as of June 30, 2003. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table 1. Other Products**

LENDING VOLUME		Geography: PACIFIC CAPITAL BANK				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2002								
MA/Assessment Area (2002):	% of Rated Area Loans (#) in MA/AA*	Total Optional Loans**		Small Business Real Estate Secured**		Home Equity**		Motor Vehicle**		Credit Card**		Other Secured Consumer**		% of Rated Area Deposits in AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>														
Santa Barbara AA	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0.00
Ventura County AA	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0.00
<b>Limited Review:</b>														
Monterey County AA	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0.00
San Benito County AA	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0.00
Santa Clara County AA	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0.00
Santa Cruz County AA	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0.00

\* Loan Data as of December 31, 2002. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Optional Product Line(s) is From January 01, 2002 to December 31, 2002.

\*\*\* Deposit Data as of June 30, 2003. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

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**Table2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		Geography: PACIFIC CAPITAL BANK					Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
<b>Full Review:</b>																
Santa Barbara AA	162	46.55	0.00	0.00	16.32	20.37	40.63	37.65	43.05	41.98	2.05	0.00	1.77	1.70	2.79	
Ventura County AA	104	29.89	0.85	2.88	20.59	46.15	48.04	46.15	30.51	4.81	0.44	1.00	0.81	0.49	0.06	
<b>Limited Review:</b>																
Monterey County AA	14	4.02	0.19	0.00	12.31	14.29	45.24	57.14	42.25	28.57	0.22	0.00	0.16	0.20	0.27	
San Benito County AA	3	0.86	0.00	0.00	0.00	0.00	29.93	0.00	70.07	100.00	0.17	0.00	0.00	0.00	0.24	
Santa Clara County AA	50	14.37	1.43	0.00	13.79	32.00	57.16	68.00	27.62	0.00	0.12	0.00	0.21	0.14	0.00	
Santa Cruz County AA	15	4.31	0.00	0.00	12.70	20.00	55.56	60.00	31.74	20.00	0.24	0.00	0.30	0.27	0.16	

\* Based on 2002 Peer Mortgage Data: Western Region 2.

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

Institution ID: 1000024319 PACIFIC CAPITAL BANK, N.A.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		Geography: PACIFIC CAPITAL BANK					Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
<b>Full Review:</b>																
Santa Barbara AA	15	51.72	0.00	0.00	16.32	0.00	40.63	33.33	43.05	66.67	4.02	0.00	1.37	2.54	7.81	
Ventura County AA	9	31.03	0.85	0.00	20.59	44.44	48.04	55.56	30.51	0.00	0.60	0.00	1.16	0.70	0.00	
<b>Limited Review:</b>																
Monterey County AA	2	6.90	0.19	0.00	12.31	100.00	45.24	0.00	42.25	0.00	0.62	0.00	3.57	0.00	0.00	
San Benito County AA	3	10.34	0.00	0.00	0.00	0.00	29.93	0.00	70.07	100.00	3.45	0.00	0.00	0.00	4.69	
Santa Clara County AA	0	0.00	1.43	0.00	13.79	0.00	57.16	0.00	27.62	0.00	0.00	0.00	0.00	0.00	0.00	
Santa Cruz County AA	0	0.00	0.00	0.00	12.70	0.00	55.56	0.00	31.74	0.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2002 Peer Mortgage Data: Western Region 2.

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE												Geography: PACIFIC CAPITAL BANK				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*									
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp					
<b>Full Review:</b>																				
Santa Barbara AA	548	64.62	0.00	0.18	16.32	11.13	40.63	29.56	43.05	59.12	2.39	6.25	1.86	1.80	3.11					
Ventura County AA	210	24.76	0.85	1.90	20.59	35.24	48.04	48.10	30.51	14.76	0.33	0.70	0.66	0.37	0.12					
<b>Limited Review:</b>																				
Monterey County AA	37	4.36	0.19	0.00	12.31	10.81	45.24	21.62	42.25	67.57	0.18	0.00	0.16	0.08	0.30					
San Benito County AA	15	1.77	0.00	0.00	0.00	0.00	29.93	20.00	70.07	80.00	0.38	0.00	0.00	0.31	0.40					
Santa Clara County AA	30	3.54	1.43	0.00	13.79	36.67	57.16	60.00	27.62	3.33	0.02	0.00	0.06	0.02	0.00					
Santa Cruz County AA	8	0.94	0.00	0.00	12.70	0.00	55.56	50.00	31.74	50.00	0.05	0.00	0.05	0.05	0.06					

\* Based on 2002 Peer Mortgage Data: Western Region 2.

\*\* Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.



