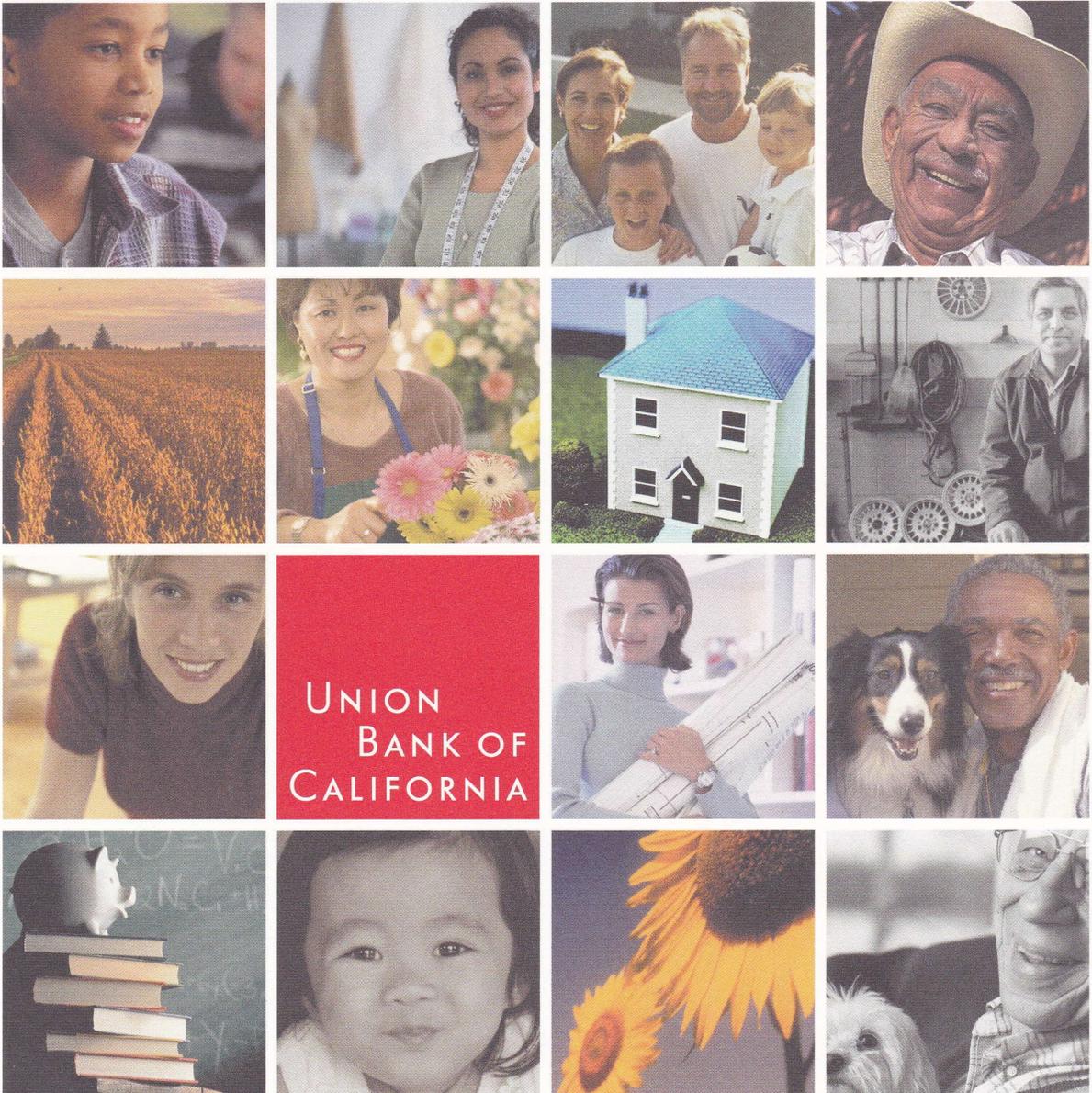
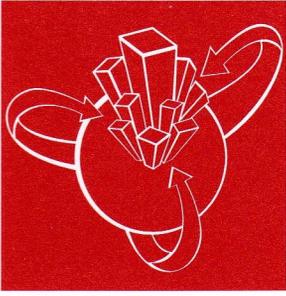


Community Investments 2000





To All Stakeholders in Our Community:

The unprecedented 10-year Community Reinvestment Act commitment of 1996 by Union Bank of California institutionalizes our intention to help vitalize and empower low- and moderate-income neighborhoods in the communities where we do business.

