



**LARGE BANK**

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

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## **Public Disclosure**

February 05, 2004

# **Community Reinvestment Act Performance Evaluation**

**Goleta National Bank  
Charter Number: 21699**

**P.O. Drawer 249  
Goleta, CA 93116**

**Office of the Comptroller of the Currency**

**Southern California - North Field Office  
550 North Brand Boulevard, Suite 500  
Glendale, CA 91203**

**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 **Goleta National Bank** with respect to the Lending, Investment, and Service Tests:

Performance Levels	Goleta National Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		
Low Satisfactory		X	X
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:

- The level of originated and purchased loans is good and the lending levels are consistent with the bank’s strategic focus and financial resources.
- The geographic distribution of mortgage loans is good, while the performance for small business loans is excellent.
- The distribution of mortgage loans to borrowers of different incomes is good. The distribution of small loans to businesses of different sizes is satisfactory.
- The bank’s performance under the Investment Test is adequate.
- The bank’s branches are readily accessible to individuals of different income levels, and provide services tailored to their needs.
- The level of Community Development Services is adequate.

## 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 MSA/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 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 MA/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 Statistical Area (MSA):** 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

Goleta National Bank (GNB or the bank) is a full-service intrastate bank based in Santa Barbara County, California. GNB was founded in 1989 and serves individuals and small- and medium sized businesses. In November 1996, Community West Bancshares (CWBC) was incorporated in the state of California with the primary purpose of forming a bank holding company. CWBC acquired 100 percent interest in GNB and Palomar Community Bank (Palomar) in December 1997 and 1998, respectively. In August 2001, CWBC sold its interest in Palomar.

As of December 31, 2003, GNB reported total assets of \$303 million, net loans of \$243 million, total deposits of \$228 million, and net income of \$2 million. GNB's Tier One Capital of \$32 million represents 13 percent of the bank's risk-weighted assets. GNB serves Santa Barbara and Ventura counties through two full-service branches. The bank offers residential mortgage products through an office located in Santa Barbara. The bank has 13 loan production offices (LPOs) in 10 states. In addition, the bank offers 24-hour banking services through two onsite Automated Teller Machines (ATMs).

GNB's CRA assessment areas are the Santa Barbara Metropolitan Statistical Area (MSA) and the Ventura MSA. Both MSAs are highly competitive with numerous large, regional, and community banks as well as other financial providers. The largest banks offering commercial and consumer products in the MSAs include Bank of America, Washington Mutual, Wells Fargo, and Santa Barbara Bank and Trust.

The bank's primary credit products include residential mortgage, construction, and small business loans under the Small Business Administration's (SBA) programs. GNB has been an approved lender and servicer of SBA loans since 1990. Periodically, the bank sells up to 20 percent of the unguaranteed portion of the SBA loans it originates into the secondary market. In 2001, the bank began offering Business and Industry loans, which are guaranteed by the U.S. Department of Agriculture. Most of the bank's loans are originated through the Santa Barbara facility where the bank has had a longer and stronger presence in that community. The bank has found it challenging to attract and retain loan officers in the Ventura branch. As a result, the loan growth in that office has been constrained.

There are currently no legal, financial, regulatory, or other factors impeding the bank's ability to meet the credit needs of the MSAs. GNB's previous CRA performance as of June 30, 1999, was rated "Satisfactory" using Small Bank criteria.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

This Performance Evaluation considered GNB's small business lending activities for 2001 and 2002. The bank was not required to report its loans to small businesses prior to 2001. We also evaluated the bank's origination of mortgage loans for the years 1999, 2000, 2001, and 2002. GNB did not originate farm loans or community development (CD) loans. Home improvement loans are not a significant lending activity for this bank and were not considered in our analyses. We considered CD investments and services from January 1, 2001 through December 31, 2003. We used the most current data available at the start of the evaluation from the Federal Deposit Insurance Corporation (FDIC) to analyze the bank's market share.

### Data Integrity

We performed a separate data integrity examination in November 2002 to determine the accuracy of the loan data used in our analyses. Additionally, during this evaluation, we reviewed all CD investments and services to ensure that each activity has community development as its primary purpose. We did not identify any errors in loans subject to the Home Mortgage Disclosure Act (HMDA). However, prior to starting our review, bank management disclosed that small business loans reported in 2001 and 2002 incorrectly included 279 loans that were also included in the HMDA reportable loans. Management corrected the inaccurate loan reports and resubmitted them prior to the start of this evaluation. All investments and services reviewed qualified for CD credit.