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**Table 5. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY		Geography: PACIFIC CAPITAL BANK					Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans						
<b>Full Review:</b>																
Ventura County AA	20	27.78	4.83	15.00	42.96	45.00	43.23	40.00	8.97	0.00	14.39	37.50	13.64	13.11	0.00	
Santa Barbara AA	38	52.78	4.56	2.63	51.63	78.95	28.14	10.53	15.68	7.89	28.06	7.69	37.35	14.29	20.00	
<b>Limited Review:</b>																
Santa Cruz County AA	0	0.00	0.00	0.00	44.79	0.00	48.48	0.00	6.73	0.00	0.00	0.00	0.00	0.00	0.00	
Santa Clara County AA	1	1.39	5.29	100.00	33.86	0.00	53.82	0.00	7.03	0.00	0.22	2.17	0.00	0.00	0.00	
San Benito County AA	2	2.78	0.00	0.00	0.00	0.00	57.40	50.00	42.60	50.00	33.33	0.00	0.00	25.00	50.00	
Monterey County AA	11	15.28	2.71	0.00	24.05	36.36	58.49	45.45	14.74	18.18	14.10	0.00	21.05	11.63	16.67	

\* Based on 2002 Peer Mortgage Data: Western Region 2.

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 1990 Census information.

**Table 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: PACIFIC CAPITAL BANK				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans					
<b>Full Review:</b>															
Santa Barbara AA	930	49.44	0.48	0.11	40.75	45.91	27.43	24.73	31.34	29.25	6.12	1.89	7.75	5.58	6.12
Ventura County AA	486	25.84	4.55	3.70	33.17	30.45	36.33	51.03	25.95	14.81	1.89	2.75	2.52	2.21	1.06
<b>Limited Review:</b>															
Monterey County AA	273	14.51	9.43	7.69	11.00	20.88	42.39	28.94	37.18	42.49	2.56	3.32	3.75	2.01	3.52
San Benito County AA	76	4.04	0.00	0.00	0.00	0.00	41.90	34.21	58.10	65.79	4.98	0.00	0.00	6.60	5.32
Santa Clara County AA	95	5.05	3.29	12.63	28.12	32.63	45.07	52.63	23.51	2.11	0.17	0.44	0.24	0.18	0.02
Santa Cruz County AA	21	1.12	0.00	0.00	22.24	38.10	53.13	52.38	24.63	9.52	0.22	0.00	0.50	0.23	0.09

\* Based on 2002 Peer Small Business Data: US and PR.

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2003).

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**Table 7. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS		Geography: PACIFIC CAPITAL BANK					Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans						
<b>Full Review:</b>																
Santa Barbara AA	10	28.57	0.00	0.00	27.62	30.00	26.53	40.00	45.84	30.00	6.99	0.00	8.57	9.52	5.56	
Ventura County AA	7	20.00	2.45	0.00	33.90	28.57	46.70	57.14	16.95	14.29	5.74	0.00	4.55	8.00	4.76	
<b>Limited Review:</b>																
Monterey County AA	5	14.29	15.16	0.00	10.94	0.00	35.89	40.00	38.00	60.00	3.91	0.00	0.00	3.57	13.64	
San Benito County AA	7	20.00	0.00	0.00	0.00	0.00	20.67	0.00	79.33	100.00	18.42	0.00	0.00	0.00	23.33	
Santa Clara County AA	4	11.43	3.68	0.00	25.51	75.00	50.17	25.00	20.63	0.00	5.00	0.00	12.00	2.94	0.00	
Santa Cruz County AA	2	5.71	0.00	0.00	20.62	0.00	54.03	100.00	25.36	0.00	3.70	0.00	0.00	6.45	0.00	

\* Based on 2002 Peer Small Business Data: US and PR.

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2003).

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Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: PACIFIC CAPITAL BANK					Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2002					Market Share <sup>*</sup>				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>						
<b>Full Review:</b>																
Santa Barbara AA	162	46.55	19.52	2.03	18.10	8.11	22.62	17.57	39.77	72.30	2.20	2.91	1.85	1.77	2.40	
Ventura County AA	104	29.89	18.41	23.00	18.90	27.00	25.19	32.00	37.50	18.00	0.51	4.62	0.99	0.48	0.21	
<b>Limited Review:</b>																
Monterey County AA	14	4.02	18.65	7.69	18.28	23.08	23.94	38.46	39.13	30.77	0.24	2.38	1.10	0.48	0.12	
San Benito County AA	3	0.86	10.84	0.00	14.43	0.00	19.00	0.00	55.73	100.00	0.21	0.00	0.00	0.00	0.22	
Santa Clara County AA	50	14.37	18.71	22.00	18.69	46.00	23.99	28.00	38.61	4.00	0.16	1.74	0.57	0.13	0.01	
Santa Cruz County AA	15	4.31	19.49	6.67	18.01	13.33	22.66	60.00	39.84	20.00	0.29	1.02	0.46	0.86	0.08	

<sup>\*</sup> Based on 2002 Peer Mortgage Data: Western Region 2.

