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November 12, 2009  
4:00 PM PDT

## **Bank of Santa Barbara Bucks Trend as Local Leaders Purchase it From National Group**

### *A Return to Hometown Personal Banking*

SANTA BARBARA, CA – Bucking the trend of local banks being gobbled up by larger holding companies, today a local investor group announced the completion of a transaction to buy back Bank of Santa Barbara from Capitol Bancorp Limited of Michigan.

Capitol Bancorp Limited first announced plans to divest Bank of Santa Barbara in July, 2009, executing a definitive agreement with an investor group that has deep roots in the Santa Barbara community. With regulatory approvals complete and the transaction closing November 6, Bank of Santa Barbara is now 100% locally owned and operated.

“This reverses the industry trend of losing local decision making for community banks, with the big out-of-area regional or mega-banks taking over the local, more personalized community based institutions. Every one of our investors have a strong commitment to community-based banking and understand the importance of having a local bank, fast decision making by local bankers, and providing the financial support local businesses, non-profits and individuals need right here,” said Eloy Ortega, the new CEO of Bank of Santa Barbara.

“Prior to today, Santa Barbara was again faced with financial products and services being provided by out of area based organizations that frequently don’t understand our local business market. The new Bank of Santa Barbara will focus on serving local professionals, as well as small businesses and non-profit organizations,” Ortega continued.

The Bank will be well positioned as a community bank as the acquisition group includes several well recognized Santa Barbara philanthropists. Investors include the Orfalea Family Foundation, the Hutton Foundation, and Tim and Bernie Marquez of Venoco, Inc. Tom Parker, President of the Hutton Foundation commented, “I know from my past experiences with Eloy that together with the Orfaleas, the Marquezs, and all the other members of our group, we will be able to make a significant difference here in Santa Barbara. We are all very excited about this venture and the potential it has in today’s environment.”

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Ortega was the former President and Chief Executive Officer of City Commerce Bank when it sold to Mid-State Bank in 1999. With the idea of filling the void created by losing that local bank to a regional bank, he gathered a group of local bankers and became the founding President and CEO of Business First National Bank.

“Bringing control of Bank of Santa Barbara back into local hands fulfills the mission initially envisioned for the bank in 2005,” said Tom Caesar, chairman of the board for the Bank since August, 2008.

Since July, with the new team’s oversight, Bank of Santa Barbara has reassessed its balance sheet, taken aggressive steps to resolve troubled assets, and strengthened its reserves. With the completion of this transaction, which includes a significant injection of new capital, the bank will have a Total Risk Based Capital Ratio of approximately 13.5%, compared to a regulatory “Well Capitalized” minimum of 10%. Its Tier 1 Risk Based Capital is 12.5%, compared to a regulatory “Well Capitalized” minimum of 6%.

Since this is a change of control and not a merger with another financial institution, Bank of Santa Barbara will be adding jobs to the community as they bring in-house many of the functions previously performed by the holding company in Michigan and Arizona.

“With today’s technology, we can provide all the products and services you can get from any of our competition, including the big guys,” said Ortega. “But we deliver it with an extremely high level of personalized service and customization.”

Bank of Santa Barbara is a locally owned and managed bank offering a full array of banking products backed by a commitment to quality and personalized service. Business decisions are made by a team of local experienced bankers who are committed to supporting the people and organizations that make Santa Barbara a special place to live and work. Bank of Santa Barbara is located at 12 East Figueroa Street and is open 9 a.m. to 4 p.m. Monday through Friday. For more information visit [www.bankofsantabarbara.com](http://www.bankofsantabarbara.com) or call 805.730.7860.

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