### Selection of Areas for Full-Scope Review

Although the bank has one branch office in each assessment area (MSA), we selected the Santa Barbara MSA to receive a full-scope review. The Santa Barbara MSA represents the majority of the bank's lending (73 percent) and deposit (75 percent) activities. Refer to Tables 1 and 15 for details of lending and the branch distribution, respectively.

### Ratings

The bank's overall rating is based primarily on the performance of the full-scope review of the Santa Barbara MSA. Within the loan products, examiners weighted the performance of home mortgage lending the heaviest, as this product represents approximately 73 percent of all reportable loans.

### Other

Examiners conducted interviews with four community contacts as a part of our evaluation. Two interviews were conducted in each MSA. These interviews included one local government agency, two economic development organizations, and one small business organization. These organizations identified the primary needs of the MSAs as affordable housing and small business loans.

## **Fair Lending and Other Illegal Credit Practices**

We found no evidence of illegal discrimination or other illegal credit practices. GNB engaged in a payday-lending product during the evaluation period. The bank was not cited for any discriminatory fair lending violations or any unfair and deceptive practices involving this product. Because of this and the fact that the bank discontinued offering the product during the evaluation period, the payday-lending product did not have an adverse impact on the bank's CRA rating.

## Conclusions with Respect to Performance Tests

### LENDING TEST

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

The bank's performance under the Lending Test is rated "**High Satisfactory.**" Based on the full-scope review, the bank's performance in the Santa Barbara MSA is good.

The key findings that support this rating include:

- The level of originated and purchased loans is good and the lending levels are consistent with the bank's strategic focus and financial resources.
- The geographic distribution of mortgages is good. The geographic distribution of small business loans is excellent.
- The distribution of mortgage loans to borrowers of different incomes is good. The distribution of small loans to businesses of different sizes is satisfactory.

#### Lending Activity

*(Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's lending activity.)*

Overall, lending in the Santa Barbara MSA is satisfactory based on home mortgages and small business lending. Considering the bank's size and the competition in the assessment area, the bank's market share for both the mortgage and small business loans is satisfactory.

As of June 30, 2003, the bank's deposit market share in the Santa Barbara MSA was 2.34 percent, ranking the bank 9<sup>th</sup> of the 23 reporting institutions. In comparison, competition for mortgage loan activity is fierce, with 367 financial institutions originating these products. GNB ranks 16<sup>th</sup> by number of mortgage loans, with 1.21 percent of the market share by number, and 0.90 percent of the market share by dollar volume. GNB ranks 22<sup>nd</sup> among 81 institutions that originate small business loans. The bank's market share by number is 0.19 percent, and by dollar volume is 1.28 percent.

GNB's operational history, strategic focus, and market competition are discussed in the "*Description of Institution*" section on page 5 and "*Market Profile*" section in Appendix B-2.

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

##### *Home Mortgage Loans*

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

The bank's geographic distribution of mortgage loans is good, based primarily on the geographic distribution of home purchase lending and home refinance. Distribution for both types of loan products exceeds area demographics in the low-income geographies, and is consistent with area demographics in the moderate-income geographies. The bank did not originate any multifamily loans during this evaluation period.

### **Home Purchase Loans**

The distribution of home purchase loans in low- and moderate-income geographies is good, based on the 581 loans originated or purchased. Lending in the low-income geographies exceeded area demographics and is good, while lending in the moderate-income geographies was consistent with area demographics, which is satisfactory. (See Table 2).

### **Home Improvement Loans**

Because the bank only originated or purchased 14 home improvement loans during the evaluation period a geographic distribution analysis of this product was not performed. (See Table 3).

### **Home Refinance Loans**

Based on the 789 home refinance loans originated or purchased during the evaluation period, the distributions in low- and moderate-income geographies is good. Lending in the low-income geographies exceeded area demographics and is good. Lending in the moderate-income geographies was consistent with area demographics, which is satisfactory. (See Table 4).

### **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 MSA is excellent. The percentages of small loans to businesses in low- and moderate-income geographies exceed the percentages of businesses in these geographies. As Table 6 depicts, 0.48 percent of all businesses are located in low-income geographies, while 0.93 percent of the bank's small loans to businesses were to businesses in these geographies. The Table also shows that while 40.75 percent of its small businesses are located in moderate-income geographies, the bank originated or purchased 54.42 percent of its small loans in moderate-income geographies. Additionally, the bank's market share of small businesses in moderate-income geographies exceeds its overall market share for this loan product.