We work hard in all our communities to identify community reinvestment opportunities. As part of our Community Service Action Plan, our Community Development staff actively supports scores of community groups and participates in hundreds of community outreach events every year throughout our markets.

This publication is intended to support our outreach efforts by informing our communities about financial products and services made available by Union Bank of California to low- and medium-income residents and communities.

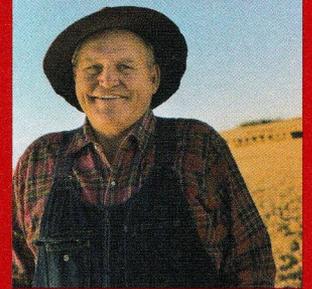
Those products and services fall into five broad categories: community economic development, multi-family housing lending, single-family housing lending, consumer loans and services, and our Minority/Women Vendor Purchasing Program.

As the executive responsible for Corporate Community Development for Union Bank of California, I encourage people in our community to contact my office directly with suggestions, comments, questions or referrals.

Robert McNeely, Senior Vice President
Corporate Community Development
Union Bank of California, N.A.



Union Bank of California, N.A., (UBOC), with assets of \$35.2 billion at year-end 2000, is the second largest commercial bank headquartered in California and one of the 50 largest commercial banks in the country. UBOC, a wholly owned subsidiary of UnionBanCal Corporation (NYSE: UB) and a nationally chartered commercial bank, is regulated by the Federal Reserve Bank and the Office of the Comptroller of the Currency.



The bank, with 250 full-service banking offices in California, Oregon and Washington, provides a comprehensive array of personal and commercial financial products and services to individuals, businesses, government and not-for-profit agencies.

In 1996, when UBOC was formed through the consolidation of The Bank of California and Union Bank, the bank committed a minimum of 4.5% of assets in Community Reinvestment Act-related loan commitments and activities. Based upon the bank's year-end 1999 assets of \$33.68 billion, the commitment for the year 2000 equated to \$1.516 billion. That sum includes a commitment of 2% of net income in charitable contributions distributed through the Union Bank of California Foundation—more than \$9 million in the year 2000.



UBOC's CRA commitment is managed by the bank's Corporate Community Development Department, which reports to the company's vice chairman in charge of Community Banking and Investment Services.



Consumer Loans and Services

Union Bank of California has created a number of consumer loans and services to provide people with modern financial tools and to help them make a transition from unbanked to full banking relationships.

These loans and services include:

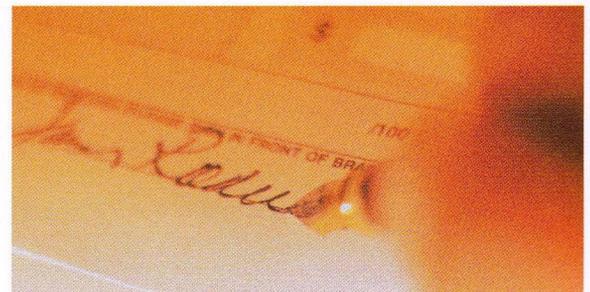
Our **Cash & Save** product, an innovative service offering check cashing as well as traditional and such non-traditional banking services as electronic benefits transfer to people in low- to moderate-income neighborhoods, is rapidly growing in popularity. Between 1999 and 2000, the number of accounts has increased for savings, checking and benefit transfer service by 46.7%, 56.9% and 23.6% respectively. Since 1997, the number of repeat check cashing customers has almost tripled, and the number of check cashing customers who have opened other accounts with our bank has increased by nearly 350% over 3.3 years.



Basic Checking (previously known as the California First Account) is intended for those with minimal checking needs, low-income individuals and students. There is a \$1 minimum to open the account, no minimum balance requirement, and a \$3 monthly service fee.