<sup>\*\*</sup> As a percentage of loans with borrower income information available. No information was available for 5.46% of loans originated and purchased by BANK.

<sup>\*\*\*</sup> Percentage of Families is based on the 1990 Census information.

<sup>\*\*\*\*</sup> Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

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Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: PACIFIC CAPITAL BANK					Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2002					Market Share <sup>*</sup>				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>						
<b>Full Review:</b>																
Santa Barbara AA	15	51.72	19.52	6.67	18.10	6.67	22.62	40.00	39.77	46.67	4.20	8.33	2.27	6.48	3.23	
Ventura County AA	9	31.03	18.41	22.22	18.90	11.11	25.19	22.22	37.50	44.44	0.61	1.90	0.45	0.48	0.55	
<b>Limited Review:</b>																
Monterey County AA	2	6.90	18.65	0.00	18.28	50.00	23.94	50.00	39.13	0.00	0.64	0.00	2.94	1.32	0.00	
San Benito County AA	3	10.34	10.84	0.00	14.43	0.00	19.00	0.00	55.73	100.00	3.66	0.00	0.00	0.00	4.23	
Santa Clara County AA	0	0.00	18.71	0.00	18.69	0.00	23.99	0.00	38.61	0.00	0.00	0.00	0.00	0.00	0.00	
Santa Cruz County AA	0	0.00	19.49	0.00	18.01	0.00	22.66	0.00	39.84	0.00	0.00	0.00	0.00	0.00	0.00	

<sup>\*</sup> Based on 2002 Peer Mortgage Data: Western Region 2.

<sup>\*\*</sup> As a percentage of loans with borrower income information available. No information was available for 0.00% of loans originated and purchased by BANK.

<sup>\*\*\*</sup> Percentage of Families is based on the 1990 Census information.

<sup>\*\*\*\*</sup> Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

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**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: PACIFIC CAPITAL BANK					Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2002					Market Share <sup>*</sup>				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>						
<b>Full Review:</b>																
Santa Barbara AA	548	64.62	19.52	5.90	18.10	10.70	22.62	17.90	39.77	65.50	2.34	5.30	2.37	1.91	2.36	
Ventura County AA	210	24.76	18.41	15.00	18.90	20.56	25.19	26.11	37.50	38.33	0.32	1.04	0.40	0.28	0.25	
<b>Limited Review:</b>																
Monterey County AA	37	4.36	18.65	0.00	18.28	10.34	23.94	20.69	39.13	68.97	0.17	0.00	0.18	0.17	0.17	
San Benito County AA	15	1.77	10.84	0.00	14.43	0.00	19.00	0.00	55.73	100.00	0.23	0.00	0.00	0.00	0.26	
Santa Clara County AA	30	3.54	18.71	14.29	18.69	32.14	23.99	21.43	38.61	32.14	0.02	0.07	0.04	0.02	0.01	
Santa Cruz County AA	8	0.94	19.49	0.00	18.01	40.00	22.66	0.00	39.84	60.00	0.04	0.19	0.16	0.00	0.03	

<sup>\*</sup> Based on 2002 Peer Mortgage Data: Western Region 2.

<sup>\*\*</sup> As a percentage of loans with borrower income information available. No information was available for 16.51% of loans originated and purchased by BANK.

<sup>\*\*\*</sup> Percentage of Families is based on the 1990 Census information.

<sup>\*\*\*\*</sup> Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

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Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: PACIFIC CAPITAL BANK			Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share <sup>*</sup>	
	#	% of Total <sup>**</sup>	% of Businesses <sup>***</sup>	% BANK Loans <sup>****</sup>	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Santa Barbara AA	930	49.44	64.50	73.76	77.31	10.75	11.94	6.12	15.99
Ventura County AA	486	25.84	64.48	60.29	73.66	13.37	12.96	1.89	4.11
<b>Limited Review:</b>									
Monterey County AA	273	14.51	64.72	53.48	57.14	17.95	24.91	2.56	4.82
San Benito County AA	76	4.04	65.82	63.16	67.11	14.47	18.42	4.98	11.19
Santa Clara County AA	95	5.05	60.90	44.21	45.26	28.42	26.32	0.17	0.30
Santa Cruz County AA	21	1.12	66.43	57.14	42.86	19.05	38.10	0.22	0.47

<sup>\*</sup> Based on 2002 Peer Small Business Data: US and PR.