### **Lending Gap Analysis**

Examiners analyzed the bank's home mortgage and small business lending patterns within the Santa Barbara MSA. Examiners did not identify any conspicuous gaps or areas with abnormally low loan penetration that could not be adequately explained. The percentages of the bank's home mortgage loans and small loans to businesses are not inconsistent with the percentages of owner-occupied units and small businesses in the MSA.

## **Inside/Outside Ratio**

The bank's inside/outside ratio is satisfactory. Excluding refinance lending, the inside/outside ratio is good. During the evaluation period, the bank originated and purchased a majority of its loans within the MSA. The percentages of loans within the MSA for each type of loans are: home purchase (73 percent), refinance (37 percent), home improvement (21 percent), and small business (56 percent). This performance is directly attributable to the loans originated through the bank's 13 loan production offices in ten states, including California.

## **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.*

The distribution of home mortgage lending in the Santa Barbara MSA by income level of the borrower is good. The distribution of home mortgage loans is based on comparisons to the percentages of low- and moderate-income families in the MSA and performance issues relating to the high cost of living and barriers to affordable housing. The bank's overall percentages of home mortgage loans to low-income families are below the percentages of low-income families in the MSA, but generally consistent with all lenders in the MSA. The bank's overall percentages of home mortgage loans to moderate-income exceeded the demographics.

### ***Home Purchase Loans***

The overall distribution of home purchase loans in the Santa Barbara MSA to the low- and moderate-income families is good. The percentages of the bank's home purchase loans to low-income families are below the percentages of the bank's low-income families in the MSA. However, the bank's performance is consistent with the average performance for all lenders in the MSA. Again, performance reflects the high cost of housing and the affordability barriers for low-income families. The percentage of the loans to the moderate-income families exceeds the percentage for the number of moderate-income families in the MSA.

### ***Home Improvement Loans***

Because the bank originated or purchased only 14 home improvement loans during the evaluation period an analysis of this product by borrower income was not performed.

### ***Home Refinance Loans***

The distribution of home refinance loans in the Santa Barbara MSA to the low- and moderate-income families is good. The percentages of the bank's home refinance loans to low-income families are below the percentages of the bank's low-income families in the MSA. However, the bank's performance is consistent with the average performance for all lenders in the MSA. Again, performance reflects the high cost of housing and the affordability barriers for low-income families. The percentage of the loans to the moderate-income families is consistent with the percentage for the number of moderate-income families in the MSA.

### **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.*

The bank's record of lending to businesses of different sizes is satisfactory. According to Dun & Bradstreet demographic data for 2002, approximately 65 percent of the businesses in the Santa Barbara MSA have annual sales of \$1 million or less. The percentage of the bank's loan originations and purchases to small businesses is less than area demographics. The bank originated or purchased approximately 53 percent of these type loans. It should be noted that 64 percent of the loans were for amounts of \$100 thousand or less. The bank's market share of loans to businesses with revenues of \$1 million or less (0.35 percent) exceeded the overall lending market share (0.19 percent). These factors support the bank's strategic and marketing efforts to address the small business credit needs of the Santa Barbara MSA.

### **Community Development Lending**

The bank did not originate or purchase any CD loans during this evaluation period. The lack of CD loans had a neutral effect on the bank's performance.

### **Product Innovation and Flexibility**

The bank's loan products were responsive to the MSA. However, the loan products were not innovative or flexible. The lack of innovativeness and flexibility had no impact on this evaluation.

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

Based on a limited-scope review, the bank's performance under the Lending Test in the Ventura MSA is consistent with the bank's overall "High Satisfactory" rating. Refer to Tables 1 through 13 in Appendix C for the facts and data that support these conclusions.

## INVESTMENT TEST

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

The bank's performance under the Investment Test is rated "Low Satisfactory." Based on the full-scope review, the bank's performance in the Santa Barbara MSA is adequate.

The key findings that support this rating include:

- GNB has an adequate dollar volume of qualified investments during this evaluation period. This conclusion considers the investment opportunities within the assessment area and the bank's capacity to address these needs.
- The qualified investments are responsive to the identified needs of the assessment area. All qualified investments are within the assessment area.

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

The volume of qualified investments (by dollar) noted during this evaluation is adequate. This is the first CRA evaluation where GNB was subject to the Investment Test. None of the investments are considered innovative. Opportunities for qualified investments are somewhat limited because of the bank's small market presence and competition from several large banks. The bank made qualified investments and donations totaling \$1.4 million.