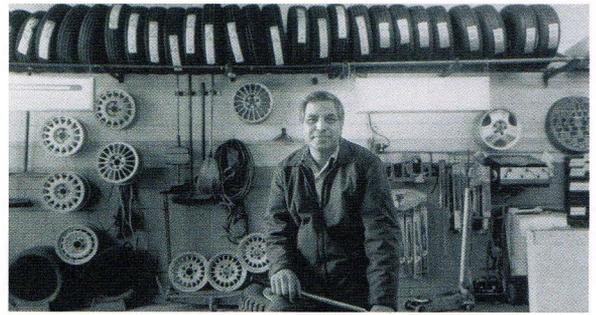
55 PLUS Checking is designed for anyone at least 55 years of age. There is a \$100 minimum to open the account, no monthly service charge, and no balance requirement.

Direct BankingSM, a checking account, is designed for individuals with at least one electronic direct deposit to their account each month who prefer self-service style banking instead of relying upon banking offices. There is a \$100 minimum to open the account, no monthly service charge, and no balance requirement as long as a monthly direct deposit is made.



A new addition to our menu of services to low- and moderate-income customers comes from our investment in Navicert Inc., which operates 52 Nix Check Cashing outlets throughout South Central Los Angeles. We are gradually converting these outlets to add UBOC services, including access to traditional bank accounts and services, as well as ATM access. Although our involvement with Navicert is relatively recent, dating to 2000, we have noted a significant number of Nix Check Cashing client conversions to Union Bank of California customers.

Nix Check Cashing also provides deferred-deposit services, frequently called "payday loans." These products, which provide short-term cash advances against post-dated checks, provide an important service to some inner-city residents. Union Bank of California has been in the forefront of legislative efforts to eliminate certain practices of some payday lenders, including provisions for credit counseling for repeat customers, an upper limit on fees, and limits on the number of advances per customer.

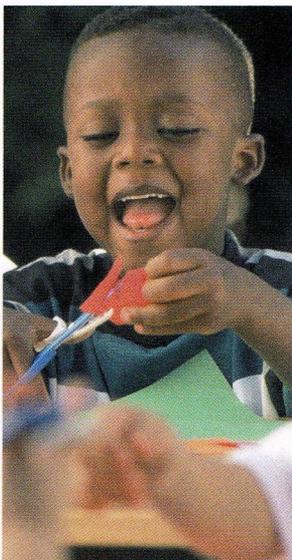


For more information, contact any Union Bank of California branch, or visit our Internet site at <http://www.uboc.com>.



Loans & Services for Non-Profit Organizations

Loans to non-profit organizations comprise an important part of our focus on community economic development. Union Bank of California exceeded its \$149 million target for loans to community-based non-profit organizations and financial intermediaries in 2000. We made 127 loans totaling \$154.7 million to non-profits. One-third of our non-profit lending dollars were for the development of affordable housing units: 435 units in three projects targeted to low-income seniors, 191 units in two projects targeted



to low- to moderate-income (LMI) families, and one LMI condominium project. The remaining dollars were split between community development/service providers, healthcare and health services, education, cultural/arts programs, and religious organizations.

The Bank's non-profit lending efforts have recently been expanded through its retail offices and Government and Not-for-Profit Markets Division. These offices work with non-profit organizations, state, county, and local governments to provide the right balance of lending, deposit, and support services to meet their needs.

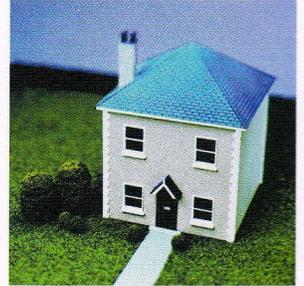
For more information call toll-free: (877) 870-3360.



Single-Family Housing

Union Bank of California offers a number of programs designed to increase direct loans for low- to moderate-income (LMI) people and in LMI geographies, causing the number of loans outstanding in this category to trend upward through the mid- to late-1990's to a combined total of 6,223 loans and more than \$530 million by the year-end 2000.