<sup>\*\*</sup> Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

<sup>\*\*\*</sup> Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2003).

<sup>\*\*\*\*</sup> Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 0.00% of small loans to businesses originated and purchased by the bank.

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Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: PACIFIC CAPITAL BANK			Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share <sup>*</sup>	
	#	% of Total <sup>**</sup>	% of Farms <sup>***</sup>	% BANK Loans <sup>****</sup>	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Santa Barbara AA	10	28.57	80.59	60.00	30.00	40.00	30.00	6.99	8.11
Ventura County AA	7	20.00	79.10	28.57	14.29	28.57	57.14	5.74	6.25
<b>Limited Review:</b>									
Monterey County AA	5	14.29	69.67	60.00	0.00	40.00	60.00	3.91	6.38
San Benito County AA	7	20.00	82.67	85.71	28.57	71.43	0.00	18.42	20.00
Santa Clara County AA	4	11.43	83.90	75.00	75.00	25.00	0.00	5.00	9.38
Santa Cruz County AA	2	5.71	82.23	50.00	50.00	0.00	50.00	3.70	6.25

<sup>\*</sup> Based on 2002 Peer Small Business Data: US and PR.

<sup>\*\*</sup> Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

<sup>\*\*\*</sup> Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2003).

<sup>\*\*\*\*</sup> Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.00% of small loans to farms originated and purchased by the bank.



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Table 14. Qualified Investments

QUALIFIED INVESTMENTS									
Geography: CALIFORNIA									
Evaluation Period: March 29, 2002 TO July 7, 2004									
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Santa Barbara AA	2	95	5	3,708	7	3,803	18.71	0	0
Ventura County AA	4	2,080	4	8,009	8	10,089	49.64	0	0
<b>Limited Review:</b>									
Monterey County AA	2	295	4	895	6	1,190	5.860.00	0	0
San Benito County A	0	0	1	26	1	26	0.13	0	0
Santa Clara County AA	0	0	4	4,199	4	4,199	20.66	1	878
Santa Cruz County AA	1	2,627	3	858	4	1,016	5.00	0	0

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\* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

\*\* 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

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Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																		
Geography: CALIFORNIA																		
Evaluation Period: March 29, 2002 TO July 7, 2004																		
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population				
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography				
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp	
<b>Full Review:</b>																		
Santa Barbara AA	49.61	19	45.24	0	21.05	36.84	42.11	0	0	0	0	0	0	0	1.54	33.12	34.45	30.89
Ventura County AA	15.79	12	28.57	0	50.00	33.33	16.67	1	0	0	0	1	0	2.58	29.32	45.01	23.10	
<b>Limited Review:</b>																		
Monterey County AA	20.72	5	11.91	20.00	20.00	20.00	40.00	0	0	0	0	0	0	.77	28.89	46.87	23.47	
San Benito AA	4.94	3	7.14	0	0	66.67	33.33	0	0	0	0	0	0	0.00	0.00	34.25	65.75	
Santa Clara County AA	5.74	2	4.76	0	50.00	50.00	0	0	0	0	0	0	0	3.91	21.23	54.69	20.18	
Santa Cruz AA	3.20	1	2.38	0	100.00	0	0	0	0	0	0	0	0	0.00	23.14	53.12	23.74	

Distribution of Branch and ATM Delivery System

DISTRIBUTION OF BRANCH AND ATM DELIVERY SYSTEM				Geography: CALIFORNIA				Evaluation Period: March 29, 2002 TO July 7, 2004									
MA/Assessment Area:	Deposits	Branches						ATMs				Population					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of ATMs	% of Total Bank ATMs	Location of ATMs by Income of Geographies				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Santa Barbara AA	49.61	19	45.24	0	21.05	36.84	42.11	31	54.39	0	11	10	10	1.54	33.12	34.45	30.89
Ventura County AA	15.79	12	28.57	0	50.00	33.33	16.67	14	24.56	0	6	6	2	2.58	29.32	45.01	23.10
<b>Limited Review:</b>																	
Monterey County AA	20.72	5	11.91	20.00	20.00	20.00	40.00	6	10.53	0	2	2	2	.77	28.89	46.87	23.47
San Benito AA	4.94	3	7.14	0	0	66.67	33.33	3	5.26	0	0	2	1	0.00	0.00	34.25	65.75
Santa Clara County AA	5.74	2	4.76	0	50.00	50.00	0	2	3.51	0	1	1	0	3.91	21.23	54.69	20.18
Santa Cruz AA	3.20	1	2.38	0	100.00	0	0	1	1.75	0	1	0	0	0.00	23.14	53.12	23.74