Qualified investments made during the period include:

- The bank purchased mortgage-backed securities (MBS) issued by a large national corporation totaling \$1.4 million. The pool consists of a group of nine mortgages made to low- and moderate-income individuals in predominately low- and moderate-income geographies.
- GNB made cash contributions of \$17 thousand to a of variety qualifying organizations. These include: a capital injection to an affordable housing nonprofit organization, donations to educate small business owners, and economic ventures in the low- and moderate-income areas.

### Conclusions for Area Receiving Limited-Scope Review

Based on limited-scope reviews, the bank's performance under the Investment Test in the Ventura MSA is consistent with the bank's overall "Low Satisfactory" rating. The bank's performance in this MSA is slightly better than in the Santa Barbara MSA. The bank made qualified investments and donations totaling \$2.7 million. Refer to Table 14 in appendix C for the facts and data that support these conclusions.

## SERVICE TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test is rated "Low Satisfactory." Based on the full-scope review the bank's performance in the Santa Barbara MSA is adequate.

The key findings that support this rating include:

- The bank's one branch is located in a moderate-income tract and is readily accessible to individuals of different income levels.
- Bank services are tailored to the needs of the AA.

*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.*

### **Retail Services and Alternative Delivery Systems**

The bank's retail and alternative delivery systems are responsive to the needs of the community. The bank offers a wide range of consumer and business loans and deposit services at its full-service branch. GNB offers 24-hours banking through its ATMs. The bank also offers cash management services, remittance processing, electronic banking, merchant credit card processing, and online banking.

### **Community Development Services**

GNB provides an adequate level of CD services that are responsive and supportive of the needs of the low- and moderate-income families in the Santa Barbara MSA. Services include board and loan committee memberships, fundraising activities, and financial education.

The following are examples of the bank's various CD services:

- The bank's president and two other officers are involved in a local non-profit organization dedicated to helping women become economically self-sufficient through entrepreneurship and career development. The bank's president is a member of the organization's board, while the two officers participate in the educational process. One bank officer also serves on the loan committee.
- A bank officer is a member of an affordable housing task force that actively promotes the construction of affordable housing. The group educates the public on the necessity and viability of low-cost housing.

- A bank officer works with a “business incubation” organization that promotes the development and growth of small businesses throughout the Santa Barbara MSA. The incubator houses approximately 15 – 30 small businesses that share common resources. The bank officer assists with the counseling and training of small business owners.

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

Based on a limited-scope review, the bank’s performance under the Service Test in the Ventura MSA is not inconsistent with the bank’s overall “Low Satisfactory” rating. Refer to Table 15 in Appendix C for the details.

## Appendix A: Scope of Examination

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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 : 7/1/99 to 12/31/02 Investment and Service Tests 7/1/99 – 1/31/04	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Goleta National Bank Goleta, California	Home Mortgage Purchase Loans, Home Mortgage Refinance Loans, Home Improvement Loans, Small Loans to Businesses, CD Investments, Retail Banking Services, and CD Services.	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
None	N/A	N/A
<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 MSA #7480 Ventura MSA #8735	Full-Scope Limited-Scope	N/A N/A

# Appendix B: Market Profile for Full-Scope Area

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### Market Profile for Area Receiving Full-Scope Review

Santa Barbara MSA .....	B-2
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## Santa Barbara MSA

Demographic Information for Full Scope Area: Santa Barbara MSA						
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 County of Santa Barbara has eight incorporated cities and four unincorporated communities. The total population according to the 2000 census is 399,347. Of the total population 199,673 (50 percent) are females. Twenty-five percent of the population is under 18 years and 13 percent is 65 years and older. Non-family households make up 35 percent of all households in the County. The age distribution of the County's population is influenced by educational facilities such as University of California, Santa Barbara (UCSB) and City College that increase the proportion of 18-24 year old college students to 13 percent, compared with the statewide proportion of 10 percent. Of the 142,901 housing units in the Santa Barbara County, 65 percent are single unit structures, 29 percent are multi-unit structures, and six percent are mobile homes. In 2000, the median housing countywide was \$293,000 with the City of Santa Barbara at \$479,000. Fourteen percent of the population lives within the poverty level in both the County of Santa Barbara and the State of California.

In 2000, the leading industries in Santa Barbara County were education, health and social services, and retail trade. Leisure and hospitality also ranks high, along with professional services and manufacturing. The construction and agriculture industries each employ about six percent.