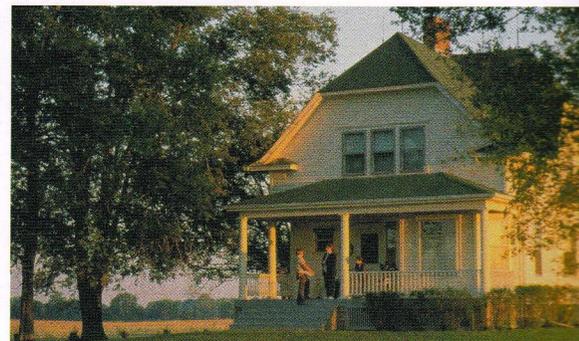
As housing costs have increased dramatically, the ability to purchase housing has become increasingly more difficult for low- to middle-income individuals and families. In 2000, we originated more than 550 loans, totaling more than \$70 million, to qualifying people or in qualifying areas under one of our special programs. While previously, loans were restricted to properties in identified LMI areas or to people earning less than 80% of the area median family income, now these favorable home loan programs are available to people earning up to 100% of the area median family income.



Union Bank of California also recognizes the importance of making loans for self-help housing projects. In 2000, two such projects were funded: one \$4.2 million loan to construct a 43-unit affordable housing complex restricted to farm workers, and another \$3.7 million loan to construct 24 units—50% of which were restricted to self-help (welfare-to-work) housing.

We also continue to participate in a number of “silent second” transactions, in which we make a first trust deed loan and a non-profit organization or city advances all or part of the borrower's down payment. We welcome opportunities to expand into new partnerships.

For more information call toll-free: (866) 825-6267.



Union Bank of California, N.A.
Community Investments 2000



Multi-Family Housing

Given California's high housing costs, Union Bank of California is particularly interested in supporting non-profit organizations dedicated to providing basic shelter for low- and very low-income individuals, and by making loans directly to builders of affordable housing units. In the year 2000, we made 23 donations of more than \$1 million to non-profit organizations providing affordable housing, as well as 15 multi-family affordable housing loans, totaling \$114.7 million—nearly \$15 million more than our target for the year. About one-half of these loans were targeted for specific uses—five of the 15 were for low-income seniors, one was for farm workers, and one was for self-help housing.



We are also committed to purchasing low-income housing tax credits through qualified fund managers, whose goal is to promote affordable housing in our markets. In 2000, we made over \$80 million in low-income housing tax credits bringing total investments at year-end to more than \$297 million.

For more information, contact:

Community Development Finance Division
Union Bank of California
200 Pringle Avenue
Suite 200
Walnut Creek, California 94956

Or call (925) 947-2407.

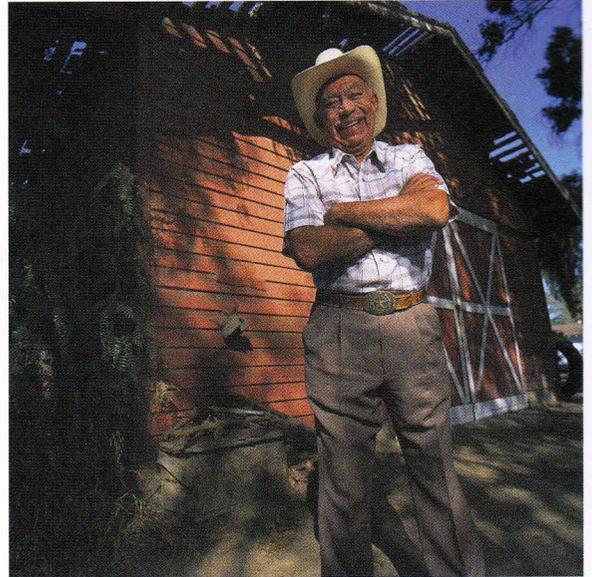




Loans for Small Businesses & Small Farms

For the year 2000, Union Bank of California reported 12,528 small business loans (defined by the Community Reinvestment Act for reporting purposes as up to \$1 million) totaling \$957 million—an average of approximately \$76,000 per loan. Small farm loans (up to \$500,000) averaged roughly twice as large, as UBOC reported 312 loans totaling \$48.5 million.

While the total number of small business and small farm loans reported under the Community Reinvestment Act has nearly doubled over the period 1996 to 2000, the average loan amount has been cut almost in half. The declining average loan amounts are indicative of our efforts to



better meet the credit needs of small businesses. Two products play significant roles in our small business outreach efforts: the Fast Step program and the Business Cash Reserve account.

