

Pacific Capital Bancorp (NASDAQ: PCBC; Santa Barbara, CA) has agreed to merge with UnionBanCal Corporation (Private; San Francisco, CA)

Deal Value: Approximately \$1.5 billion¹ / \$46.00 per share

Sandler O'Neill provided a fairness opinion to Pacific Capital Bancorp in this transaction. This transaction represents Sandler O'Neill's 62nd bank or thrift transaction since January 1, 2010. Sandler O'Neill has served as a financial advisor or provided a fairness opinion on three of the five whole bank or thrift transactions announced since January 1, 2011 with deal values greater than \$500 million.²

UnionBanCal Corporation and its primary subsidiary, Union Bank, N.A., today announced that UnionBanCal has entered into an agreement to acquire Pacific Capital Bancorp, a bank holding company headquartered in Santa Barbara, California, for \$46 per share in cash. The acquisition, which requires approval from banking regulators in the United States and Japan, is expected to be completed in late 2012.

By acquiring Pacific Capital Bancorp and its primary bank operations, Santa Barbara Bank & Trust, N.A., Union Bank expands its geographic footprint to important areas of the Central Coast. Union Bank will become the leading bank in the Santa Barbara Metropolitan Statistical Area (MSA), fourth in the Oxnard–Thousand Oaks MSA, fourth in the Salinas–Carmel MSA and a top five bank in other Central Coast MSAs. This acquisition will strengthen Union Bank's ability to serve customers through greater scale and distribution in community banking, consumer, commercial and small business lending, and wealth management.

The transaction values Pacific Capital Bancorp at approximately 1.6 times adjusted tangible book value, and reflects the unique strategic value of this acquisition to Union Bank and the opportunity to realize significant operating synergies. Pacific Capital Bancorp's tangible book value is expected to increase significantly upon the close of the transaction from tax-related assets and an increase in the value of the loan portfolio.

Comparable Financial Highlights

(Dollars in millions)

	PCBC
Total Assets	\$5,850
Net Loans	\$3,659
Total Deposits	\$4,617
NPAs / Assets	1.20%
Total Tangible Equity	\$673
Tang. Comm. Equity / Tang. Assets	11.68%
LTM ROAA	1.20%

Transaction Multiples

Price / Stated Book Value	199%
Price / Stated Tangible Book Value	225%
Price / LTM Earnings	21.5x
Market Premium	60%
Core Deposit Premium	22.4%

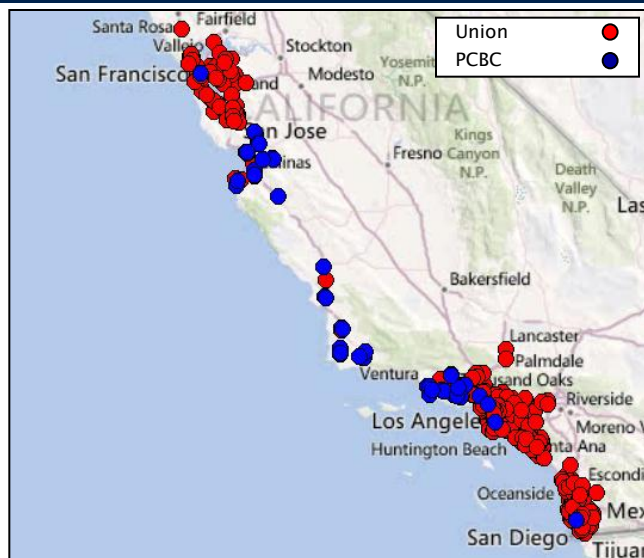
Note: Financial data as of December 31, 2011; market data as of March 9, 2012

¹ Based upon 32.9 million common shares outstanding

² Includes bank or thrift transactions since 2011; excludes terminated transactions and self-advisory roles

Source: SNL Financial

Pro Forma Branch Network



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