Santa Barbara County is an economically vibrant component in California. Despite the countywide vibrant economy, areas exist within the County that exhibit economic distress with high rates of unemployment and low personal incomes. These include Guadalupe, Isla Vista, and portions of Cuyama Valley, Goleta Valley, Lompoc, Santa Maria, and Santa Barbara. Issues include job creation and job retention.

## 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 MSA/assessment area. 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/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. Refer to Interagency Q&As \_\_.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. When such loans exist, insert a line item with the appropriate caption, such as “Statewide/Regional” or “Out of Assessment Area,” in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column.
- 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/assessment 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 - (Not Applicable)** - 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 – (Not Applicable)** 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/assessment area. 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 – (Not Applicable)** - 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 - (Not Applicable)**

- 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 MSA/assessment area.

**Table 14. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MSA/assessment area. 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.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As \_\_. 12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. When such investments exist, insert a line item with the appropriate caption, such as "Statewide/Regional" or "Out of Assessment Area," in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column.

**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 MSA/assessment area. The table also presents data on branch openings and closings in each MSA/assessment area.

## GOLETA NATIONAL BANK

### Table 1. Lending Volume

LENDING VOLUME		Geography: CALIFORNIA				Evaluation Period: JULY 1, 1999 TO DECEMBER 31, 2002						
MSA/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 MSA	72.65	1,384	284,807	215	33,129	0	0	0	0	1,599	317,936	75.10
<b>Limited Review:</b>												
Ventura MSA	27.35	506	110,269	96	15,264	0	0	0	0	602	125,533	24.90

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

\*\* The evaluation period for Community Development Loans is from July 01, 1999 to December 31, 2003.

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

### Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: CALIFORNIA				Evaluation Period: JULY 1, 1999 TO DECEMBER 31, 2002										
MSA/Assessment Area:	Total Home Purchase 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	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid
<b>Full Review:</b>																
Santa Barbara MSA	581	69.00	0.00	0.17	16.32	14.46	40.63	56.63	43.05	28.74	1.46	0.00	0.75	2.02	1.08	
<b>Limited Review:</b>																
Ventura MSA	261	31.00	0.85	2.68	20.59	18.77	48.04	56.32	30.51	22.22	0.25	0.40	0.26	0.36	0.08	

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

\*\* Home purchase loans originated and purchased in the MSA/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.

**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT		Geography: CALIFORNIA					Evaluation Period: JULY 1, 1999 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MSA/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 MSA	14	73.68	0.00	0.00	16.32	7.14	40.63	35.71	43.05	57.14	0.00	0.00	0.00	0.00	0.00	
<b>Limited Review:</b>																
Ventura MSA	5	26.32	0.85	0.00	20.59	0.00	48.04	40.00	30.51	60.00	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 MSA/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: CALIFORNIA					Evaluation Period: JULY 1, 1999 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MSA/Assessment Area:	Total Home Mortgage Refinance 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 MSA	789	76.68	0.00	0.63	16.32	14.83	40.63	31.81	43.05	52.72	1.15	6.25	0.90	0.98	1.37	
<b>Limited Review:</b>																
Ventura MSA	240	23.32	0.85	2.08	20.59	25.42	48.04	49.58	30.51	22.92	0.14	0.52	0.22	0.15	0.08	

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

\*\* Home mortgage refinance loans originated and purchased in the MSA/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.

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

Geographic Distribution: MULTIFAMILY		Geography: CALIFORNIA					Evaluation Period: JULY 1, 1999 TO DECEMBER 31, 2002									
MSA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Santa Barbara MSA	0	0.00	4.56	0.00	51.63	0.00	28.14	0.00	15.68	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Limited Review:</b>																
Ventura MSA	0	0.00	4.83	0.00	42.96	0.00	43.23	0.00	8.97	0.00	0.00	0.00	0.00	0.00	0.00	

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

\*\* Multifamily loans originated and purchased in the MSA/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: CALIFORNIA					Evaluation Period: JULY 1, 1999 TO DECEMBER 31, 2002									
MSA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Santa Barbara MSA	215	69.13	0.48	0.93	40.75	54.42	27.43	18.60	31.34	26.05	0.19	0.00	0.33	0.19	0.07	
<b>Limited Review:</b>																
Ventura MSA	96	30.87	4.55	4.17	33.17	28.13	36.33	65.63	25.95	2.08	0.10	0.00	0.15	0.13	0.03	