The Bank's signature **Fast Step**[®] program is a self-documenting loan product for businesses that includes a one-page application for loans up to \$100,000. Fast Step offers both term loan and line of credit alternatives, which can generally be funded in a few days. We issued our first Fast Step loan in 1997, and the volume has grown rapidly. With our new online application for loans up to \$100,000, the popularity and utility of our Fast Step program is expected to continue to grow.

Business Cash Reserve is a credit line tied to a demand deposit account. Business Cash Reserve accounts are available from a \$1,000 minimum to a maximum of \$10,000. These accounts offer small business operators a small line of credit, as well as overdraft protection up to the credit limit. In 2000, UBOC opened 5,421 Business Cash Reserve accounts, totaling \$26.5 million.



In recognition of the importance of developing businesses owned by minorities and women, we established a special program, our **Urban Enterprise Banking® (UEB)** program, targeted specifically toward identifying and assisting small businesses that are at least 51% owned and operated by minorities or women. Features include credit underwriting standards that focus on the borrower's primary repayment sources, while allowing for flexibility in secondary repayment sources, guarantor support, and length of time in business. We expanded our UEB program through the introduction of a new Fast Step UEB application and increased availability through our branch delivery system, which has contributed to significant increases in loan volume—roughly 300 UEB loans were made in 1999, compared to over 900 in 2000.

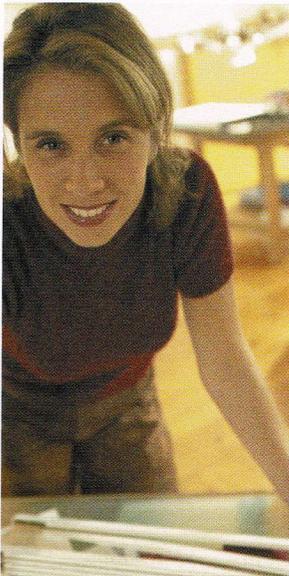
Fast Step applications are available online at <http://www.uboc.com>.



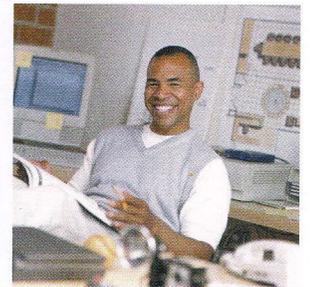
Minority & Women Vendors

Union Bank of California makes a concerted effort to hire outside vendors that are majority-owned either by minorities or women. Since the outset of the program in 1996, spending with women- and minority-owned businesses climbed to more than 26 percent from approximately 13 percent of total annual discretionary expenses.

Our Minority and Women Business Enterprise Department continues to refine and validate its subcontracting reporting process, and facilitates



periodic meetings with majority vendors to encourage subcontracting opportunities using minority vendors.



For more information, contact:

Supplier Diversity Department
Union Bank of California
475 Sansome Street, 16th Floor
San Francisco, California 94111

Or call toll-free (800) 821-5351.

Union Bank of California, N.A.
Community Investments 2000



Contributions

The Union Bank of California Foundation, as focal point for the charitable contributions of Union Bank of California, plays an important role in our community reinvestment commitment.

The Foundation's charge is to make charitable contributions each year totaling up to 2 percent of net income.

Charitable contributions totaled \$9,015,172 in 2000, a 4 percent increase over 1999's total of \$8,676,929.

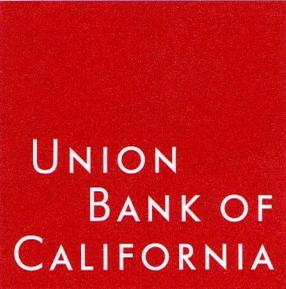
The Foundation focuses its resources primarily in the strategic categories of education, housing and economic development. Our goal is to increase giving in those strategic categories without de-funding worthwhile longstanding grantees in other categories, which include culture and the arts, health, and the environment.



Whenever practicable, the Foundation targets support to community-based organizations and programs that serve low-income individuals, with a special focus on minority populations.

For more information contact:

President, Union Bank of California Foundation
445 South Figueroa Street
Los Angeles, California 90071-1602



UNION
BANK OF
CALIFORNIA

For additional information and updates,
visit us on the Internet at
<<http://www.uboc.com>>.

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