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

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

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

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

Geographic Distribution: SMALL LOANS TO FARMS		Geography: CALIFORNIA					Evaluation Period: JULY 1, 1999 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MSA/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 MSA	0	0.00	0.00	0.00	27.62	0.00	26.53	0.00	45.84	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Limited Review:</b>																
Ventura MSA	0	0.00	2.45	0.00	33.90	0.00	46.70	0.00	16.95	0.00	0.00	0.00	0.00	0.00	0.00	

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

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

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

**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE		Geography: CALIFORNIA					Evaluation Period: JULY 1, 1999 TO DECEMBER 31, 2002					Market Share*				
MSA/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**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
<b>Full Review:</b>																
Santa Barbara MSA	581	69.00	19.52	4.42	18.10	22.65	22.62	28.14	39.77	44.78	1.64	5.83	4.84	1.94	0.94	
<b>Limited Review:</b>																
Ventura MSA	261	31.00	18.41	4.71	18.90	17.25	25.19	31.37	37.50	46.67	0.30	0.58	0.50	0.34	0.21	

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

\*\* As a percentage of loans with borrower income information available. No information was available for 2.61% of loans originated and purchased by the bank.

\*\*\* Percentage of Families is based on the 1990 Census information.

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

**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT		Geography: CALIFORNIA					Evaluation Period: JULY 1, 1999 TO DECEMBER 31, 2002									
MSA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Santa Barbara MSA	14	73.68	19.52	7.69	18.10	0.00	22.62	0.00	39.77	92.31	0.00	0.00	0.00	0.00	0.00	
<b>Limited Review:</b>																
Ventura MSA	5	26.32	18.41	0.00	18.90	0.00	25.19	20.00	37.50	80.00	0.00	0.00	0.00	0.00	0.00	

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

\*\* As a percentage of loans with borrower income information available. No information was available for 5.26% of loans originated and purchased by the bank.

\*\*\* Percentage of Families is based on the 1990 Census information.

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

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

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: CALIFORNIA					Evaluation Period: JULY 1, 1999 TO DECEMBER 31, 2002									
MSA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Santa Barbara MSA	789	76.68	19.52	4.39	18.10	16.43	22.62	24.22	39.77	54.96	1.14	1.14	2.23	1.25	0.94	
<b>Limited Review:</b>																
Ventura MSA	240	23.32	18.41	6.09	18.90	23.04	25.19	29.13	37.50	41.74	0.15	0.26	0.17	0.15	0.13	

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

\*\* As a percentage of loans with borrower income information available. No information was available for 9.04% of loans originated and purchased by the bank.

\*\*\* Percentage of Families is based on the 1990 Census information.

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

**Table 11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: CALIFORNIA			Evaluation Period: JULY 1, 1999 TO DECEMBER 31, 2002				
MSA/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*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$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 MSA	215	69.13	64.50	52.56	64.19	20.47	15.35	0.19	0.35
<b>Limited Review:</b>									
Ventura MSA	96	30.87	64.48	60.42	59.38	20.83	19.79	0.10	0.20

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

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

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

\*\*\*\* 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 0.32% of small loans to businesses originated and purchased by the bank.

**Table 12. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS		Geography: CALIFORNIA			Evaluation Period: JULY 1, 1999 TO DECEMBER 31, 2002				
MSA/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*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$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 MSA	0	0.00	80.59	0.00	0.00	0.00	0.00	0.00	0.00
<b>Limited Review:</b>									
Ventura MSA	0	0.00	79.10	0.00	0.00	0.00	0.00	0.00	0.00

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

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

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

\*\*\*\* 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.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS									
Geography: CALIFORNIA									
Evaluation Period: JULY 1, 1999 TO DECEMBER 31, 2002									
MSA/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 MSA	0	0	3	1,373	3	1,373	34.07	0	0
<b>Limited Review:</b>									
Ventura MSA	0	0	3	2,657	3	2,657	65.93	0	0

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

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

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																		
Geography: CALIFORNIA																		
Evaluation Period: JULY 1, 1999 TO DECEMBER 31, 2002																		
MSA/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 MSA	75.10	1	50	0.00	100.00	0.00	0.00	0	0	0	0	0	0	0	1.54	33.12	34.45	30.89
<b>Limited Review:</b>																		
Ventura MSA	24.90	1	50	0.00	100.00	0.00	0.00	0	0	0	0	0	0	0	2.58	29.32	45.01	23.10

